1 AGRO BASED INDUSTRIES

As on 31.3.2007, there were 4 Central public sector enterprises in the agro-based industries group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	National Seeds Corpn. Ltd.	1963
2.	State Farms Corpn. of India Ltd.	1969
3.	Andaman & Nicobar Isl. Forest & Plant. Dev. Corpn. Ltd.	1977
4.	North Eastern Regional Agri. Marketing Corpn. Ltd.	1982

2. The enterprises falling in this group are mainly engaged in producing and selling of Agro-Based Products including the activities such as forestry, growing of rubber plants, red palm trees etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
1.	National Seeds Corpn. Ltd.	153.26	104.84
2.	State Farms Corpn. of India Ltd.	73.24	58.68
3.	Andaman & Nicobar Isl. Forest & Plant. Dev. Corpn. Ltd.	3.92	2.15
4.	North Eastern Regional Agri. Mktg. Corpn. Ltd.	14.93	7.06
	Total	**245.35**	**172.73**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(Rs. in crore)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	National Seeds Corpn. Ltd.	13.05	4.33
2.	State Farms Corpn. of India Ltd.	0.30	–12.39
3.	Andaman & Nicobar Isl. Forest & Plant. Dev. Corpn. Ltd.	–13.40	–12.15
4.	North Eastern Regional Agri. Mktg. Corpn. Ltd.	–1.53	–1.10
	Total	**–1.58**	**–21.31**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and townships are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	4350	4514
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	0.21	0.19
	b. Medical facilities	0.00	0.40
	c. Others	0.51	0.28
3.	Capital cost of township *(Rs. in crore)*	0.00	0.00
4.	No. of houses constructed	677	871

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

AGRO BASED INDUSTRIES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	6200	6200	6200
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	5602	5602	5602
OTHERS	0	0	0
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	7579	7538	6182
TOTAL (A)+(B)+(C)	**13181**	**13140**	**11784**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	603	101	282
(B) UNSECURED LOANS	17392	13618	11412
TOTAL (A)+(B)	**17995**	**13719**	**11694**
(1.3) DEFERRED TAX LIABILITY	0	0	0
TOTAL (1.1)+(1.2)+(1.3)	**31176**	**26859**	**23478**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	9213	8982	8693
(B) LESS DEPRECIATION	5089	4935	4797
(C) NET BLOCK (A-B)	4124	4047	3896
(D) CAPITAL WORK IN PROGRESS	132	53	72
TOTAL (C)+(D)	**4256**	**4100**	**3968**
(2.2) INVESTMENT	907	907	907
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	7953	6650	6906
(B) SUNDRY DEBTORS	5179	3054	2665
(C) CASH & BANK BALANCES	5399	3292	1847
(D) OTHER CURRENT ASSETS	203	140	183
(E) LOAN & ADVANCES	3198	2557	2751
TOTAL (A)+(B)+(C)+(D)+(E)	**21932**	**15693**	**14352**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	8446	6775	6704
(B) PROVISIONS	4010	3152	3001
TOTAL (A+B)	**12456**	**9927**	**9705**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**9476**	**5766**	**4647**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	102	123	126
(2.7) DEFFRED TAX ASSETS	1	610	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	16434	15353	13830
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**31176**	**26859**	**23478**

AGRO BASED INDUSTRIES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	24535	17273	14952
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	24535	17273	14952
(D) OTHER INCOME / RECEIPTS	1282	876	1028
(E) ACCRETION / DEPLETION IN STOCKS	1185	-248	-862
(I) TOTAL INCOME (C+D+E)	**27002**	**17901**	**15118**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	14504	9254	6585
(B) STORE & SPARES	158	140	128
(C) POWER & FUEL	745	645	566
(D) MANUFACTURING / DIRECT / OPERATING EXP.	613	962	839
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	6047	5679	6753
(F) OTHER EXPENSES	1905	1130	990
(G) PROVISIONS	84	17	28
(II) TOTAL EXPENDITURE (A TO G)	**24056**	**17827**	**15889**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	2946	74	-771
(4) DEPRECIATION	321	255	266
(5) DRE. / PREL. EXP. WRITTEN OFF	21	50	23
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	2604	-231	-1060
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	1627	1374	1188
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	62	143	556
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	1689	1517	1744
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**915**	**-1748**	**-2804**
(9) TAX PROVISIONS	969	387	185
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-54	-2135	-2989
(11) NET EXTRA -ORD. ITEMS	104	-4	-425
(12) NET PROFIT / LOSS (10-11)	**-158**	**-2131**	**-2564**
(13) DIVIDEND DECLARED	103	0	0
(14) DIVIDEND TAX	18	0	0
(15) RETAINED PROFIT (12-13-14)	**-279**	**-2131**	**-2564**

AGRO BASED INDUSTRIES
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	18149	7859	7066
(ii)	CAPITAL EMPLOYED	13600	9813	8543
(iii)	NET WORTH	-3355	-2336	-2172
(iv)	COST OF PRODUCTION	26087	19649	17922
(v)	COST OF SALES	24902	19897	18784
(vi)	VALUE ADDED	10313	6986	6811
(vii)	R & D EXPENDITURE	0	0	0
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	4350	4514	4650
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	11584	10484	12102
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	1.37	1.04	0.99
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.60	2.32	2.14
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	0.68	0.02	-0.17
(iv)	SUNDRY DEBTORS : SALES (No. of days)	77.05	64.53	65.06
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	118.31	140.52	168.59
	(ii) SEMI / FINISHED GOODS : SALES	112.20	129.01	157.92
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.44	0.43	1.66
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	180.40	176.02	175.02
(viii)	PBDITEP : CAPITAL EMPLOYED	21.66	0.75	-9.02
(ix)	PBITEP : CAPITAL EMPLOYED	19.15	-2.35	-12.41
(x)	COST OF SALE : SALES	101.50	115.19	125.63
(xi)	MATERIAL COST : SALES	59.12	53.57	44.04
(xii)	SALARY & WAGES : SALES	24.65	32.88	45.16
(xiii)	R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv)	PBITEP : SALES	10.61	-1.34	-7.09
(xv)	PBTEP : NET WORTH	-27.27	74.83	129.10
(xvi)	NET PROFIT : NET WORTH	4.71	91.22	118.05
(xvii)	GROSS MARGIN : GROSS BLOCK	31.98	0.82	-8.87

A&N Islands Forest and Plantation Dev. Corpn. Ltd. (ANIFPDC)

1. Company Profile

ANIFPPDC was incorporated in the year 1977 under the Companies Act, 1956 with the main objective of scientific harvesting, natural re-generation and development of forest resources on the principle of sustained yield. The company was established as per the recommendations of the National Commission on Agriculture 1972. ANIFPDC is a Schedule-'C' PSE in Agro Based Industries sector under the administrative control of M/o Environment and Forests with 100% shareholding by the Government of India with its Registered and Corporate offices at Port Blair, Andaman and Nicobar.

2. Industrial / Business Activities

ANIFPDC is engaged in Forestry operation, Cultivation and Marketing of Red Oil Palm and Rubber Plantation. The company has four operating units viz. Forestry Divisions (one each at Little Andaman and North Andaman), Oil Palm Division at Hut Bay, Little Andaman and Rubber Division at Katchal. The forestry operation at both the divisions have however been completely stopped due to the ban imposed by the Supreme Court of India vide its order dated 10th October, 2001.

3. Production / Operational Profile

The performance details of production of Crude Palm Oil and Rubber are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Crude Palm Oil	MT	1073	652	1475	1066.67
Rubber	MT	138	170	189	165.67

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
1	2	3	4	5
Turnover	3.92	2.15	5.38	82.33
Cost of Production	18.50	15.37	18.90	20.36
Net Profit/ Loss(-)	-13.40	-12.15	-13.13	10.29
Net worth	-36.03	-22.62	-10.48	59.28
Paid up capital	3.59	3.59	3.59	0
Share of Central Govt.	3.59	3.59	3.59	0

5. Key Performance Factors

ANIFPDC recorded an increase in turnover during 2006-07 compared to previous year mainly due to higher production of Crude Palm Oil. Its losses also increased during this period on account of increase in expenses mainly interest on secured loan and traveling expenses.

During the year 2006-07, the Government of India sanctioned and paid a loan of Rs. 39.88 crore to the corporation to meet its statutory requirements of payment of salaries, wages and, PF dues etc.

The accumulated losses of the company as on 31.3.2007 were more than 75% of the networth.

6. Human Resource Development (HRD)

The enterprise employed 1607 regular employees (executives 11 and non-executives 1596) as on 31.3.2007. About 0.44% employees had professional qualifications. Around 39.95% employees belong to the age group of 51 and above years.

The company identified 739 employees as surplus during the year; 49 employees retired during the year on superannuation.

7. Strategic Issues

The A&N Forest Department has awarded the work related to extraction of timber from various forest areas in Andaman & Nicobar Islands according to approved Working plan at the rate of Rs. 1864 per cbm which is lower than the actual working cost of the corporation. The matter has been taken up with the A&N Forest Department which is under consideration.

National Seeds Corporation Ltd. (NSC)

1. Company Profile

NSC was incorporated on 19.3.1963 under the Companies Act, 1956 and development of seed industry in the country for promotion and than contribute to the prosperity of farmers through supply of quality seeds (and other agro inputs/ services) and enhance agricultural productivity. NSC is a Schedule-'C' CPSE in Agro Based Industries sector under the administrative control of M/o Agriculture, D/o Agriculture and Cooperation with 100% shareholding by the Government of India. Its Registered and Corporate offices are in Delhi.

2. Industrial / Business Activities

NSC is involved in production and marketing of quality seeds, planting materials and sale of Bio-fertilizer through its three farms located at Bangalore (Karnataka), Nandikottur (Andhra Pradesh) and Kullu (Himachal Pradesh) and 12 Regional Offices and 76 Area offices spread all over India.

3. Production / Operational Profile

The product range of the company comprises 803 varieties of 80 different crops and Hybrids of cereals, millets, pulses, oilseeds, fodder, fiber and vegetables. The performance details are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
SEEDS	Qtls.	687349 (104.67)	462258 (80.29)	459466 (79.81)	536358 (88.26)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	153.26	104.84	79.84	46.18
Cost of Production	140.77	101.25	83.26	39.03
Net Profit/ Loss(-)	13.05	4.33	1.37	201.39
Dividend declared (as% of PBT)	5.17	0.00	0.00	516.55
Net worth	47.66	35.36	27.43	34.79
Paid up capital	20.62	20.62	20.62	0
Share of Central Govt.	20.62	20.62	20.62	0

5. Key Performance Factors

During the year 2006-07 turnover and gross profit increased by 46.2% and 44.36% respectively.

The increase in turnover and profitability is attributed to increase in productivity sale per employee along with reduction in expenditure and technology change etc. Around 37% of the company's turnover comes through purchase preference policy.

The company has introduced performance awards for regional and area offices, and introduced smart card based attendance system at the headquarters.

The market share of the company in seeds was 5% during 2006-07 as compared to 3.75% in the previous year.

The company received Rs. 80 lakhs towards construction of Seed Stores and establishment of Seed Testing Laboratories from the Government.

The Earning Per Share (EPS) of the company was Rs.633 during 2006-07 as against Rs.210 in the previous year.

The company scored 'Excellent' MOU rating during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 712 regular employees (executives 156 & non-executives 556) as on 31.3.2007 as against 745 employees as on 31.3.2006. About 31% of the employees were having professional qualifications. Around 51% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following both the IDA 1997 and CDA 1996 pattern of remuneration. While a total 27 employees retired and one employee joined the company during the year.

As many as 234 employees were identified as surplus manpower during the year. 8 employees availed of VRS and an amount of Rs. 0.23 crore was spent on VRS from internal resources. Since the introduction of VRS a total number of 888 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4, out of which 2 were part time Non-official Directors / professionals and one each full time Functional Director and Government / official Director.

7. Strategic Issues

The company is moving towards production and marketing of non cereals, more hybrids, potato seed tubers and distribution of planting materials / plantlets. It has initiated establishment of tissue culture unit also.

The study done by the National Productivity Council (NPC) on manpower and organization at restructuring is under examination. The process to obtain ISO certification has been also initiated.

The company has signed; MOU with Cargil and ITC; for supply of NSC Seeds; through Sathi and e-choupal networks respectively. Another MOU has also been signed with SBI for seed production financing.

Research & Development (R&D)

The company has received a grant of Rs.80 lakhs from the Government during the year towards construction of Seed Stores and establishment of Seed testing Laboratories.

North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC)

1. Company Profile

NERAMAC was incorporated in the year 1982 under the Companies Act, 1956 with the main objective to manufacture, process, market, transport, distribute and promote the horticulture products and other related articles/agro products and to function as agents of the Government Cooperatives, Corporations or any other agencies in the North Eastern Region. NERAMAC is a Schedule "B" / BIFR referred CPSE in Agro Based Industries Sector under the administrative control of Ministry of Development of North Eastern Region with 100% shareholding by the Government of India. Its Registered and Corporate Offices are at Guwahati, Assam. BIFR declared the company 'no longer sick'; on its net worth becoming positive.

2. Industrial / Business Activities

NERAMAC is mainly involved in trading and marketing activities along with production of Agro products like fruit juice, cashew nut, ginger etc. through its 3 operating units at Nalkata, Agartala (Tripura) and Byrnihat (Meghalaya).

3. Production / Operational Profile

The brief details of major products are as follows:

Major Products / Services	Unit	Production during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Juice Concentrate	MT	20.608	10.465	35.319	22.131
Finished Cashew Nut	MT	9.300	5.160	10.300	8.253

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	14.93	7.06	6.77	111.47
Cost of Production	16.71	8.59	8.06	94.53
Net Profit/ Loss(-)	-1.53	-1.10	-0.78	39.09
Net worth	-0.04	7.40	3.05	-100.54
Paid up capital	7.62	7.62	7.62	0
Share of Central Govt.	7.62	7.62	7.62	0

5. Key Performance Factors

Despite increase in turnover there was increase in losses during the year.

Company scored 'Fair 'MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 74 regular employees (executives 32 & non-executives 42) as on 31.3.2007. Around 22% employees belong the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following both the IDA 1997 and the CDA 1996 patterns of remuneration. Up to 31.3.2007; a total of 22 employees availed VRS and the Company was having 'outstanding dues' of Rs.40.80 lakhs on account of Salary & Wages.

7. Strategic Issues

The corporation owns 1.64 bighas of lands under Kailashahar sub-division, Tripura, 4000 sq.m plot at Bymihat, Meghalaya and 1.54 Bighas under district Kamrup, Assam which was allotted free of cost by the state government. of Tripura, Maghalaya and Assam respectively whose value has been taken as 'nil' in the account books of the company.

State Farms Corporation of India Ltd. (SFCI)

1. Company Profile

SFCI was incorporated in May, 1969 under the Companies Act, 1956 with the objective to maintain Central Government agriculture farms in different states; for production and distribution of quality seeds of different crops. SFCI is a Schedule-'C' PSE in Agro Based Industries sector under the administrative control of M/o Agriculture, D/o Agriculture and Co-operation with 100% shareholding by the Government of India. Its Registered and Corporate offices are in New Delhi.

2. Industrial / Business Activities

SFCI is maintaining 6 central state farms for production of Test stocks, Breeder, Foundation and certified seeds of different crops. The company also undertakes activities like plantation and maintenance of fruit crops, multiplication of quality seeding of Horticultural crops, production of vegetable seeds, cultivation of Bio-fuel & Medicinal plants and forestry plantations on wastelands. The land under possession at these 6 farms is 25736 ha., out of which cultivable land is 19616 ha. The Central Government owns 4 Farms namely Suratgarh, Sardargarh and Jetsur in Rajasthan and one in Raichur, Karnataka; other 2 farms are in Hisar, Haryana and Bahraich in U.P and on lease from respective state Governments.

3. Production / Operational Profile

The product range of the company comprises paddy, cotton, pulses, wheat etc. The performance details of seed production for different crops are as follows:

Major Products	Unit	Seed production during			Average of three years
		2006-07	2005-06	2004-05	
Kharif crops	Qntls.	64575	58077	40563	54405
Rabi crops	Qntls.	160081	129975	119840	136632
Sugarcane	Qntls.	97517	123874	152894	124762

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	73.24	58.68	57.53	24.81
Cost of Production	84.89	71.28	69.00	19.09
Net Profit/ Loss(-)	0.30	-12.39	-13.10	-102.42
Net worth	-45.14	-43.50	-41.72	3.77
Paid up capital	24.19	24.19	24.19	0
Share of Central Govt.	24.19	24.19	24.19	0

5. Key Performance Factors

Test Stock Seed Production increased by 66%, Breeder Seed Production by 230%, Growers Seed Production by 150% and Total Seed Production at Farms increased by 17% during 2006-07 over the previous year. The overall seed production including Growers as well as at Farms increased by 60% during this period. The turnover increased by 47.72% over the previous year. The company turned in to profit making during 2006-07 from loss incurring in the previous year.

The increase in turnover and profitability is attributed to effective controlling of product mix of crops, increase in cultivated area and productivity and cost control measures.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1983 regular employees (executives 321 & non-executives 1662) as on 31.3.2007 as against 2888 employees as on 31.3.2006. About 1.56 % of the employees were having professional qualifications. Around 24.81%

employees belong to the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 24 employees retired during the year. In addition, 3 skilled employees also left the company. However, 7 new skilled employees joined during the year.

During the year, 205 employees availed VRS and an amount of Rs.1.10 crore was spent in this regard of which 0.57 crore was from internal resources. Since the introduction of VRS a total of 753 employees have retired under this scheme.

The total number of Directors in the company, as on 31.3.2007 was 4, out of which 2 were part time Non-official Directors / professionals and one each full time functional Director and Government / official Director.

7. Strategic Issues

SFCI has been appointed by the Government of India (GOI) as a Nodal Agency to maintain the Foundation Seed Bank. GOI has also assigned the job of popularizing new seed of high yielding varieties for spreading the same among farmers. Growers Seed Production programme is being taken up in the new areas of the country mainly where company's Farms are not located.

Restructuring Plan

The company was referred to BRPSE which recommended a revival plan for the company with a capital investment of Rs.37.63 crore alongwith other concessions like conversion of loan into equity and waiver of penal charges etc. Approval of the Government is yet to be obtained.

Research & Development (R&D)

For higher production of various categories of seeds, latest technological up-gradation and innovative techniques are adopted in colleboration with Agricultural Universities and Agriculture Research Centres.

2 POWER GENERATION

As on 31.3.2007, there were 7 Central public sector enterprises in the Power Generation group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	National Hydroelectric Power Corpn. Ltd.	1975
2.	NTPC Ltd.	1975
3.	North Eastern Electric Power Corporation Ltd.	1976
4.	Nuclear Power Corporation of India Ltd.	1987
5.	Satluj Jal Vidyut Nigam Ltd.	1988
6.	Tehri Hydro Development Corporntion Limited	1988
7.	Narmada Hydroelectric Dev. Corpn. Ltd.	2000

2. The enterprises falling in this group are mainly engaged in generation and distribution of all kinds of power such as hydel, thermal and nuclear (excluding solar).

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
(1)	(2)	(3)	(4)
1.	National Hydroelectric Power Corpn. Ltd.	1754.12	1614.11
2.	NTPC Ltd.	32595.27	26904.91
3.	North Eastern Electric Power Corpn. Ltd.	827.75	839.62
4.	Nuclear Power Corpn. of India Ltd.	3592.10	3567.06
5.	Satluj Jal Vidyut Nigam Ltd.	1618.23	1371.50
6.	Tehri Hydro Dev. Corpn. Ltd.	444.16	0.00
7.	Narmada Hydroelectric Development Corporation Limited	748.54	335.98
	Total	**41580.17**	**34633.18**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	Net Profit/Loss 2005-06
1.	National Hydroelectric Power Corpn. Ltd.	924.80	742.75
2.	NTPC Ltd.	6864.71	5820.20
3.	North Eastern Electric Power Corpn. Ltd.	218.64	198.55
4.	Nuclear Power Corpn. of India Ltd.	1570.78	1712.97
5.	Satluj Jal Vidyut Nigam Ltd.	732.71	498.22
6.	Tehri Hydro Dev. Corp. Ltd.	117.48	0.00
7.	Narmada Hydroelectric Development Corporation Limited	454.31	106.10
	Total	**10883.43**	**9078.79**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	56996	57311
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	200.96	278.83
	b. Medical facilities	167.67	97.35
	c. Others	162.00	122.93
3.	Capital cost of township *(Rupees in crore)*	1773.14	1519.72
4.	No. of houses constructed	46932	45521

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

GENERATION

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	5500000	5500000	5400000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	3656905	3530839	3384749
OTHERS	467949	461699	422257
(B) SHARE APPLICATION MONEY	20962	42947	138413
(C) RESERVES & SURPLUS	6264815	5635350	5007407
TOTAL (A)+(B)+(C)	**10410631**	**9670835**	**8952826**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	2850312	2305018	2109322
(B) UNSECURED LOANS	2673085	2343696	2172684
TOTAL (A)+(B)	**5523397**	**4648714**	**4282006**
(1.3) DEFERRED TAX LIABILITY	12	7644	13
TOTAL (1.1)+(1.2)+(1.3)	**15934040**	**14327193**	**13234845**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	10329091	8830440	7942099
(B) LESS DEPRECIATION	3581790	3193267	2845678
(C) NET BLOCK (A-B)	6747301	5637173	5096421
(D) CAPITAL WORK IN PROGRESS	4706006	4617785	4086829
TOTAL (C)+(D)	**11453307**	**10254958**	**9183250**
(2.2) INVESTMENT	2324171	2719734	2856038
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	332191	314595	220842
(B) SUNDRY DEBTORS	328228	228563	281763
(C) CASH & BANK BALANCES	2050428	1280737	1235818
(D) OTHER CURRENT ASSETS	172498	149355	151050
(E) LOAN & ADVANCES	603097	417304	362948
TOTAL (A)+(B)+(C)+(D)+(E)	**3486442**	**2390554**	**2252421**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	850285	774335	755161
(B) PROVISIONS	418294	275981	309093
TOTAL (A+B)	**1268579**	**1050316**	**1064254**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**2217863**	**1340238**	**1188167**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	-61301	4630	2511
(2.7) DEFFRED TAX ASSETS	0	7633	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	4879
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**15934040**	**14327193**	**13234845**

GENERATION
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	4158017	3463318	2943454
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	4158017	3463318	2943454
(D) OTHER INCOME / RECEIPTS	403116	370963	410764
(E) ACCRETION / DEPLETION IN STOCKS	0	0	0
(I) TOTAL INCOME (C+D+E)	**4561133**	**3834281**	**3354218**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	122446	112511	93687
(B) STORE & SPARES	9061	9626	4165
(C) POWER & FUEL	1673380	1667096	1392946
(D) MANUFACTURING / DIRECT / OPERATING EXP.	176271	152222	155578
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	190602	157007	142674
(F) OTHER EXPENSES	421023	160183	34629
(G) PROVISIONS	10048	5310	3113
(II) TOTAL EXPENDITURE (A TO G)	**2602831**	**2263955**	**1826792**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	1958302	1570326	1527426
(4) DEPRECIATION	378063	326799	305019
(5) DRE. / PREL. EXP. WRITTEN OFF	982	1108	969
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1579257	1242419	1221438
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	689	982	14914
(B) ON FOREIGN LOANS	48544	37277	34710
(C) OTHERS	354611	227085	324799
(D) LESS INTEREST CAPITALISED	117685	63829	84985
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	286159	201515	289438
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1293098**	**1040904**	**932000**
(9) TAX PROVISIONS	211183	98902	53656
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	1081915	942002	878344
(11) NET EXTRA -ORD. ITEMS	-6428	34123	5869
(12) NET PROFIT / LOSS (10-11)	**1088343**	**907879**	**872475**
(13) DIVIDEND DECLARED	379060	328675	264038
(14) DIVIDEND TAX	57181	46201	35684
(15) RETAINED PROFIT (12-13-14)	**652102**	**533003**	**572753**

GENERATION

MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	9669213	8579938	8042741
(ii)	CAPITAL EMPLOYED	8965164	6977411	6284588
(iii)	NET WORTH	10471932	9666205	8945436
(iv)	COST OF PRODUCTION	3268035	2793377	2422218
(v)	COST OF SALES	3268035	2793377	2422218
(vi)	VALUE ADDED	2353130	1674085	1452656
(vii)	R & D EXPENDITURE	1269	1461	1871
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	56996	57311	56757
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	27868	22830	20948
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	0.53	0.48	0.48
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	4.10	3.09	2.98
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	34.36	27.40	26.91
(iv)	SUNDRY DEBTORS : SALES (No. of days)	28.81	24.09	34.94
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	29.16	33.16	27.39
	(ii) SEMI / FINISHED GOODS : SALES	2.46	0.98	0.53
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	2.86	1.33	0.74
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	46.38	49.64	46.84
(viii)	PBDITEP : CAPITAL EMPLOYED	21.84	22.51	24.30
(ix)	PBITEP : CAPITAL EMPLOYED	17.62	17.81	19.44
(x)	COST OF SALE : SALES	78.60	80.66	82.29
(xi)	MATERIAL COST : SALES	2.94	3.25	3.18
(xii)	SALARY & WAGES : SALES	4.58	4.53	4.85
(xiii)	R & D EXPENDITURE : SALES	0.03	0.04	0.06
(xiv)	PBITEP : SALES	37.98	35.87	41.50
(xv)	PBTEP : NET WORTH	12.35	10.77	10.42
(xvi)	NET PROFIT : NET WORTH	10.39	9.39	9.75
(xvii)	GROSS MARGIN : GROSS BLOCK	18.96	17.78	19.23

Narmada Hydroelectric Development Corpn. Ltd. (NHDC)

1. Company Profile

NHDC was incorporated on 1.8.2000 under the Companies Act, 1956 with the objective to plan, promote, organize and integrate an efficient development of Hydropower potential of Narmada river and its tributaries in Madhya Pradesh with modern methodology and latest technology as well as integrated project management system and to undertake all activities related to hydropower generation and distribution including construction of transmission lines etc.

NHDC is an uncategorised PSE in Power sector under the administrative control of M/o Power. 51% equity is held by its holding company namely National Hydroelectric Power Corp. Ltd. (NHPC). The balance 49% shareholding of the company is with State Government of Madhya Pradesh. Its Registered and Corporate offices are at Bhopal, Madhya Pradesh.

2. Industrial / Business activities

NHDC is one of the subsidiary enterprises engaged in generation and distribution of Hydro-Electricity. Currently company is running two projects namely Indira Sagar Project (ISP) and Omkareshwar Project (OSP) in Madhya Pradesh.

3. Production / Operational Profile

The company is in implementation of Hydro Power Project and generation of power. The performance details of the company in power generation are as follows:

Major Products / Services	Unit	Production during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Power (electricity)	MUs	2605.58	2573.36	1331.85	2170.26

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	749	336	178	123
Cost of Production	249	225	138	11
Net Profit/ Loss(-)	454	106	34	328
Dividend declared (as% of PBT)	20	18	16	10
Net worth	3595	3213	2809	12
Paid up capital	1963	1963	1632	0
Share of Holding Co.	1002	1002	834	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to the revision of tariff by the Central Electricity Regulatory Commission(CERC). Depreciation is charged on straight-line method following the rates notified by the CERC for the purpose of fixation of tariff.

Financing charges of the company increased by about 30% during 2006-07 compared to previous year.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.231.48.

6. Human Resource Development (HRD)

The enterprise employed 646 regular employees (executives 383 & non-executives 263) as on 31.3.2007. About 42.57% of the employees were having professional qualifications. Around 13% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 4 employees retired during the year. Further 93 skilled and 19 unskilled employees also left the company in attrition. However, 72 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which one was part time Non-official Director / professional and 4 Government / official Directors

7. Strategic Issues

The company aims at harnessing the vast Hydro potentials in Madhya Pradesh.

Sale of energy is accounted for as per tariff notified by the CERC. In case of power stations where tariff is not notified, sales are billed on provisional rates worked out based on parameters and method adopted by the appropriate authority.

National Hydroelectric Power Corporation Ltd. (NHPC)

1. Company Profile

NHPC was incorporated on 7.11.1975 under the Companies Act, 1956 with an objective/ mission to become a world class, diversified and transnational organization for sustainable development of hydro power and water resources with strong environment conscience. NHPC is a schedule-'A' CPSE in power sector under the administrative control of M/o Power with 95.30% shareholding by the Government of India. Its Registered and Corporate offices are at Faridabad, Haryana.

2. Industrial / Business Activities

NHPC is engaged in generation of hydroelectric power through its 9 operating power stations at Baira Siul and Chamera (I&II) in Himachal Pradesh, Loktak in Manipur, Salal and Uri in Jammu & Kashmir, Tanakpur and Dhauliganga in Uttaranchal, Rangit in Sikkim and Indira Sagar in Madhya Pradesh besides a number of projects under execution in different parts of the country. The company is having one subsidiary joint venture namely Narmada Hydroelectric Development Corp. Ltd. (NHDC) with 51% equity.

3. Production / Operational Profile

The company is involved in generation of power and to survey, investigate, construct, operate & maintain hydroelectric power projects. The performance details of power generation are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Generation of Electricity	M U	13049 (94.12)	12567 (98.16)	11286 (95.30)	12301 (95.86)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1754	1614	1450	9
Cost of Production	1092	1155	1063	-5
Net Profit/ Loss(-)	925	743	685	25
Dividend declared (as% of PBT)	25	27	18	-7
Net worth	17794	16292	15172	9
Paid up capital	11198	10215	9426	10
Share of Central Govt.	11198	10215	9426	10

5. Key Performance Factors

The increase in turnover is attributed to increase in AFC, incentive, FERV, SE and other components etc and commissioning of Dhauliganga Power Station.

The profitability increased due to increase in turnover, decrease in generation, administration and distribution expenses as well as in interest and finance charges.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 0.88.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 12768 regular employees (executives 3251 & non-executives 9517) as on 31.3.2007. About 26.64% of the employees are having professional qualifications. Around 33.40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 95 employees retired during the year. Further one skilled employee also left the company on other ground .

During the year, 1559 employees were identified as surplus manpower. 34 employees retired under VRS and amount of Rs. 3.20 crore was spent in this regard. Since the introduction of VRS, a total of 1120 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6, out of which 2 were Government/ official Directors.

7. Strategic Issues

Restructuring Plan

Government of India has approved disinvestment of NHPC subject to limit of 24% of its paid up capital.

Board of Directors have approved on 13.3.2007, the closure of two projects namely Devade (6 MW) in Maharashtra and Cauvery Basin Projects in Tamil Nadu and Karnataka.

Project Implementation

As per the decision of Ministry of Power, Govt. of India, Loktak Downstream Project (66 MW) is proposed to be implemented under Joint Venture between NHPC and Govt. of Manipur.

NHPC has proposed to Govt. of Jammu & Kashmir for implementation of Kiru, Ratle and Kwar projects in Joint Venture with them.

NHPC has planned to invest Rs. 28,000 crore during XIth Plan period to cover the expenditure on its various projects : construction/completion of 12 ongoing projects with aggregate capacity of 5322MW; taking up implementation of 8 new projects with aggregate capacity of 5861MW; and taking up survey investigation for preparation of Feasibility Report/Detailed Project Report of 10 new projects with aggregate capacity of 4150MW.

NHPC has signed Memorandum of Agreement on 21.9.2006 with the Government of Arunachal Pradesh for implementation of Tawang-I (750MW) and Tawang-II(750MW) H.E. Projects by the company in Central sector on Build, Own, Operate and Maintain basis.

Research & Development (R&D)

With a view to assess and optimize the power station performance, Energy Audit of Tanakpur & Loktak Power Station were taken during 2006-07. Further R&D initiatives taken during the year include Solar Power as an alternative source, Ecological Study of Teesta River, Cooperation/Coordination between IRTCES, China & NHPC, Clean Development Mechanism(CDM), National R&D Project-Development of Silt Resistant Material for Turbine of Hydro Generators, standardization of measuring & testing instruments at project as well as regional level etc. The R&D expenditure of the company constituted 0.01% of turnover.

Environment and Ecology

As a part of Public Consultation process, one day Workshop was organised by NHPC to seek the suggestions / comments of various stakeholders and financial institutions/ State Govts. etc. on draft of Resettlement & Rehabilitation (R& R) Policy of NHPC.

Study entitled “Valuation of the Socio-Economic and Environmental Costs and Benefits of Hydro Projects in India: Case Study of two Selected Projects” was entrusted to TERI, New Delhi. The objective of the study was to address the issues relating to the payment of Net Present Value (NPV), distortions in current NPV regime and reforms needed in the current regime.

North Eastern Electric Power Corpn. Ltd. (NEEPCO)

1. Company Profile

NEEPCO was incorporated on 2.4.1976 under the Companies Act, 1956 with an objective to plan, promote, investigate, survey, design, construct, generate, operate and maintain hydro and thermal / gas power stations and to explore and utilise the power potential of the North Eastern Region (NRE) in particular and also to improve socioeconomic condition of the people of NRE by providing road communication, tele-communication, extending medical and educational facilities, offering employment opportunities and promotion of industrial growth.

NEEPCO is a Schedule-‘B’ CPSE in Power sector under the administrative control of M/o Power with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Shillong, Meghalaya.

2. Industrial / Business Activities

NEEPCO is engaged in construction of power projects and consequent generation and sale of electricity from its 5 operating units at Umrongso, district N.C.Hills and Bokuloni district Dibrugarh in Assam, Ramchandranagar, district West Tripura in Tripura, Doyang, district Wokha in Nagaland and Yazali, district lower subansiri in Arunachal Pradesh.

3. Production / Operational Profile

The company is engaged in production of power. The performance details are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Electricity	M U	4566 (69.48)	5260 (80.04)	5195 (79.05)	5007 (76.19)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	828	840	799	-1
Cost of Production	741	677	606	9
Net Profit/ Loss(-)	219	199	196	10
Dividend declared (as% of PBT)	32	23	11	37
Net worth	3285	2741	2453	20
Paid up capital	2459	2198	2098	12
Share of Central Govt.	2459	2198	2098	12

5. Key Performance Factors

The decrease in turnover and profitability is attributed to break-down of Ranganadi HEP & Kopil HEP for over two months & shortage of rain fall. However, during the year there was increase in margin due to higher increase in efficiency and reduction in Interest and finance charges owing to repayment of loan and increase in other income due to recovery of delayed payment surcharges from beneficiaries. Provision against tariff revision was made in anticipation of reduction of tariff.

Due to the decision of the Government to abandon the Tripura Gas Based Power Project, the interest on bonds amounting to Rs. 394.55 lakhs for the year 2006-0 was charged to revenue during the period in compliance of AS – 16.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.93 as against Rs. 91.04 in the previous year. During the year face value of shares reduced from Rs1000/- to Rs.10/-.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 3236 regular employees (executives 1016 & non-executives 2220) as on 31.3.2007. About 26.89% of the company employees are having professional qualifications Around 23.18% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 35 employees retired during the year. Further 77 skilled and one unskilled employee also left the company.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 7 was Government / Official Directors.

7. Strategic Issues

Project Implementation

An expenditure of Rs.17.50 crore was incurred for Tuival Hydro Electric Project in Mizoram. In view of the intention of the Government of Mizoram to take back the project for execution in the State sector, all construction activities for the project had been suspended from 16.6.2004. Necessary arrangements are being made to hand over the project to the State Government.

NTPC Ltd. (NTPC)

1. Company Profile

NTPC was incorporated on 7.11.1975 under the Companies Act, 1956 with an objective to develop and provide reliable power, related products and services at competitive prices, integrating multiple energy sources with innovative and eco-friendly technologies and contribute to society. It is a schedule-'A' / Navratna CPSE in Power sector under the administrative control of M/o Power with

89.50% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NTPC is engaged in an integrated and efficient development of Thermal / Hydro power and power through Non-Conventional / Renewable energy sources in India and abroad including planning, construction, generation, operation, maintenance, transmission, distribution etc. in accordance with national economic policies and objectives. The company diversified across the power value chain in India by considering backward and forward integration into areas such as power trading, transmission, distribution, coal mining, coal benefication etc.

NTPC has 26 stations / projects consisting of 15 coal based power plants (3 projects) and 7 gas / liquid gas fuel based power plants (one joint venture) at Delhi, U.P., Rajasthan, Haryana, Gujarat, Kerala, Himachal Pradesh, Chhattisgarh, Uttaranchal, Andhra Pradesh, Orissa, Madhya Pradesh, Bihar and West Bengal.

It has five wholly owned subsidiaries namely Pipavav Power Development Co. Ltd., NTPC Electric Supply Co. Ltd., NTPC Vidyut Vyapar Nigam Ltd., NTPC Hydro Ltd. and Vaishali Power Generating company Ltd. The company also has 7 joint venture projects with a share holding of 50% in 5 JVs and 8% and 28.33% respectively in two JVs.

3. Production / Operational Profile

The service range of the company comprises of generation and supply of coal and Gas based power. The Average Capacity Utilization for coal based power plants was 89.43% and Gas based 71.90% during 2006-07. The performance details of electricity generation by the company are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)@			Average of three years
		2006-07	2005-06	2004-05	
Generation of electricity	MW	188674 (89.43)	170880 (87.54)	159110 (87.51)	172888 (88.16)

@ Coal based.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	32595	26905	22565	21
Cost of Production	26484	22658	19478	17
Net Profit/ Loss(-)	6865	5820	5807	18
Dividend declared (as% of PBT)	30	34	33	-12
Net worth	49253	45399	41776	8
Paid up capital	8245	8245	8245	0
Share of Central Govt.	7380	7380	7380	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to addition of new generation capacity, increase in revenue due to revision of tariff for NTPC stations, increase in other income (from banks and others) and impact of prior period adjustments.

Tariff for sale of power from NTPC's stations is regulated and determined by Central Electricity Regulatory Commission (CERC). Turnover of the company depends on the tariff as well as total generation of electricity.

NTPC contributes more than one-fourth of India's total power generation with around one-fifth capacity Projects in NTPC implemented at optimum cost and time, run with desired quality through Integrated Project Management and Control System. With 20% share of total installed capacity of the nation, NTPC contributed 28.5% of the electricity generation in the country during 2006-07.

The company has availed of a cumulative Government Guarantee of Rs.3097.02 crore as on 31.3.2007.

The Earning Per Share of the company during 2006-07 was Rs.8.33. The share price of the company ranged between Rs. 85.1 to Rs.157.9 during the year 2006-07 as compared to Rs.80.10 to Rs.142 in 2005-06. The average share price during the year was Rs. 121.5.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 24122 regular employees (executives 12285 & non-executives 11837) as on 31.3.2007 as against 24044 employees as on 31.3.2006. About 29.71% of the employees were having professional qualifications. Around 25% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 222 employees retired during the year. In addition, 460 skilled and 20 unskilled employees also left the company in attrition. However, 822 new skilled and 11 un-skilled employees joined during the year.

During the year, 4 employees availed of VRS and an amount of Rs. 0.11 crore was spent in this regard. Since the introduction of VRS a total of 1104 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 13 out of which 4 were part time Non-official Directors / professionals, 7 full time Functional Directors and 2 Government / official Directors. As per listing agreement, 9 Non-official Directors / professionals are required.

7. Strategic Issues

For the XIth Five Year Plan period (2007-12), the target for power is 21941MW for which 8 projects are on-going with a total capacity of 7840 MW and planning for 15 new projects is under way with a combined capacity of 14101 MW.

Availability of fuel at an affordable price is a major challenge for which company is planning to adopt a strategy of backward and forward integration and is entering into coal mining, LNG value chain, power trading, distribution etc.

Project Implementation

During 2006-07, 2415 MW of capacity was added which included 1000 MW at Vindhyachal III, 210 MW at Unchahar III, 500 MW at Kahalgaon II and 705 MW taken over at Badarpur TPS.

Presently NTPC is implementing power projects with a capacity of 13360 MW (including 3000 MW in various JVs). During the year company has initiated steps to form one more JV and one more subsidiary namely Aravali Power Company Ltd. with 50% shareholding and Vaishali Power Generating company Ltd. with 51% shareholding.

Research & Development (R&D)

NTPC established a R&D centre way back in 1980-81. A new R&D center was set up in Noida during 1993 at a cost of Rs.28 crore. R&D center in association with agencies like BARC, CPRI, IIT-Kharagpur etc also undertakes various generic & specific problems of power stations. In future R&D will switch over to high-end scientific services. To carry out these in a structured manner Indian Institute of Science, Bangalore has been appointed as consultants for up-gradation of R&D center. However, the R&D expenditure of the company constituted only 0.02 % of its turnover.

Environmental initiatives

The environment initiatives taken by the company during 2006-07 are related to use of ash, Glacier study, introduction of Biomethanation process, adaptation of small punch technique for health assessment etc. During the year, about 20.80 million tones of ash (53.21% of ash generated) has been utilized for various road embankments, mine filling, Ash Dyke raising, land development, brick manufacturing and in cement and asbestos industry. Further, under Clean Development Mechanism (CDM) the company has identified five projects.

Nuclear Power Corpn. of India Ltd. (NPCIL)

1. Company Profile

NPCIL was incorporated on 3.09.1987 under the Companies Act, 1956 and as per the provisions of Atomic Energy Act, 1962 with an objective to develop Nuclear power technology and to produce Nuclear power as a safe, environmentally benign and an economically viable source of electrical energy to meet the growing electricity needs of the country. NPCIL is a Schedule-'B' CPSE in Power Generation sector under the administrative control D/o Atomic Energy with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

NPCIL is engaged in generation of electricity with nuclear energy through its 7 operating units at Tarapur, Thane (Maharashtra), Kota (Rajasthan), Kalpakkam, Kancheepuram, Chennai

(Tamilnadu), Narora, Bulandshahr (U.P.), Anumala, Surat (Gujarat), Karwar, Uttar Kannada (Karnataka) and Tirunelveli (Tamilnadu). In all, the company owns and operates 17 nuclear power reactors out of which 2 are Boiling Water Reactors (BWR) and 15 Pressurised Heavy Water Reactors (PHWR).

3. Production / Operational Profile

Average capacity utilization was 63% during 2006-07. The performance details of electricity generation are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Electricity generation	Millions KWh	16409 (63)	15364 (74)	14860 (76)	15544 (71)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	3592	3567	3345	1
Cost of Production	2921	2389	2124	22
Net Profit/ Loss(-)	1571	1713	1705	-8
Dividend declared (as% of PBT)	36	29	19	27
Net worth	21436	20325	19112	5
Paid up capital	10145	10145	10145	0
Share of Central Govt.	10145	10145	10145	0

5. Key Performance Factors

The installed capacity was increased to 4120 MWe after the commencement of TAPS-3 and Kaiga Unit-3 during the year. The company generates about 3% of the total electricity generated in the country.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.154.83 as against Rs.179.69 in the previous year.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 12155 regular employees (executives 5230 & non-executives 6925) as on 31.3.2007 as against 12039 employees as on 31.3.2006. About 29% of the employees were having professional qualifications. Around 22% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 273 employees retired during the year under superannuation and 136 skilled and 8 unskilled employees also left the company in attrition. However, 524 new skilled and 9 unskilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 14 out of which 8 were part time Non-official Directors / professionals, 4 full time Functional Directors and 2 Government / official Directors.

7. Strategic Issues

Vision 2020 of D/o Atomic Energy envisages a nuclear power capacity of about 20,000 MWe by the year 2020, from present capacity of 3260 MWe. The company is pursuing the mandate of expanding the nuclear power base in the country in accordance with the plans and schemes of the Government of India.

The future strategy of nuclear power sector is being oriented towards further reducing capital cost of projects construction and recurring cost during operation.

Project Implementation

The company has 5 projects under construction for 2660 MWe capacity addition namely 2 units of Kudankulam Nuclear Power Project, Kaiga Project (unit 4) and Rajasthan Atomic Power Project (unit 5 & 6) in the states of Tamilnadu, Karnataka and Rajasthan respectively.

Research & Development (R&D)

Technology has been assimilated and absorbed with respect to VVER, FBRs and BWRs. R&D requirements are met through in-house efforts as well as with other organizations including DAE units and academic institutions in the country. Thrust areas for R & D are Nuclear Systems and Electronic Systems. The R&D expenditure of the company constitutes 0.33% of its turnover during the year.

Environmental initiatives

Environment Management System(EMS) and Occupational Health and Safety Management

(OHSMS) as per ISO 14001:2004 and IS 18001:2000 respectively are implemented and maintained at 7 out of 8 stations. NPCIL has launched an environment stewardship programme under which rare species are traced and protected.

Satluj Jal Vidyut Nigam Ltd. (SJVNL)

1. Company Profile

The SJVNL (formally Nathpa Jhakri Power Corporation Ltd. - NJPC) was incorporated on 24.5.1988 under the Companies Act, 1956 as a joint venture of the Government of India and the Government of Himachal Pradesh with an objective to develop Hydro-electric power projects in river Satluj Basin (Himachal Pradesh) and at any other place optimally and economically. SJVNL is a Schedule-'B' CPSE in Power Generation sector under the administrative control of M/o Power with 76.55% shareholding by the Government of India. Its Registered and Corporate offices are at New Shimla, Himachal Pradesh.

2. Industrial / Business Activities

SJVNL is engaged in generation of Hydro power and rendering technical consultancy services in major related civil works through its operating unit at Jhakri (Shimla), Himachal Pradesh. Nathpa Jhakri Hydro Electric Project (1500 MW) was the first largest underground Hydro Electric (HE) power project undertaken by the company for execution. All the six units of the project were commissioned by 18.5.2004. Presently the company is in the process of execution of 412 MW Rampur HE Project, schedule to be commissioned by September 2012.

3. Production / Operational Profile

The performance details of major activities of the company are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Hydro Power (electricity)	KWh	6014.480 (92.37)	4104.422 (61.68)	5147.342 (85.21)	5088.748 (79.75)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1618	1372	1098	18
Cost of Production	878	830	813	6
Net Profit/ Loss(-)	733	498	298	47
Dividend declared (as% of PBT)	30	28	46	5
Net worth	4925	4465	4152	10
Paid up capital	4109	4109	4109	0
Share of Central Govt.	3082	3082	3082	0

5. Key Performance Factors

The SJVN started commercial generation in the year 2003-04 and since then it has been improving its capacity utilization.

Nathpa Jhakri HPS had to be shut down initially on account of heavy silt beyond acceptable parameters and then due to flash floods on 25.6.2005 which resulted in sustaining considerable loss in generation and lower utilization of capacity during 2005-06.

The tariff is fixed by CERC, however, company's tariff is quite competitive amongst various power generators.

Earning Per Share was Rs. 178.33 during 2006-07 as compared to Rs. 121.26 in the previous year.

SJVN scored ‘Very Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1735 regular employees (executives 635 and non-executives 1100) as on 31.3.2007 as against 1725 employees as on 31.3.2006. A total of 19 employees retired during the year and 46 other employees left the company on other grounds.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 5 each were full time Functional Directors and part time Government / official Directors.

7. Strategic Issues

The company makes every effort to compile the cost-head of tariff petitions realistically so that final cement aggregate, reinforcement, structural steel and concrete as in-built in the Contract Department.

Environmental initiatives

The company has been bestowed ISO 9000-2001 for Management System Certification by Det Norske Veritas for the Corporate office and is in the process of acquiring ISO 9000-14000 certification for the project for environmental issues.

Tehri Hydro Development Corporation Ltd. (THDC)

1. Company Profile

THDC was incorporated on 12th July, 1988 under the Companies Act, 1956 to plan, promote, organize, execute, operate and maintain Hydro Power Projects in Bhagirathi- Bhilangna Valley in Uttar Pradesh, as a joint venture of Government of India and Government of Uttar Pradesh, both sharing the cost of power component (20% of Stage-I cost) of the project in the ratio of 75:25 respectively. The irrigation component is to be funded entirely by the Government of Uttar Pradesh. THDC is a Schedule 'B' CPSE in Power sector under the administrative control of M/o Power with 51% shareholding by the Government of India. Its Registered and Corporate offices are at Tehri Garhwal and Dehradun respectively in Uttaranchal.

2. Industrial / Business activities

The Tehri Hydro Complex comprises 1,000 MW Tehri Dam and HPP Stage-I, 1,000 MW pump storage plant and 400 MW Koteshwar dam and HPP. Government of India on 15.3.1994 accorded approval for execution of Tehri Dam and HPP (Stage-I) along with the essential and committed works of Tehri Pump Storage Plant & Koteshwar Dam Project. Currently, the company is having 4 power generating units.

3. Production / Operational Profile

The company is involved in promoting and organizing an integrated and efficient development of Hydro resources of Bhagirathi River and its tributaries at Tehri and complementary and down street development of power generation and other purposes, construction of transmission lines, manufacturing and trading of power etc. The performance details of electricity generation is as follows:

Major Products	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Generation of Electricity	000 Million Unit	891000	NA	NA	-

NA - Not Applicable

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	444	0	0	-
Cost of Production	315	0	0	-
Net Profit/ Loss(-)	117	0	0	-
Net worth	4430	4227	3980	5
Paid up capital	3130	3050	2415	3
Share of Central Govt.	2306	2289	1718	1

5. Key Performance Factors

The Company came into operation during 2006-07. All major works for the construction of Main Dam and Underground Power House including erection of Turbine, Generator and other equipment of Tehri HEP stage-I were completed during 2005-06. The filling of Tehri Dam Reservoir was commenced with the closure of the last Diversion Tunnel, T-2 on 29th October, 2005. Unit III and IV were successfully rolled on 31st March, 2006. The Commissioning tasks of these units were started after water in the Reservoir reached the Minimum Draw Down Level (MDDL) of 740 m in May, 2006. Unit IV was synchronized with Grid on 17th July, 2006.

During the year, the company received a budgetary support of Rs. 16.80 crore in the form of equity. The company availed of Government Guarantee for Rs.122.66 crore as on 31.3.2007.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 38.05.

THDC has signed MOU with Ministry of Power in March, 2006, setting the milestone for the ongoing projects during 2006-07 for the first time.

The Company scored 'Fair' MOU rating during the year 2006-07.

THDC has signed MOU with Ministry of Power in March, 2006, setting the milestone for the ongoing projects during 2006-07 for the first time.

The Company scored 'Fair' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2331 regular employees (executives 888 and non-executives 1443) as on 31.3.2007 as against 2372 employees as on 31.3.2006. About 22.74% of the employees were having professional qualifications. Around 21% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 25 employees retired during the year on superannuation and 21 skilled and 19 unskilled employees also left the company on other grounds. However, 8 new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 5 were Government / Official Directors and 3 Full Time Functional Directors.

7. Strategic Issues

The company aims to plan, promote, develop hydro as well as other energy resources from concept to commissioning and operate power stations to meet the growing energy demand, ensuring environment and ecological balance, contributing to national prosperity etc..

Project Implementation

Tehri PSP (1000 MW) has been approved by the Government at an estimated project cost of Rs.1657.60 crore. The essential works of Tehri PSP have already been completed with Tehri Dam & HPP Stage-I (1000 MW). The process of award of major works is in progress. The project is planned to be commissioned in the year 2010-11. Tehri PSP would be working on the concept of banking transaction and power would be generated and supplied and stored during the off peak hours to the contributors.

Government also approved Vishnugad Pipalkoti HEP (4X111 MW) project for Stage- II activities, at an estimated cost of Rs.2091.43 crore. THDC has completed the survey and investigation work (Stage-II) of Vishnugad Pipalkoti Project, envisaging an installed capacity of 444 MW.

Government of Uttaranchal has also allotted six new projects to THDC and an MOU has been signed with the Government of Uttaranchal in November, 2005. Survey and investigation works for these projects have been taken up. The Corporation has signed the Implementation Agreement for the Vishnugad Pipalkoti HEP with Government of Uttaranchal on 2nd June, 2006. As per the Implementation Agreement, the Project is scheduled to be completed by March, 2012.

All the civil work and electro mechanical work of the Power House in respect of Tehri Dam and HPP Stage-I (1000 MW) have been completed. The revised cost estimate works out at Rs.6621.32 crore. The proposal of revised cost estimate-II amounting to Rs.8198.29 crore has been submitted for clearance. The total expenditure incurred by the Corporation for Tehri HPP State-I upto March, 2006 is Rs.7644.32 crore. The 400 MW Koteshwar Hydro Project is a part of 2400 MW Tehri Hydro Power Complex.

A proposal for execution of Koteshwar H.E. Project (4X100 MW) at cost of Rs.1301.56 crore has been approved. Excavation of Power Intake area and Dam and Spillway area has been completed and concreting work started. The total expenditure incurred by the Corporation on Koteshwar HEP upto March, 2006 was Rs.359.51 crore. The project is scheduled for commissioning by March, 2008.

THDC has been allotted six new projects by the Government of Uttaranchal viz. Karmoli-140 MW, Gohana Tal-60 MW, Jadhganga-50 MW, Maleri Jhelam-55 MW, Bonkang Bailing-330 MW and Jhelam Tamak-60 MW. Considerable progress has been achieved in rehabilitation and resettlement of affected population. Under urban rehabilitation, all the 5291 families have been rehabilitated and the rest vacated. Under rural rehabilitation, all the 3355 families fully affected have been rehabilitated through allotment of land/ cash compensation. In respect of others, rehabilitation is in progress.

3 POWER TRANSMISSION

As on 31.3.2007, there were 2 Central public sector enterprises in the Transmission group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Power Grid Corporation of India Ltd.	1989
2.	NTPC Electric Supply Company Limited	2003

2. The enterprises falling in this group are mainly engaged in transmission and distribution of power.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	Power Grid Corpn. of India Ltd.	3589.85	3145.34
2.	NTPC Electric Supply Company Ltd.	17.95	7.46
	Total	**3607.80**	**3152.80**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	Net Profit/Loss 2005-06
1.	Power Grid Corpn. of India Ltd.	1229.37	1008.93
2.	NTPC Electric Supply Company Ltd.	2.93	0.45
	Total	**1232.30**	**1009.38**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	Social Overheads & Township 2005-06
1.	No. of employees	7427	7101
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	0.00	47.90
	b. Medical facilities	0.00	0.00
	c. Others	0.00	5.15
3.	Capital cost of township *(Rupees in crore)*	0.00	370.44
4.	No. of houses constructed	4832	4822

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TRANSMISSION

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	1001000	501000	501000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	378741	358463	320406
OTHERS	8	8	8
(B) SHARE APPLICATION MONEY	3881	3881	0
(C) RESERVES & SURPLUS	713988	637888	582690
TOTAL (A)+(B)+(C)	**1096618**	**1000240**	**903104**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1305330	1040662	895363
(B) UNSECURED LOANS	627220	461951	443441
TOTAL (A)+(B)	**1932550**	**1502613**	**1338804**
(1.3) DEFERRED TAX LIABILITY	162054	113174	85068
TOTAL (1.1)+(1.2)+(1.3)	**3191222**	**2616027**	**2326976**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	2901484	2488832	2193056
(B) LESS DEPRECIATION	719863	637203	563504
(C) NET BLOCK (A-B)	2181621	1851629	1629552
(D) CAPITAL WORK IN PROGRESS	944039	640086	502479
TOTAL (C)+(D)	**3125660**	**2491715**	**2132031**
(2.2) INVESTMENT	196700	213941	188242
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	18413	18024	18427
(B) SUNDRY DEBTORS	51216	34060	45981
(C) CASH & BANK BALANCES	132076	60620	61119
(D) OTHER CURRENT ASSETS	14712	15563	13485
(E) LOAN & ADVANCES	149172	147383	123755
TOTAL (A)+(B)+(C)+(D)+(E)	**365589**	**275650**	**262767**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	414645	299497	224572
(B) PROVISIONS	83368	67855	34461
TOTAL (A+B)	**498013**	**367352**	**259033**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**-132424**	**-91702**	**3734**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1286	2073	2969
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	0
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**3191222**	**2616027**	**2326976**

TRANSMISSION

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	360780	315280	251919
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	360780	315280	251919
(D) OTHER INCOME / RECEIPTS	49519	41072	31957
(E) ACCRETION / DEPLETION IN STOCKS	0	0	0
(I) TOTAL INCOME (C+D+E)	**410299**	**356352**	**283876**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	0	0	0
(B) STORE & SPARES	1	1	1
(C) POWER & FUEL	3487	3637	3229
(D) MANUFACTURING / DIRECT / OPERATING EXP.	14652	14680	0
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	34993	26336	23265
(F) OTHER EXPENSES	25414	23126	16677
(G) PROVISIONS	274	13277	6558
(II) TOTAL EXPENDITURE (A TO G)	**78821**	**81057**	**49730**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	331478	275295	234146
(4) DEPRECIATION	82763	74435	64226
(5) DRE. / PREL. EXP. WRITTEN OFF	819	886	931
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	247896	199974	168989
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	828	938	1034
(B) ON FOREIGN LOANS	27991	21247	17204
(C) OTHERS	102661	71082	81636
(D) LESS INTEREST CAPITALISED	31329	17569	19005
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	100151	75698	80869
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**147745**	**124276**	**88120**
(9) TAX PROVISIONS	25443	16064	12307
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	122302	108212	75813
(11) NET EXTRA -ORD. ITEMS	-928	7274	-2743
(12) NET PROFIT / LOSS (10-11)	**123230**	**100938**	**78556**
(13) DIVIDEND DECLARED	37057	30282	18400
(14) DIVIDEND TAX	5951	4246	4251
15) RETAINED PROFIT (12-13-14)	**80222**	**66410**	**55905**

TRANSMISSION
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2240180	1809965	1604218
(ii) CAPITAL EMPLOYED	2049197	1759927	1633286
(iii) NET WORTH	1095332	998167	900135
(iv) COST OF PRODUCTION	262554	232076	195756
(v) COST OF SALES	262554	232076	195756
(vi) VALUE ADDED	357292	311642	248689
(vii) R & D EXPENDITURE	132	99	503
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	7427	7101	6966
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	39263	30906	27832
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	1.76	1.50	1.48
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	0.88	0.92	1.17
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	44.63	38.77	33.61
(iv) SUNDRY DEBTORS : SALES (No. of days)	51.82	39.43	66.62
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	18.63	20.87	26.70
(ii) SEMI / FINISHED GOODS : SALES	0.00	0.00	0.00
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	6.36	2.00	2.84
		(%)	
(vii) SALES : CAPITAL EMPLOYED	17.61	17.91	15.42
(viii) PBDITEP : CAPITAL EMPLOYED	16.18	15.64	14.34
(ix) PBITEP : CAPITAL EMPLOYED	12.10	11.36	10.35
(x) COST OF SALE : SALES	72.77	73.61	77.71
(xi) MATERIAL COST : SALES	0.00	0.00	0.00
(xii) SALARY & WAGES : SALES	9.70	8.35	9.24
(xiii) R & D EXPENDITURE : SALES	0.04	0.03	0.20
(xiv) PBITEP : SALES	68.71	63.43	67.08
(xv) PBTEP : NET WORTH	13.49	12.45	9.79
(xvi) NET PROFIT : NET WORTH	11.25	10.11	8.73
(xvii) GROSS MARGIN : GROSS BLOCK	11.42	11.06	10.68

NTPC Electric Supply Company Ltd. (NESCL)

1. Company Profile

NTPC Electric Supply Company Limited, (NESCL), a wholly owned subsidiary of NTPC Limited was incorporated in August, 2002 under the Companies Act, 1956 with the objective to acquire, establish & operate electricity distribution network in various circles/cities across India with a clear mission to create a role model in the electricity distribution business by setting new benchmarks. The company was also mandated to take up consultancy and other assignments in the area of Electrical Distribution Management System.

2. Industrial /Business Activities

The Company is involved in distribution of electric energy & coordinate with other companies to act as Consultant/Advisor in the areas related to power distribution. Company is also providing Consultancy services in the area of Turnkey execution, Project monitoring, Quality Assurance & Inspection and Third Party Quality inspection.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	17.95	7.46	6.12	140.62
Cost of Production	15.95	8.18	7.22	94.99
Net-Profit/ Loss(-)	2.93	0.45	0.04	551.11
Dividend declared (as % of PBT)	37.00	13.59	0.00	172.20
Net Worth	1.30	0.41	0.11	217.07
Paid Up Capital	0.08	0.08	0.08	0.00
Share of Holding Co.	0.08	0.08	0.08	0.00

4. Key Performance Areas

Under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), the Government of India(GOI) entrusted the responsibilities of taking the turnkey execution of rural electrification work in the states of Chhattisgarh, Jharkhand, Kerala, Madhya Pradesh, Orissa and West Bengal covering around 40,000 villages in the company. In addition, post award consultancy assignment, project monitoring and supervision of quality of work during construction has also been entrusted in the states of Uttarakhand (13 districts), Madhya Pradesh (44 districts) and Karnataka (26 districts).

The Company earned Rs. 17.95 crore through consultancy during the year 2006-07.

5. Human Resource Development (HRD)

All the employees are on the secondment from the parent company, NTPC Ltd.

6. Strategic Issues

APDRP (Accelerated Power Development and Reform Program) assignment of Ministry of Power, Government of India allotted to NTPC as lead Advisor cum Consultant (AcC) was also assigned to NESCL w.e.f. 1st January, 2004. NESCL is monitoring distribution reform & implementation of APDRP scheme in the states of Uttarakhand, Punjab, Haryana, Rajasthan, Madhya Pradesh, Maharashtra, Chhattisgarh, Jharkhand, Andhra Pradesh, Karnataka, Tamilnadu, Kerala.

Efforts are going on to form a JVC with Kerala Industrial Infrastructure Development Corporation (KINFRA) for taking up retail distribution of power in the upcoming industrial parks and SEZs in Kerala.

In addition, discussions are being held with various State Governments for participating in the Electricity distribution Business by NESCL in identified areas.

Power Grid Corporation of India Ltd. (POWERGRID)

1. Company Profile

POWERGRID was incorporated on 23.10.1989 under the Companies Act, 1956 with an objective to take over the transmission assets and manpower from the power sector undertakings namely NTPC, NHPC, NEEPCO, NLC, NPC, THDC, NTPC and CEA. It started commercial operations in 1992-93. POWERGRID is a

Schedule-'A' / Miniratna PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of the M/o Power with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at Gurgaon, Haryana.

2. Industrial / Business Activities

POWERGRID is engaged in providing services in the field of electric power transmission across the country through inter-state transmission system by way of construction, operation and maintenance of extra High Voltage AC and High Voltage DC transmission lines, sub-stations, load dispatch centers and communication facilities. The company operates through its 5 Regional Load Despatch Centres and 104 sub-stations along with 8 Regional Headquarters.

POWERGRID has formed two subsidiary companies namely Byrnihat Transmission Company Limited and Parbati Koldam Transmission Co. Limited with 100% shareholding to facilitate private investment in transmission sector. The company has three Joint Ventures namely Powerlinks Transmission Ltd. with Tata Power Company Limited, Torrent Power Grid Ltd. with Torrent Power Ltd. and Jaypee Powergrid Ltd with Jaiprakash Hydro-Power Ltd. with contribution in equity by 49%, 26% and 26% respectively.

3. Operational Profile

The Company's transmission system has a capacity of 59461circuit Kms and transformation capacity of 59417 MVA with 99.20% system availability.

The company has also diversified into Telecom Business by installing Optical Ground Wire (OPGW) on transmission towers, leveraging its country wide transmission infrastructure. It has already commissioned about 19000 Km transmission lines from the projected 20000 kms interconnecting about 60 major cities across the country. It has recently acquired NLDO License from the Department of Telecommunication in July, 2006 to increase its customer base and portfolio of services rendered. It also undertakes project consultancy jobs with expertise available in-house and has already completed /implementing projects on international front.

The segment-wise revenue generation of the company during the last two years is given below:

Particulars	Unit	Performance during			Average of three Years
		2006-07	2005-06	2004-05	
Transmission	Rs. in crore	3584.15	3163.59	NA	NA
Consultancy	Rs. in crore	226.40	155.58	NA	NA
Telecom	Rs. in crore	77.30	37.65	NA	NA
ULDC/RLDC	Rs. in crore	193.26	196.53	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3590	3145	2513	14
Cost of Production	2610	2313	1950	13
Net Profit/ Loss(-)	1229	1009	786	22
Dividend declared (as% of PBT)	25	24	21	3
Net worth	10952	9981	9001	10
Paid up capital	3787	3585	3204	6
Share of Central Govt.	3787	3585	3204	6

5. Key Performance factors

During financial year 2006-07, POWERGRID commissioned about 4340 Km. of transmission lines, 11 new substations with transformation capacity of 5040 MVA leading to an accreditation of Gross Asset Base of about Rs.4127 crore. Inter-regional capacity was enhanced to 13700 MW.

The increase in turnover and profitability is attributed to the commissioning of new projects alongwith increase in other income involving areas such as consultancy, telecom, securitisation returns, etc.

During the year the company received a budgetary support of Rs. 200 crore in the form of equity under plan fund and Rs. 13 crore as ULDC -NER Grant as non-plan assistance.

The capacity utilization is being maintained consistently about 99% on annual basis by deploying best operation and management practices at par with the international utilities. About 45% of the total power generated in the country is being transmitted over POWERGRID owned transmission network.

Earning Per Share on diluted basis was Rs. 3.28 during 2006-07 (face value of Rs.10 each) as compared to Rs. 303 (face value of Rs.1000 each) during last year.

The Company scored 'Excellent' has MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 7427 regular employees (executives 3170 & non-executives 4257) as on 31.3.2007. Above 33.86% of the employees were having professional qualifications. Around 23.45% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 51 employees retired during the year. Further, 134 skilled employees also left the company in attrition. However, 372 new employees joined the company during the year out of which 203 were in managerial/executive category.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Government Directors.

7. Strategic Issues

Restructuring Plan

Face value of the share price split from Rs. 1000 to Rs. 10 each on 28.3.2007.

To meet the power transfer requirement, POWERGRID is implementing/proposed large no. of additional transmission schemes as well as inter-regional schemes. As a result, workload in some of the regions got enhanced considerably at both the fronts of O&M as well as construction. The Eastern Region Transmission system (ERTS) was reorganized into ERTS-I & ERTS-II. Subsequently, WRTS was also reorganized into WRS-I & WRTS-II.

The Company has taken various steps to improve the power system with focus on reduced cost of transmission and optimization of right of way by emphasizing on application of state of the art and emerging technologies. Advanced survey techniques like GIS Mapping and Satellite imagery have been introduced in all new transmission system for route alignment which has resulted in reduction of transmission route length.

Research & Development (R&D)

POWERGRID continues to give thrust on R&D activities. Besides developing new transmission system, it is imparting greater emphasis towards enhancement of existing transmission capacity, improving system availability with modern O&M techniques, reduction in substation land requirement, and seamless integration of new technologies to achieve sustainable growth and to improve quality of power supply while optimizing upon the cost of delivered power.

Environmental and Ecology

POWERGRID has evolved "Environmental and Social Policy & Procedures (ESPP)" in consultation with wider section of people to take care of environmental and social issues arising out of its projects. The Committee has been able to achieve considerable reduction in involvement of forests in its projects. Other initiatives undertaken by POWERGRID towards protection of natural resources and environment conservation include innovative tower structure designs including tall towers, multi circuit towers in ecologically sensitive areas, which reduces right-of-way requirement, rain water harvesting and collection of used/waste water for conservation and recharging of ground water table in all upcoming buildings and substations, massive plantations in all POWERGRID installations, etc.

Details of Non-Performing Assets (NPA)

POWERGRID's 400 KV Dulhasti-Kishenpur line - approx. value 143.01 Crores, which was created to evacuate power from Dulhasti HEP is not performing since 2000. Matter has been taken up with CERC for suitable compensation. CERC suggested that tariff will be applicable only on commission of Dulhasti HEP and during this period, interest can be capitalized.

4 CHEMICALS AND PHARMACEUTICALS

As on 31.3.2007, there were 14 Central public sector enterprises in the Chemicals and Pharmaceuticals group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Hindustan Antibiotics Ltd.	1954
2.	Hindustan Insecticides Ltd.	1954
3.	Hindustan Salts Ltd.	1959
4.	Hindustan Organic Chemicals Ltd.	1960
5.	Indian Drugs & Pharmaceuticals Ltd.	1961
6.	Sambhar Salts Ltd.	1964
7.	Projects & Development India Ltd.	1978
8.	Rajasthan Drugs & Pharmaceuticals Ltd.	1978
9.	Indian Medicines & Pharmaceutical Corpn. Ltd.	1979
10.	Orissa Drugs & Chemicals Ltd.	1979
11.	Bengal Chemicals & Pharmaceuticals Ltd.	1981
12.	Karnataka Antibiotics & Pharmaceuticals Ltd.	1981
13.	Hindustan Fluorocarbons Limited	1983
14.	Bharat Immunologicals & Biologicals Corp. Ltd.	1989

2. The enterprises falling in this group are mainly engaged in producing and selling of pharmaceuticals, surgical instruments, ayurvedic intermedicates, common salt, pesticides etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	Hindustan Antibiotics Ltd.	43.74	43.99
2.	Hindustan Insecticides Ltd.	177.65	149.35
3.	Hindustan Salts Ltd.	8.11	6.38
4.	Hindustan Organic Chemicals Ltd.	505.97	386.13
5.	Indian Drugs & Pharmaceuticals Ltd.	13.81	8.40
6.	Sambhar Salts Ltd.	10.76	7.82
7.	Projects & Dev. India Ltd.	39.98	39.71
8.	Rajasthan Drugs & Pharmaceuticals Ltd.	41.74	29.03
9.	Indian Medicines & Pharmaceutical Corpn. Ltd.	8.83	8.41
10.	Orissa Drugs & Chemicals Ltd.	0.26	1.51
11.	Bengal Chemicals & Pharmaceuticals Ltd.	45.63	44.85
12.	Karnataka Antibiotics & Pharmaceuticals Ltd.	121.58	82.30
13.	Hindustan Fluorocarbons Limited	16.57	18.04
14.	Bharat Immunologicals & Biologicals Corporation Limited	0.00	30.53
	Total	**1034.63**	**856.45**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Hindustan Antibiotics Ltd.	208.12	-43.20
2.	Hindustan Insecticides Ltd.	5.66	21.41
3.	Hindustan Salts Ltd.	-0.43	-0.59
4.	Hindustan Organic Chemicals Ltd.	17.04	-56.61
5.	Indian Drugs & Pharmaceuticals Ltd.	-351.16	-353.91
6.	Sambhar Salts Ltd.	-0.95	-1.27
7.	Projects & Dev. India Ltd.	10.05	10.64
8.	Rajasthan Drugs & Pharmaceuticals Ltd.	1.89	1.61
9.	Indian Medicines & Pharmaceutical Corpn. Ltd.	0.27	0.71
10.	Orissa Drugs & Chemicals Ltd.	0.71	-1.34
11.	Bengal Chemicals & Pharmaceuticals Ltd.	-4.69	-8.45
12.	Karnataka Antibiotics & Pharmaceuticals Ltd.	4.20	3.43
13	Hindustan Fluorocarbons Limited	-9.31	-10.05
14.	Bharat Immunologicals & Biologicals Corp. Ltd.	-3.43	0.88
	Total	**-123.45**	**-436.74**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and townships are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	7475	7989
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	6.45	2.04
	b. Medical facilities	5.26	4.44
	c. Others	4.35	1.78
3.	Capital cost of township *(Rupees in crore)*	13.09	10.11
4.	No. of houses constructed	3848	3744

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

CHEMICALS & PHARMACEUTICALS

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	80260	49550	49260
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	37392	34480	37007
OTHERS	7085	7085	6987
(B) SHARE APPLICATION MONEY	29824	9129	5974
(C) RESERVES & SURPLUS	34621	25464	19808
TOTAL (A)+(B)+(C)	**108922**	**76158**	**69776**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	113205	141862	56333
(B) UNSECURED LOANS	342579	361506	190714
TOTAL (A)+(B)	**455784**	**503368**	**247047**
(1.3) DEFERRED TAX LIABILITY	49	12	38
TOTAL (1.1)+(1.2)+(1.3)	**564755**	**579538**	**316861**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	134578	132874	131993
(B) LESS DEPRECIATION	91356	87372	81425
(C) NET BLOCK (A-B)	43222	45502	50568
(D) CAPITAL WORK IN PROGRESS	5274	5821	4945
TOTAL (C)+(D)	**48496**	**51323**	**55513**
(2.2) INVESTMENT	7517	4662	6902
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	19223	19493	19914
(B) SUNDRY DEBTORS	20959	22095	21647
(C) CASH & BANK BALANCES	28768	16746	14638
(D) OTHER CURRENT ASSETS	1546	1202	974
(E) LOAN & ADVANCES	28451	29700	27074
TOTAL (A)+(B)+(C)+(D)+(E)	**98947**	**89236**	**84247**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	67357	66986	199558
(B) PROVISIONS	12241	9445	10578
TOTAL (A+B)	**79598**	**76431**	**210136**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**19349**	**12805**	**-125889**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	761	587	3783
(2.7) DEFFRED TAX ASSETS	322	138	202
(2.8) PROFIT & LOSS ACCOUNT (Dr)	488310	510023	376350
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**564755**	**579538**	**316861**

CHEMICALS & PHARMACEUTICALS
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	117986	97495	129818
(B) EXCISE DUTY	14523	11850	15601
(C) NET SALES (A-B)	103463	85645	114217
(D) OTHER INCOME / RECEIPTS	10025	13434	4667
(E) ACCRETION / DEPLETION IN STOCKS	595	-910	830
(I) TOTAL INCOME (C+D+E)	**114083**	**98169**	**119714**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	57082	47406	65738
(B) STORE & SPARES	1450	1592	1912
(C) POWER & FUEL	10158	9093	10128
(D) MANUFACTURING / DIRECT / OPERATING EXP.	4613	4604	6937
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	23316	19838	20000
(F) OTHER EXPENSES	8752	8194	5639
(G) PROVISIONS	531	3172	1661
(II) TOTAL EXPENDITURE (A TO G)	**105902**	**93899**	**112015**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	8181	4270	7699
(4) DEPRECIATION	4763	6926	4766
(5) DRE. / PREL. EXP. WRITTEN OFF	69	224	833
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	3349	-2880	2100
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	24898	26054	12242
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	13639	14240	19731
(D) LESS INTEREST CAPITALISED	10	0	7
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	38527	40294	31966
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**-35178**	**-43174**	**-29866**
(9) TAX PROVISIONS	472	484	346
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-35650	-43658	-30212
(11) NET EXTRA -ORD. ITEMS	-23305	16	25439
(12) NET PROFIT / LOSS (10-11)	**-12345**	**-43674**	**-55651**
(13) DIVIDEND DECLARED	53	53	48
(14) DIVIDEND TAX	9	7	6
(15) RETAINED PROFIT (12-13-14)	**-12407**	**-43734**	**-55705**

CHEMICALS & PHARMACEUTICALS
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	410885	433010	224030
(ii) CAPITAL EMPLOYED	62571	58307	-75321
(iii) NET WORTH	-380149	-434452	-310357
(iv) COST OF PRODUCTION	149261	141343	149580
(v) COST OF SALES	148666	142253	148750
(vi) VALUE ADDED	35368	26644	37269
(vii) R & D EXPENDITURE	179	127	267
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	7475	7989	8201
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	25993	20693	20323
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	4.18	6.61	3.54
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.47	1.33	0.42
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	1.09	0.53	0.94
(iv) SUNDRY DEBTORS : SALES (No. of days)	73.94	94.16	69.18
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	67.82	83.07	63.64
(ii) SEMI / FINISHED GOODS : SALES	40.53	42.85	35.56
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.22	-4.41	-5.47
		(%)	
(vii) SALES : CAPITAL EMPLOYED	165.35	146.89	-151.64
(viii) PBDITEP : CAPITAL EMPLOYED	13.07	7.32	-10.22
(ix) PBITEP : CAPITAL EMPLOYED	5.35	-4.94	-2.79
(x) COST OF SALE : SALES	143.69	166.10	130.23
(xi) MATERIAL COST : SALES	55.17	55.35	57.56
(xii) SALARY & WAGES : SALES	22.54	23.16	17.51
(xiii) R & D EXPENDITURE : SALES	0.17	0.15	0.23
(xiv) PBITEP : SALES	3.24	-3.36	1.84
(xv) PBTEP : NET WORTH	9.25	9.94	9.62
(xvi) NET PROFIT : NET WORTH	3.25	10.05	17.93
(xvii) GROSS MARGIN : GROSS BLOCK	6.08	3.21	5.83

Bengal Chemicals and Pharmaceuticals Ltd. (BCPL)

1. Company Profile

BCPL was established in 1901. It was taken over from private sector management under section 18A of I (D & R) Act, 1951 in the year 1977 and nationalized in 1980 with the objective to save the company from closure. The company was incorporated on 27th March, 1981 under the Companies Act, 1956 with the vision to support the health programmes of the Government by providing quality medicines at reasonable price, to bridge the gap between demand and supply of life saving drugs and vaccines and to set up and develop Multi Disciplinary Research and Development, inventing new molecules, processes and home products.

BCPL is a Schedule-'C' / BIFR referred taken over PSE in Chemical and Pharmaceuticals sector, under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

BCPL is involved in manufacturing and sale of Pharmaceutical formulation, chemicals and cosmetics and home products like Ferric Alum, Snake Venom Antiserum, Spirituous & Non-, Spirituous Preparations, Analgesic, Antibiotic, Anti-microbial and Non-Steroid, Anti-Inflammatory Drugs, Systemic Alkaliser, Enzymes, Cantharidne Hair Oil, Pheneol, Klin Toilet, Deo Clean, Napthalene Ball etc. It has 4 manufacturing units at Maniktala, Kolkata and Panihati, 24 Parganas in West Bengal, Mumbai in Maharashtra and Kanpur in Uttar Pradesh. In addition, the company has 8 Sales Depots and 2 C&F Agents in different parts of the country.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Pheneol	KL	2590.70 (83.6)	2804.80 (93.49)	2945.00 (98.16)	2780.18 (91.75)
Tablets	No. in crore	28.69 (191.27)	18.42 (122.80)	10.25 (68.33)	19.12 (127.47)
Capsules	No. in Lacs	489.50 (97.90)	265.80 (53.16)	324.40 (64.88)	359.90 (71.98)
Hair Oil	KL	349.00 (43.63)	450.20 (56.27)	699.60 (87.45)	499.60 (62.45)
Ointment	MT	79.70 (132.83)	57.30 (95.50)	69.70 (116.17)	68.90 (114.83)
Alum Ferric	MT	1948.30 (24.35)	3098.60 (38.73)	2725.20 (34.06)	2590.70 (32.38)
Anti Venom Serum	LT	330.20 (55.03)	555.30 (92.55)	641.75 (106.96)	509.08 (84.85)
Spirituous Preparations	KL	196.30 (65.43)	293.90 (97.97)	350.20 (116.73)	280.13 (93.38)
Non-Spirituous	KL	135.40 (67.70)	158.70 (79.35)	87.50 (54.69)	127.20 (67.25)
Naphthalene Ball	MT	177.80 (123.47)	125.90 (87.43)	192.20 (192.20)	165.30 (134.37)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	45.63	44.85	38.57	1.74
Cost of Production	61.36	55.96	55.12	9.65
Net-Profit/ Loss(-)	-4.69	-8.45	-3.53	-44.50
Net Worth	9.72	-10.14	-1.90	-195.86
Paid up Capital	13.96	13.96	13.96	0.00
Share of Central Govt.	13.96	13.96	13.96	0.00

5. Key Performance Factors

The production of Tablets, Capsules, Ointment and Naphthalene Ball recorded positive growth during 2006-07, compared to previous year. Other products recorded negative growth during this period.

6. Human Resource Development

The company employed total 803 persons, including 115 executives and 688 non-executives, as on 31.3.2007. Most of the employees were in the age group of 36 to 51 years. Only 15 persons have professional qualifications. The retirement age is 60 years for Board level and 58 years for below Board level employees. The company is following 1997 pattern of pay scales.

Total number of Directors on the Board as on 31.3.2007 was 5, out of which 2 were full time Functional Directors, 2 Government Directors and One Part-Time Non-Official Director.

During 2006-07, 13 persons retired on sueraannuation.

7. Strategic Issues

Restructuring/Revival

The Government has approved revival plan on 21.12.2006 which contains cash assistance of Rs. 7.00 crore as loan, and non-cash assistance of Rs. 88.87 crore comprising of waiver of loans of Rs. 71.70 crore and waiver of interest including penal interest of Rs. 16.17 crore. With the implementation of the revival package, the company is expected to increase its turnover to Rs. 262.42 crore and profit to Rs. 24.20 crore by 2010-11.

The Company has taken up modernization of manufacturing units at Maniktala, Panihati and Kanpur. The expansion of Alum Plant at Panihati to enhance its capacity from 12MT/shift to 25MT/shift has also been taken up.

The Purchase Preference Policy shall have long term effect in boosting up production and marketing aspects. The company received orders of Rs. 10.90 crore under the Purchase Preference Policy, out of total orders of Rs. 89.25 crores received during 2006-07.

Research and Development

At Maniktaka Factory, Anti-Rabbi Serum and DAT Serum have been taken up as R&D Project.

Bharat Immunological and Biologicals Corpn. Ltd. (BIBCOL)

1. Company Profile

BIBCOL was incorporated on 10.3.1989, under the Companies Act, 1956 with an objective to produce Oral Polio Vaccine (OPV) to support the target of the Government of India to eradicate Poliomyelitis. It is an un-categorized / BIFR referred CPSE in Chemical and Pharmaceuticals sector, under the administrative control of M/o Science and Technology, D/o Biotechnology with 59% shareholding by the Government of India. Its Registered and Corporate offices are at Bulandshahr, Uttar Pradesh.

2. Industrial / Business Activities

BIBCOL is the only Central Government enterprise involved in manufacturing and supply of Oral Polio Vaccine (OPV) with its single operating unit at Bulandshahr, Uttar Pradesh.

3. Production / Operational Profile

The performance detail of company product are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Oral Polio Vaccine	Million Doses	NA	67 (11.17)	119.6 (20)	62.2 (10.39)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0	31	53	-100
Cost of Production	6	30	43	-79
Net Profit/ Loss(-)	-3	1	1	-490
Net worth	36	40	39	-9
Paid up capital	43	43	43	0
Share of Central Govt.	26	26	26	0

5. Key Performance Factors

During the year, there was no production as the plant was under up-gradation. This resulted in operational loss to the company.

The share price of the company varied between Rs. 8.70 to Rs.18.30 during the year 2006-07, compared to Rs.11.40 to Rs.39 in 2005-06. The average share price during the year was Rs.13.50

6. Human Resource Development (HRD)

The enterprise employed 135 regular employees (executives 62 & non-executives 73) as on 31.3.2007. About 17.78 % of the company employees were having professional qualifications Around 5.19% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following CDA pattern of remuneration. During the year, 4 new skilled employees joined the company.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 5 were part time Non-official Directors.

7. Strategic Issues

The company is planning to diversify into production of Zinc Disposable Tablets, DPT vaccine and diagnostics to join Health care Management System of GOI.

During the year, the company received Rs.3.11 crores as grant for production of Zinc Disposable Tablets.

The company also plans to undertake R&D activities of innovation in Health care products to support Government Programmes.

Hindustan Antibiotics Ltd. (HAL)

1. Company Profile

HAL was incorporated in the year 1954 with the objective of manufacturing and marketing of life saving bulk drugs at affordable prices through the network of Government Hospitals. The company has diversified into production of agriculture & veterinary products. HAL is a Schedule 'C'/ BIFR referred PSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Pune, Maharashtra.

2. Industrial / Business Activities

HAL is engaged in manufacturing and marketing of Pharmaceutical products through its operating unit at Pune, Maharashtra. It has three subsidiaries namely Karnataka Antibiotic and Pharmaceuticals Ltd., Maharashtra Antibiotic and Pharmaceuticals Ltd. and Manipur State Drugs and Pharmaceuticals Limited, out of which the last two have been closed. The company has one financial joint venture namely Hindustan Max-GB Ltd. with 50% equity participation.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
IV Fluids	No. in Lakhs	65.99 (54.99)	59.61 (49.68)	83.84 (69.87)	69.81 (58.18)
Tablets	No. in Lakhs	1002.63 (41.78)	732.21 (30.51)	1140.58 (47.52)	958.47 (39.94)
Vials	No. in Lakhs	256.12 (26.68)	353.80 (36.85)	484.29 (50.45)	364.74 (37.99)
Capsules	No. in Lakhs	479.18 (19.17)	333.14 (13.13)	622.97 (24.92)	478.43 (19.07)
Benzathine Penivilin	MMU	2.46 (6.83)	6.12 (17.00)	25.24 (70.11)	11.24 (31.31)
Agrochem	No. in Lakhs	37.72 (78.58)	30.75 (64.06)	34.25 (71.35)	34.24 (71.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	43.74	43.99	63.07	-0.57
Cost of Production	105.87	93.82	116.60	12.84
Net-Profit/ Loss(-)	208.12	-43.20	-38.55	-581.76
Net Worth	-8.82	-243.81	-205.44	-96.38
Paid up Capital	44.41	48.84	44.41	-9.07
Share of Central Govt.	44.41	48.84	44.41	-9.07

5. Key Performance Factors

The company has shown mixed performance in production during 2006-07, compared to previous year. While the production of Fluids, Tablets, Capsules and Agrochem has increased, it declined in Vials and Benzathine Penicilin. The company achieved 78.58% capacity utilization in Agrochem, which is highest during the last three years.

While the turnover increased marginally during the year, the company has been able to reduce its loss compared to previous year.

The company faced severe working capital problem during the year 2006-07.

6. Human Resource Development(HRD)

HAL employed 1312 employees as on 31.3.2007, out of which 207 were executives and 1105 were non-executives. About 42.91% employees had professional qualifications. Around 6.63% employees are covered under the age group of 51years and above.

The company follows IDA pattern 1997 and CDA pattern 1996 pay scales. The retirement age is 60 years. During 2006-07, 63 persons retired on superannuation and 11 persons left in attrition. During the year, 3 new employees were recruited.

The company identified 35 employees as surplus during the year including 5 executives and 30 non-executives. During the year 2006-07, 422 employees availed of VRS and an amount of Rs. 34.00 crore was spent in this regard through budgetary support.

7. Strategic Issues

Despite three capital restructuring taking place in HAL during 1983, 1988 and 1994 the company became sick in 1997. Government of India approved 4th rehabilitation scheme on the basis of the recommendations of BRPSE on 9.3.2006 with a cash assistance of Rs.137.59 crore and non-cash assistance of Rs.267.57 crore. BIFR approved the revival scheme on 5.10.2006.

During 2006-07, an assistance of Rs. 44 crore has already been provided for revival of the company which consists of VRS assistance of Rs. 34 crore, working capital loan of Rs. 5 crore and up-gradation of formulation facilities at a cost of Rs 5 crore. The company also got an additional budgetary support of Rs. 3.00 crore as plan fund for renewal and replacement scheme and Rs. 27.30 crore as non-plan fund.

The company received orders worth Rs. 40.87 crore during 2006-07, out of which export orders were worth Rs. 5.58 crore. About 96.11% orders in numbers, received from other than Government Departments/organizations/CPSEs.

Hindustan Fluorocarbons Ltd. (HFCL)

1. Company Profile

HFCL was incorporated on 14.7.1983 as a joint venture company between Hindustan Organic Chemicals Ltd. (a CPSE) and Andhra Pradesh Industrial Development Corp. (APIDC) under the Companies Act, 1956 with an objective to manufacture various grades of Polytetra Fluorethylene (PTFE) to save foreign exchange and to reduce emissions of Green House Gases. The company commenced its business in 1987. HFCL is a Schedule-'D' / BIFR referred CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals. It is a subsidiary of HOCL which is holding its 56.6% equity. HFCL's Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business Activities

HFCL is one of the BIFR referred subsidiary enterprise engaged in production and marketing of PTFE through its single operating unit at Medak, Andhra Pradesh.

3. Production / Operational Profile

The product range of the company comprises of two products. The performance details of major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
PTFE	MT	245 (49)	228 (45.60)	351 (70.20)	275 (55)
CFM-22	MT	791 (62.45)	828 (65.45)	1018 (80.47)	879 (69)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	16.57	18.04	17.57	-8.15
Cost of Production	24.73	26.07	26.26	-5.14
Net-Profit/ Loss(-)	-9.31	-10.05	-8.19	-7.36
Net Worth	-72.97	-63.67	-53.61	14.61
Paid up Capital	19.61	19.61	19.61	0.00
Share of Holding Co.	11.06	11.06	11.06	0.00

5. Key Performance Factors

The performance of the company was affected mainly on account of sluggish domestic market of PTFE, due to dumping of imported material, particularly from China and shortage of working capital. Despite increase in the prices of raw material, the company could reduce its loss during 2006-07, compared to previous year, because of stringent cost control measures taken by them.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. (-) 4.74.

The company's shares are listed at stock exchanges of Hyderabad (HSE) and Mumbai (BSE). However, the trading on equity shares of HFL has been suspended at BSE since 1998, in view of its negative net worth. Shares are not quoted at HSE.

6. Human Resource Development (HRD)

The enterprise employed 201 regular employees (executives 45 and non-executives 156) as on 31.3.2007, as against 207 employees as on 31.3.2006. About 11.44% of the employees were having professional qualifications. Around 13% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year for board level and 58 year for below board level employees. It is following IDA 1997 pattern of remuneration. 2 skilled employees left the company.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which one each was part time Non-official Director / professional, full time Functional Director and Government / official Director.

7. Strategic Issues

The Company had taken anti-dumping measures on PTFE through the Government, however domestic markets continued to be sluggish in spite of imposition of anti-dumping duty in Oct., 2005. Although the element of anti dumping is highly inadequate, it will provide at least a marginal relief to the company on domestic front.

The company is proposing to take up Clean Development Mechanism (CDM) project through holding company HOCL as a part of its rehabilitation package. The technology and the project supplier have been identified and the company is in the process of registering the CDM project. This will provide HFL greater financial and commercial stability and operational flexibility.

Restructuring Plan

The company is registered with BIFR. Its holding company Hindustan Organic Chemicals Ltd. (HOCL) has submitted a rehabilitation plan for HFL to BIFR.

Environment and Ecology

The company has been safety conscious towards its employees which enable it to maintain safe operations.

Order Book Position

The year ended with an Order Booking of around Rs.30 lakhs for 8 orders.

Hindustan Insecticides Ltd. (HIL)

1. Company Profile

HIL was incorporated in the year 1954, under Indian Companies Act with an objective to manufacture DDT and its formulation to meet the demand of National Anti Malaria Programme. The current objective of the company is to provide quality insecticides and pesticides at reasonable prices for public health and agricultural purposes and earn reasonable return.

HIL is a Schedule-'C' / BIFR referred PSE in Chemical and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business activities

HIL is engaged in production of agro-pesticides formulations through its 3 operating units at Bhatinda in Punjab, Udyogmandal in Kerala and Rasayani in Maharashtra alongwith a R&D Complex at Gurgaon (Haryana). It has six Regional Offices in different parts of the country.

3. Production / Operational Profile

The product / service range / segment of the company comprises of 10 products. The average Capacity Utilization for all products / services of the company taken together was 49.12% during 2006-07. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
DDT Technical	MT	4495 (70.85)	4429 (69.81)	4087 (64.42)	4337.00 (68.36)
DDT Formulation	MT	6826 (53.79)	8563 (67.48)	8500 (66.99)	7963 (62.75)
Malathion Technical	MT	1301 (72.27)	953 (52.94)	580 (32.22)	944.67 (52.48)
Malathion Formulation	MT	2256 (70.50)	2122 (66.31)	725 (22.65)	1701.00 (53.15)
Endosulfan Technical	MT	1213 (75.81)	266 (16.62)	445 (27.81)	641.33 (40.08))
Endosulfan Formulation	MT	1134 (59.37)	852 (44.60)	585 (30.63)	857.00 (44.87)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	177.65	149.35	155.58	18.95
Cost of Production	190.18	217.05	180.78	-12.38
Net-Profit/ Loss(-)	5.66	21.41	-26.47	-73.56
Net Worth	69.73	61.35	-84.18	13.66
Paid up Capital	91.33	59.78	59.78	52.78
Share of Central Govt.	91.33	59.78	59.78	52.78

5. Key Performance Factors

The Company achieved an all time record turnover with a growth of 34.30% during 2006-07 compared to previous year. However, the profit declined substantially, since the profit for the year 2005-06, after taking into consideration the benefits of restructuring, was not an operational profit, as in the case of 2006-07.

Despite sever competition from Indian and multinational companies in the domestic market and adverse agro climatic conditions, HIL has been able to increase the market share of technical products as well as formulations in respect of agro chemicals which is a matter of pride.

The increase in turn over is attributed to the export orders the company succeeded in getting, first time in its history, from the Govt. of Mozmbigue and Govt. of Eritrea, against global competition. The Company achieved an export turnover of Rs.17.12 crore, as against Rs.0.87 crore in the previous year.

During the year the company received a budgetary support of Rs. 7.15 crore in the form of loan under Plan assistance.

6. Human Resource Development (HRD)

The enterprise employed 1602 regular employees (297 executives & 1305 non-executives) as on 31.3.2007. About 5% of the employees were having professional qualifications. Around 40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. The company is following IDA 1997 pattern of remuneration. A total of 64 employees retired and 18 new employees recruited during the year.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 1 was part time Non-official Director / professional and 2 Government/official Directors.

7. Strategic Issues

The company has signed MOU with the Government for the year 2007-08, after a gap of three years.

The company continued to operate VRS for rationalization of manpower and optimum utilization of the reduced manpower.

Since more and more companies are realizing the potential of DDT in the war against Malaria, HIL is actively pursuing orders in the emerging markets.

HIL is actively pursuing other avenues of growth including unlocking of various land assets available with the company.

Restructuring/Revival

The revival scheme sanctioned by the Government is under implementation. As a result of financial restructuring, the company has turned to profit making and its networth has turned positive. HIL has, therefore, applied for de-registration from BIFR.

Research & Development (R&D)

During the year 2006-07, the Company continued its in house R&D activities in areas of development of technology for generic pesticides and their intermediates, replacing wet analysis by instrumentation method for analytical estimation of pesticides and their formulations, development of better recipes for the existing pesticides formulations, to improve cost efficiency by use of locally available indigenous raw-materials and inerts, to enhance efficiency, use of less toxic and eco-friendly materials, and to minimise pollution, development of recipes for eco-friendly bio-pesticides formulations to replace the existing toxic chemical pesticides formulations and development of monitoring methods by instrumentation for different pesticides and their intermediates for better process control. The R&D expenditure of the company was Rs.69.38 lakhs which constituted 0.33% of the turnover.

Hindustan Organic Chemicals Limited (HOCL)

1. Company Profile

HOCL was incorporated on 12th December, 1960 under the Companies Act, 1956 with the objective of setting up chemical manufacturing units for production of organic chemicals and chemical intermediates. HOCL is a Schedule-'B' /BIFR refereed CPSE in Chemicals and Pharmaceuticals sector, under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals with 58.69% shareholding by the Government of India. Its Registered office is at Rasayani, Raigad Distt. and Corporate office at Mumbai, Maharashtra.

2. Industrial/ Business Activities

HOCL is involved in production of organic chemicals and chemical fertilizers, having a product range of 20 products. It is operating through its two units at Rasayani, Raigad District in Maharashtra and at Ambalamugul, Cochin in Kerala. The Company also has one subsidiary i.e. M/s Hindustan Fluorocarbons Limited.

3. Production/ Operational Profile

Major Products	Unit TPA	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Phenol	TPA	40733 (101.83)	28754 (71.89)	48403 (121.01)	39297 (98.24)
Acetone	TPA	25463 (103.34)	18253 (74.08)	30277 (123.88)	24664 (100.43)
Aniline	TPA	7100 (28.28)	12355 (49.22)	15977 (63.65)	11810 (47.05)
Formaldehyde	TPA	22626 (68.56)	30373 (92.04)	32820 (98.12)	28606 (86.24)
Nitro-Products	TPA	12552 (22.64)	22034 (39.75)	26241 (47.34)	20276 (36.58)
Hydro. Peroxide	TPA	4411 (84.42)	3666 (70.16)	4980 (95.31)	4352 (83.30)
Cumene	TPA	54329 (100.61)	40546 (75.09)	70778 (131.09)	55218 (102.26)

4. Major Financial Highlights

(Rs. in corere)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	505.97	386.13	647.55	31.04
Cost of Production	517.14	458.30	652.61	12.84
Net-Profit/ Loss(-)	17.04	-56.61	6.40	-130.10
Net Worth	158.67	-123.46	-69.89	-228.52
Paid up Capital	67.27	67.27	67.27	0.00
Share of Central Govt.	39.48	39.48	39.48	0.00

5. Key Performance Factors

The company achieved turnaround by earning an operating profit of Rs. 70.60 crore during 2006-07 as against an operating loss of Rs. 0.41 crore.

During the year 2006-07, Kochi unit achieved 157473 MT of production as against 115644 MT in the previous year, recording a growth of 36 % mainly due to continuous operation of the plant through out, optimally to the fullest capacity. Rasayani unit, however, could achieve only 66226.18 MT production as against 123558.47 MT during the previous year, recording a decline of 46% mainly due to planned shut down of sulphuric plant and other major plants for technical and maintenance reasons.

During the year, the company received share application money of Rs. 270 crore as a part of restructuring package approved by the Government of India.

The market price of the company's shares on BSE was between Rs. 20.05 to Rs. 60.60 during the year 2006-07, as compared to Rs. 17.90 to Rs. 54.70 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 2442 regular employees (1745 executives & 697 non-executives) as on 31.3.2007. About 5% employees were having professional qualifications. Around 9% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 19 employees retired during the year.

During the year, 165 employees were identified as surplus manpower. 60 employees retired under VRS and an amount of Rs. 3.99 crore was spent in this regard. Since the introduction of VRS, a total of 745 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 2 were part time Non-official Directors / professionals.

6. Strategic Issues

The financial restructuring package approved by the Government is under various stages of implementation with the help of cash assistance of Rs. 270 crore by way of preference equity. The project implementation activities for revival of caustic soda project at Rasayani unit have already been initiated.

Further expansion of Cumene & Phenol/ Acetone and hydrogen peroxide units at Kochi is also being undertaken during the year 2007-08.

The company expects to implement the revival package and start making long term sustainable profits from the year 2010.

Surplus assets

The Company has surplus assets of approx. Rs. 1.51 crore in the form of plants and machinery. The company is exploring the possibility of using process equipments of these plants in other plant and manufacturing alternative products by using building, plant & machinery of these plants.

R&D Initiatives

Specific areas in which R&D work carried out by the Company are as follows:

- Studies for enhancement of aniline production capacity under plant conditions.
- Studies on reutilization of spent copper chromite catalyst for commercial purpose.
- Pilot studies to prepare toluidines from nitro toluenes in vapour phase.
- Studies on process development for the preparation of P-menthane from Di-pentene on lab scale.

In future, the company has plans to initiate R&D projects on eco-friendly catalyst, catalyst reuse, development of kerosene fuel for semi cryogenic engines-ISRO Project (GoI), process development for CHA from aniline, etc.

Revenue expenditure on R&D during the year 2006-07 was Rs. 1.09 crore.

Environment and Ecology

Throughout the year, quality of treated effluents, stack emissions and ambient air quality was monitored and maintained well within the limits, specified by the statutory authorities. HOCL is a signatory to the "Responsible Care

Movement", and is committed to the concept of self-reliance and improvement in all aspects of health, hygiene and environment protection. As per the requirement of CPCB, ambient air quality is monitored and analysis carried out for SO2, NOx and suspended particulate matter at various locations including the sensitive areas like Karnala Bird Sanctuary, 10 km away from the factory premises. HOCL provides expertise in the Environment Management to CPCB, MPCB/ KPCB and nearby industries. They have also carried out methodology development for monitoring and analysis of vehicular pollution in metro cities.

Hindustan Salts Ltd. (HSL)

1. Company Profile

HSL was incorporated on 12.4.1958 under the Companies Act, 1956 with an objective to take over and manage the departmentally managed salt works at Kharaghoda (Gujarat), Sambhar Lake (Rajasthan) and Mandi (Himachal Pradesh). Subsequently, to manage Sambhar Salt source, a separate Company, as a subsidiary of HSL, was formed on 30.09.1964.

HSL is a Schedule -'C' / BIFR referred CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Heavy Industries and Public Enterprises, Department of Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Jaipur, Rajasthan.

2. Industrial / Business Activities

HSL is involved in production and distribution of good quality industrial and edible salt and liquid Bromine at a reasonable price through its 3 operating units at Kharaghoda in Gujarat, Mandi in Himachal Pradesh and Ramnagar in Uttarakhand and one subsidiary namely Sambhar Salts Ltd. to manage Sambhar Salt source.

3. Production / Operational Profile

The product range of the company comprises of four products. The manufacture of salt is seasonal and its output depends on natural factors. The performance details of major products are as follows:

Major Products	Unit	Production during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Common Salt	MT	16332	2383	31653	16,789
Bromine	MT	299 (66.44)	302 (67.11)	326 (72.44)	309 (68.66)
Rock Salt	MT	1714	1871	3072	2,219

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	8.11	6.38	6.52	27.12
Cost of Production	10.17	8.56	7.22	18.81
Net-Profit/ Loss(-)	-0.43	-0.59	8.34	-27.12
Net Worth	16.64	17.35	11.65	-4.09
Paid up Capital	18.95	18.95	12.70	0.00
Share of Central Govt.	18.95	18.95	12.70	0.00

5. Key Performance Factors

The company achieved tremendous improvement in production of common salt during 2006-07. Compared to previous year, it is still lower than the production during 2004-05. The production of other two products has marginally decreased.

HSL has improved its turnover and reduced loss during the period. However, the performance was affected due to various reasons such as recession and cut throat competition with private sector, increase in cost of production due to increase in salary, minimum wages and other inputs, etc.

To improve the performance, the company initiated action to increase the Bromine plant capacity. The plant has already been installed and is under trial run. Further 2 salt upgradation plants are being installed and efforts are being made to improve the quality of salt .

During the year, company had received a plan assistance of Rs.1 crore in the form of equity and loan and Non-Plan loan for Rs. 1.00 crore for payment of pension to the ex-employees of Salt Department and Rs. 2.78 crore for purchase of Loco, Expansion of Bromine Plant at Kharaghoda, Salt Refinery Project at Sambhar and Salt up-gradation Plant at Kharaghoda.

The company has availed of Government Guarantee to raise Rs. 4.28 crore loan during 2006-07.

The earning per share of the Company during the year 2006-07 was Rs.(-)23000.

6. Human Resource Development (HRD)

The enterprise employed 122 regular employees (executives 16 & non-executives 106) as on 31.3.2007 as against 131 employees as on 31.3.2006. About 1.64% of the employees were having professional qualifications Around 40.16% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern and CDA 1996 of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one each were part time Non-official Director / professional and full time Functional Director and three Government / official Directors.

7. Strategic Issues

The quality of salt required for chlor alkali and soda ash industry is dictated by ISI 797:1982 specification where grade I and grade II salt is required. The salt demanded by the industry and manufactured by the salt producers suffers from certain quality constraints.

Restructuring Plan

The Government of India has approved rehabilitation scheme for the company on the basis of the recommendations of BRPSE and BIFR on 4.5.2006, with a cash assistance of Rs. 4.28 crore and non-cash assistance of Rs. 69.02 crore. It has also been directed that the feasibility of forming a joint venture company for the management of salt factory may also be considered by the Department of Heavy Industry. Further, GOI has agreed to take over the assets and liabilities of Pension Fund Trust as on 1.4.2005 or to provide grant-in-aid to the company for payment of pension.

Research & Development (R&D)

Kharaghoda salt is rich in calcium, magnesium and sulfates and therefore is unfit for use in chemical industries as such. This problem has been referred to Central Salt & Marine Chemicals Research Institute, Bhavnagar (CSMCRI) who has now signed a tripartite agreement between Salt Commissioner, HSL and CSMCRI for resolving this issue.

Integrated recovery of marine chemicals and industrial grade II salt through CSMCRI – At Kharaghoda Unit of the company, the salt is being manufactured from sub soil brine. After recovery of salt and value added product i.e. Bromine is also extracted from the mother liquor. The sub soil brine has an important advantage over sea brine in that the brine is 4-5 times more concentrated. However, it suffers from sulfate deficiency which leads to higher impurities in the salt. This problem is being tackled with the help of CSMCRI who claims that Industrial high grade salt can be produced at an economical rate using their established technology. The R&D expenditure of the company constitute 0.24 % of its turnover.

Environmental initiatives

The Company is fully committed to the maintenance of the proper environment at work places. Besides maintaining the parks already developed, additional plantation of trees has also been undertaken.

Order Book Position

The year ended with an in hand Order Booking of around Rs.16.02 crores.

Indian Drugs and Pharmaceuticals Ltd. (IDPL)

1. Company Profile

IDPL was incorporated on 5.4.1961 under the Companies Act, 1956 with an objective to create self-sufficiency in respect of essential life saving medicines to free the country from dependence on imports and to provide medicines at affordable prices. IDPL is a Schedule-'B' / BIFR referred PSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Gurgaon, Haryana.

2. Industrial / Business Activities

IDPL is involved in the production and marketing of drugs / formulations through its 3 units at Rishikesh in Uttaranchal, Hyderabad in Andhra Pradesh and Gurgaon in Haryana. The company had three subsidiaries in the states of Rajasthan, Uttar Pradesh and Orissa in collaboration with the respective State Government Industrial Development Corporations. However, the shares of U.P. Drugs and Pharmaceuticals Limited have since been transferred in favour of U.P. Government on 7th April, 2004. It is no more a subsidiary of the IDPL. In addition, the company has two more subsidiary joint ventures at Chennai and Muzaffarpur namely IDPL (TN) Ltd. and Bihar Drugs & Organic Chemicals Ltd.

3. Production / Operational Profile

The manufacturing activities of the company have been closed for want of funds.

4. Major Financial Highlights

The company is in the process of finalization of its accounts beyond 2002-03. It has therefore, furnished provisional information as follows:

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	13.81	8.40	8.07	64.40
Cost of Production	364.11	367.23	266.34	-0.85
Net-Profit/ Loss(-)	-351.16	-353.91	-512.43	-0.78
Net Worth	-4121.68	-4121.68	-2804.09	0.00
Paid up Capital	116.88	116.88	116.88	0.00
Share of Central Govt.	116.88	116.88	116.88	0.00

5. Key Performance Factors

The company lacks working capital for carrying out its operations/business.

6. Human Resource Development (HRD)

The enterprise employed 320 regular employees (executives 104 & non-executives 216) as on 31.3.2007. All the employees of the company have opted for VRS.

7. Strategic Issues

Annual reports of IDPL are in arrears and the company so far has been able to compile reports only upto the year 2002-03. It has taken time bound initiative to update the accounts of IDPL. However, the company is facing lack of manpower. Several regional / field offices of the company have been closed down and the records pertaining to them are not readily available.

The company is referred to BIFR and BRPSE and the proposal for its revival is under consideration. The M/o Chemicals and Fertilizers has constituted an Expert Committee to conduct Techno Economic feasibility for rehabilitation of IDPL. The report of the committee is awaited.

Indian Medicines and Pharmaceutical Corpn. Ltd. (IMPCL)

1. Company Profile

IMPCL was incorporated on 12.7.1978 under the Companies Act, 1956 with an objective to manufacture Ayurvedic, Unani and Siddha Medicines on the basis of classical principles and approved formulae both in domestic and international Market. IMPCL is a Schedule-'D' / Miniratna CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Health and Family Welfare, D/o AYUSH with 51% shareholding by the Government of India. Its Registered and Corporate offices are at Mohan (Almora) in Uttaranchal.

2. Industrial / Business Activities

IMPCL is involved in production of 329 Ayurvedic and 321 Unani Medicines through its single operating unit at Mohan (Almora), Uttaranchal. The Company has one financial Joint Venture with KMVN Ltd. (a state public sector undertaking).

3. Production / Operational Profile

The product range of the company comprises of 648 products. The performance details of major products are as follows:

Major Products	Unit	Production during 2006-07	2005-06	2004-05	Average of three years
Ayurvedic and Unani Medicines	KG / Ltr in lakhs	2.97	2.73	2.32	2.67
Total Items	Nos.	257	244	252	251

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	8.83	8.41	6.22	4.99
Cost of Production	8.71	7.47	5.59	16.60
Net-Profit/ Loss(-)	0.27	0.71	0.52	-61.97
Net Worth	10.61	8.03	4.42	32.13
Paid up Capital	7.00	5.00	2.00	40.00
Share of Central Govt.	6.02	4.02	2.00	49.75

*Provisional

** including share money pending allotment

5. Key Performance Factors

The company has provided provisional information for the year 2006-07. The company is mainly catering to the needs of Central Government Hospitals / CGHS at cost plus pricing system. Improvement in performance in terms of turnover and profitability is attributed to operational / marketing factors along with optimization of resources.

The Earning Per Share (EPS) of the company during 2005-06 was Rs. 142.

6. Human Resource Development (HRD)

The enterprise employed 124 regular employees as on 31.3.2007 as against 127 employees as on 31.3.2006.

7. Strategic issues

The company has a target sales/ turnover of Rs. 30 crore by the year 2009-10. Steps are being taken for second phase modernization.

Karnataka Antibiotics and Pharmaceuticals Ltd. (KAPL)

1. Company Profile

KAPL was incorporated on 13.3.1981 as a joint venture company between Hindustan Antibiotics Ltd. and the Government of Karnataka through Karnataka State Industrial Investment and Development Corp. Ltd. under the Companies Act, 1956 with an objective to achieve corporate excellence in the field of quality drugs and health care at globally competitive prices. KAPL is a Schedule-'D' Miniratna PSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizer D/o Chemicals and Petrochemicals having its Registered and Corporate offices at Bangalore, Karnataka. The company is a subsidiary of Hindustan Antibiotics Ltd. which holds 59.18% equity of KAPL

2. Industrial / Business Activities

KAPL is engaged in manufacturing and marketing of Allopathic Formulations through its one operating unit at Bangalore, Karnataka. The company manufactures injections, capsules, tablets, syrups & suspensions.

3. Production / Operational Profile

The average capacity utilization for all products of the company taken together was 88% during 2006-07 as against 69% during 2005-06. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
1	2	3	4	5	6

1	2	3	4	5	6
Capsules	**No. in lacs**	182 (48)	185 (49)	500 (132)	289 (76)
Dry Syrup & Sunpension	**No. in lacs**	35 (117)	25 (83)	15 (50)	25 (83)

 # Installed capacity in respect of Liquid parenterals has increased from 137 lakh nos. per annum to 396 lakh nos. per annum with effect from 15.02.2007.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	121.58	82.30	82.87	47.73
Cost of Production	117.64	78.58	83.15	49.71
Net-Profit/ Loss(-)	4.20	3.43	3.27	22.45
Dividend declared (as % of PBT)	5.43	6.67	6.98	-18.50
Net Worth	32.47	28.71	25.70	13.10
Paid up Capital	1.49	1.49	1.49	0.00
Share of Holding Co.	0.88	0.88	0.88	0.00

5. Key Performance Factors

The production increased by 28% during 2006-07 compared to previous year. During the year, the average production value per factory employee per annum was Rs. 71.00 lakhs, as compared to Rs. 56.81 lakhs last year.

The increase in turnover was 48% during the year mainly due to excellent performance in Branded and Generic segments. Increase in Retail Trade sales through wider coverage and increase in Institutional sales due to Purchase Preference Policy of Government of India also contributed in this regard.

The increase in profitability is attributed to increase in turnover and decrease in finance cost and inventories.

During the year the company made an export sale of Rs.7.86 crore only, as competition from China and the demand for separate manufacturing facility for Cepholosprin products resulted in lower export sales.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.282 as against Rs.230.39 in the previous year on a face value of Rs100/-. The book value of the company share increase from Rs.1927 as on 3.3.2006 to Rs.2179 as on 31.3.2007.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 629 regular employees (executives 164 & non-executives 465 as on 31.3.2007. Only 2% of the company employees were having professional qualifications.

The retirement age in the company is 60 years.The company is following IDA 1997 pattern of remuneration. During the year, one employee retired and 84 new skilled employees joined the company.

During the year, one employee also retired under VRS and an amount of Rs. 6 lakhs was spent in this regard. Since the introduction of VRS, a total of 35 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 5 were Government / official Directors and one fulltime Director.

7. Strategic Issues

The company was basically set up to cater to institutional requirements. However in view of decline in institutional business, it is now expanding it's presence in retail trade segment in order to ensure sustained growth. As such the company aims to modernize and upgrade the manufacturing facilities, to comply with the international standards, to strengthen its marketing efforts to achieve high growth in Exports and Private Trade Market and to continuously improve the quality of products and services to enhance customer satisfaction.

Project Implementation

The Company has commissioned new manufacturing facility for Small Volume Parenterals during the year. The manufacturing facility with respect to non-parenteral products and non-Betalactum injectables are under upgradation to meet international requirements.

The financial position of the company is sound as it had reserves and surplus 21 times of its paid up capital and networth of Rs. 32.47 crore against a paid up capital of Rs. 1.49 crore. The funding for projects is, therefore, arranged through internal resources.

Research & Development (R&D)

During the year the, company has taken R&D initiative for creation of New Liquid Injectable facility as per latest international standards with a view to improve the production process. However, the R&D expenditure of the company constitutedouly 0.25 % of the turnover.

Environmental initiatives

The company makes continuous efforts towards becoming an environmental friendly enterprise. Planting of trees around factory compound, growing of grass on available bare land, installation of Effluent Treatment Plant to treat Industrial Waste water, and systematic scrap disposal are some of the steps taken in this direction. The Company has been accredited with ISO14001:2004 Environmental Management System Certification (EMS).

Order Book Position

The year ended with in hand Order Booking of around Rs. 20 Crores.

Orissa Drugs & Chemicals Ltd. (ODCL)

1. Company Profile

ODCL was incorporated on 1.5.1979 under the Companies Act, 1956 as a joint venture of IDPL and Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL) with an objective to manufacture and supply of quality life saving drugs to the State Government of Orissa and adjoining states at a reasonable price. The company started its commercial production from September, 1983. It is a Schedule-'D' / BIFR referred CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals. Its Registered and Corporate offices are at Bhubaneswar, Orissa. The company is a subsidiary of IDPL, which is holding 51.12% of its equity.

2. Industrial / Business Activities

ODCL is involved in manufacturing of pharmaceutical products / formulation of drugs through its single operating unit at Bhubaneswar in Orissa. Despite the recommendation of BIFR for its winding up and order for liquidation by the High Court of Orissa, Cuttack, the company continued its operations.

3. Production / Operational Profile

The product range of the company comprises of seven products. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Tablets	No. in Lakhs	458 (31)	295 (20)	64 (4)	272 (18)
Capsules	No. in Lakhs	130 (54)	51 (21)	11 (4)	64 (26)
Ampoules	No. in Lakhs	15 (30)	9 (18)	2 (4)	9 (17)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.26	1.51	0.00	-82.78
Cost of Production	1.84	2.85	0.00	-35.44
Net-Profit/ Loss(-)	-0.71	-1.34	0.00	-47.01
Net Worth	-13.84	-10.80	-8.29	28.15
Paid up Capital	1.32	1.32	1.32	0.00
Share of Holding Co.	0.67	0.67	0.67	0.00

5. Key Performance Factors

The performance of the company is affected due to shortage of working capital and lack of financial support from administrative Ministry. However, optimization of resources has been undertaken for performance improvement.

6. Human Resource Development (HRD)

The enterprise employed 82 regular employees (executives 18 and non-executives 64) as on

31.3.2007. About 2.44% of the employees were having professional qualifications Around 56% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1987 and CDA 1986 pattern of remuneration. One employee retired during the year.

During the year, 13 employees were identified as surplus manpower and all these employees sought VRS. However none has been retired under the scheme during the year.

7. Strategic Issues

Restructuring Plan

BIFR recommended winding up and Orissa High court ordered for liquidation of the company. However, the holding company IDPL has taken initiative for the revival of the unit as the company has good infrastructure for producing various types of drugs with modern technology and the company plant is GMP compliant. The revival proposal for the company is under consideration of BRPSE.

Research & Development (R&D)

During the year ORS Machines were added in the company as adoption of new technology.

Order Book Position

The year ended with an Order Booking of around Rs.30 lakhs for 70 orders.

Projects and Development India Ltd. (PDIL)

1. Company Profile

PDIL was incorporated on 1.4. 1978, under the Companies Act, 1956 with an objective to develop basic knowledge and to act as store house of technical knowledge and to develop self sufficiency in fertilizer and allied chemical industry. PDIL is a Schedule-'B' CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizer, D/o Fertilizers with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Noida, Uttar Pradesh.

2. Industrial / Business Activities

PDIL is engaged in engineering and consultancy i.e. designs engineering, procurement assistance and supervision of construction / commissioning of fertilizer plant and allied field and production of catalyst. The company has 3 units at Noida, Baroda and Sindri.

3. Production / Operational Profile

The service range of the company comprises of engineering and consultancy in different sectors of the economy. The performance details of these services are as follows:

Major Products / Services	Unit	Production / Value of Services provided (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Catalyst	**MT**	220 (17.46)	59 (4.68)	362 (28.73)	214 (16.96)
Engineering Business	**Rs. in Cr.**	27.84	30.92	29.98	29.58

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	39.98	39.71	39.86	0.68
Cost of Production	32.55	31.40	35.50	3.66
Net-Profit/ Loss(-)	10.05	10.64	10.06	-5.55
Net Worth	75.04	68.48	38.83	9.58
Paid up Capital	17.30	17.30	55.27	0.00
Share of Central Govt.	17.30	17.30	55.27	0.00

5. Key Performance Factors

The PDIL continued to improve its performance and achieved landmark performance during 2006-07. The total business increased by 16.38% during 2006-07 compared to previous year.

The marginal increase in turnover is attributed to human productivity / higher sale etc. More than 50% of the company turnover comes from Government departments / organizations / CPSEs.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.581 as against Rs.265 in the previous year.

Company Scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 337 regular employees (executives 296 & non-executives 41) as on 31.3.2007. About 76.85% of the employees were having professional qualifications Around 50% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 25 employees retired during the year. Further, 44 skilled employees also left the company in attrition. However, 15 new skilled and 16 un-skilled employees joined during the year.

Since the introduction of VRS, a total of 2017 employees have availed of this scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 were Government / official Directors.

7. Strategic Issues

The company aims to achieve excellence in Project Management and Engineering Consultancy and Up-gradation / improvement in the Catalyst Manufacturing process.

Restructuring Plan

The company was registered with BIFR since 1992. BIFR has sanctioned two restructuring schemes on 11/7/1997 and on 26/03/2004 with a total budgetary support of Rs.136.51 crore including Rs. 105.78 crore for VRS / VSS / gratuity liabilities and Rs. 6.16 crore for outstanding due on account of Salary and statutory dues. The company has been discharged from BIFR since 25.4.2006 on its networth becoming positive.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 56.09 Crores.

Rajasthan Drugs and Pharmaceuticals Ltd. (RDPL)

1. Company Profile

RDPL was incorporated on 2.11.1978 as a joint venture company between Rajasthan State Industrial Development and Investment Corp. Ltd. (RIICO) and Indian Drugs and Pharmaceuticals Ltd. (IDPL) under the Companies Act, 1956 with an objective to supply life saving and other essential drugs to the state Government Medical Health Departments. RDPL is a Schedule-'D' Miniratna CPSE in Chemical and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Chemicals and Petrochemicals having its Registered and Corporate offices at Jaipur, Rajasthan. The company is a subsidiary of IDPL, which is holding 51.12% of its equity.

2. Industrial / Business Activities

RDPL is engaged in manufacturing of various pharmaceutical medicines through its single operating unit at Jaipur, Rajasthan.

3. Production / Operational Profile

The product range of the company comprises of five major products. The average capacity utilization for all products of the company taken together was 111.67% during 2006-07. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)*			Average of three years
		2006-07	2005-06	2004-05	
Tablets	Million	602.20 (125.46)	641.43 (213.81)	378.14 (126.05)	540.59 (155.11)
Capsules	Million	122.29 (174.70)	35.17 (78.15)	32.83 (72.96)	63.43 (108.60)
Liquid Orals	K.L.	356.32 (89.08)	332.44 (83.11)	328.38 (82.10)	339.05 (84.76)
Powder	M.T.	235.16 (117.58)	116.64 (116.64)	61.34 (61.34)	137.71 (98.52)
Vials/Ampoules	No. in lacs	7.59 (50.06)	3.18 (21.12)	-	-

** Capacity utilization is subject to variation depending upon product mix. The installed capacity for tablets, capsules and powder has been increased to 480 million, 70 million and 200 tonnes respectively during 2006-07.*

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	41.74	29.03	15.59	43.78
Cost of Production	40.22	26.17	14.87	53.69
Net-Profit/ Loss(-)	1.89	1.61	0.39	17.39
Dividend declared (as % of PBT)	5.14	5.52	16.42	-6.75
Net Worth	9.25	7.55	6.12	22.52
Paid up Capital	1.07	1.07	1.07	0.00
Share of Holding Co.	0.55	0.55	0.55	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to support from State Government, announcement of new Purchase Preference Policy, increased production in own facilities as well as formulations manufactured from outside, on loan license due to increase in sales activity.

The company has appointed marketing organizers and distributors for realization of sale proceeds in an efficient manner.

The Earning Per Share of the Company was Rs.17.14 as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 145 regular employees (executives 61 & non-executives 84) as on 31.3.2007 as against 145 employees as on 31.3.2006. About 8.97% of the employees were having professional qualifications Around 32% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee of the company is on CDA pattern. A total of 2 employees retired and 3 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 6 were part time Non-official Directors / professionals and one full time Functional Director.

7. Strategic Issues

On 7th August, 2006 Government formulated an exclusive policy for Pharmaceutical Central Public Sector Enterprises for having a purchase preference for 102 medicines for the supply to Government / Government Departments / Agencies / CPSEs for a period of 5 year w.e.f. 7.8.2006. The issuance of the new policy has paved the way for constant flow of orders and sufficient orders have already started flowing.

The company is further expecting to achieve additional turnover through loan licensing arrangements for rending the services on turn key basis.

The future of the company is severely tied up with the future of IDPL, the holding company, which is sick and referred to BIFR. RDPL has requested IDPL and the Government to transfer the equity holding by the IDPL to it for better prospects and reshaping its future.

To meet the statutory requirements of WHO-GMP and due certifications under Schedule-M, the company has made all arrangements for its plant.

Sambhar Salts Ltd. (SSL)

1. Company Profile

SSL was incorporated on 30.9.1964 under the Companies Act, 1956 with an objective to manage Sambhar Salt source. SSL is a Schedule - 'C' CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry having its Registered and Corporate offices at Jaipur, Rajasthan. 60% shares of the company are held by the Hindustan Salts Ltd. and 40% by the Government of Rajasthan.

2. Industrial / Business Activities

SSL is engaged in production of edible and industrial salt through its operating unit at Sambhar Lake Works in Rajasthan.

3. Production / Operational Profile

The product range of the company comprises of four products. The manufacturing of salt is seasonal and its output depends on natural factors. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (%capacity utilization) 2006-07	2005-06	2004-05	Average of three years
Common Salt	MT	192553	190596	180193	187,781
Processed Salt	MT	35640 (36.46)	3352 (27.36)	3738 (30.51)	14,243 (31.44)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	10.76	7.82	7.45	37.60
Cost of Production	11.72	9.92	8.48	18.15
Net-Profit/ Loss(-)	-0.95	-1.27	2.35	-25.20
Net Worth	-2.75	-2.30	-1.87	19.57
Paid up Capital	1.00	1.00	1.00	0.00
Share of Holding Co.	0.60	0.60	0.60	0.00

5. Key Performance Factors

Inspite of increase in salary and wages, cost of Production, the Company has been able to earn gross profit of Rs. 110.22 lakh, before depreciation and interest and after prior period adjustment due to more realization per MT on sale of salt.

Efforts are being made to improve performance by installation of Salt Refinery, capturing one Kg. market, pursuing state Government to procure salt from the company for PDS and upgradation of Iodised Salt Plant at Sambhar Lake.

The Earning Per Share of the Company during the year 2006-07 was Rs (-)953.

6. Human Resource Development (HRD)

The enterprise employed 133 regular employees (executives 14 & non-executives 119) as on 31.3.2007 as against 137 employees as on 31.3.2006. Around 47% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 and CDA 1996 pattern of remuneration. A total of 4 employees retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 3 were part time Non-official Directors / professionals, one full time Functional Director and 3 Government / official Directors.

7. Strategic Issues

The salt manufactured by Company needs upgradation for chlor alkali industries. Sometimes the calcium and magnesium ratio of the salt produced does not conform to the ratio of 2:1 as per the requirement of chlor-alkali plants.

“Membrane cell technology” based chlor - alkali plants are still preferring to buy Industrial grade salt from Gujarat. Their apprehensions are that the total organic content possibly created by algae is a characteristic of Rajasthan salt, which may choke their membrane cells.

Similarly, even the mercury cell plants located preferentially from Rajasthan Salt Source are also not using Rajasthan salt in full, trying a mix with 80% from Gujarat salt. Their fear is that contamination by heavy metals may result in hydrogen evolution in the electrolytic cells.

As the company has become sick in terms of SICA it has been referred to BIFR, but BIFR declined to register due to lesser investment in the plant and machinery as prescribed.

Restructuring Plan

Government of India has approved rehabilitation scheme for the holding company i.e. Hindustan Salts Ltd., which further waived the 100% non plan and 50% plan fund of Rs. 9.25 crore and interest of Rs. 4.77 crore for the SSL. The penal interest, which was not accounted for in earlier years due as on 31.3.2005 has also been waived off by the holding company.

Project Implementation

During the year, upgraded Iodised Salt Plant has been commissioned.

The company proposed to set up a salt refinery project of one lakh MT capacity, at a cost of Rs.4.90 crore as the transportation cost of salt to northern part of India from Gujarat sector is very high. The work of refinery is expected to be completed by the end of March, 2008.

Research & Development (R&D)

The company has started the process of setting up of model salt farms. In conjunction with CSMCRI, Bhavnagar and Salt Department of Government of India, a model salt farm has been set up to produce better quantity of salt. This will also help in reduction of production cost.

The R&D expenditure of the company constitutes 0.09% of its turnover.

Environmental initiatives

The Company is fully committed to the maintenance of the proper environment at work places. Besides maintaining the parks already developed, additional plantation of trees has also been undertaken.

Petroleum Conservation Research Association (PCRA) New Delhi, a Government Agency, has been entrusted the work for conducting energy audit at Sambhar Unit and they have submitted their report. The suggestion / recommendations for energy conservation & saving are under implementation.

Order Book Position

The year ended with in hand Order Booking of around Rs.15.30 crores.

5

CONSUMER GOODS

As on 31.3.2007, there were 12 Central public sector enterprises in the Consumer Goods group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	NEPA Ltd.	1947
2.	Hindustan Photo Films Manufacturing Co. Ltd.	1960
3.	Cement Corpn. of India Ltd.	1965
4.	Hindustan Latex Ltd.	1966
5.	Hindustan Paper Corporation Ltd.	1970
6.	Nagaland Pulp & Paper Company Ltd.	1971
7.	Artificial Limbs Mfg. Corporation of India	1973
8.	Hooghly Printing Company Ltd.	1979
9.	Hindustan Newsprint Ltd.	1982
10.	Hindustan Vegetable Oils Corpn. Ltd.	1984
11.	Tyre Corporation of India Ltd.	1984
12.	Security Printing & Minting Corpn. India Ltd.	2006

2. The enterprises falling in this group are mainly engaged in manufacturing and selling of consumer goods like artificial limbs and rehabilitation aids, equipments, postal stationery, cement, films, lens, newsprint, contraceptives, vegetable oils, tyres, papers, stamps, non-judicial stamp papers, etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	NEPA Ltd.	83.52	57.68
2.	Hindustan Photo Films Manufacturing Co. Ltd.	12.13	12.51
3.	Cement Corpn. of India Ltd.	284.25	195.22
4.	Hindustan Latex Ltd.	239.71	241.43
5.	Hindustan Paper Corpn. Ltd.	737.74	699.24
6.	Nagaland Pulp & Paper Company Ltd.	0.00	0.00
7.	Artificial Limbs Mfg. Corpn. of India	48.88	53.33
8.	Hooghly Printing Co. Ltd.	4.08	5.08
9.	Hindustan Newsprint Ltd.	315.20	302.96
10.	Hindustan Vegetable Oils Corpn. Ltd.	2.56	2.92
11.	Tyre Corpn. of India Ltd.	36.40	37.64
12.	Security Printing & Minting Corpn. India Ltd.	1274.73	0.00
	Total	**3039.20**	**1578.01**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	NEPA Ltd.	-44.47	-51.93
2.	Hindustan Photo Films Manufacturing Co. Ltd.	-653.06	-560.90
3.	Cement Corpn. of India Ltd.	166.61	831.84
4.	Hindustan Latex Ltd.	17.47	20.64
5.	Hindustan Paper Corpn. Ltd.	81.01	58.72
6.	Nagaland Pulp & Paper Company Ltd.	-14.36	-14.02
7.	Artificial Limbs Mfg. Corpn. of India	4.30	4.87
8.	Hooghly Printing Co. Ltd.	0.12	0.24
9.	Hindustan Newsprint Ltd.	31.92	15.68
10.	Hindustan Vegetable Oils Corpn. Ltd.	-22.91	-34.33
11.	Tyre Corpn. of India Ltd.	-47.93	-47.69
12.	Security Printing & Minting Corpn. India Ltd.	268.38	0.00
	Total	**-212.92**	**223.12**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	28629	11008
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	14.45	19.33
	b. Medical facilities	10.26	9.81
	c. Others	19.85	14.95
3.	Capital cost of township *(Rupees in crore)*	140.16	41.15
4.	No. of houses constructed	14247	8919

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

CONSUMER GOODS
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	485573	465373	215373
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	137562	153947	160279
OTHERS	71747	22535	22535
(B) SHARE APPLICATION MONEY	4275	1854	0
(C) RESERVES & SURPLUS	368948	33020	26840
TOTAL (A)+(B)+(C)	**582532**	**211356**	**209654**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	351643	305394	270091
(B) UNSECURED LOANS	361652	753115	400339
TOTAL (A)+(B)	**713295**	**1058509**	**670430**
(1.3) DEFERRED TAX LIABILITY	8244	8464	6540
TOTAL (1.1)+(1.2)+(1.3)	**1304071**	**1278329**	**886624**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	469398	462476	301976
(B) LESS DEPRECIATION	284889	267695	189220
(C) NET BLOCK (A-B)	184509	194781	112756
(D) CAPITAL WORK IN PROGRESS	11816	6875	4267
TOTAL (C)+(D)	**196325**	**201656**	**117023**
(2.2) INVESTMENT	33863	32110	47238
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	146897	135583	39426
(B) SUNDRY DEBTORS	149951	152067	21051
(C) CASH & BANK BALANCES	152832	138520	22055
(D) OTHER CURRENT ASSETS	14100	379	277
(E) LOAN & ADVANCES	47371	34294	14658
TOTAL (A)+(B)+(C)+(D)+(E)	**511151**	**460843**	**97467**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	102374	93872	79946
(B) PROVISIONS	42611	20745	11889
TOTAL (A+B)	**144985**	**114617**	**91835**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**366166**	**346226**	**5632**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1962	2102	5193
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	705755	696235	711538
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1304071**	**1278329**	**886624**

CONSUMER GOODS
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	313349	165963	137354
(B) EXCISE DUTY	9429	8162	6534
(C) NET SALES (A-B)	303920	157801	130820
(D) OTHER INCOME / RECEIPTS	55762	101047	5956
(E) ACCRETION / DEPLETION IN STOCKS	1810	917	-221
(I) TOTAL INCOME (C+D+E)	**361492**	**259765**	**136555**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	109202	43113	38153
(B) STORE & SPARES	9868	13187	8765
(C) POWER & FUEL	30264	26056	23938
(D) MANUFACTURING / DIRECT / OPERATING EXP.	19752	15618	9961
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	61791	28197	24648
(F) OTHER EXPENSES	26369	26704	19856
(G) PROVISIONS	4335	2421	1151
(II) TOTAL EXPENDITURE (A TO G)	**261581**	**155296**	**126472**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	99911	104469	10083
(4) DEPRECIATION	18012	9571	9371
(5) DRE. / PREL. EXP. WRITTEN OFF	192	937	1879
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	81707	93961	-1167
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	20732	21017	33569
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	58722	48203	45387
(D) LESS INTEREST CAPITALISED	6	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	79448	69220	78956
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**2259**	**24741**	**-80123**
(9) TAX PROVISIONS	21790	5219	4305
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-19531	19522	-84428
(11) NET EXTRA -ORD. ITEMS	1761	5207	77
(12) NET PROFIT / LOSS (10-11)	**-21292**	**14315**	**-84505**
(13) DIVIDEND DECLARED	3177	2722	636
(14) DIVIDEND TAX	535	550	87
(15) RETAINED PROFIT (12-13-14)	**-25004**	**11043**	**-85228**

CONSUMER GOODS
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	632932	793264	434764
(ii)	CAPITAL EMPLOYED	550675	541007	118388
(iii)	NET WORTH	-125185	-486981	-507077
(iv)	COST OF PRODUCTION	359233	235024	216678
(v)	COST OF SALES	357423	234107	216899
(vi)	VALUE ADDED	156396	76362	59743
(vii)	R & D EXPENDITURE	709	212	225
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	28629	11008	11046
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	17986	21346	18595
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	1.22	5.01	3.20
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	4.99	4.91	1.22
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.49	9.49	0.91
(iv)	SUNDRY DEBTORS : SALES (No. of days)	180.09	351.74	58.73
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	176.42	313.61	110.00
	(ii) SEMI / FINISHED GOODS : SALES	82.35	120.63	25.56
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.07	15.03	-1.33
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	55.19	29.17	110.50
(viii)	PBDITEP : CAPITAL EMPLOYED	18.14	19.31	8.52
(ix)	PBITEP : CAPITAL EMPLOYED	14.84	17.37	-0.99
(x)	COST OF SALE : SALES	117.60	148.36	165.80
(xi)	MATERIAL COST : SALES	35.93	27.32	29.16
(xii)	SALARY & WAGES : SALES	20.33	17.87	18.84
(xiii)	R & D EXPENDITURE : SALES	0.23	0.13	0.17
(xiv)	PBITEP : SALES	26.88	59.54	-0.89
(xv)	PBTEP : NET WORTH	-1.80	-5.08	15.80
(xvi)	NET PROFIT : NET WORTH	17.01	-2.94	16.67
(xvii)	GROSS MARGIN : GROSS BLOCK	21.28	22.59	3.34

Artificial Limbs Manufacturing Corporation of India (ALIMCO)

1. Company Profile

ALIMCO was incorporated on 30.11.1972 under Section 25 of the Companies Act, 1956 with the main objective of benefiting the disabled persons to the maximum extent possible by manufacturing and supply of quality rehabilitation aids and appliances. The company started its manufacturing activities from October, 1976. ALIMCO is a Schedule-'C' CPSE in consumer goods sector under the administrative control of M/o Social Justice and Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kanpur, Uttar Pradesh.

2. Industrial / Business activities

ALIMCO is engaged in the manufacturing and distribution of artificial limbs, components and rehabilitation aids and appliances for disabled persons through its production unit at Kanpur in U.P. It also has three auxiliary production centers situated at Bhubaneshwar, Jabalpur and Bangalore. The company is in the process of establishing fourth auxiliary production centre at Chanalon, Punjab. In addition, it has three regional marketing centers one each at Delhi, Mumbai and Kolkata.

3. Production / Operational Profile

The product range of the company comprises of 355 products. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Orthotic Lower	Nos.	39822	517700	341489	299670
Tricycles	Nos.	77485	81794	66849	75376
Crutches	Nos.	61693	60719	46915	56442
Wheel Chairs	Nos.	26854	34754	22388	27999
Hearing Aids	Nos.	27960	37111	14900	26657
Prosthetic Upper	Nos.	18517	16800	14344	16554
Prosthetic Lower	Nos.	9797	7517	8212	8509

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	48.88	53.33	48.71	-8.34
Cost of Production	52.56	56.85	44.03	-7.55
Net-Profit/ Loss(-)	4.30	4.87	3.41	-11.70
Net Worth	7.08	1.51	-3.81	368.87
Paid Up Capital	1.97	1.97	1.96	0.00
Share of Central Govt.	1.97	1.97	1.96	0.00

5. Key Performance Factors

The sales of the corporation got momentum after release of ADIP grant by the Ministry of Social Justice and Empowerment. During 2006-07, there was considerable delay in release of such grant resulting in less sales during first half of the year thereby affecting the overall turnover of the year.

The decrease in profitability is attributed to low sales volume and decrease in margins due to increase in cost of raw materials like steel and aluminium.

The corporation has been exporting its products to different countries like Bangladesh, Sri Lanka, Bhutan, Afghanistan, Combodia, UAE, Angola, Ghana, Uzbekistan, Tanzania, Nepal, Israel etc. The products supplied by ALIMCO have been well accepted and appreciated by the buyers in these countries. During the year, company has exported 3426 items for Rs.43 lakhs to 6 different countries namely Sri Lanka, Nepal, Hongkong, U.A.E, Bhutan and USA as against export of Rs. 7.83 lakhs during 2005-06.

ALIMCO is an ISO 9001 : 2000 company.

6. Human Resource Development (HRD)

The enterprise employed 496 regular employees (executives 81 & non-executives 415) as on 31.3.2007 as against 511 employees as on 31.3.2006. About 5.04% of the employees were having professional qualifications. Around 3% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 23 employees retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

The company is working as an Implementing Agency for distribution of Rehabilitation Aids & Appliances to the school going children (from age group of 6 to 14 years) under Sarva Shiksha Abhiyan (SSA) under ADIP scheme; for appointment of clearing and forwarding agents and transporters, processing their bills for onward submission to the M/o Social Justice and Empowerment in connection with donated gift supplies received in India for distribution to the poor needy people under Bilateral agreement signed between Government of India and five other countries viz. US, UK, Sweden, Germany and Switzerland.

Project Implementation

For the establishment of Auxilary Production Center in Chanalon Punjab, the possession of land has been obtained from PSIEC and M/s TCIL have been appointed as consultant on turn key basis. Further, a warehouse and assembly unit is proposed to be established in North East Region.

Research & Development (R&D)

During the year, 5 products namely Light Weight Foldable stretcher, electric hand, solar battery charger for hearing aid, wheel chair tublar folding and active prosthetic leg have been taken up for design and development. The R&D expenditure of the company constituted 0.04% of its turnover during the year.

Environment and Ecology

The company gave due consideration to plantation in the corporation premises and maintaining of effluent treatment plants wherever necessary in the working condition.

Order Book Position

The year ended with an Order Booking of 728 orders amounting to Rs.3.50 Crores.

Cement Corporation of India Ltd. (CCI)

1. Company Profile

CCI was incorporated on 18.1.1965 under the Companies Act, 1956 with an objective to explore and providing of limestone reserves and setting up of sufficient manufacturing capacity of cement in the public sector to meet the domestic requirement. CCI is a Schedule-'B' / BIFR referred CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

CCI is engaged in manufacturing of cement through its 3 operating units at Bokajan, Karbi Anglong in Assam, Rajban, Sirmaur in Himachal Pradesh, and Tandur, Rangareddy in Andhra Pradesh. 7 of its units at Adilabad in Andhra Prades, Raipur and Mandsour in Chattisgargh, Bilaspur in Madhya Pradesh, Gulbarga in Karnataka, Bhiwani in Haryana and Delhi Grinding unit are non-operating/closed.

3. Production / Operational Profile

The performance details of cement production is as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Cement	000' MT	1023 (73)	942 (67)	806 (58)	924 (66)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	284.25	195.22	149.42	45.60
Cost of Production	270.51	304.09	375.70	-11.04
Net-Profit/ Loss(-)	166.61	831.84	-218.94	-79.97
Net Worth	-363.42	-889.94	-1764.28	-59.16
Paid Up Capital	764.34	429.28	429.28	78.05
Share of Central Govt.	764.34	429.28	429.28	78.05

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in production as well as realisation and higher productivity. The high profitability during 2005-06 was due to implementation of financial restructuring scheme during that year.

During the year, the company received a budgetary support of Rs. 17.34 crore (equity Rs.2.33 crore and loan Rs.15.01 crore).

6. Human Resource Development (HRD)

The enterprise employed 1523 regular employees (executives 165 & non-executives 1358) as on 31.3.2007 as against 1588 employees as on 31.3.2006. About 5.19% of the employees were having professional qualifications. Around 37% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 47 employees retired during the year. In addition, 4 skilled and 3 unskilled employees also left the company. Since the introduction of VRS, a total of 3542 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which one was part time Non-official Director / professional, 3 full time Functional Directors and 2 Government / official Directors.

7. Strategic Issues

Restructuring Plan

Based on the recommendations of the BRPSE the Government approved a revival scheme for CCI on 9.3.2006 which consisted of cash assistance of Rs.184.29 crore and non-cash assistance of Rs.1267.95 crore. including concession of Goverment of India loan of Rupees 355.43 crores upto 0.01% redeemable prefraence share capital. The scheme also sought amendment to Dalima Dadri Cement Limited (Acquisition and Transfer of Undertakings) Act, 1981 (Act No. 31 of 1981) as per Draft Amendment Bill proposed by the Department of Heavy Industry and vetted by the Ministry of Law & Justice. As per the scheme seven non-operating units of CCI i.e. Mandhar, Kurkunta, Akaltara, Charkhi Dadri, Delhi Grinding Unit / Bhatinda Grinding Unit, Nayagaon and Adilabad were to be closed and VSS implemented therein. The revival scheme further envisaged sale of assets of all seven non-operating units through the Asset Sale Committee constituted by BIFR based on fresh valuation, expansion / modernization of Bokajan, Tandur and Rajban units at a cost of Rs. 90.51 crores, Rs.43.80 crores and Rs. 6.80 crores respectively as recommended by IFCI and revision of pay scales after issue of notice for closure of seven non-operating units and separation of employees in these units through VSS. The revision was to be effected subject to the approval of the BIFR as per DPE guidelines. However, under no circumstances salaries and wages would exceed the amount estimated in the proposal approved by the BRPSE.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 14.02 crores.

Hindustan Latex Ltd. (HLL)

1. Company Profile

HLL was incorporated on 1.3.1966 under the Companies Act, 1956 and set up in the rubber rich state of Kerala in 1969, to assist the Government of India's National Family Welfare Programme. HLL has today emerged as a leader in the field of contraceptives and healthcare products. It is a Schedule 'B', Miniratna CPSE, in the consumer goods sector, under the administrative control of the M/o Health and Family Welfare, D/o Family Welfare with 100% shareholding by the Government. The Company's Registered and Corporate offices are at Thiruvananthapuram in Kerala.

2. Industrial / Business Activities

HLL is engaged in manufacturing, sale and trading of contraceptives and healthcare products like Condoms, Cu T, Blood Bags, Surgical Sutures, OCP's etc. through its four production units - two at Thiruvananthapuram, and one at Kochi, in Kerala and another at Belgaum, Karnataka.

3. Production / Operational Profile

The product / service range of the company comprises of 12 products and three main segments namely contraceptives, Health care and trading / services. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Condoms	M. Pcs.	1088.52 (105.27)	989.74 (98.88)	925.97 (138.20)	1001.41 (114.12)
Steroidal Oral Contraceptive Pills	M. Cycles	57.58 (58.36)	54.90 (55.65)	58.04 (193.47)	56.84 (102.49)
Blood Bags	M. Pcs.	5.51 (110.20)	4.62 (92.40)	3.51 (175.50)	4.55 (126.03)
Copper T	M. Pcs.	2.78 (50.54)	3.41 (62.00)	4.16 (104.00)	3.45 (72.18)
Non-Steroidal Oral Contraceptive Pills	M. Tablets	18.19 (60.63)	19.42 (64.73)	15.48 (51.60)	17.70 (58.99)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	239.71	211.43	194.31	13.38
Cost of Production	261.64	192.48	175.50	35.93
Net-Profit/ Loss(-)	17.47	20.64	18.08	-15.36
Dividend declared (as % of PBT)	15.06	8.47	10.66	77.75
Net Worth	106.99	97.28	81.37	9.98
Paid Up Capital	15.54	15.54	15.54	0.00
Share of Central Govt.	15.54	15.54	15.54	0.00

5. Key Performance Factors

The maximum revenue of the company comes from contraceptives followed by trading/services and health care.

The turnover of the Company for the year registered a growth of 14.40% over the previous year. The domestic turnover of branded products, excluding sales of Rs.129.61 crores to the Government(s), was Rs. 86.76 crores, achieving a growth of 67% during 2006-07 compared to previous year.

The profit of the HLL marginally declined during the year due to increase in input cost (price of latex went up by 46%), additional inputs and features added for Government supplies and absence of matching price escalation in selling price.

The Earning Per Share of the Company decreased from Rs. 1329 in 2005-06 to Rs.1124 in the year 2006-07.

The all round growth recorded was mainly due to the addition of more outlets, highly professionalized product management, support of international clients and new lines of business undertaken.

Over the years, the company established its presence in 41 Countries of the World in terms of export. Exports during the year were Rs. 27.11 crores, achieving a growth rate of 46% compared to the previous year. Total exports constituted 11.24 % of the turnover.

Company has scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1920 regular employees (executives 234 & non-executives 1686) as on 31.3.2007 as against 1801 employees as on 31.3.2006. About 11.09% of the company employees were having professional qualifications. Around 33% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 43 employees retired during the year. Further 2 skilled employees also left the company on other grounds. However, 7 new skilled employees and 171 un-skilled employees joined the company during the year.

During the year 7 employees availed of VRS and an amount of Rs. 0.27 crore was spent in this regard through internal resources. Since the introduction of VRS a total of 395 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 3 were part time Non-official Directors / professionals and 2 Government / official Directors

7. Strategic Issues

During the year 2006-07, the company was granted 'MINIRATNA' status by Government of India based on its performance during the previous years.

The company launched the Vaccine Business Division, which will focus on human vaccines. It entered into an agreement with a reputed Indian company and have launched Hepatitis-B and Typhoid Vaccines 'HIVAC-B' and 'TYFEX' respectively.

HLL has also ventured into the business of Leasing of Medical Equipments to Hospitals. The Company plans to procure, install, operate and maintain various equipments required by Hospitals and realise the charges for the same through monthly payments.

The Company has envisaged an ambitious growth path for evolving into a comprehensive healthcare company by diversifying into pharmaceuticals and have launched a dedicated Women's Healthcare Division.

Further, it has identified manufacturing of Rapid Test Kits as a new business area for diversification. Accordingly, the Company is in the process of setting up a manufacturing facility for Diagnostic test kits. The first line of business will be rapid test kit for Pregnancy, Malaria, Dengue, and HIV. Natural products are another area for growth identified by the Company.

The Company is also in the process of setting up a vaccine manufacturing facility at Chengalpet. Initially, the facility would undertake manufacture of vaccines like Hepatitis-B, Rabies, HiB, Typhoid, combination Vaccines and Inactivated Polio Vaccine.

Project Implementation

The Company has undertaken a project for the expansion of its Condom capacity by 230 million pieces at its Peroorkada factory. The company's plan to acquire a Condom manufacturing plant with an annual capacity of 300 million pieces is in advanced stage. With this, the Company would be producing annually over 1.5 billion pieces for Condoms.

It has begun the expansion of its Blood Bag production capacity from 5 million pieces to 11.5 million pieces to meet the increasing demand for this product in the export market and for value added products in this segment.

Research & Development (R&D)

During the year 2006-07, the Company carried out Research & Development activities in the specific areas and developed/introduced/installed new latex formulation with improved BV and low modulus, new products-Moods Gel Personal Lubricant, Crezendo Vibrator Ring & Moods XXX three-in-one condoms (flared head with dots & ribs), filter press to separate Silica from the waste steam of vulcanizing section to reduce the ETP load, cost-effective substitutes -Tamol NN 8906 instead of Darwan-1; 3-Ply laminate of the structure, 12 micron PET/9 micron A1/50 micro SPE; and LLDPE-based 4-Ply laminate of the structure 12 micron PET/18-20 micron PE/9 micron A1/30 micron LLDPE, formulations for Antiretroviral for controlling HIV, New-generation Oral Contraceptive Pills, Twin-Track Automatic Primary Packing Machine and TOTM-based Blood Bags for preserving Platelets up to 5 days. The company also carried out feasibility evaluation of pre-vulcanized Latex in RRT machine (for plain Mould).

In future, the company intends to carry out R & D initiatives to develop new low modus latex formulation with liquid accelerator system, new latex formulation with single accelerator, metalised BOPP-based laminate for packing of Condoms, water-based condom lubricant as a substitute for Silicon oil, New-generation Women Health Care Products, Autologus Blood Bags and Liquid Oral Capsules formulations. It also intends to introduce new products like Super Dotted Extra-time Condoms, Baggy Ribbed condoms, Warming Gel etc., to study the feasibility of using transparent ZnO for latex formulation, to manufacture Condoms with low protein content and to set up Rapid Test Kit manufacturing facility.

The R&D expenditure of the company constituted 1.06 % of its turnover.

Environment and Ecology

The company is maintaining excellent environmental, health, and safety management systems that meet the requirements of ISO 14001 & OHSAS 18001. It has a Safety; Health & Environment (SHE) Policy laid down by the top management and follows the same in letter and spirit.

Hindustan Newsprint Ltd. (HNL)

1. Company Profile

HNL was incorporated on 7.6.1983 under the Companies Act, 1956 as a 100% subsidiary of Hindustan Paper Corp. Ltd. (HPC) with an objective to takeover the assets and liabilities of Kerala Newsprint Project of HPC. The mission of the company is to operate large capacity Newsprint / Paper Mills on sound commercial principles and to continuously upgrade and upscale production out put and enhance market place. HNL is a Schedule-'C' / Mini-ratna CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with its registered and corporate offices at Kottayam, Kerala.

2. Industrial / Business Activities

HNL is engaged in the production and marketing of newsprint through its single operating unit at Kottayam, Kerala.

3. Production / Operational Profile

The product range of the company comprises of writing and printing paper, caustic and chlorine. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Newsprint	**MT**	112565 (113)	113050 (113)	112202 (112)	112606 (113)
Chemi-Mechanical Pulp	**MT**	48131 (80)	49225 (82)	NA	-
Chemical Pulp	**MT**	16760 (61)	15960 (58)	NA	-
De-inked Pulp	**MT**	34120 (103)	33313 (101)	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	315.20	302.96	273.93	4.04
Cost of Production	273.25	278.13	267.54	-1.75
Net-Profit/ Loss(-)	31.92	15.68	4.22	103.57
Dividend declared (as % of PBT)	27.40	32.44	26.02	-15.55
Net Worth	215.69	197.62	190.16	9.14
Paid Up Capital	82.54	82.54	82.54	0.00
Share of Holding Co.	82.54	82.54	82.54	0.00

5. Key Performance Factors

Sales of the company increased by 4.03% and gross margin by 35.35% during 2006-07, compared to last year. The improvement is attributed to increase in manufacturing and selling of more quantity of 45 GSM newsprint during 2006-07 compared to last year.

The company could retain 'Nil' stock position for the fourth year in succession in spite of unprecedented odds in the newsprint market.

The company paid 15% dividend of the Paid-up Capital during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1000 regular employees (executives 262 & non-executives 738) as on 31.3.2007. About 8.1 % of the employees were having professional qualifications. Around 66.2% of employees come under the age bracket of 51 and above years. The retirement age in the company is 60 years.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Non-official Directors / professionals.

The company is following IDA 1997 pattern of remuneration. There was 13.98% increase in average salaries and wages etc. per employee per annum during 2006-07 compared to last year.

7. Strategic Issues

The company has already initiated the process of implementation of its Expansion cum Diversification Project to upscale its capacity from 110000 MT to 280000 MT for producing both newsprint and premium paper grades. The Project activities are set in full motion.

Application has been submitted to the Government for development of a Special Economic Zone in pulp and paper industry.

The company witnessed precipitous decline in the newsprint transaction prices in the second half of 2006-07. Sharp decline of US Dollar against Indian Rupee might pave way for further decline in price of imported newsprint posing threat to the domestic newsprint market. HNL will endeavour to manufacture and market more quantity of 45 GSM newsprint so as to have a competitive edge in the market.

Under the Purchase at Gate Scheme, the company could collect 10,455 BDMT both long and short fibre material. It is contemplating of adopting appropriate remedial measures to combat the competing demands from plywood/ veneer industry.

The company is conscious of the need to migrate to the production of finer papers, as the next phase of digitalization could see an upsurge of transfer of online news to shorter size, handy, convenient and better featured paper rather than broad sheet dailies, especially when new models of revenue channels are emerging online.

Research and Development

Regarding process related R and D activities, decomposition of hydrogen peroxide could be prevented and colour removal of effluents with ferrous chloride could be achieved, in addition to benefits derived from many other activities. To reduce the cost of production of Clonal saplings, the company is trying out the method of producing rooted cuttings in low cost non mist chambers which can be established in the field itself. Mist chambers have been set up with modern facilities to maximize the production of rooted cuttings for large scale multiplication of selected clones. Further modernization was done in the mist chambers for enhancing the production capacity. However, the expenditure on R&D constitutes only 0.04% of its turnover during 2006-07.

Environment and Ecology

The Environmental Management System, which has been ISO 14001 certified since October 2000, is in place in the Company, focusing on continual improvement of environment and adhering to the norms prescribed by the Kerala State Pollution Control Board. The Company has already met the majority of the action points as per Charter on Corporate Responsibility for Environmental Protection.

Hindustan Paper Corpn. Ltd. (HPC)

1. Company Profile

HPC was incorporated on 29.5.1970 (but started its commercial production in 1985 and 1988) under the Companies Act, 1956 with an objective to establish pulp and paper / newsprint mills in the country to make paper available for mass consumption. HPC is a Schedule-'B' / CPSE in 'Consumer Goods' sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered office is at Delhi and Corporate office at Kolkata.

2. Industrial / Business Activities

HPC is engaged in manufacturing of writing and printing paper and marketing the same through out the country. It has two paper mills namely Nagaon Paper Mills (NPM) and Cachar Paper Mills (CPM) situated at Morigaon and Hailakandi districts of Assam. It has two Subsidiary companies namely Hindustan Newsprint Ltd. (HNL) and Nagaland Pulp and Paper Co. Ltd. (NPPC).

3. Production / Operational Profile

The product range of the company comprises of writing and printing paper, caustic and chlorine. The brief details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Newsprint, Writing & Printing Paper including Wrapper	**MT**	208315 (104.16)	207068 (103.53)	197312 (98.66)	204232 (102.12)
Caustic Soda	**MT**	22806 (62.83)	24725 (61.81)	21080 (58.07)	22870 (60.90)
Chlorine Gas (Liquified)	**MT**	20071 (110.58)	19473 (107.29)	18551 (102.21)	19365 (106.69)
Calcium Hypochlorite	**MT**	7957 (55.60)	7374 (51.53)	6270 (43.82)	7200 (50.32)
Hydrochloric Acid	**MT**	2903 (43.98)	2743 (41.56)	NA	-
Chlorine Dioxide	**MT**	1024 (93.94)	987 (90.55)	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	737.74	699.24	560.65	5.51
Cost of Production	639.95	645.35	527.13	-0.84
Net-Profit/ Loss(-)	81.01	58.72	34.16	37.96
Dividend declared (as % of PBT)	12.46	17.20	0.00	-27.53
Net Worth	776.71	713.75	673.24	8.82
Paid Up Capital	700.38	700.38	700.38	0.00
Share of Central Govt.	700.38	700.38	700.38	0.00

5. Key Performance Factors

The improved financial performance is attributed to increase in turnover and price realisation. There was no loss of man-days on account of industrial disputes.

Earning Per Share of the company was Rs. 126.74 during 2006-07 compared to Rs. 87.20 in the previous year.

Government of India approved revival of Nagaland Pulp and Paper Company Limited(NPPC), a subsidiary of HPC, by giving certain relief and concessions, which inter alia covers write off of dues payable by NPPC to HPC amounting to Rs. 44.49 crore against HPC's loan and interest dues to Government of India. However, pending orders from BIFR, no effect of relief and concessions has been given in 2006-07.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2749 regular employees (executives 742 & non-executives 2007) as on 31.3.2007. About 9.75 % of the employees are having professional qualifications. Around 38.16% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. During the year 50 skilled and 28 unskilled employees left the company.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 2 were part time Non-official Directors.

In house training programmes for employees, both at unit and corporate levels are being conducted for bracing upto the challenges of growth in the next 3 to 4 years.

7. Strategic Issues

Projects implementation

The proposal for the UP Paper Mill Project with an estimated capital outlay of Rs.2600 crore had been subject to scrutiny by the Ministry of Environment and Forests for according environmental clearance before consideration by PIB. This project is to be financed through 50% GOI equity and 50% by bank loan.

4 CDM projects have been identified. Project design documents have been submitted for 2 of these projects for host country approval. Project validation process by UNFCCC accredited validator is under way.

Research and Development

The company is applying R& D activities on bamboo dust based gasification plant, tissue culture based production facility for quality planting materials, alkaline sizing trial etc. However, the expenditure on R&D constituted only 0.38% of turnover.

Environment and Ecology

Pro-active steps are taken for combating environmental degradation. Appropriate systems for controlling and monitoring pollutants in the manufacturing units in accordance with the prescribed environmental standards and regulations have been installed.

Action has also been taken for technological up-gradation & implementation of Elemental Chlorine Free (ECF) bleaching to comply with CREP guidelines.

Hindustan Photo Films Mfg. Co. Ltd. (HPF)

1. Company Profile

HPF was incorporated in the year 1960 under the Companies Act, 1956 with an objective to achieve self reliance in photo sensitized goods to cater to health care, education, defense and entertainment needs of the country. The company commenced its business during 1967. HPL is a Schedule-'C' / BIFR referred CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 90.40% shareholding by the Government of India. Its Registered and Corporate offices are at Ootacamund, Tamilnadu.

2. Industrial / Business Activities

HPF is engaged in manufacturing of X-Ray films, Polyester based X-ray (Medical and Industrial) and Graphic Arts Films, Magnetic Auto Tapes, Cine Colour Positive Films and Chemicals for X-Ray films through its 4 operating units (3 units at Ootacamund and one at Chennai) in Tamilnadu.

3. Production / Operational Profile

The product range of the company comprises of seven products. The average capacity utilization for all products taken together was 1.93% during 2006-07 as against 2.12% in the previous year. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Cine Films	M.Sq.m	0.05 (0.31)	0.06 (0.37)	0.05 (0.35)	0.05 (0.34)
X-ray Films	M.Sq.m	0.42 (3.43)	0.56 (4.57)	0.68 (5.52)	0.55 (4.51)
Graphics Arts	MRM	0.15 (6.53)	0.08 (3.47)	0.08 (3.47	0.10 (3.33)
Processing Chemicals	Tonnes	71.48 (17.87)	102.36 (25.59)	126.04 (31.51)	99.96 (24.99)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	12.13	12.51	15.27	-3.04
Cost of Production	671.27	585.20	515.74	14.71
Net-Profit/ Loss(-)	-653.06	-560.90	-496.41	16.43
Net Worth	-4144.43	-3491.39	-2931.48	18.70
Paid Up Capital	199.87	199.87	199.87	0.00
Share of Central Govt.	180.68	180.68	180.68	0.00

5. Key Performance1 Factors

During 2006-07, the performance of the company improved in terms of increase in turnover and fall in losses as compared to last year despite the fact that production of main products like X-ray etc. and Processing Chemicals declined, prices of raw material increased and selling price reduced by the competitors.

Half of the turnover of the company comes from sales to Government Departments / PSEs.

Proper planning of the production schedules, indigenization of 'Base' a major raw material, cost reduction, diversification, financial restructuring and fiscal policy concessions etc. are the measures being considered for performance improvement.

During the year,the company received a non-plan assistance of Rs. 19.04 crore for payment of wages and salaries and a plan assistance of Rs.3 crore as a loan.

Despite being a listed company its shares are not quoted / traded. The company is planning to voluntarily de-list its securities from Madras and Calcutta Stock Exchanges. Delhi Stock Exchange has already given its permission for de-listing.

6. Human Resource Development (HRD)

The enterprise employed 1066 regular employees (executives 156 & non-executives 910) as on 31.3.2007 as against 1072 employees as on 31.3.2006. About 3.94% of the employees were having professional qualifications. Around 16% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for Board level and 58 years for below board level. It is following IDA 1987 pattern of remuneration. A total of 4 employees retired during the year under superannuation and 2 skilled employees left the company on other grounds.

During the year, 204 employees sought VRS. Since the introduction of VRS a total of 2402 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which one each was part time Non-official Director / professional and Government / official Director and 2 full time Functional Directors.

7. Strategic Issues

Delay in sales realization, low morale of employees due to 1987 pay scales and uncertainty about the future of the company, lack of investment on modernization in the fast technological changed environment, aging plant and machinery, lack of working capital, idle manufacturing facilities, high input cost, lack of level playing field, low capacity utilization etc. are the reasons for poor performance.

Restructuring Plan

HPF was registered with BIFR in 1995. It has been recommended for winding up by the Board in January, 2003. The company has obtained an interim stay from the Madras High Court against winding up order of BIFR / AAIFR. A consultant has been appointed to carry out assignment of formulation of a revival plan for the company. The report of the consultant has been submitted to the Government.

The Bankers and Creditors of the company have expressed their willingness to write off the accrued interest subject to the Government of India coming forward for a 'One Time Settlement' of their principal dues.

Order Book Position

The year ended with pending orders of around Rs. 1.80 crores.

Hindustan Vegetable Oils Corpn. Ltd. (HVOC)

1. Company Profile

HVOC was incorporated in the year 1984 under the Companies Act, 1956 by merger of two nationalised companies namely M/s Ganesh Floors Mills and M/s Amritsar Oil Works with an objective to promote the edible oil supply to the consumers at competitive price.

HVOC is a Schedule-'B' / BIFR referred CPSE in Consumer Goods sector under the administrative control of M/o Consumer Affairs, Food and Public Distribution, D/o Food and Public Distribution with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

HVOC is one of the taken over enterprises involved in production of edible oil and ready to eat extruded food through its one operating unit at Delhi.

3. Production / Operational Profile

The breakfast foods unit at Delhi is producing wheat / corn flake. The performance details of these products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Breakfast foods	MT	398 (44)	425 (47)	493 (55)	439 (49)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.56	2.92	2.92	-12.33
Cost of Production	25.62	37.62	37.62	-31.90
Net-Profit/ Loss(-)	-22.91	-34.33	-34.33	-33.27
Net Worth	-84.49	-135.87	-68.16	-37.82
Paid Up Capital	7.71	7.71	71.71	0.00
Share of Central Govt.	7.71	7.71	71.71	0.00

5. Key Performance Factors

The company is a continuously loss making unit and presently under the process of closure/ liquidation, accounts are in arrears and it could finalize the same only up to 2003-04. The information for the last three years is on provisional basis.

The lone working unit at New Delhi has a meager turnover of Rs. 2.50 crore.

6. Human Resource Development (HRD)

The enterprise employed 121 regular employees (executives 41 & non-executives 80) as on 31.3.2007. About 1.65% of the employees were having professional qualifications. Around 8% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1992 pattern of remuneration.

7. Strategic Issues

The company is registered with BIFR since 1999. The BIFR recommended for winding up of the company to the Hon'ble High Court of Delhi. The High Court has permitted the Government of India to appoint liquidator for disposal of moveable assets and settlement of outside liabilities of the company except for the lone working unit of the company situated at New Delhi. The court has also directed the Government to consider the possibilities of hiving-off this unit from the company and its revival or otherwise. The Government in consultation with BRPSE is examining this possibility.

Hooghly Printing Co. Ltd. (HPCL)

1. Company Profile

HPCL was incorporated on 3.1.1922 under the Indian Companies Act, 1913 and became a Government company on 10.5.1979. It was incorporated with an objective to cater to the printing and stationery requirements of the Andrew Yule Group companies. The company is an uncategorized CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries & Public Enterprises, D/o Heavy Industry having its Registered and Corporate offices at Kolkata, West Bengal. HPCL is a 100% subsidiary of Andrew Yule Co. Ltd.

2. Industrial / Business Activities

HPCL is a taken over subsidiary enterprise engaged in printing of paper / paper board through its single Press at Kolkata.

3. Production / Operational Profile

The product range of the company comprises of printing of material as per its customers requirement. The performance details of the company in printing are as follows:

Major Products / Services	Unit	Number of Jobs			Average of three years
		2006-07	2005-06	2004-05	
Printed Jobs	Nos.	289	433	300	341

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4.08	5.08	10.00	-19.69
Cost of Production	3.93	4.73	8.72	-16.91
Net-Profit/ Loss(-)	0.12	0.24	0.99	-50.00
Dividend declared (as % of PBT)	25.00	66.67	17.33	-62.50
Net Worth	2.90	2.83	2.88	2.47
Paid Up Capital	1.03	1.03	1.03	0.00
Share of Holding Co.	1.03	1.03	1.03	0.00

5. Key Performance Factors

The financial performance of the company declined during 2006-07 as compared to previous year due to sluggish demand in the field of printing coupled with obsolete plant and machinery in the press.

The company is securing 90% of the order booking from Central and State Government Departments.

6. Human Resource Development (HRD)

The enterprise employed 60 regular employees (executives 13 & non-executives 47) as on 31.3.2007. About 3.33% of the employees were having professional qualifications. Around 52% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 4 employees retired and 4 new un-skilled employees joined the company during the year.

The company is a Board Managed one and there is no post of full time post of CMD/MD/Director.

7. Strategic Issues

It has been decided by the company to induct one imported PM-74 Four Colour Heidelberg Offset Printing Machine (computer - controlled) so as to meet the exacting needs of the printing industry.

Nagaland Pulp and Paper Co. Ltd. (NPPC)

1. Company Profile

NPPC was incorporated in the year 1971 as a Joint Venture between Government of Nagaland and Hindustan Paper Corporation (HPC) under the Companies Act, 1956 with an objective to construct and manage a modern integrated pulp and paper mill at Tuli in Nagaland. The commercial production commenced in 1982. NPPC is a Schedule-'C' / BIFR referred PSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with its Registered office at Mokokchung, Nagaland and Corporate office at Kolkata. NPPC is a joint venture subsidiary of HPC Ltd. where-in, HPC holds 94.78% equity and Govt. of Nagaland holds 5.22% equity. The company is registered with BIFR since 1992 which earlier recommended 'winding up' of the company. However, on the initiative of the Government, the BIFR has sanctioned a revival plan on 29.5.2007.

2. Industrial / Business Activities

NPPC is basically a writing and printing paper producing company, but the production in its mill has been suspended since 1992 and since then there are no production activities.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	0.00	0.00	0.00
Cost of Production	14.36	14.14	12.92	1.56
Net-Profit/ Loss(-)	-14.36	-14.02	-12.90	2.43
Net Worth	-143.85	-129.47	-115.46	11.11
Paid Up Capital	120.20	120.20	120.20	0.00
Share of Holding Co.	113.92	113.92	113.92	0.00

4. Key Performance Factors

The Company is not in operation since 1992 due to escalation of project cost, non-performance of defectively designed coal-fired boilers, inadequate and erratic grid power, non-availability of reed, deficient infrastructure in transport / telecommunication, shortage of skilled man power etc.

NPPC incurred a loss of Rs. 14.37 crore during 2006-07 and its accumulated loss stood at Rs. 264.20 crore as on 31.3.2007.

Government has not released any fund during the year 2006-07. However, HPC provided Rs. 4.43 crore towards temporary financial accommodation during the year for meeting wages, salaries and other administrative overheads.

6. Human Resource Development

There were 292 employees in the company as on 31.3.2007.

There were 6 Directors on the Board of Directors of the company, all being Government Directors.

7. Strategic Issues

The first revival scheme was sanctioned in 1994. However, the production could not be carried out due to lack of captive power generation at NPPC and as such the company was again referred to BIFR in 1998. BIFR had recommended winding up of the company in 2002 but, against the winding up orders of BIFR, the Government of Nagaland and NPPC filed an appeal before AAIFR which set aside the impugned order and remanded back to BIFR on 20.4.2006.

The Government accorded its approval to certain concession and relief which include write up of dues payable by Hindustan Paper Corporation to NPPC amounting to Rs. 44.49 crore against HPC's loan and interest to Government of India. Pending BIFR orders this could not be made effective.

Based on the approval of the Government, the BIFR has now sanctioned a revival plan on 29.5.2007 which involve a capital outlay of Rs. 552 crore. The pre-project activities for the revival and capacity upgradation have commenced.

A 30 year Tripartite agreement among Government of Nagaland (GON), HPC and NPPC was executed on May 25, 2006 to ensure availability of raw material (bamboo) within the State of Nagaland, handing over the bamboo growing 12676 hectares of GON purchased land to NPPC for undertaking captive bamboo plantation and exemption on payment of royalty on raw material.

NEPA Limited (NEPA)

1. Company Profile

NEPA Limited was incorporated in the year 1947 as "National Newsprint and Paper Mills" in the private sector and subsequently was taken over by the Central Province and Berar (Now Madhya Pradesh) in October, 1949. The Central Government acquired controlling interest in 1959. The mission of the company is to produce quality Newsprint as per the demand of the market. It is a Schedule-'C' / BIFR referred CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 97.73% shareholding by the Government of India. Its Registered and Corporate offices are at Nepanagar, Madhya Pradesh.

2. Industrial / Business Activities

Nepa Limited is engaged in the production of newsprint through its only operating unit at Nepanagar, Madhya Pradesh. The company also has 3 marketing offices at Delhi, Mumbai and Bhopal and a Plantation Unit at Hempur (Uttranchal).

3. Production / Operational Profile

The performance details of production of the company are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
News Prints	MT	42110 (48)	30955 (35)	21680 (25)	31582 (36)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	83.52	57.68	38.42	44.80
Cost of Production	129.83	105.32	88.13	23.27
Net-Profit/ Loss(-)	-44.47	-51.93	-48.02	-14.37
Net Worth	-283.06	-241.69	-195.06	17.12
Paid Up Capital	106.01	106.01	105.39	0.00
Share of Central Govt.	103.61	103.62	103.00	-0.01

5. Key Performance Factors

For the second consecutive year Nepa Limited has recorded improvement in production, sales and turnover and in all other vital key areas. The improvement in production, sales and turnover was 36%, 39% and 44% respectively. The turnover was entirely from domestic sales. There are improvements in marginal contribution and fall in losses also.

Market share of the company in the production of newsprint was 5.6% during 2006-07 as compared to 3.5% in the year 2005-06.

Steps such as optimization of furnish Mix of input material, usage of chemical to optimize process parameters, procurement and installation of DG set and procurement of coarse screen, high pressure shower etc. were taken for performance improvement. Further, Fine screening system has been ordered for improvement in quality and to produce better product.

Moreover, the Company has explored and identified the new areas to raise funds and to supplement its acute cash flow requirement. These include sale of Coal cinder, scrap surplus and unserviceable stores, spares/assets etc. Apart from above, the Estate Department. has also geared up for cash collection.

During 2006-07, Nepa Limited received a budgetary support of Rs. 19.01 crore as loan.

Plantation at Hempur valued at Rs.0.47 Crores as on 31.3.2006 was fully disposed off during the financial year.

6. Human Resource Development (HRD)

The enterprise employed 1199 regular employees (executives 129 & non-executives 1070) as on 31.3.2007 as against 1208 employees as on 31.3.2006. About 6% of the employees were having professional qualifications. Around 4% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration.

During 2006-07, total 9 persons left the company out of which 2 retired on superannuation and 7 left on other grounds. Till 8.10.2002 total 2340 employees availed of VRS. (from 1993-2002). As on 31.3.2007, Rs. 433.47 lakhs were outstanding dues out of which Rs. 388.49 lakhs were on account of salary and wages and Rs.44.98 lakhs towards statutory dues.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one was part time Non-official Director / professional and 3 Government / official Directors and one full time Functional Director.

7. Strategic Issues

Restructuring Plan

Company is registered with BIFR as a sick Company since 1998. In order to revive the company, the Union Government approved a proposal for location of a joint venture partner in private sector by disinvestment of Government of India's equity to the extent of 74 per cent / 100 per cent and introduction of Nepa Limited (Disinvestment of Ownership) Bill, 2007. The Government also gave its approval for requesting BIFR to locate joint venture partner and issue appropriate orders in this regards. The bill is yet to be introduced in the Parliament.

Research & Development (R&D)

The Company's lab is recognized by DSIR and remains heart of the organisation. R & D experiments gave Nepa Ltd. new dimensions. The Company inspite of not having a De inking plant was able to improve the brightness of its paper by 4 to 5^0 by its own R&D efforts. The Company was also able to change its furnish mix which resulted in overall reduction in production cost.

The R&D expenditure of the company constitutes 0.81% of its turnover.

Environmental initiatives

Nepa Ltd. has eco-friendly technology for newsprint manufacturing by recycling waste paper. Thus, they are not only improving the environment but also reducing the cost of production. The effluent generated by Nepa Ltd. is treated in its full-fledged Effluent Treatment Plant and partly recycled and balance which is well within the norms of Pollution Control Board, is released in to the river.

Also company's air is conforming to all the norms of Pollution Control Board.

A study to make Nepa beautiful has been carried out by CEPT University, Ahmedabad and its implementation will be carried as per availability of funds.

Order Book Position

During the year Nepa Limited booked orders worth Rs. 87.39 crore and almost all these orders received from the private sector except orders worth Rs. 80 lakhs received under

Purchase Preference. The year ended with in hand Order Booking of around Rs. 3.88 crores.

Security Printing and Minting Corporation of India Ltd. (SPMCIL)

1. Company Profile

SPMCIL was incorporated on 10.2.2006 under the companies Act, 1956 after corporatization of nine Mints / Presses / Mills which were working earlier under the Ministry of Finance as industrial departmental organizations. The main objective of the company is to excel in development and production of cost efficient high quality security products of international standards and to meet fully the requirements of Central Government and State Governments regarding security products and currency and coin indents of RBI. The company is an un-categorised CPSE in consumer goods sector under the administrative control of M/o Finance, D/o Financial Services with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Delhi.

2. Industrial / Business Activities

SPMCIL is engaged in providing services in the field of printing of currency, Non-Judicial Stamp papers, allied stamps, postal stationery, stamps, cheques for Departments of Government of India, passport, visa stickers, identity cards etc. through its 9 operating units (4 Press, 4 Mints and one Paper Mill). The units are situated in the States of Maharashtra (4), Andhra Pradesh (2), Madhya Pradesh (1), Utter Pradesh (1) and West Bengal (1).

3. Production / Operational Profile

The product range of the company comprises of four main segments namely security documents, paper mill, currency and mint. The performance details of major activities of the company is as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Bank / currency Note	No. of pieces in million	4669	NA	NA	-
Coins	No. of pieces in million	733	NA	NA	-

NA = Not Applicable

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1274.73	0.00	0.00	N/A
Cost of Production	1160.93	0.00	0.00	N/A
Net-Profit/ Loss(-)	268.38	0.00	0.00	N/A
Net Worth	3296.99	32.38	0.00	N/A
Paid Up Capital	0.05	0.05	0.00	0.00
Share of Central Govt.	0.05	0.05	0.00	0.00

5. Key Performance Factors

The year 2006-07 was the first full year of company's operation. The performance factors of the company for last two years are not comparable as the last year comprised of operations only for 50 days.

Significant difference in deferred tax provision was due to depreciation of 50 days being allowed as depreciation of six months for income tax purposes.

The main clients of the company are RBI, State Government, Postal Department, M/o External Affairs and M/o Home Affairs.

Earning Per Share of the company was Rs. 53675 as on 31.3.2007 as compared to Rs. 6465 as on 31.3.2006.

6. Human Resource Development (HRD)

The enterprise employed 17690 regular employees (executives 559 and non-executives 17131) as on 31.3.2007 as against 19000 employees as on 31.3.2006. About 0.09% of the employees were having professional qualifications. Around 29% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following CDA 1996 pattern of remuneration. A total of 615 employees retired during the year on superannuation and 9 skilled and 143 unskilled employees also left the company on other grounds. However, 7 new skilled and 2 un-skilled employees joined.

During the year, 16 employees were identified as surplus manpower. 27 employees availed ofVRS and an amount of Rs.0.62 crore was spent in this regard through budgetary support.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 3 were part time Non-official Directors / Professionals and 3 Government / official Directors.

7. Strategic Issues

The company is working under monopolistic situation for meeting the requirements of Central & State governments and RBI as such cost reduction, profit centre approach and improvement in quality of products are the main objectives to achieve.

Research & Development

BNP's ink factory produced about 30MT of Quickset Intaglio Inks and all the quantity has been consumed at BNP itself. After getting comments from other units, the company proposes to make about 120 Tons of Quickset Intaglio Inks.

The company is aiming to change production patterns so as to meet the advancement of information technology.

Standing Committee of Experts has been requested to identify Testing of various parameters at 3rd party R&D Labs/Institutions.

SPMCIL's officials visited renowned currency paper manufacturing firms in Germany, U.K., France, Sweden, Italy during CWBN Paper inspection etc. and gained knowledge of modern technologies in banknote paper manufacturing abroad.

Order Book Position

RBI has projected currency requirement of 5100 million pieces of different denominations for the year 2007-08. Further, RBI has given the projections for requirement of banknotes and coins for next four years. As per these projections, the company is likely to have considerable assured orders over the next four years.

Tyre Corporation of India Ltd. (TCIL)

1. Company Profile

TCIL was incorporated on 24.2.1984 under the Companies Act 1956 when erstwhile M/s Inchek Tyres Ltd. and M/s. National Rubber Manufacturers Ltd. were nationalised by an ordinance dated 14.2.1984, with an objective to protect the employment of around 4000 employees and to ensure supply of automotive tyres to different STUs, Government Departments and Defence. The current objectives are to improve production through better capacity utilization, proper maintenance and upgradation of equipments, to enhance procurement, and to make efforts to reduce cost and improve labour productivity.

TCIL is a Schedule-'B' / takenover / BIFR/ BRPSE referred CPSE in 'Consumer Goods' sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

TCIL is engaged in manufacturing and marketing of automotive tyres through its single operating unit at Kankinara, West Bengal. Presently, the company is doing 100% jobbing work w.e.f. 1.4.2002 for other tyre manufacturers in the absence of working capital support from banking system due to its reference to BIFR.

3. Production / Operational Profile

The company is not manufacturing any own brand tyres since 1.4.2002. The brief detail of major jobbing work is as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)		
		2006-07	2005-06	2004-05
Automotive Tyres	MT	15623 (67)	15557 (67)	6171 (26)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	36.40	37.64	14.38	-3.29
Cost of Production	88.48	86.71	75.27	2.04
Net-Profit/ Loss(-)	-47.93	-47.69	-56.86	0.50
Net Worth	-638.96	-591.38	-543.69	8.05
Paid Up Capital	93.45	93.10	93.10	0.38
Share of Central Govt.	93.45	93.10	93.10	0.38

5. Key Performance Factors

The decrease in turnover and increase in losses are attributed to lower conversion charges for non-availability of adequate jobbing order, plant operations remaining suspended for 10 days due to break down in 4 Roll Calender machine and provision for penal interest on overdue interest and loan installment. However, operating profit in comparison to last year was increased by Rs. 0.65 crore.

6. Human Resource Development (HRD)

The enterprise employed 252 regular employees (executives 67 & non-executives 185) as on 31.3.2007. About 2.78% of the employees were having professional qualifications. Around 67% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years at Board Level and 60 years at below board level. It is following IDA 1987 pattern of remuneration. A total of 22 employees retired and 2 new employees joined the company during the year.

Since the introduction of VRS, a total of 2213 employees have retired under the scheme..

The total number of Directors in the company, as on 31.3.2007 was 5, out of which one each was part time Non-official Director / professional and Government / official Director.

7. Strategic Issues

The company aims for a turnaround from a loss making to profit making company by financial restructuring and strategic alliance. Company is planning for diversification of its product range for manufacturing Off the Road Tyre (OTR) for which demand is increasing and presently bigger sizes are imported. Coal India Ltd. (CIL) is one of the major customer of OTR . As such, TCIL is contemplating signing of MOU with CIL in this respect.

Restructuring Plan

BRPSE has recommended for financial restructuring with the condition of locating joint venture partner who will bring technology and increase profitability and market share. Disinvestment of TCIL will require the approval of Parliament for changing the public sector character of the company.

6 FERTILIZERS

As on 31.3.2007, there were 8 Central public sector enterprises in the Fertilizers group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Fertilizers & Chemicals (Travancore) Ltd.	1943
2.	Pyrites, Phosphates & Chemicals Ltd.	1960
3.	Fertilizer Corpn. of India Ltd.	1961
4.	Madras Fertilizers Ltd.	1966
5.	National Fertilizers Ltd.	1974
6.	Hindustan Fertilizer Corpn. Ltd.	1978
7.	Rashtriya Chemicals & Fertilizers Ltd.	1978
8.	Brahmaputra Valley Fertilizer Corpn. Ltd.	2002

2. The enterprises falling in this group are mainly engaged in producing and selling of chemicals and fertilizers like Urea, Phosphates, Complex Fertilizers and other items like DAP, Phosphatic Acid, Ammonia, Sulphuric Acid. etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	Fertilizers & Chemicals (Travancore) Ltd.	1469.39	1393.53
2.	Pyrites, Phosphates & Chemicals Ltd.	0.00*	0.00*
3.	Fertilizer Corpn. of India Ltd.	0.00	0.00
4.	Madras Fertilizers Ltd.	1210.66	1084.22
5.	National Fertilizers Ltd.	3865.68	3590.53
6.	Hindustan Fertilizer Corpn. Ltd.	0.00	0.00
7.	Rashtriya Chemicals & Fertilizers Ltd.	3487.80	3044.99
8.	Brahmaputra Valley Fertilizer Corpn. Ltd.	284.75	134.15
	Total	**10318.28**	**9274.42**

** not in operation*

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Fertilizers & Chemicals (Travancore) Ltd.	-124.73	235.66
2.	Pyrites, Phosphates & Chemicals Ltd.	0.00*	0.00*
3.	Fertilizer Corpn. of India Ltd.	-1432.59	-1294.00
4.	Madras Fertilizers Ltd.	-114.78	-131.74
5.	National Fertilizers Ltd.	176.10	116.40
6.	Hindustan Fertilizer Corpn. Ltd.	-1065.14	-964.61
7.	Rashtriya Chemicals & Fertilizers Ltd.	148.74	147.96
8.	Brahmaputra Valley Fertilizer Corpn. Ltd.	-62.37	-99.78
	Total	**-2474.77**	**-1990.11**

** not in operation*

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	**2005-06**
1.	No. of employees	15240	15688
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	57.46	24.84
	b. Medical facilities	20.21	9.51
	c. Others	40.53	35.15
3.	Capital cost of township *(Rupees in crore)*	126.03	125.11
4.	No. of houses constructed	27789	17981

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

FERTILIZERS

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	527500	477500	477500
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	332932	329631	327053
OTHERS	12855	12855	12854
(B) SHARE APPLICATION MONEY	29230	29445	445
(C) RESERVES & SURPLUS	179331	159482	143986
TOTAL (A)+(B)+(C)	**554348**	**531413**	**484338**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	154156	149902	125517
(B) UNSECURED LOANS	2652511	2323695	2146710
TOTAL (A)+(B)	**2806667**	**2473597**	**2272227**
(1.3) DEFERRED TAX LIABILITY	36348	35963	39121
TOTAL (1.1)+(1.2)+(1.3)	**3397363**	**3040973**	**2795686**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	1044583	1021823	967216
(B) LESS DEPRECIATION	681584	651139	620207
(C) NET BLOCK (A-B)	362999	370684	347009
(D) CAPITAL WORK IN PROGRESS	30882	38031	64711
TOTAL (C)+(D)	**393881**	**408715**	**411720**
(2.2) INVESTMENT	111	112	159
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	170269	132876	132867
(B) SUNDRY DEBTORS	234327	174510	107957
(C) CASH & BANK BALANCES	52069	30662	45199
(D) OTHER CURRENT ASSETS	1698	596	564
(E) LOAN & ADVANCES	69055	93713	92629
TOTAL (A)+(B)+(C)+(D)+(E)	**527418**	**432357**	**379216**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	245431	249598	219009
(B) PROVISIONS	40740	34137	38200
TOTAL (A+B)	**286171**	**283735**	**257209**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**241247**	**148622**	**122007**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	904	2266	6491
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	2761220	2481258	2255309
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**3397363**	**3040973**	**2795686**

FERTILIZERS

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1045248	936439	899920
(B) EXCISE DUTY	13420	11697	13244
(C) NET SALES (A-B)	1031828	924742	886676
(D) OTHER INCOME / RECEIPTS	17275	19116	17985
(E) ACCRETION / DEPLETION IN STOCKS	38297	-5435	-6138
(I) TOTAL INCOME (C+D+E)	**1087400**	**938423**	**898523**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	568118	476725	425902
(B) STORE & SPARES	11891	19652	19343
(C) POWER & FUEL	259696	223995	219886
(D) MANUFACTURING / DIRECT / OPERATING EXP.	83682	73934	49195
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	57031	51682	49692
(F) OTHER EXPENSES	27852	38679	59422
(G) PROVISIONS	4228	7019	3865
(II) TOTAL EXPENDITURE (A TO G)	**1012498**	**891686**	**827305**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	74902	46737	71218
(4) DEPRECIATION	33125	32464	31144
(5) DRE. / PREL. EXP. WRITTEN OFF	1289	1787	2515
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	40488	12486	37559
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	251131	217900	221367
(B) ON FOREIGN LOANS	572	0	0
(C) OTHERS	17340	14626	18085
(D) LESS INTEREST CAPITALISED	343	17	105
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	268700	232509	239347
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**-228212**	**-220023**	**-201788**
(9) TAX PROVISIONS	18252	13228	12455
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-246464	-233251	-214243
(11) NET EXTRA -ORD. ITEMS	1013	-34240	-3879
(12) NET PROFIT / LOSS (10-11)	**-247477**	**-199011**	**-210364**
(13) DIVIDEND DECLARED	10800	9591	14206
(14) DIVIDEND TAX	1836	1345	1984
(15) RETAINED PROFIT (12-13-14)	**-260113**	**-209947**	**-226554**

FERTILIZERS

MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1927794	1506498	1389431
(ii) CAPITAL EMPLOYED	604246	519306	469016
(iii) NET WORTH	-2207776	-1952111	-1777462
(iv) COST OF PRODUCTION	1315612	1158446	1100311
(v) COST OF SALES	1277315	1163881	1106449
(vi) VALUE ADDED	230420	198935	215407
(vii) R & D EXPENDITURE	113	148	141
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	15240	15688	16172
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	31185	27453	25606
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	5.06	4.65	4.69
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.15	1.73	1.73
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	4.91	2.98	4.40
(iv) SUNDRY DEBTORS : SALES (No. of days)	82.89	68.88	44.44
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	60.23	52.45	54.69
(ii) SEMI / FINISHED GOODS : SALES	28.42	16.57	19.52
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.56	1.30	-0.49
		(%)	
(vii) SALES : CAPITAL EMPLOYED	170.76	178.07	189.05
(viii) PBDITEP : CAPITAL EMPLOYED	12.40	9.00	15.18
(ix) PBITEP : CAPITAL EMPLOYED	6.70	2.40	8.01
(x) COST OF SALE : SALES	123.79	125.86	124.79
(xi) MATERIAL COST : SALES	55.06	51.55	48.03
(xii) SALARY & WAGES : SALES	5.53	5.59	5.60
(xiii) R & D EXPENDITURE : SALES	0.01	0.02	0.02
(xiv) PBITEP : SALES	3.92	1.35	4.24
(xv) PBTEP : NET WORTH	10.34	11.27	11.35
(xvi) NET PROFIT : NET WORTH	11.21	10.19	11.84
(xvii) GROSS MARGIN : GROSS BLOCK	7.17	4.57	7.36

Brahmaputra Valley Fertilizer Corpn. Ltd. (BVFCL)

1. Company Profile

BVFCL was incorporated on 5.4.2002 under the Companies Act, 1956 with the objective to de-merge the Namrup I, II & III plants from Hindustan Fertilizer Corp. Ltd. and to manufacture and market Urea Fertilizer in efficient, economic and eco-friendly manner.

BVFCL is a Schedule- 'B' CPSE in fertilizer sector under the administrative control of M/o Chemical and Fertilizers, D/o Fertilizers with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Namrup, Assam.

2. Industrial / Business Activities

BVFCL is engaged in the production and distribution of Urea from its 3 operating units at Namrup, Assam.

3. Production / Operational Profile

The average capacity utilization of the company was 60.45% during 2006-07. The performance of major product of the company is as follows:

Major Product	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Urea	000' MT	308303 (60.45)	234578 (46)	203060 (39.82)	248647 (48.76)

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	285	134	148	112
Cost of Production	352	235	159	50
Net Profit/ Loss(-)	-62	-100	23	-37
Net worth	150	181	257	-17
Paid up capital	366	333	307	10
Share of Central Govt.	366	333	307	10

5. Key Performance Factors

The increase in turnover by about 112% and decrease in loss by about 40% during 2006-07 compared to previous year are attributed to higher sale, sale of Urea to Nepal and higher concession price of Urea. The concession price of Namrup-III urea has been increased to Rs.6353 per MT from Rs.5273 per MT and in case of Namrup unit II it has been fixed at Rs. 7473 per MT. Further there is increase in efficiency also due to reduction in expenditure through cost cutting measures, lower energy consumption and higher human productivity.

Profitability is limited by the shortage of Natural Gas leading to production loss and running of Namrup-II plant at 50% load.

During the year the company received a plan budgetary support of Rs. 31 lakhs in the form of equity.

Earning Per Share was (-) Rs. 186.40 during 2006-07 against (-) Rs. 309.70 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1371 regular employees (Executives 399 & Non-Executives 972) as on 31.3.2007. About 5.4% of the company employees were having professional qualifications. Around 46% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for Board level and 58 years for below board level. It is following IDA 1997 pattern of remuneration. A total of 100 employees retired and 5 new employees also joined the company during the year.

During the year, 30 employees availed of VRS and an amount of Rs.1.48 crore was spent in this regard. Since the introduction of VRS a total of 56 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 were Government / official Directors.

7. Strategic Issues

The company aims to establish itself as a profit earning enterprise through optimum levels of efficiency and productivity in all activities.

Restructuring

The company has submitted a proposal for health study and upgradation/retrofit/modernization of existing plants to produce 7-8 lakh MT per annum urea with atleast specific energy consumption of 7.0 Gcal per MT of urea for seeking approval of the Government. In case it is not found feasible, another proposal has been submitted alongwith techno-economic feasible report regarding installation of a new modern Brown Field Ammonia Plant with a capacity to produce 2600 MT urea at a cost of Rs. 2691 crore.

Environmental initiatives

During the year Ammoniacal Effluent Stripper for treating factory effluent has been commissioned.

Fertilizer Corporation of India Ltd. (FCIL)

1. Company Profile

FCIL was incorporated in the year 1961 under the Companies Act, 1956 with an objective to carry out all kinds of business relating to fertilizers, heavy chemicals etc. FCIL is a schedule-'B' / BIFR referred PSE in Fertilizers sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 100% shareholding by the Government of India. Its registered and corporate offices are at New Delhi.

2. Industrial / Business Activities

FCIL was involved in manufacturing and marketing of fertilizers. However, due to incurring continuous losses the company became sick and based on the recommendation of the BIFR for winding up, the Government decided to close down and offer Voluntary Separation Scheme (VSS) to its employees. Accordingly, all the establishments have been closed.

3. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
(1)	(2)	(3)	(4)	(5)
Turnover	0	0	0	0
Cost of Production	1434	1316	1217	9
Net Profit/ Loss(-)	-1433	-1294	-1210	11
Net worth	-13422	-11990	-10691	12
Paid up capital	751	751	751	0
Share of Central Govt.	751	751	751	0

5. Key Performance Factors

In view of decision for closure of all the fertilizer units and there being no production during the year, no any marketing activity was under taken. Activities at all plants are restricted to security arrangements and settlement of dues of employees.

The company's sales were only Rs. 11000/- during 2006-07 as against Rs. 5000/- in the previous year. The loss of the company was arrived at due to charging interest of Rs. 1403.66 crore including penal interest on Government of India loans amounting to Rs. 926.34 crore and providing for depreciation of Rs. o.30 crore.

During the year, the company received Rs. 4.48 crore as loan from the Government for non-plan expenditure.

6. Human Resource Development

Majority of the employees have already been released under VSS except 56 persons who have been retained to look after the safety and security of the properties of the corporation and discharge statutory obligations..

7. Strategic issues

In view of the directions of the High Court of Delhi dated 4.5.2006 that in case no concrete proposal/scheme is received for revival of the company till the date of next hearing, appropriate order will be passed and no further adjournment will be granted in the matter, the Board of the company submitted a proposal to the Ministry for restructuring of the company which included the proposal for waiver of Government of India loan and interest thereon. The matter was adjourned to 11.8.2006. In pursuance to the order of the High Court of Delhi dated 31.10.2006, the company deposited Rs. 5 crore with the Official Liquidator for settling the dues of the unsecured creditors having claims upto Rs. 1 lakhs. For claims of more than Rs. one lakh an Asset Sale Committee was constituted by the High Court for sale of surplus and items not required for revival of the company, to raise funds. The company has submitted before the High Court of Delhi to settle the unsecured creditors at 30% of their dues. The matter was adjourned twice for 7.2.2007 and 14.5.2007. The High Court, in the changed scenario due to decision of the Government to explore the possibilities for revival of the company, directed to get the orders of BIFR for winding up reviewed. The company is in the process of filing an application in this regard.

Fertilisers and Chemicals (Travancore) Ltd. (FACT)

1. Company Profile

FACT was incorporated in the year 1943 and the unit started production in 1947. Initially it was promoted in private sector by the Seshasayee Brothers. It became a public sector company in 1960 and a central public sector enterprise in 1962 when Government of India became its major shareholder. Its mission is to be a globally competitive producer and supplier of agricultural inputs and petrochemicals and extend world class engineering and technology services with maximum shareholders value.

FACT is a schedule-'A' / Mini-ratna PSE in Fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizer with 97.38% shareholding by the Government of India. Its Registered and Corporate offices are at district Ernakulam, Kochi, Kerala.

2. Industrial / Business Activities

FACT is a multi product enterprise, engaged in production and marketing of fertilizers and caprolactum, providing engineering and consultancy services and fabrication and erection of equipments through its 2 production units at Udyogamandal and Ambalamedu and 2 Consultancy / Engineering / Fabrication units at Udyogamandal and Kochi in Kerala.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ammonium Sulphate	MT	183490 (82)	172986 (77)	200564 (89)	185680.00 (82.67)
Factamfos 20:20	MT	721202 (114)	745902 (118)	560788 (89)	675964.00 (107)
Caprolactam	MT	41327 (83)	38666 (77)	44932 (90)	41641.67 (83.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1469	1394	1184	5
Cost of Production	1691	1527	1357	11
Net Profit/ Loss(-)	-125	236	-168	-153
Net worth	253	376	-176	-33
Paid up capital	355	355	355	0
Share of Central Govt.	345	345	345	0

5. Key Performance Factors

While there was a slight improvement in the production over the previous year, the financial performance of the company was affected by the unprecedented increase in raw material cost especially the prices of sulphur in international market in the second quarter of the year. The financial restructuring sanctioned by the Government of India in April, 2006 had only a limited impact on the day to day operations of the company as it did not result in infusion of any funds and the company was having limited working capital till December, 2006.

In order to reduce losses and maximize NP production, the company decided to temporarily suspend operations of the Caprolactum, Ammonium Sulphate and Ammonia Plants.It is exploring various options such as arrangement of extra quantities of intermediate sulphuric acid and phosphoric acid so that Factamfos production can be maintained at a reasonable level.

The Company earned a foreign exchange of Rs.111 crores during the year.

The market price of company's shares during 2006-07 varied between Rs.20.55 to Rs.34.00 as compared to Rs.25.70 to Rs.39.50 in 2005-06.

6. Human Resource Development (HRD)

The enterprise employed 3920 regular employees (762 executives & 3158 non-executives) as on 31.3.2007. About 9% of the employees were having professional qualifications. Around 30% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 64 employees retired during the year. In addition, 110 skilled and 14 unskilled employees also left the company in attrition. However, 3 new skilled employees joined during the year.

During the year, 711 employees were identified as surplus manpower. Since the introduction of VRS a total of 1755 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2007 was 6 out of which 4 were full time Functional Directors and 2 were Government/ official Directors.

7. Strategic Issues

In its endeavour to optimize production and reduce losses, the company is planning to take up few steps viz. procurement of sulphuric acid and phosphoric acid, sale of Gypsum which is a by-product, setting up Joint venture projects to manufacture value added products using phospho gypsum, collaborating with Infrastructures Kerala Limited for setting up product specific Industrial Parks at Cochin Division. FACT is also planning to import and trade 100000 MT of Urea and 50000 MT of MOP during 2007-08.

FACT Board of Directors have also approved in principle various projects which are aimed at expansion/diversification for establishment of own facilities for production of intermediates which are at present being outsourced, expansion of production capacities of end products and diversification into other areas. The projects include. Food Processing Industrial Park at Udyogamandal Complex, Expansion of Caprolactum Production Facility and Re-vamp of Cochin Division Ammonia/Urea plant.

Research & Development (R&D)

The R&D Centre of the Company has been successful in developing three kinds of Biofertilizers viz. Rhizobium, Azospirillum and Bacillus Megatherium. It is producing the same under the trade name BIOFACT on specific demands of Marketing division, due to low shelf life of the products. Efforts are underway to change over to a new carrier material (Lignite) that conforms to the recently laid down FCO regulations. In addition, a Quality Control Cell has been set up in the R&D Centre as per the directives of Ministry of Agriculture, Government of India for efficiently monitoring the quality of fertilizer products.

The R&D centre is further planning to conduct research to know the effect of particle size of vermiculite, a carrier material, on the growth of bio-fertilizer inoculants and also on the incorporation of zinc as micronutrient in NP fertilizers.

The R&D expenditure of the company was Rs. 0.3 crores, which constitutes 0.02% of the turnover.

Environmental initiatives

Production units of FACT are ISO 14001 certified. The computerized Ambient air quality monitoring stations installed in the area monitor the quality of the air around the factory and ensure a clean environment in the locality. Guidelines of Kerala State Pollution Control Board are followed in the disposal of liquid effluent, gaseous emission and other hazardous waste.

Hindustan Fertilizer Corporation Ltd. (HFC)

1. Company Profile

HFC was incorporated in the year 1978 after the re-organisation of Fertilizer Corporation of India Ltd. / NFL group of companies under the Companies Act, 1956 with an objective to manufacture and market quality chemical fertilizers and by product. HFC is a schedule-'B' /

BIFR referred CPSE in Fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at NOIDA, U.P.

2. Industrial / Business Activities

After de-merger of the Namrup units into a new company under the name of "Brahmaputra Valley Fertilizer Corporation Ltd. (BVFCL)" w.e.f. 1.2.2002, HFC has three units at Durgapur and Haldia (East Midnapore) in West Bengal and Barauni (Begusarai) in Bihar. The company also has one Fertilizer Promotion & Agriculture Research Division. As the operations of all these three units became techno-economic non-viable, Government decided to close the company in 2002. However, Government reconsidered the matter and decided on 24.4.2007 in principle to revive the HFCL and directed the concerned Ministry to examine the feasibility of revival subject to confirmed availability of gas; and the need for a hard look at the prospects of revival in view of the factors that had led to the closure of the entities.

3. Production / Operational Profile

In view of the decision for closure of the corporation, there was no production and marketing activities during the last four years. However, the company sold small quantity of own manufactured products and also provided marketing services to BVFCL for sale of their products during last four years.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0	0	1	0
Cost of Production	1075	971	906	11
Net Profit/ Loss(-)	-1065	-965	-878	10
Net worth	-10763	-9698	-8734	11
Paid up capital	687	687	687	0
Share of Central Govt.	687	687	687	0

**Provisional*

5. Key Performance Factors

Due to the closure decision of the company, all operational activities of the units have been stopped. The company has provided provisional information for the year 2006-07.

6. Human Resource Development (HRD)

Almost all the employees have opted for the VRS. Only 41 employees were on the rolls of the company as on 18.10.2007 to ensure safety and safeguarding of the plants / assets and to carry out post closure activities.

7. Strategic Issues

Restructuring Plan

As a sequel to Government's approval in principle for revival of HFCL plants, profit making fertilizer PSU's such as NFL, RCF, KRIBHCO and Feedstock PSU's is like GAIL & NFL have shown interest for revival of Barauni unit and RCF for Durgapur unit.

Further EoI may be issued for revival of Haldia division to evoke response from reputed National / International investors, in case the state Government does not come forward as a joint partner.

Madras Fertilizers Ltd. (MFL)

1. Company Profile

MFL was incorporated on 8.12.1966 under the Companies Act, 1956 as a joint venture between Government of India and AMOCO India Inc., a subsidiary of Standard Oil Company of USA. MFL commenced commercial production on 1.11.1971. In the year 1972, National Iranian Oil Company of Iran (NIOC) joined in MFL but in the year 1985 AMOCO disinvested its shareholding in MFL, which were acquired by GOI and NIOC. The vision and objective of the company is to become a leader in fertilizer and process industry and in production / marketing of agrochemicals and other eco-friendly products like Bio-fertilizers / neem pesticides through efficient operations, quality products, market orientation and dedicated manpower.

MFL is a Schedule- 'B' sick PSE in fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 59.50% shareholding by the Government of India (25.77% equity holding is with NIOC and 14.73% equity is with public). Its Registered and Corporate offices are at Manali, Tamilnadu.

2. Industrial / Business Activities

MFL is engaged in manufacturing and marketing of Urea; complex fertilizers and bio-fertilizers and trading In agro-chemicals through its 3 operating units located at Manali, Chennai(Fertilizer Plant), Jigani, Anekal Taluk, Bangalore (Bio-Fertilizer Plant) and Kondapalli Post, Krishna, Andhra Pradesh (Bio-Fertilizer Plant). It has 12 offices mainly located in southern States including one liaison office in New Delhi.

3. Production / Operational Profile

The average capacity utilization of the company is about 40%. The performance details of the products of the company are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ammonia	MT	281312 (81.19)	227066 (65.53)	300886 (86.84)	253088 (77.87)
UREA	MT	473363 (97.25)	368500 (75.71)	473032 (97.18)	438298 (90.05)
Total Complex	MT	57130 (6.8)	208193 (24.78)	333475 (39.70)	199599 (21.72)
Bio fertilizer	MT	228 (57)	235 (58.75)	213 (53.25)	225 (56.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1211	1084	1286	12
Cost of Production	1299	1211	1350	7
Net Profit/ Loss(-)	-115	-132	-58	-13
Net worth	-345	-234	-104	48
Paid up capital	162	162	162	0
Shar e of Central Govt.	96	96	96	0

5. Key Performance factors

Out of total turnover of Rs. 1210.66 crore the Urea subsidy concession accounts for Rs. 892.21 crore during 2006-07 compared to Rs. 630.09 crore in the total turnover of Rs. 1084.22 crore in the previous year.

NPK production and sales was at lower level (7%) during 2006-07 due to non-availability of the required raw materials and cash liquidity crisis.

The main reasons for recurring losses and sickness of the company are high investments made between 1993 and 1998 for revamp of Ammonia and Urea Plants and changes in the policies of pricing of Urea and complex fertilizers.

However, the company has been able to reduce its losses from Rs. 132 crores in 2005-06 to Rs. 114 crores in 2006-07. This is attributed to increase in efficiency, human productivity and decrease in expenses.

The implementation of New Pricing Scheme (NPS) has led to an adverse impact on the MFL vis-a-vis the erstwhile Retention Price Scheme (RPS). Due to withdrawal of Outlier benefit for Urea in Stage III of NPS from 1.10.2006, the margin on Urea has declined. The margin on Complex fertilizers affected due to lower capacity utilization.

Under recoveries in the cost of production, which have arisen due to introduction of NPS wherein the unit-based calculation of retention price was replaced with group-based calculation of retention price, have severally affected the cash flow.

6. Human Resources Devvelopment

The company employed 976 employees as on 31.3.2007 including 509 executives and 477 other employees. During 2006-07, 33 employees availed of VRS. Total 656 employees have taken VRS till 31.3.2007 .

As on 31.3.2007 the company had 3 Directors on its Board out of which one was full time functioal Director and 2 were Government Directors.

7. Strategic Issues

The company plans to reduce the manpower further through rationalization in all the functional groups except plant where shortage of experienced manpower has been noticed.

The revival package recommended by the Board for Reconstruction of Public Sector Enterprises on 17.3.2005 is still awaiting the approval of the Government.

The company has submitted a Revised proposal for restructuring on 28.2.2007 to the Department of Fertilizers which envisaged enhancement of outlier benefits, implementation of recommendation of Tariff Commission, waiver of Government of India loan and interest and Government compensation in a suitable manner towards outlier benefits.

Environment and Ecology

MFL received ISO 14001 - 2004 accredition valid till 30.5.2008, towards Environmental Management System.

National Fertilizers Ltd. (NFL)

1. Company Profile

NFL was incorporated on 23.8.1974 under the Companies Act, 1956 with the main objective of producing and marketing of fertilizers and by-products efficiently and economically besides achieving a reasonable and consistent growth. NFL is a schedule-'A' / Mini-ratna PSE in fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizer with 97.64% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at NOIDA (U.P.).

2. Industrial / Business activities

NFL is involved in production and marketing of Urea, Neem coated Urea, Bio-fertilizers and other allied Industrial products through its 5 operating units one each at Nangal and Bhatinda in Punjab, Panipat in Haryana and two units at Vijaipur in Madhya Pradesh along with 3 Zonal Offices at Chandigarh, Bhopal and Lucknow.

3. Production / Operational Profile

The performance detail of major production are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
UREA	Lakh / MT	33.51 (103.7)	33.44 (103.5)	34.32 (106.2)	33.76 (104.5)
Methanol	Lakh / MT	0.15 (68.18)	0.10 (45.45)	0.29 (131.8)	0.18 (81.81)
Sulphur	Lakh / MT	0.14 (58.3)	0.12 (50.00)	0.12 (50.00)	0.13 (52.77)
Bio-Fertilizers	MT	124 (124.0)	175 (175.0)	124 (124.0)	141 (141.0)
Argon Gas	Nm3	883640 (92.98)	1003912 (105.63)	NA	NA

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3866	3591	3474	8
Cost of Production	3631	3427	3257	6
Net Profit/ Loss(-)	176	116	161	51
Dividend declared (as% of PBT)	20	23	22	-12
Net worth	1371	1250	1170	10
Paid up capital	491	491	491	0
Share of Central Govt.	479	479	479	0

5. Key Performance Factors

Profitability of the NFL increased due to revision of Equated Freight, decrease in provision for diminution in value of stores and spares and decrease in depreciation which has been partly off set by increase in Freight Expenditure etc.

The value added per employee increased from Rs. 16.74 lakhs during 2005-06 to Rs. 18.59 lakhs in 2006-07.

Calcium Ammonium Nitrate (CAN) plant at Nangal has been shut down from active use w.e.f. 1.4.2005, due to non-viability of their operation.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The market price of the company's shares was between Rs. 26.75 to Rs. 47.60 during the year 2006-07 as compared to Rs. 33.6 to Rs 48.65 during last year.

6. Human Resource Development

NFL employed 4736 persons (executives 1788 and non-executives 2948) as on 31.3.2007. About 12.5% employees were having professional qualifications, 28.51% employees come under the age group of 51 years and above. The retirement age in the company is 60 years. It is following IDA 1997 pattern of payment of remuneration. During 2006-07, 60 employees retired under superannuation and 54 skilled and one unskilled employees left the company in attrition.

There were total 7 Directors on the Board of the company out of which 4 were Full Time Functional Directors, 2 Government Official Directors and one Part Time Non-official Director.

7. Strategic Issues

Urea is under control in respect of price distribution and movement, Phosphatic Potassic fertilizers continue to be under the indirect control of Central and State Governments. The Government of India notified stage III of New Pricing Policy(NPS) for urea effective from 1.10.2006 to 31.3.2010. The salient features of NPS comprise decontrol in the distribution of urea upto 50% of increased capacity, no Government permission for production beyond 100% of reassessed urea capacity, reduction in CRC of Rs. 50, PMT for pre-92 naptha and FO/LSHS units and Rs. 75 PMT from other units, conversion of all Naphtha and FO/LSHS based units to NG/RLNG within a period of three yeas etc.

The company anticipates & risk and concerns of steep price rise of feed stock of fuel oil/LSHS based plants, conversion of plants to RLNG/NG may require huge investments, assured supply of RLNG/NG for conversion and sustenance, etc.

Proposal for Energy Saving Project for Vijaypur I plant had to be kept in abeyance due to substantial increase in project cost estimates due to unprecedented volatility in international market for steel and other alloys.

NFL is participating in revival of Barauni Unit(Bihar) of Fertilizer Corporation of India and Ramagundam Unit (Andhra Pradesh) of Hindustan Fertilizer Corporation Ltd. which envisaged approximately Rs. 6500 crore for this purpose.

Pyrites, Phosphates and Chemicals Ltd. (PPCL)

1. Company Profile

PPCL was incorporated on 27.3.1960 under the companies Act, 1956 with an objective to explore and mining of pyrites and rock phosphate deposits in the country for agriculture use. PPCL is a schedule-'C' / BIFR referred PSE in Fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 100% shareholding by the Government of India. Its Registered office is at Rohtas, Bihar and Corporate office at Noida, Uttar Pradesh. The BIFR has recommended its winding up.

2. Industrial / Business Activities

PPCL was in the production of SSP products sold under the brand name of "Mussoorie Phos". However Government of India has approved closure of all its three units situated at Amihare in Bihar, Deharadun in Uttaranchal and Saladipira in Rajasthan with effect from 2002-2003.

As decided by the Government in 2002, the establishments of PPCL have been closed and all the employees have been separated under VRS/VSS.

(The company has not furnished any physical and financial information for last six years).

Rashtriya Chemicals and Fertilizers Ltd. (RCF)

1. Company Profile

RCF was incorporated on 6.3.1978 under the Companies Act, 1956 as a result of the re-organisation of the erstwhile Fertilizer Corporation of India Ltd. The main objectives are to carry on business activities relating to production and marketing of fertilizers, industrial chemicals and derivatives with optimum levels of efficiency and productivity in the use of resources and to secure optimal return on investment. RCF is a schedule-'A' / Mini-ratna CPSE in Fertilizers sector under the administrative control of M/o Chemicals &

Fertilizers, D/o Fertilizers with 92.5% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, (Maharashtra).

2. Industrial / Business Activities

RCF is involved in manufacturing and marketing of Nitrogenous, Phosphatic and Pottassic Fertilizers and Industrial Chemicals such as Methanol, Methylamines, Ammonium bi-carbonate, Ammonium Nitrate etc. in its two operating units at Trombay and Thal in Maharashtra and marketing of these products through its Zonal/ Regional/Marketing/Area offices located in different parts of the country.

3. Production / Operational Profile

The product range of the company comprises of UREA, Complex fertilizer i.e. NPK, Bio-fertilizer, Methanol, Methylamines, Ammonium bi-carbonate, Ammonium Nitrate etc. The performance details of major products (contributing more than 5% of turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
UREA (Thal)	000' MT	1853 (109)	1685 (99)	1790 (105)	1776 (104)
Suphala 15:15:15 (Tr.)	000' MT	483 (161)	431 (144)	350 (117)	421 (141)
A.N.P. 20:20:0 (Tr.)	000' MT	35 (10)	223 (62)	223 (62)	74 (45)
Methanol	MT	60250 (122)	56085 (113)	54945 (111)	57093 (115)
Conc.Nitric Acid (Tr.)	MT	16898 (84)	23148 (116)	21784 (109)	20610 (103)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3488	3045	2773	15
Cost of Production	3674	2899	2641	27
Net Profit/ Loss(-)	149	148	141	1
Dividend declared (as% of PBT)	23	26	44	-11
Net worth	1447	1362	1271	6
Paid up capital	552	552	552	0
Share of Central Govt.	510	510	510	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher production and better price realization. However, company's operations were highly affected due to constraint in the availability of feedstock gas and increased input cost. The input cost especially Naphtha increased substantially during the year.

The company achieved highest sales in value added products such as Biola (107 MT), Microla (41KL) and Sujala (1156MT).

Sales of industrial prodction increased by 33.6% despite fierce competition both from domestic and international players.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 2.70 as against Rs. 2.68 in the previous year.

The share price of company varied between Rs. 27.90 to Rs. 72.30 during the year 2006-07 compared to Rs.32.75 to Rs.52.45 in 2005-06. The average share price during the year was Rs. 50.10.

The Company Scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 4115 regular employees (executives 1313 & non-executives 2802) as on 31.3.2007. 16.74% of the employees were having professional qualifications. Around 31.64% employees come under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were part time Non-official Directors / professionals.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. During the year, a total 157 employees retired, 22 skilled and 9 unskilled employees left the company on other grounds. 21 skilled and 13 unskilled employees newly joined.

During the year, on superannuation, 11 employees including 3 executives were identified as surplus. These 11 employees retired under VRS and an amount of Rs. 1.01 crore was spent in this regard.

Since the introduction of VRS in 1998, total 562 employees have availed of the scheme.

7. Strategic Issues

Project Implementation

Revamping of Ammonia plant at Trombay at a cost of Rs.249 crore has been completed and commissioned in June, 2006. The work on Argon recovery project at Thal is expected to be commissioned by September, 2007 at a cost of Rs.95 crore.

Considering the ever growing demand of nitrogenous fertilizers, a proposal for setting up of an additional ammonia urea complex at Thal, at a cost of Rs.2700 crore is under submission. In addition the company is proposing to set up a Joint Venture DAP project in Rajasthan and De-bottlenecking scheme of Urea at Trombay. The company is also contemplating Joint Ventures abroad where natural gas is available at cheap rate.

Research & Development (R&D)

With a view to bring improvement in production process, the company has taken initiative for technology up-gradation of concentrated Nitric Acid Plant. However, the R&D expenditure of the company constituted 0.02 % of turnover.

Modernization/Revival Plans

With a view to upgrade technology and increase the capacity from 180 MTPD to 242 MTPD and to achieve saving in specific energy consumption, the company has initiated action for modernization of Methanol Plant at Trombay. The estimated cost is Rs. 109 crore.

RCF has identified two closed fertilizer units at Durgapur in West Bengal and Talcher in Orissa for profitably revival, at an approximate cost of Rs. 6,000 crore and this has been included in the Xth Plan.

Environmental initiatives

The company protects the environment and minimizes the harmful effects of emissions, atmospheric discharges and effluents by confirming and also improving on the standards laid down by Pollution Control Authorities.

The company is a member of UN Global Compact and fully supports the Ten Principles in the areas of human rights, labour and environment.

7

HEAVY ENGINEERING

As on 31.3.2007, there were 10 Central public sector enterprises in the Heavy Engineering group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Heavy Engineering Corpn. Ltd.	1958
2.	Tungabhadra Steel Products Ltd.	1960
3.	Bharat Heavy Electricals Ltd.	1964
4.	Triveni Structurals Ltd.	1965
5.	Bharat Heavy Plate & Vessels Ltd.	1966
6.	Braithwaite & Co. Ltd.	1976
7.	Burn Standard Company Ltd.	1976
8.	Bharat Wagon & Engg. Co. Ltd.	1978
9.	Bharat Bhari Udyog Nigam Ltd.	1986
10.	Bharat Yantra Nigam Ltd.	1986

2. The enterprises falling in this group are mainly engaged in production and selling of capital goods required by Steel, Fertilizers, Petroleum, Chemicals, Mining, Power Generation companies/ complexes etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl.	Enterprise	Turnover	
No.		2006-07	2005-06
(1)	(2)	(3)	(4)
1.	Heavy Engineering Corpn. Ltd.	271.71	159.68
2.	Tungabhadra Steel Products Ltd.	5.11	7.20
3.	Bharat Heavy Electricals Ltd.	17237.53	13374.04
4.	Triveni Structurals Ltd.	1.70	0.08
5.	Bharat Heavy Plate & Vessels Ltd.	170.49	111.23
6.	Braithwaite & Co. Ltd.	52.38	42.34
7.	Burn Standard Co. Ltd.	127.78	127.94
8.	Bharat Wagon & Engg. Co. Ltd.	22.41	15.41
9.	Bharat Bhari Udyog Nigam Ltd.	3.15	5.19
10.	Bharat Yantra Nigam Ltd.	1.16	1.62
	Total	**17893.42**	**13845.72**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl.	Enterprise	Net Profit/Loss	
No.		2006-07	2005-06
1.	Heavy Engineering Corpn. Ltd.	2.86	–86.89
2.	Tungabhadra Steel Products Ltd.	–37.50	–30.08
3.	Bharat Heavy Electricals Ltd.	2414.70	1679.16
4.	Triveni Structurals Ltd.	–46.85	–48.91
5.	Bharat Heavy Plate & Vessels Ltd.	–34.70	–71.38
6.	Braithwaite & Co. Ltd.	0.57	2.21
7.	Burn Standard Co. Ltd.	–151.86	–442.74
8.	Bharat Wagon & Engg. Co. Ltd.	0.25	0.06
9.	Bharat Bhari Udyog Nigam Ltd.	–24.14	–24.88
10.	Bharat Yantra Nigam Ltd.	0.01	0.01
	Total	**2123.34**	**976.56**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and townships are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	**2005-06**
1.	No. of employees	50421	51254
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	369.20	315.88
	b. Medical facilities	390.28	130.49
	c. Others	108.18	118.28
3.	Capital cost of township *(Rupees in crore)*	244.32	240.45
4.	No. of houses constructed	45113	46781

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

HEAVY ENGINEERING
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	168310	168310	168310
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	115150	112754	112600
OTHERS	29607	29782	37466
(B) SHARE APPLICATION MONEY	14261	14137	3601
(C) RESERVES & SURPLUS	866357	710870	583422
TOTAL (A)+(B)+(C)	**1025375**	**867543**	**737089**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	39238	99168	96322
(B) UNSECURED LOANS	463662	412432	470654
TOTAL (A)+(B)	**502900**	**511600**	**566976**
(1.3) DEFERRED TAX LIABILITY	0	0	0
TOTAL (1.1)+(1.2)+(1.3)	**1528275**	**1379143**	**1304065**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	476281	444166	424131
(B) LESS DEPRECIATION	363658	331957	305408
(C) NET BLOCK (A-B)	112623	112209	118723
(D) CAPITAL WORK IN PROGRESS	33700	21445	13056
TOTAL (C)+(D)	**146323**	**133654**	**131779**
(2.2) INVESTMENT	113860	301416	263360
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	444364	394471	314853
(B) SUNDRY DEBTORS	996476	742048	622607
(C) CASH & BANK BALANCES	589283	430156	326579
(D) OTHER CURRENT ASSETS	28522	16803	13016
(E) LOAN & ADVANCES	335006	142726	144596
TOTAL (A)+(B)+(C)+(D)+(E)	**2393651**	**1726204**	**1421651**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1331552	1034188	834031
(B) PROVISIONS	267163	167494	148247
TOTAL (A+B)	**1598715**	**1201682**	**982278**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**794936**	**524522**	**439373**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	3851	5551	10175
(2.7) DEFFRED TAX ASSETS	93516	67372	51828
(2.8) PROFIT & LOSS ACCOUNT (Dr)	375789	346628	407550
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1528275**	**1379143**	**1304065**

HEAVY ENGINEERING
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1945381	1503764	1082302
(B) EXCISE DUTY	156039	119192	84609
(C) NET SALES (A-B)	1789342	1384572	997693
(D) OTHER INCOME / RECEIPTS	100898	73906	79651
(E) ACCRETION / DEPLETION IN STOCKS	17917	38175	55578
(I) TOTAL INCOME (C+D+E)	**1908157**	**1496653**	**1132922**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	844973	705991	511810
(B) STORE & SPARES	39645	27611	23787
(C) POWER & FUEL	32814	28999	27233
(D) MANUFACTURING / DIRECT / OPERATING EXP.	66827	41072	45237
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	253407	201631	180812
(F) OTHER EXPENSES	228122	162597	139621
(G) PROVISIONS	19522	34076	16932
(II) TOTAL EXPENDITURE (A TO G)	**1485310**	**1201977**	**945432**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	422847	294676	187490
(4) DEPRECIATION	28461	25795	23158
(5) DRE. / PREL. EXP. WRITTEN OFF	819	8867	4268
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	393567	260014	160064
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	26953	20848	32146
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	21173	21328	24342
(D) LESS INTEREST CAPITALISED	27	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	48099	42176	56488
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**345468**	**217838**	**103576**
(9) TAX PROVISIONS	132187	88532	62824
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	213281	129306	40752
(11) NET EXTRA -ORD. ITEMS	947	31650	9464
(12) NET PROFIT / LOSS (10-11)	**212334**	**97656**	**31288**
(13) DIVIDEND DECLARED	59987	35495	19586
(14) DIVIDEND TAX	9286	4979	2665
(15) RETAINED PROFIT (12-13-14)	**143061**	**57182**	**9037**

HEAVY ENGINEERING
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	613957	483049	562481
(ii) CAPITAL EMPLOYED	907559	636731	558096
(iii) NET WORTH	645735	515364	319364
(iv) COST OF PRODUCTION	1562689	1278815	1029346
(v) COST OF SALES	1544772	1240640	973768
(vi) VALUE ADDED	889827	660146	490441
(vii) R & D EXPENDITURE	12840	11682	12526
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	50421	51254	52223
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	41882	32783	28853
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.49	0.59	0.77
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.80	1.67	1.70
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	8.39	5.75	3.59
(iv) SUNDRY DEBTORS : SALES (No. of days)	203.27	195.62	227.78
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	90.64	103.99	115.19
(ii) SEMI / FINISHED GOODS : SALES	48.57	58.13	67.04
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.70	0.21	0.07
		(%)	
(vii) SALES : CAPITAL EMPLOYED	197.16	217.45	178.77
(viii) PBDITEP : CAPITAL EMPLOYED	46.59	46.28	33.59
(ix) PBITEP : CAPITAL EMPLOYED	43.37	40.84	28.68
(x) COST OF SALE : SALES	86.33	89.60	97.60
(xi) MATERIAL COST : SALES	47.22	50.99	51.30
(xii) SALARY & WAGES : SALES	14.16	14.56	18.12
(xiii) R & D EXPENDITURE : SALES	0.72	0.84	1.26
(xiv) PBITEP : SALES	22.00	18.78	16.04
(xv) PBTEP : NET WORTH	53.50	42.27	32.43
(xvi) NET PROFIT : NET WORTH	32.88	18.95	9.80
(xvii) GROSS MARGIN : GROSS BLOCK	88.78	66.34	44.21

Bharat Bhari Udyog Nigam Ltd. (BBUNL)

1. Company Profile

BBUNL was incorporated as a holding company in September, 1986 under the Companies Act, 1956 with the objective to carry on the trade or business of manufacturing, operating, processing, fabricating, transporting, installing and commissioning, buying, selling, importing, exporting, prospecting, raising and other wise dealing in, directly or through its subsidiary companies. BBUNL is a Schedule- 'A' PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business activities

BBUNL is the Non-manufacturing holding company having no operating units except 4 operating subsidiary companies namely Burn Standard Co. Ltd. (BSCL), Braithwaite and Co. Ltd. (BCL), Bharat Wagon and Engineering Co. Ltd. (BWEL) and BBJ Construction Co. Ltd. (BBJ). Its four subsidiaries namely Bharat Process and Mechanical Engineers Ltd. (BPMEL) and its subsidiary Weighbird (India) Ltd. (WIL) and Bharat Brakes and Values Ltd. (BBVL) and RBL Ltd. (RBL), both subsidiaries of BSCL have been closed. Another two subsidiaries namely The Lagon Jute Machinery Co. Ltd. (LJMC) and Jessop and Co. Ltd. (JCL) ceased to be CPSEs w.e.f. 4.7.2000 and 29.8.2003 respectively on transfer of 74% shares of LJMC to M/s Murlidhar Ratanlal Exports Ltd. and 72% shares of JCL to M/s Indo Wagon Engineering Ltd. Upon issue of 'Rights Shares', the shareholding of JCL has been further reduced to 4.16%. The residual shares of both the companies are still with the company.

3. Production / Operational Profile

BBUNL Group's major products are Wagons, Cranes and Crane spares and services, Refractories, Steel bridges, Ash Handling, Structural fabrication and other Capital Goods items. BBUNL, as holding company, does not have any manufacturing activities. However, BBUNL has executed export order for supply of wagons, Loco wheels etc. after manufacturing the same through subsidiary units and others.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3.15	5.19	2.09	-39.31
Cost of Production	157.61	127.52	118.04	23.60
Net-Profit/ Loss(-)	0.25	0.06	0.06	316.67
Dividend declared (as % of PBT)	52.50	33.33	45.45	57.50
Net Worth	440.61	434.94	358.30	1.30
Paid up Capital	345.56	344.42	342.88	0.33
Share of Central Govt.	345.56	344.42	342.88	0.33

5. Key Performance Factors

The turnover of BBUNL has reduced from Rs.3.69 crores in 05-06 to Rs.0.50 crore in 06-07 since export of 28 wagons to Mali could not be effected within time upto 31.3.07 for non receipt of required Vessels. The wagon was exported in the 1st week of April, 2007.

6. Human Resource Development (HRD)

The enterprise employed 29 regular employees (14 executives & 15 non-executives) as on 31.3.2007. About 28% employees were having professional qualifications. Around 20% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 2 employees retired and 1 new skilled employee joined the company during the year.

Since the introduction of VRS, a total of 5 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were part time Non-official Directors / professionals, 3 Government /Official Directors and 2 Functional Directors.

7. Strategic Issues

BBUNL has taken steps to diversify its business activities in 2006-07 to become an independent profit centre.

For Power Plant Projects, BBUNL has entered into a consortium with DCL, GAMMON and Technofab for engineering, Procurement and Construction of Balance of Plant (BOP).

BBUNL exported 28 nos. Flat Wagons to M/s. SDF, Mali - export value Rs.3.94 Crore. BBUNL has received an order from BHEL for Civil Structural Piling and Architectural works of 1x38 MW APGCL, Lakwa Project at a price of Rs.15.50 crore to be executed by BBJ Construction Co. Ltd. Another order for preparation of detailed project report (DPR) for construction of a Truck Terminal for a project cost of Rs.20 crores at Agartala has also been received.

Order Book Position

During the year 2006-07, BBUNL has received orders worth Rs.26.71 crores (the year ended with an Order Booking of around Rs. 15.50 crore due to Purchase Preference Policy and Rs.11.21 crores Export Order, thereby taking the cumulative orders on hand at the beginning of the year 2007-2008 to the extent of Rs.50.26 crores).

Bharat Heavy Electrical Ltd. (BHEL)

1. Company Profile

BHEL was incorporated on 13.11.1964 under the Companies Act 1956. The Mission of the Company is to be an Indian Multinational Engineering Enterprise providing total business solutions through quality products, systems and services in the fields of energy, industry, transportation, infrastructure and other potential areas.

BHEL is a Schedule-'A' / Navaratna CPSE in Heavy Engineering sector under the administrative control of Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry with 67.72% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

BHEL is involved in manufacturing of over 180 products under 30 major product groups and caters to core sectors of the economy viz power generation and transmission, industry, transportation, telecommunications, renewable energy, defence etc. It has 14 manufacturing units, 4 power sector regions, 8 service centres and 15 regional offices, besides project sites spread all over India and abroad. The 14 manufacturng units are at Hyderabad (1 unit) in Andhra Pradesh, Bangalore (3 units) in Karnataka, Bhopal (1 unit) in Madhya Pradesh, Goindwal (1 unit) in Punjab, Tiruchirappalli (2 units) and Ranipet (1 unit) in Tamil Nadu, Jhansi (1 unit) and Jagdishpur (1 unit) in Uttar Pradesh, Hardwar (2 units) and Rudrapur (1 unit) in Uttaranchal. The Company has two joint ventures namely Power Plant Performance Implementation Ltd. at New Delhi with Siemens AG of Germany and BHEL-GE Gas Turbine Service Pvt. Ltd. at Secunderabad in Andhra Pradesh with GE Pacific (Mauritus) with 50% less 1 share equity participation in each.

3. Production / Operational Profile

The product range of the company comprises of 180 products. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Boilers, Valves & Boiler Auxiliaries	MT	392711 (233%)	320773 (190%)	215586 (128%)	309690 (184)
Thermal TG Sets incl. Gas, Hydro & Industrial Turbo Sets	MW Comp letion	7590 (118%)	3840 (65%)	2659 (45%)	4696 (76)
Power Transformers	MVA	18783 (117%)	14847 (93%)	14925 (93%)	16185 (101)
Electrical Machines	Nos.	1159 (105%)	796 (72%)	712 (65%)	889 (81)
Traction Machines	Nos.	2556 (90%)	2608 (92%)	2269 (80%)	2478 (87)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	17238	13374	9527	29
Cost of Production	14507	11746	9121	24
Net Profit/ Loss(-)	2415	1679	953	44
Dividend declared (as% of PBT)	16	14	12	16
Net worth	8788	7301	6027	20
Paid up capital	245	245	245	0
Share of Central Govt.	166	166	166	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in efficient utilization of capital and labour.

Energy Cost as a percentage of Gross Turnover net of excise, for the year 2006-07 is 1.52% as against 1.49% in the year 2005-06. The Company could save Rs. 7 crores due to energy conservation measures during 2006-07 as against Rs. 6 crores in the year 2005-06.

BHEL supplied generating sets accounted for around 65% of India's total installed generation capacity. Significantly these sets contribute 73% of the total power generated in the Country.

BHEL over the years established its presence in over 68 Countries of the World. The exports (including deemed exports) for the year 2006-07 were amounting to Rs. 6601 crores as against Rs. 3766 crores in the year 2005-06. The imports, on the other hand, were Rs. 2444 crores and Rs. 2357 Crores respectively during the said period.

The market price of the Company's shares was between Rs. 1531.20 to Rs. 2668.00 during the year 2006-07 as compared to Rs. 755 to Rs. 2280 in the year 2005-06.

The earning per share of the Company increased from Rs. 68.60 in 2005-06 to Rs. 98.66 in the year 2006-07.

The Company scored 'Excellent' MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 42124 regular employees (executives 17046 & non-executives 25078) as on 31.3.2007. About 17.32 % of the employees were having professional qualifications. Around 49.37% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 1346 employees retired during the year. Further, 190 skilled and 12 unskilled employees also left the company in attrition. However, 1497 new skilled employees joined the company during the year.

Since the introduction of VRS a total of 14452 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 13 out of which 5 were part time Non-official Directors / professionals and 2 Government / official Directors

7. Strategic Issues

BHEL has large accumulated reserves and surplus, in addition to its leveraging capacity to raise resources from the market, and can fully meet the resources requirements on its own. In comparison to 2005-06, BHEL over the next five years plans to enhance the turnover from physical exports by six times, and Spares & Services by four times. Further, R&D expenditure will be increased by six times.

Project Implementation

BHEL is gearing up to enhance its equipment manufacturing capacity to 10000 MW per annum by end 2007 and to enhance this further to 15,000 MW p.a. by Dec., 2009. These programs are in the nature of Brownfield expansion, adding mainly work centre capacities. Both in terms of time as well as cost benefits, this approach has a strong economic rationale. BHEL has plans to explore further opportunities in various areas like Nuclear, Underground Coal Gasification, Coal Washeries, Mechanical Systems in Steel, Environmental Management Systems etc., depending upon the market realities.

Research & Development (R&D)

BHEL's products and systems are highly Technology intensive in nature and the Company has been updating technology through collaborative tie-ups with World leaders as well as in house R&D efforts.

During 2006-07, about Rs. 253 Crores was spent on R&D which is 1.35% of the turnover. Of this, Rs.244 crores was spent on revenue expenditure, focusing on new product & system developments and improvements in existing products for cost effectiveness and higher reliability, efficiency, availability, quality, etc. In addition, an expenditure of Rs.8 crores has been incurred for purchase of capital assets for R&D. Maintenance-free and more reliable Brushless Exciter has been designed, developed and manufactured for 16 MW Hydro Generators.

During the year, a turnover of Rs.2720 crores was achieved by commercializing products and systems developed through in-house R&D. Credit for products and systems, which have been commercialized during the last five years only has been taken. The company's strong R&D base focuses the basic like Advanced controls and instrumentation.

BHEL has put in place necessary technology tie-ups for next generation thermal power plants based on supercritical technologies in the range of 800-1000 MW unit ratings having higher efficiencies and reduced emissions.

BHEL is also ready with introduction of advanced class gas turbines as power projects based on higher rating large size gas turbines are expected in the market place. These technologies would bring in higher efficiencies, reduced emissions to produce quality power at affordable rates.

The Corporate R&D Division at Hyderabad leads BHEL's Research and Development efforts, suitably supported by Engineering and R&D groups at the manufacturing divisions. BHEL's technology policy promotes a judicious mix of indigenous efforts and selective collaborations in essential areas. The company continuously upgrades its technology and products to contemporary standards.

The excellence achieved and the contribution made in the field of R&D and Innovations by BHEL got a special recognition when it won 'SCOPE Meritorious Award for Research and Development and Innovation' for the year 2005-06.

Environmental initiatives

As a responsible corporate citizen, BHEL reiterated its commitment to United Nation's Global Compact Programme. Under UNDP programme for specialized services in the area of Environment, BHEL has set up a Pollution Control Research Institute (PCRI) at Haridwar plant and a Model Centre for OHS, at Trichy, offering a wide range of occupational care as well as expertise in work Environment monitoring, Toxicology, Ergonomics and in organization of OHS to multitude of industries for different sectors in India. To meet exacting international standards, BHEL completed re-certification of all its Units due for ISO-14001 on Environment as well as OHSAS-18001 on Occupational Health and safety management systems.

Significantly, the Model Centre for Occupational Health Services (OHS) at BHEL Trichy, added yet another feather in its cap when Union Ministry of Labour, after critically examining the infrastructure, facilities & faculty, accredited the Centre to conduct P.G. Certificate course on Industrial Health for Doctors, associated with hazardous industries.

Order Book Position

BHEL booked orders worth Rs. 27730 crores for Power Sector, Rs. 6010 crores for Industry Sector and Rs. 1903 crores for International Operations totaling Rs. 35643 crores during the year 2006-07.

Bharat Heavy Plate & Vessels Ltd. (BHPV)

1. Company Profile

BHPV was incorporated in the year 1966 under the Companies Act, 1956 with an objective to supply cost effective International Quality Products and services for process and other industries through latest technology and improved technology. BHPV is a Schedule-'B' */ BIFR referred* PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry, having its Registered and Corporate offices at Visakhapatnam, Andhra Pradesh. BHPV is a 100% subsidiary of Bharat Yantra Nigam Ltd.

2. Industrial / Business activities

Main activities of the company are engineering, procurement, manufacturing, supply, erection and commissioning of process plants, cryogenics and combustion systems through its single operating unit at Visakhapatnam, Andhra Pradesh.

3. Production / Operational Profile

The average Capacity Utilization for all products/ services of the company taken together was 38.31% during 2006-07. The product-wise capacity utilization was as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Process Plants	%	(6.28)	(7.65)	(9.19)	(7.71)
Cryogenics	%	(11.64)	(5.63)	(8.11)	(8.46)
Combustion Systems	%	(20.38)	(6.73)	(6.02)	(11.0)
Systems	%	(0.01)	(0.79)	(2.57)	(1.12)
Total	%	(38.31)	(20.80)	(25.89)	(283)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	170.49	112.23	99.10	51.91
Cost of Production	199.82	163.89	209.93	21.92
Net-Profit/ Loss(-)	-34.70	-71.38	-78.23	-51.39
Net Worth	-526.72	-498.19	-432.70	5.73
Paid up Capital	33.80	33.80	33.80	0.00
Share of Holding Co.	33.80	33.80	33.80	0.00

5. Key Performance Factors

The company achieved a production of Rs.166.71 crores during 2006-07 as against Rs.113.76 crores in the previous year showing an improvement of about 47% and a substantial increase of 47.78% in sales turnover during this period. It could be possible due to higher productivity, close monitoring with customers for price realization, , technology upgradation etc.

Although the company could earn gross margin of Rs. 29.32 crore and reduction in net loss due to higher turnover, reduction in expenditure and consumption of energy and cost control measures, the net profit could not be achieved because of heavy interest burden of Rs.56.25 crores on the Government and other loans and shortage of working capital.

However, the company could contribute to the Government Exchequer, a total amount of Rs. 28.33 crore through taxes and duties. It paid salaries and wages from its internal resources.

During the year, the company received a budgetary support of Rs. 26.78 crore for the purpose of payment of wages and salary (Rs. 9.75 crore) and subsidy related to administered prices (Rs. 17.03 crore).

6. Human Resource Development (HRD)

The enterprise employed 1512 regular employees (294 executives & 1218 non-executives) as on 31.3.2007. About 20% of the employees were having professional qualifications. Around 48% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 21 employees retired during the year. In addition, 13 skilled and 4 unskilled employees also left the company in attrition. However, 101 new employees joined the company during the year 2006-07.

Since the introduction of VRS a total of 2255 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Non-official Directors / professionals.

7. Strategic Issues

Restructuring

The Company was referred to BIFR on 23rd August, 2004 based on financial results for the year 2002-03. BRPSE examined the case of taking over the Company by BHEL on 2nd July 2007. The final decision is awaited.

Research & Development (R&D)

The in-house R&D Department of the company continued its efforts and the achievements for the year 2006-07 as follows:

- Successfully completed design, development testing and supply of 7 nos. FADEC Cooler for Tejas aircraft of LCA under development contract from Aeronautical Development Agency, Bangalore, worth Rs.45 lakhs.
- Fabrication, testing, inspection and delivery of Compact Heat Exchangers for Limited Series production 9 LSP of Tejas aircraft. During the period, 46 nos. of Compact Heat Exchangers worth Rs.4.2 crores have been fabricated and tested successfully.

The R&D expenditure of the company amounting to Rs. 111.79 lakhs constituted 0.62 % of the turnover.

Non Performing Assets

13 Plant and Machinery and 2 Material handling equipment worth Rs.61.65 lakhs were lying as Non -Performing Assets since long time. Efforts for disposing-off the same in e-auction are being taken.

Environmental initiatives

Consent of the AP Pollution Control Boards has been obtained to operate the plant to discharge the effluents from outlets emission from chimneys.

Order Book Position

The year ended with an Order Booking of around Rs.46.04 crores, thereby taking the cumulative orders on hand at the beginning of the year 2007-2008 to the extent of Rs. 259 crores.

Bharat Wagon & Engineering Co.Ltd. (BWEL)

1. Company Profile

BWEL was incorporated on 4.12.1978 with an objective to take over the assets and interests of the erstwhile Arthur Butter & Co. Muzaffarpur and Britanica Engg. Works Mokameh by the Act of Parliament in 1978. The main objective of the company is to be a leading Engineering unit with a Brand image and eminence in the field of manufacturing of Railway Wagons.

BWEL is a Schedule- ‘C’ / BIFR referred / taken over CPSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries & Public Enterprises, D/o Heavy Industry. It is a subsidiary of Bharat Bhari Udyog Nigam Ltd which is holding its 99.99% shares. Its Registered and Corporate Offices are at Patna, Bihar and a Regional Office in New Delhi.

2. Industrial / Business Activities

BWEL is engaged in production of rolling stock - open / covered wagons of all types and special purpose wagons; sugar mill machineries and fabrications; castings; miscellaneous project equipments; turnkey projects; steel fabrication; LPG cylinders and fuel storage tanks through its 3 operating units at Mokama(one unit) and Muzaffarpur (two units) in Bihar.

3. Production / Operational Profile

The product / service range of the company comprises of two segments namely Wagon and Structural. The performance details of these products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Wagon	**FWU**	1132.5 (51.48)	702.5 (28.1)	440 (17.60)	758 (32.39)
Structurals	**MT**	1.41	10.50	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	22.41	15.41	8.63	45.43
Cost of Production	41.91	35.89	29.03	16.77
Net-Profit/ Loss(-)	-24.14	-24.88	-28.10	-2.97
Net Worth	-143.05	-123.71	-103.61	15.63
Paid up Capital	9.99	9.99	9.99	0.00
Share of Holding Co.	9.99	9.99	9.99	0.00

5. Key Performance Factors

The overall performance of the company improved by 61% during 2006-07 over previous year in physical production, the increase was not substantial in comparison to capacity utilization. The production during the year was severely affected due to non-availability of Bogies, Couplers and other free supply items from Railways timely, reluctance of suppliers to supply components on credit due to substantial long outstanding dues etc.

The other reasons affecting the performance include low wagon prices owing to introduction of tendering system in Wagon procurement by Railways and high cost of inputs, inadequate and delayed release of wagon orders from Railways, old Plants and Machineries resulting in break down, inadequate and erratic availability of electric power resulting in high cost and irregular production, shortage of trained and skilled manpower low morale of employees due to delayed payment of salary/wages and other dues.

During the year the company received non-plan assistance of Rs.11.77 crore for wages and salary.

6. Human Resource Development (HRD)

The enterprise employed 930 regular employees (executives 39 & non-executives 891) as on 31.3.2007 as against 948 employees as on 31.3.2006. About 4.62% of the employees were having professional qualifications. Around 26.24% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 12 employees retired during the year. Since the introduction of VRS a total of 742 employees retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Non-official Directors / professionals, 2 Government / official Directors and one full tine Functional Director.

7. Strategic Issues

The company is over depended on a single customer namely Indian Railways. 96% to 98% of BWEL's production depends on Railway Wagon only. Inadequate and delayed release of wagon orders from Railways combined with inadequate working capital, introduction of tendering system in procurement by Railways, lack of upgradation of technology and lack of trained and skilled manpower were the reasons affecting the performance adversely over the years.

In the changing scenario in the State of Bihar, the company is making efforts to procure some orders for fabrication and structural items etc.

Restructuring Plan

The company was referred to BIFR in the year 2000. The financial restructuring of the company is in process, awaiting approval of the Government of India on the recommendations of BRPSE.

Research & Development (R&D)

Due to financial constraints, up-gradation of technology and additions of new plant and machinery could not be done. Even proper maintenance & upkeep of Structures, Buildings and Plant & Machinery could not be done for want of money.

Order Book Position

However, the year ended with in-hand Order Booking of around Rs. 34.12 crores for 322 railway wagons.

Bharat Yantra Nigam Ltd. (BYNL)

1. Company Profile

BYNL was incorporated on 09.07.1986 under the Companies Act, 1956 as a holding company in the capital goods sector, with an objective to integrate and coordinate the activities of its subsidiary companies to ensure optimum utilization of resources and provide package and turnkey services to various users. 6 CPSEs were brought into its fold as subsidiary companies in 1987. BYNL is a Schedule-`A' CPSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o of Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate Offices are at Allahabad, Uttar Pradesh.

2. Industrial / Business Activities

BYNL does not have any operating Unit of its own but operates through its 6 subsidiary companies namely : Bharat Heavy Plates & Vessels Ltd. (BHPV), Bharat Pumps & Compressors Ltd. (BPC), Bridge & Roof Company (India) Ltd. (B&R), Richardson and Cruddas (1972) Ltd. (R&C), Triveni Structurals Ltd. (TSL) and Tungabhadra Steel Products Ltd. (TSPL)

3. Production / Operational Profile

The company is primarily a corporate policy formulation and monitoring organization for ensuring effective functioning of subsidiary companies in the area of investment, production, rationalisation, capacity utilization, human resource development etc. The company is not engaged in any manufacturing / production activity.

4. Major Financial Highlights

(Rs. in Crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.16	1.62	1.46	-28.40
Cost of Production	1.79	1.74	1.85	2.87
Net-Profit/ Loss(-)	0.01	0.01	0.01	0.00
Net Worth	226.43	211.11	190.33	7.26
Paid up Capital	185.21	185.21	185.21	0.00
Share of Central Govt.	185.21	185.21	185.21	0.00

5. Key Performance Factors

BYNL meets its expenses mainly through service charges collected from subsidiary companies. Barring Bridge & Roof Co. (India) Ltd. and Bharat Pumps & Compressors Ltd., the other subsidiary companies are not able to pay even the service charges.

All 4 subsidiary companies excluding B&R and BPC, are registered with BIFR. While BIFR has recommended winding up in cases of TSL and R&C, regarding remaining two subsidiaries namely BHPV and TSPL, BIFR is yet to give its recommendations.

6. Human Resource Development (HRD)

The enterprise employed 34 regular employees (executives 8 & non-executives 26) as on 31.3.2007 as against 30 employees as on 31.3.2006. About 15% of the employees were having professional qualifications and around 15% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. One employee retired during the year and 4 new employees joined the company during this period.

7. Strategic Issues

The company was referred to BRPSE, which examined the proposal of the Department of Heavy Industry and made recommendations to the Government for its winding up. Government has decided to wind up the company.

Braithwaite and Co. Ltd. (BCL)

1. Company Profile

BCL was incorporated as a Government company on 1.12.1976 under the Companies Act, 1956 and vested with the assets acquired by the Government of India under "Braithwaite and Company (Indian) Limited (Acquisition and Transfer of Under-takings) Act, 1976". It became a wholly owned subsidiary of Bharat Bhari Udyog Nigam Ltd. (BBUNL) in 1986. The main objective of the company is to be a leading engineering unit with brand image and global focusing and to diversify gainfully in the areas of core competence, both in the country and abroad to establish itself as a premier engineering organization.

BCL is a Schedule-'B' / BIFR referred, sick taken over PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry, having its Registered and Corporate offices at Kolkata, West Bengal.

2. Industrial / Business activities

BCL is mainly engaged in production of Railway Engineering items like Freight Wagons for Indian Railways through its 3 Works viz. Clive Works and Victoria Works in Kolkata and Angus Works at Bhadreswar, West Bengal. While Angus Works is engaged in production of Wagons for Railway and Non-Railway Sectors, Steel Castings like Couplers, Casnub Bogies, Cranes (erection, revamping, maintenance, spares), Dished end, Barrel, LPG Bullets, Jute Carding Machines etc, Clive Works and Victoria Works are engaged in the production of Wagons for Railway and Non-Railway sector andStructural and LPG Bullets.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	**2005-06**	**2004-05**	
Bogie	Nos.	1154 (64.1)	998 (55.4)	740 (41.1)	964.00 (53.53)
Coupler	Nos.	173 (17.3)	72 (7.2)	56 (5.6)	100.33 (10.03)
Structurals	Tons	222 (7.4)	809 (27.0)	1295 (43.2)	775.33 (25.87)
Steel Castings	Tons	2268 (64.8)	1640 (46.86)	1437 (41.06)	1781.67 (50.91)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	52.38	42.34	27.99	23.71
Cost of Production	52.02	41.54	57.32	25.23
Net-Profit/ Loss(-)	0.57	2.21	-21.90	-74.21
Net Worth	3.28	0.05	-120.84	6460.00
Paid up Capital	16.75	16.75	94.90	0.00
Share of Holding Co.	16.75	16.75	94.90	0.00

5. Key Performance Factors

The increase in turnover during 2006-07 is attributed to increase in capacity utilization and implementation of ongoing projects. However, the profitability during the year declined despite increase in margins, prior period adjustments and provisions in this regard as well as provisions for extra ordinary items etc. Other reasons affecting performance of the company were severe competition, old un-remunerative wagon orders and increase in input cost.

Whole revenue generated by the company was from domestic orders.

The company raised loans amounting to Rs. 35 crore against Government Guarantee.

6. Human Resource Development (HRD)

The enterprise employed 525 regular employees (67 executives & 458 non-executives) as on 31.3.2007. About 8% of the employees were having professional qualifications. Around 40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 35 employees retired during the year and 1 new skilled employee joined.

Since the introduction of VRS, a total of 2226 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Non-official Directors / professionals, 2 full time Functional Directors and one Government / official Director.

7. Strategic Issues

Restructuring Plan

The company is registered with BIFR since 1992. BIFR has sanctioned Revival scheme on 17.10.2005 with cut off date as on 1.4.1995. The implementation of revival plan exhibited crucial turnaround, but the scheme was declared failed for various reasons. Subsequently in January, 2006, the Government approved another revival scheme envisaging cash assistance of Rs. 4 crore in the form of equity and non-cash assistance of

Rs. 280.21 crore in the form of waiver /conversion/ adjustment etc. As a result of implementation of the revival scheme, the company has been discharged from the purview of BIFR on 29.6.2006 and ceased to be a sick company now.

Company's core group has been envisaging new product development/diversification commensurate with the existing infrastructure facilities. Efforts are also on for better utilization of resources and infrastructure.

Order Book Position

The year ended with an Order Booking of around Rs.9897.09 crores mainly 2 orders for Rs. 9844.06 crore from Indian Railways under the Purchase Preference Policy. Total value of orders in hand as on 31.3.2007 was Rs. 249.86 crore.

Burn Standard Co. Ltd. (BSCL)

1. Company Profile

BSCL was incorporated on 1.12. 1976 under the Companies Act, 1956 with an objective to take over the assets of nationalized private companies namely Burn and Co. Ltd and Indian Standard Wagon Ltd. under "The Burn Company and The Indian Standard Wagon Company (Nationalisation) Act, 1976". The current objective of the company is to maintain leadership as largest wagon builder in the country and to expand business horizon in engineering, refractory and turn key projects. BSCL is a Schedule-'C', BIFR referred and taken over PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry, having its Registered office at Kolkatta, West Bengal. BSCL is a 100% subsidiary of Bharat Bhari Udyog Nigam Ltd.

2. Industrial / Business Activities

BSCL is engaged in the production of Railway engineering items mainly freight wagons at two of its works at Howrah and Burnpur in West Bengal and basic Mag Carbon Bricks and Bulk Refractories for Steel Plant Convertor Operations at Salem Refractory in Tamil Nadu. The Central Project Division had been undertaking Turnkey Project activities for the power plants in the areas of Material Handling and Ash Handling. BSCL had 2 subsidiaries namely Bharat Brakes and Values Ltd. (BBVL) and RBI Ltd. which have been closed. The liquidators took charge of BBVL & RBL on 31.7.2003.

3. Production / Operational Profile

The product range of the company comprises three main segment namely Engineering, Ceramic and project. The brief details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Rolling Stock	**FWU**	2712.5 (51.67)	1982.50 (37.76)	2225.00 (42.38))	2306.67 (43.94)
Basic Bricks	**Tonne**	9452 (60.59)	12100 (77.56)	12835 (82.28)	11463 (73.48)
Crude Magnesite	**Tonne**	99756	102895	110146	104266
Calcined Magnesite	**Tonne**	9399 (39.16)	9122 (38.01)	9155 (38.15)	9225 (38.44)
Bogie	**Nos.**	1254 (52.25)	946 (39.42)	1361 (56.71)	1187 (49.46)
Couplers	**Nos.**	1444 (60.17)	894 (37.25)	1254 52.25)	1197 (49.89)
DBM/Rock Sinter	**Tonne**	60360 (278.26)	44479 (205.05)	43767 (201.77)	49535 (228.36)
Mag Carb Bricks	**Toone**	2441	3226	1775	2481
Dunite	**Tonne**	37634	23753	9152	23513

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	127.78	127.94	127.24	-0.13
Cost of Production	267.29	282.03	248.66	-5.23
Net-Profit/ Loss(-)	-151.86	-442.74	-118.72	-65.70
Net Worth	-1188.39	-1042.13	-635.24	14.03
Paid up Capital	128.82	128.82	127.51	0.00
Share of Holding Co.	128.82	128.82	127.51	0.00

5. Key Performance Factors

Although turnover of BSCL increased, its performance was adversely affected due to (i) absence of continuous orders from Railway Board causing idling of the work force; (ii) delay in supply of PU PADS by R.D.S.O. registered vendors; (iii) water logging inside the shop floor due to severe incessant rain and tide water; (iv) non-availability of wheel sets in time; (v) restrictions imposed by C.E.S.C. for use of H.T. power line; (vi) non-availability of MOD-1 casnub bogie and couplers from Railways; (vii) dearth of orders from steel plant for Fire Bricks and Mag Carbon Bricks, etc.

During the year the company received a budgetary support of Rs. 0.93 crore in the form of equity and loan. In addition it received a non-plan assistance of Rs. 5.14 crore for wages and salary. It also availed of one Government Guarantee for raising a loan of Rs. 55.50 crore.

6. Human Resource Development (HRD)

The enterprise employed 1520 regular employees (executives 138 & non-executives 1382) as on 31.3.2007. Above 4.74% of the employees were having professional qualifications. Around 36.45% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. The company is following IDA 1992 pattern of remuneration. A total of 13 employees retired during the year and 5 new employees joined.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one was part time Non-official Director / professional.

7. Strategic Issues

As the domestic requirement from Integrated Steel Plants is less, concerted efforts have been made by the company to tap order from export.

The company has non-performing assets amounting to Rs. 24.50 crore as on 31.3.2007.

Restructuring Plan

The company is registered with BIFR as also referred to BRPSE. The last revival scheme sanctioned by the BIFR was declared as failed and the case has been reopened.

Research & Development (R&D)

During the year, in order to improve production process, the company has taken R&D initiatives for development of High Alumina Castables, Mag Chrome ladle Bricks etc.

Order Booking

The company booked orders of about Rs. 114.70 crore from Government Departments/ organizations etc., and all these orders were received without any purchase preference support. The value of orders in hand as on 31.3.2007 was Rs. 145.42 crore.

Heavy Engineering Corpn. Ltd. (HEC)

1. Company Profile

HEC was incorporated on 13.12.1958 under the Companies Act, 1956 (commenced its business in 1964-65) with an objective to achieve self-reliance and self-sufficiency in the field of designing and manufacturing of equipment and machinery for Iron and Steel Industry and other core sector industries. The mission of the company is to acquire and maintain leading position as suppliers of quality equipment, spares, systems & services for the Steel, Mining, Coal, Railways and other strategic sectors by making the revival plan sustainable and to expand business into allied areas and other priority sectors of the economy.

HEC is a Schedule-'A' / BIFR/BRPSE referred PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Ranchi, Jharkhand.

3. Industrial / Business activities

HEC is engaged in manufacturing and supply of medium heavy castings, forgings, forged rolls and crankshafts (at Foundry Forge Plant), equipment for steel mining and other core sectors, consultancy and turnkey projects in steel and mining sectors (at Heavy Machine Building Plant), conventional and CNC heavy machine tools and Rail Machine Tools(at Heavy Machine Tools Plant). All the three Plants are located at Ranchi, Jharkhand.

4. Production / Operational Profile

The product / service range of the company include castings, forgings, services and others, mining equipment/spares, EOT cranes, other equipment/spares, machine tools, accessories, jobing etc. The average capacity utilization for all products / services of the company taken together was 18.45% during 2006-07. The performance details are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Steel Plant spares	Ton	843 (124.0)	919 (135.1)	1211 (178.1)	991 (145.7)
5 Cum Rope Shovel	Tons	3354 (54.8)	2127 (34.8)	460 (7.5)	1980 (32.4)
10 Cum Rope Shovel	Tons	651 (66.8)	NA	975 (100)	NA
Mining spares	Tons	364 (53.5)	475 (69.9)	617 (90.7)	485 (71.4)
Crank shaft	Tons	121 (62.8)	126 (65.4)	84 (43.6)	110 (57.3)
Steel castings	Tons	3316 (11.4)	3171 (10.9)	2678 (9.2)	3055 (10.5)
Forging & Forged Rolls	Tons	3120 (32.5)	2851 (29.7)	1899 (19.8)	2623 (27.3)
Machine Tools and Accessories	Tons	538 (16.8)	579 (18.1)	1093 (34.2)	737 (23.0)
EOT Cranes	Tons	827 (24.3)	NA	NA	NA

5. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	271.71	159.68	174.46	70.16
Cost of Production	304.48	304.12	397.04	0.12
Net-Profit/ Loss(-)	2.86	-86.89	-284.58	-103.29
Net Worth	-516.95	-587.81	-1623.15	-12.05
Paid up Capital	453.23	432.15	432.15	4.88
Share of Central Govt.	453.23	432.15	432.15	4.88

6. Key Performance Factors

In spite of deep financial crunch, the net sales have gone up by 68.23% and production by 69.54% during 2006-07 compared to 2005-06.

The company has paid salaries and statutory dues from the funds generated by it. It has also reduced interest burden by paying some parts of the loan. During the year, the company received a budgetary support of Rs.10.18 crore .

7. Human Resource Development (HRD)

The enterprise employed 3330 regular employees (executives 1443 & non-executives 1887) as on 31.3.2007. About 12.43% of the employees were having professional qualifications. Around 73.21% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for Board Level employees and 58 years in case of below Board level employees. The company is following IDA 1992 and CDA 1986 pattern of remuneration. A total of 206 employees retired during the year. In addition, 26 skilled and 18 unskilled employees also left the company in attrition. However, 79 new recruitments were made during the year.

Since the introduction of VRS, a total of 9007 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 1 each were part time Non-official Director / professional and full time Functional Director and 2 Government Directors.

8. Strategic Issues

HEC has signed an MOU on 23.1.2007 with M/s Hegenscheidt MFD, Germany, for facilitating transfer of contemporary technology related to special purpose Railway machine tools like CNC Surface Wheel Lathe, Portal Wheel Lathe etc.

Restructuring Plan

A Revival Plan for HEC as recommended by the BRPSE has been approved by Government in Dec., 2005, with a cash assistance of Rs.102 crore and non-cash assistance of Rs.1116.3 crore. After the approval of 6th financial restructuring / revival Plan in 2005 the Company has signed MOU with DHI, the administrative Ministry. The Government while approving the revival plan had directed to firm up a strong Business Plan to the company, with guidelines for its professional management and adoption of the latest technology within three months.

Since the company is registered with BIFR since 1992 and the Board has passed order for its winding up for the High Court of Jharkhand, the proposal of the Govt. for revival of the company was submitted before the Hon'ble High Court of Jharkhand where the Company and DHI had filed writ petition for staying the winding up order of the BIFR. However, there is dispute with the Government of Jharkhand on the transfer of land by the HEC. Therefore, the matter is pending with the High Court of Jharkhand. Necessary steps are being taken by the management and the Ministry to act as per the revival plan.

Research & Development (R&D)

During the year the company carried out R&D activities in the special areas such as supply of Coke Quenching Car for RSP to produce coke with moisture contents of less than 4%, Mould Oscillating M/c. - an import substitute, Folding Cum Vertical Repositioning Platform of total weight of 892 tons for ISRO etc.

Environmental initiatives

The Company complies with all statutory requirements laid down under Air (Prevention & Control of Pollution) Act, Water (Prevention and Control of Pollution) Act and Environment (Protection) Act.

Order Book Position

In the present day scenario wherein the growth of manufacturing sector is expected to be impressive (about 12%) and larger investment is expected to be made particularly in steel and coal sectors, it is presumed that there shall be no dearth of orders. The company therefore, ensures supply of items to its customers meeting quality and delivery requirements.

The year ended with an Order Booking of around Rs.283.75 crores thereby taking the cumulative orders on hand at the beginning of the year 2007-08 to the extent of Rs. 671.33 crores. This placed the company in a comfortable position for formulating well planned production schedules.

Triveni Structurals Ltd. (TSL)

1. Company Profile

TSL was incorporated on 2.7.1965 as a Joint venture with Voest-Alpine of Austria (however JV came to an end in 1990) under the Companies Act, 1956 with an objective to meet the demand of fabricated structures, to encourage ancillary to develop skills in the line of production and to provide employment opportunities. TSL is a Scheduled- 'C' / BIFR referred CPSE in Heavy Engineering sector under the administrative control of M/o Heavy Industries & Public Enterprises, D/o Heavy Industry with its Registered and Corporate offices at Allahabad, Uttar Pradesh. The company is a 100% subsidiary of Bharat Yantra Nigam Ltd. (BYNL).

2. Industrial / Business Activities

TSL is engaged in manufacturing of sophisticated steel structures such as building structures, steel towers for power transmission TV, hydraulic structures, etc. The performance details about major products are as follows:

Particulars	Unit	Performance during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Building Structures	MT	522 (3.84)	-	-	-
Hydraulic Structures	MT	357 (44.63)	-	-	-
Miscellaneous	MT	47 (11.75)	146 (36.50)	-	-

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.70	0.08	0.69	2025.00
Cost of Production	51.34	49.28	52.66	4.18
Net-Profit/ Loss(-)	-46.85	-48.91	-51.54	-4.21
Net Worth	-405.84	-359.23	-313.23	12.97
Paid up Capital	21.02	21.02	21.02	0.00
Share of Holding Co.	21.02	21.02	21.02	0.00

4. Key Performance Factors

TSL was referred to BIFR in 1992 and a revival plan was approved in 1995. The sanctioned rehabilitation package of BIFR failed as the company did not get adequate orders. Though the company has acquired experience in fabrication and erection of high towers (TV etc), it has low technology base. BIFR has recommended winding up of the company but the Government is still examining the possibility of its revival through BRPSE.

5. Human Resource Development (HRD)

The enterprise employed 308 regular employees (74 executives & 234 non-executives) as on 31.3.2007. About 11% of the employees were having professional qualifications. Around 45% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 3 employees retired during the year. Since the introduction of VRS, a total of 1498 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 2 out of which one each was full time functional Director and Government Director.

6. Strategic Issues

The entire sales have been made to Government Departments/organizations/CPSEs.

During the year TSL disposed off certain abandoned and unserviceable equipments, vehicles and office equipments. Gross Block of respective assets has been reduced accordingly.

Tungabhadra Steel Products Ltd. (TSPL)

1. Company Profile

TSPL was incorporated on 20.2.1960 under the Companies Act, 1956 as a joint venture project of Government of Karnataka and Andhra Pradesh with an objective to manufacture gates & hoists required for spillways, sluices and canal gates of Tungabhadra Dam. After completing the gates required for Tungabhadra project, it was felt desirable to utilize indigenous know how and skills development in manufacturing of these hydro mechanical equipments into a commercial company. The company became a central PSE in 1967 when Government of India subscribed 50.5% of its paid up capital. TSPL is a Schedule-'C', BRPSE / BIFR referred PSE under the Ministry of Heavy Industries and Public Enterprises, D/o Heavy Industry having its Registered and Corporate offices at Bellary, Karnataka. TSPL became a subsidiary of Bharat Yantra Nigam Ltd. (BYNL) in 1987.

2. Industrial / Business Activities

TSPL is engaged in designing, fabrication, supply and erection of hydro mechanical equipments for irrigation, power and other projects. The company is also generating power at Malaprabha Mini Hydel Plant.

3. Production / Operational Profile

The product range of the company comprises of approximately 1# products like radial gates, stoplog gates, penstock pipes, EOT cranns etc. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Hydro Mechanical equipments	**MT**	91 (1.11)	104 (1.27)	388 (5)	195 (2.46)
Power Generation	**Lakhs Units**	32.81 (65.50)	44.36 (88.56)	16.21 (32.36)	31.13 (62.14)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5.11	7.20	8.13	-29.03
Cost of Production	43.91	36.01	57.97	21.94
Net-Profit/ Loss(-)	-37.50	-30.08	-57.52	24.67
Net Worth	-220.28	-182.77	-153.11	20.52
Paid up Capital	8.44	8.44	8.44	0.00
Share of Holding Co.	1.75	6.69	6.69	-73.84

5. Key Performance Factors

The decrease in turnover and profitability is attributed to increase in competition, increase in interest burden on Government loans and banking problems.

All the sales of the company were made to Government Departments/organizations/agencies.

During the year, the company received a non-plan assistance of Rs. 26.78 crore including Rs.6.43 for payment of wages & salary and 20.35 for VRS. The company also availed of one Government Guarantee during 2006-07 and total cumulative Government guarantee was Rs. 5 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 109 regular employees (executives 18 & non-executives 91) as on 31.3.2007. About 12.84% of the employees were having professional qualifications. Around 26% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. The company is following IDA 1992 pattern of remuneration. Total two employees retired during the year.

During the year, 242 employees sought VRS out of which 229 employees retired under the scheme and an amount of Rs.20.39 crore was spent in this regard. Since the introduction of scheme, a total of 932 employees have taken VRS.

The total number of Directors in the company, as on 31.3.2007 was six out of which four were part time Non-official Directors / professionals and one Government /Official Director.

7. Strategic Issues

Restructuring Plan

The company has been referred to BIFR / BRPSE due to continuous losses. The company is at inquiry stage with BIFR. An inter-Ministerial Group has been constituted to finanlise joint venture process of the company.

8 MEDIUM & LIGHT ENGINEERING

As on 31.3.2007, there were 24 Central public sector enterprises in the Medium & Light Engineering group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Biecco Lawrie & Co. Ltd.	1919
2.	Balmer Lawrie & Co. Ltd.	1924
3.	Praga Tools Ltd.	1943
4.	I T I Ltd.	1950
5.	HMT Ltd.	1953
6.	Bharat Electronics Ltd.	1954
7.	National Instruments Ltd.	1957
8.	Instrumentation Ltd.	1964
9.	Electronics Corpn. of India Ltd.	1967
10.	Bharat Dynamics Ltd.	1970
11.	Bharat Pumps & Compressors Ltd.	1970
12.	Hindustan Cables Ltd.	1972
13.	Richardson & Cruddas(1972) Ltd.	1972
14.	Central Electronics Ltd.	1974
15.	Andrew Yule & Company Ltd.	1979
16.	HMT Bearings Ltd.	1981
17.	Rajasthan Electronics & Instruments Ltd.	1981
18.	Vignyan Industries Ltd.	1984
19.	BEL Optronics Devices Ltd.	1990
20.	Antrix Corporation Ltd.	1993
21.	IDPL (Tamilnadu) Ltd.	1994
22.	HMT Chinar Watches Ltd.	1999
23.	HMT Machine Tools Ltd.	1999
24.	HMT Watches Ltd.	1999

2. The enterprises falling in this group are mainly engaged in manufacturing of barrels, drums, containers, switch gears, electric motors, exhausters, air-brakes, LPG cylinders, components and instruments, cables, machine tools, watches, tractors, lamps, telephones, teleprinters etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	Biecco Lawrie & Co. Ltd.	46.52	43.99
2.	Balmer Lawrie & Co. Ltd.	1279.93	1234.61
3.	Praga Tools Ltd.	9.31	10.91
4.	I T I Ltd.	1762.63	1660.74
5.	HMT Ltd.	224.49	247.73
6.	Bharat Electronics Ltd.	3892.46	3502.01
7.	National Instruments Ltd.	0.00	1.28
8.	Instrumentation Ltd.	217.57	206.45
9.	Electronics Corpn. of India Ltd.	917.91	649.62
10.	Bharat Dynamics Ltd.	433.29	528.50
11.	Bharat Pumps & Compressors Ltd.	126.57	82.49
12.	Hindustan Cables Ltd.	2.23	6.32
13.	Richardson & Cruddas (1972) Ltd.	49.91	26.13
14.	Central Electronics Ltd.	120.99	100.68
15.	Andrew Yule & Co. Ltd.	136.28	118.80
16.	HMT Bearings Ltd.	25.74	24.13
17.	Rajasthan Electronics & Instruments Ltd.	69.87	59.74
18.	Vignyan Industries Ltd.	21.07	24.85
19.	BEL Optronics Devices Ltd.	58.80	51.12
20.	Antrix Corpn. Ltd.	605.46	386.05
21.	IDPL (Tamilnadu) Ltd.	0.00	0.00
22.	HMT Chinar Watches Ltd.	2.28	1.53
23.	HMT Machine Tools Ltd.	224.37	208.99
24.	HMT Watches Ltd.	31.57	18.33
	Total	**10259.25**	**9195.19**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Biecco Lawrie & Co. Ltd.	2.31	2.22
2.	Balmer Lawrie & Co. Ltd.	70.22	46.80
3.	Praga Tools Ltd.	91.92	116.51
4.	I T I Ltd.	-405.26	-428.76
5.	HMT Ltd.	54.30	13.27
6.	Bharat Electronics Ltd.	718.16	583.01
7.	National Instruments Ltd.	0.00	-1.60
8.	Instrumentation Ltd.	-27.80	-24.51
9.	Electronics Corpn. of India Ltd.	128.37	42.27
10.	Bharat Dynamics Ltd.	32.74	76.72
11.	Bharat Pumps & Compressors Ltd.	19.11	1.82
12.	Hindustan Cables Ltd.	-310.68	-295.32
13.	Richardson & Cruddas(1972) Ltd.	-37.62	-42.59
14.	Central Electronics Ltd.	2.85	12.43
15.	Andrew Yule & Co. Ltd.	-89.57	-74.07
16.	HMT Bearings Ltd.	-7.16	0.44
17.	Rajasthan Electronics & Instruments Ltd.	2.32	2.23
18.	Vignyan Industries Ltd.	1.04	0.66
19.	BEL Optronics Devices Ltd.	8.16	6.01
20.	Antrix Corpn. Ltd.	105.59	61.27
21.	IDPL (Tamilnadu) Ltd.	0.00	0.00
22.	HMT Chinar Watches Ltd.	-39.91	-30.88
23.	HMT Machine Tools Ltd.	-149.78	-6.56
24.	HMT Watches Ltd.	-195.81	-76.31
	Total	**-26.50**	**-14.94**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	68601	70650
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	127.63	134.75
	b. Medical facilities	21.53	57.65
	c. Others	31.85	33.93
3.	Capital cost of township *(Rupees in crore)*	1137.33	1167.97
4.	No. of houses constructed	25266	29537

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

MEDIUM & LIGHT ENGINEERING
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	278950	282550	273450
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	169834	185070	182827
OTHERS	58295	56813	26880
(B) SHARE APPLICATION MONEY	160201	34180	17649
(C) RESERVES & SURPLUS	657460	605502	304082
TOTAL (A)+(B)+(C)	**1045790**	**881565**	**531438**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	304232	314395	312262
(B) UNSECURED LOANS	359981	395193	363650
TOTAL (A)+(B)	**664213**	**709588**	**675912**
(1.3) DEFERRED TAX LIABILITY	8858	11558	5253
TOTAL (1.1)+(1.2)+(1.3)	**1718861**	**1602711**	**1212603**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	738269	748176	471694
(B) LESS DEPRECIATION	345627	337927	327236
(C) NET BLOCK (A-B)	392642	410249	144458
(D) CAPITAL WORK IN PROGRESS	12361	12337	12579
TOTAL (C)+(D)	**405003**	**422586**	**157037**
(2.2) INVESTMENT	134691	101709	106514
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	259432	250608	259575
(B) SUNDRY DEBTORS	551722	444325	340971
(C) CASH & BANK BALANCES	532882	427677	343631
(D) OTHER CURRENT ASSETS	3424	3323	3038
(E) LOAN & ADVANCES	150190	187191	201752
TOTAL (A)+(B)+(C)+(D)+(E)	**1497650**	**1313124**	**1148967**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1003852	840910	756486
(B) PROVISIONS	133003	165425	133189
TOTAL (A+B)	**1136855**	**1006335**	**889675**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**360795**	**306789**	**259292**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	6847	37140	48125
(2.7) DEFFRED TAX ASSETS	23610	21259	13157
(2.8) PROFIT & LOSS ACCOUNT (Dr)	787915	713228	628478
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1718861**	**1602711**	**1212603**

MEDIUM & LIGHT ENGINEERING
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1064870	955973	844302
(B) EXCISE DUTY	38672	34328	30297
(C) NET SALES (A-B)	1026198	921645	814005
(D) OTHER INCOME / RECEIPTS	80892	68883	92608
(E) ACCRETION / DEPLETION IN STOCKS	-3971	-21559	332
(I) TOTAL INCOME (C+D+E)	**1103119**	**968969**	**906945**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	550711	559657	519581
(B) STORE & SPARES	10436	14279	14574
(C) POWER & FUEL	11761	12831	12327
(D) MANUFACTURING / DIRECT / OPERATING EXP.	83702	42360	44153
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	176139	168498	158800
(F) OTHER EXPENSES	95429	36770	37019
(G) PROVISIONS	19852	17739	15098
(II) TOTAL EXPENDITURE (A TO G)	**948030**	**852134**	**801552**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	155089	116835	105393
(4) DEPRECIATION	18998	20630	19975
(5) DRE. / PREL. EXP. WRITTEN OFF	30814	12201	31627
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	105277	84004	53791
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	20472	17209	15619
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	56186	56013	49527
(D) LESS INTEREST CAPITALISED	10390	5142	4476
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	66268	68080	60670
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**39009**	**15924**	**-6879**
(9) TAX PROVISIONS	50233	39471	32733
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-11224	-23547	-39612
(11) NET EXTRA -ORD. ITEMS	-8294	-20458	5428
(12) NET PROFIT / LOSS (10-11)	**-2930**	**-3089**	**-45040**
(13) DIVIDEND DECLARED	24157	17562	15082
(14) DIVIDEND TAX	3971	2464	2095
(15) RETAINED PROFIT (12-13-14)	**-31058**	**-23115**	**-62217**

MEDIUM & LIGHT ENGINEERING
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	725249	696067	661425
(ii)	CAPITAL EMPLOYED	753437	717038	403750
(iii)	NET WORTH	251028	131197	-145165
(iv)	COST OF PRODUCTION	1064110	953045	913824
(v)	COST OF SALES	1068081	974604	913492
(vi)	VALUE ADDED	449319	313319	267855
(vii)	R & D EXPENDITURE	21915	21923	21587
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	68601	70650	71892
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	21397	19875	18407
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	0.64	0.80	1.27
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.49	1.56	1.52
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	2.26	1.65	1.47
(iv)	SUNDRY DEBTORS : SALES (No. of days)	196.24	175.97	152.89
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	92.28	99.25	116.39
	(ii) SEMI / FINISHED GOODS : SALES	36.60	40.01	51.66
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.30	3.65	0.56
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	136.20	128.54	201.61
(viii)	PBDITEP : CAPITAL EMPLOYED	20.58	16.29	26.10
(ix)	PBITEP : CAPITAL EMPLOYED	13.97	11.72	13.32
(x)	COST OF SALE : SALES	104.08	105.75	112.22
(xi)	MATERIAL COST : SALES	53.67	60.72	63.83
(xii)	SALARY & WAGES : SALES	17.16	18.28	19.51
(xiii)	R & D EXPENDITURE : SALES	2.14	2.38	2.65
(xiv)	PBITEP : SALES	10.26	9.11	6.61
(xv)	PBTEP : NET WORTH	15.54	12.14	4.74
(xvi)	NET PROFIT : NET WORTH	-1.17	-2.35	31.03
(xvii)	GROSS MARGIN : GROSS BLOCK	21.01	15.62	22.34

Andrew Yule & Company Ltd. (AYCL)

1. Company Profile

AYCL was incorporated on 2.6.1919 in the private sector with an objective to work as a managing agency. With the abolition of managing agency system, the company lost its traditional business and Government of India acquired the company in 1979. AYCL is a Schedule- 'B' / BIFR referred PSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 93.26% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

AYCL is one of the nationalized enterprises engaged in manufacturing and sale of Black Tea, Transformers, Regulators / Rectifiers, Contractors. Relays, Circuit Breakers, Switches, Industrial Fans, Tea Machinery, Turnkey jobs etc. It has 6 operating units at Kalyani, Kolkata (3 units), Togami and South 24 Paraganas in West Bengal and one unit at Chennai in Tamilnadu. The company is functioning in three main sectors namely engineering, electrical and tea. AYCL has one 100% subsidiary namely Hooghly Printing Co. Ltd. and one financial joint venture namely Phoenix Yule Ltd. at West Bengal with 26% equity.

3. Production / Operational Profile

The product and service range of the company comprises of three segments namely Engineering, Electrical and Tea. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Black Tea	000 Kgs.	9317 (83.19)	8947 (79.88)	8634 (77.09)	8966 (80.05)
Transformer	KVA	558140 (101.48)	492300 (89.26)	648320 (117.55)	566253 (102.76)
Regulators / Rectifiers	KVA	36130 (19.53)	19219 (9.37)	27700 (13.51)	27683 (14.14)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	136.28	111.80	117.31	21.90
Cost of Production	236.40	190.78	198.79	23.91
Net Profit/ Loss(-)	-89.57	-74.07	-75.44	20.93
Net Worth	-156.92	-76.77	-13.02	104.40
Paid up Capital	58.27	58.27	58.27	0.00
Share of Central Govt.	54.34	54.34	54.34	0.00

5. Key Performance Factors

Despite increase in production and turnover, the profitability declined further during 2006-07 due to persistent working capital shortage, delayed realization of dues from the core sector industries in Electrical Division and extreme unfavourable market conditions for the tea industry leading to low price realization.

Endeavour to provide requisite financial support, gearing up activities and focusing on major areas including marketing, reduction in manufacturing cycle, value engineering, cost control, product development, upgradation in Electrical Division and implementing Comprehensive Development Programme with greater emphasis on quality and yield per hectare, rationalization of manpower through VRS and adoption of integrated software system in tea division are the measures taken / being taken for performance improvement.

The share price of, the company varied between Rs.18 to Rs. 32 during the year 2006-07 as compared to Rs. 21 to Rs.43 in 2005-06.

During the year, the company received a plan assistance of Rs. 67.77 crores out of which Rs.5.89 crore was as equity and Rs.61.88 crore as loan. The company also availed of a cumulative Government Guarantee of Rs.55.20 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 15797 regular employees (executives 343 and non-executives 15454) as on 31.3.2007 as against 15839 employees as on

31.3.2006. About 0.61% of the employees were having professional qualifications. Around 14% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 46 employees retired during the year.

During the year, 1820 employees were identified as surplus manpower. Since the introduction of VRS, a total of 1694 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 3 each were part time Non-official Directors / professionals and full time Functional Directors and 2 Government / official Directors.

7. Strategic Issues

Restructuring Plan

Rehabilitation scheme envisaging comprehensive financial and business restructuring was submitted by the Operating Agency i.e. Industrial Development Bank of India (IDBI) on behalf of the BIFR for the views of the Government. Based on the recommendations of the Board for Reconstruction of Public Sector Enterprises (BRPSE), rehabilitation scheme has been approved by the Government of India and submitted the same before the BIFR for its consideration and sanction. The approval of the BIFR is awaited.

Under the revival scheme, the company would be trifurcated into three companies with a cut-off date of 1st April, 2006. While tea business will be retained with the company, the Engineering and Electrical divisions will be spun off as 100% subsidiaries of the company.

Research & Development (R&D)

The company has carried out R&D activities in different areas of Engineering Division and Electrical division, which resulted in design and development of new products and substantial cost saving in the form of import substitution vis-à-vis augmentation of revenue earnings. The R&D expenditure of the company constitutes 0.01 % of its turnover during the year.

Environmental initiatives

Operation of the company is assembly based, as such scope of polluting environment is minimum. However, the company has provided necessary anti-pollution devices against pollution of land, water and air wherever necessary as per appropriate environment standard and norms at different units.

Order Book Position

The year ended with an Order Booking of around Rs. 51.61 crores for 129 orders.

Antrix Corporation Ltd. (ACL)

1. Company Profile

ACL was incorporated on 28.9.1992 under the Companies Act, 1956 with an objective to work as commercial marketing arm of Indian Space Research Organisation (ISRO). The Company is an uncategorised PSE in Medium and Light Engineering sector under the administrative control of D/o Space with 100% shareholding by the Government of India. Its Registered office is at Bangalore, Karnataka.

2. Industrial / Business Activities

ACL is engaged in providing space technology, design, invention and patents to foreign enterprises worldwide. It also exports space products and provides technical expertise. The Company does not have its own manufacturing or production units but gets the space products manufactured / fabricated at various ISRO centers. The company continues to lay great emphasis on commercially exploiting the space products and technologies developed by the ISRO. It has been successful in offering space components, satellites, launch services, data gathered from space and mission support to customers globally.

3. Production / Operational Profile

The company's scientists work in conjunction with ISRO on Indian Remote Sensing Satellites (IRS). The company's income is earned out of export of space product, providing technical consultancy for space related activities, royalty, access fee and leasing of INSAT satellite transponders for television broadcasting, Digital News gathering, DTH, VAST and other applications.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	605.46	386.05	348.71	56.83
Cost of Production	505.61	325.11	305.90	55.52
Net Profit/ Loss(-)	105.59	61.27	39.44	72.34
Dividend declared (as % of PBT)	13.31	13.79	12.90	-3.50
Net Worth	236.80	156.56	108.28	51.25
Paid up Capital	1.00	1.00	1.00	0.00
Share of Central Govt.	1.00	1.00	1.00	0.00

5. Key Performance Factors

The successful launch and operations of Cartosat - 1, which provides along-path stereo data of high resolution has expanded the product range of the corporation. New alliances for global marketing of downlinks and data have been established with EOTech Corporation of USA.

International ground station network for IRS during the year comprised of 20 stations, resulting in increased number of international stations receiving Resourcesat-1(IRS P6) data. A high latitude station in Norway has been assisting in better turn around of data recorded on-board to global customers.

After the launch of Cartosat-2 on 12.1.2007 and subsequent start of regular operations, ACL has been in correspondence with various customers to establish reception stations. It will also augment SVALBARD facility in Norway to include CARTOSAT-2 in future.

During 2006-07, the company completed the launch for Indonesian Satellite LAPAN-TUBSAT and the Pehuensat of Argentina on the PSLV-C7 mission on January 12, 2007. A successful full-fledged commercial launch of the Italian scientific satellite Agile on PSLV-C8 MISSION ON 23.4.2007 was the major launch service.

Provision of Direct-To-Home(DTH) services had been a dominant factor in the increase in space segment capacity. ACL has concluded several agreements for lease of transponders in C & Ku bands during the year.

Contracts executed under the framework of Antrix-EADS Astrium alliance, namely EUTELSAT for W2M spacecraft and with Avanti Screen Media, UK for HYLAS are progressing as per plans.

6. Human Resources Development

The enterprise employed 12 regular employees (executives one and non-executives 11) as on 31.3.2007 as against 15 employees as on 31.3.2006. About 33.33% of the employees were having professional qualifications and all employees were under the age bracket of 51 and above years. The retirement age in the company is 60 years. The company is following CDA1996 pattern of remuneration. 2 employees left the company in attrition.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 3 were full time Functional Directors and 2 Government/Official Directors..

7. Strategic issues

The enormous need that existed in India for connectivity particularly in broadcasting , multicasting, multimedia communications and position based services provide ample scope to ACL to tap and channelise the advances in space technology in an innovative and cost effective manner. The company has been continuously evolving itself to adequately address the challenges and avail the opportunities for successful turn around.

Balmer Lawrie & Co. Ltd. (BL)

1. Company Profile

BL incorporated in 1867 as a partnership firm, became a Private Ltd. Co. in 1924 under the companies Act, 1913 and later converted to Public Ltd. Co. in 1936. Subsequently it became a subsidiary of IBP Co. Ltd. in 1972. However, in terms of schemes of arrangement and reconstruction made under Companies Act, 1956 between IBP and Balmer Lawrie Investment Ltd (BLIL), BL became a subsidiary of BLIL w.e.f 15.10.2001 which holds 61.8% of its equity. The company is a Schedule- ‘C’ Mini-ratna CPSE in Medium and Light Engineering sector under the administrative control of M/o Petroleum & Natural Gas, with its Registered office at Kolkata, West Bengal.

2. Industrial / Business Activities

The company is engaged in manufacturing of barrels and drums, greases and lubricants, and leather chemicals and providing services in the areas of travel and tours, logistics, container freight station, project engineering and consultancy etc. through its 45 plants, strategic business units, sales offices, branch offices, technical services centers spreading all over India. It also has one overseas 100% subsidiary namely Balmer Lawrie (UK) Ltd. (BLUK). The company has 4 financial joint ventures companies namely Balmer Lawrie (UAE), Balmer Lawrie Van Leer (BLVL), Transafe Services Ltd. (TSL) and Avi-Oil Ltd. with a share holding of 49%, 40.12%, 29% and 25% respectively.

3. Production / Operational Profile

The product / service range of the company comprises of eight products / services and 4 segments namely Industrial Packaging, Logistics Infrastructure & Services, Travel and Tours and Greases & Lubricants. The performance details in major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Barrels & Drums	No. Lakhs	35.91 (91)	37.84 (100)	35.24 (93)	3638 (95)
Grease & Lubricants	MT / KL Lakhs	0.32 (45)	0.34 (48)	0.34 (47)	0.33 (47)
Leather Chemicals	MT	4810 (144)	4648 (155)	4089 (136)	4516 (145)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1279.92	1234.61	988.47	3.67
Cost of Production	1201.24	1171.48	965.17	2.54
Net Profit/ Loss(-)	70.22	46.80	29.83	50.04
Dividend declared (as % of PBT)	20.72	18.13	19.77	14.26
Net Worth	267.06	217.97	183.02	22.52
Paid up Capital	16.29	16.29	16.29	0.00
Share of Holding Co.	10.06	10.06	10.06	0.00

5. Key Performance Factors

The increase in profitability during 2006-07 compared to previous year is attributed to 14% growth in the revenue from the service activities, reduction in interest cost by 53% and reduction in general overheads.

The major contributor in the revenue of the company is Travel and Tours(37%) followed by Logistics Infrastructure & Services (24%), Industrial Packaging (18%), Grease & Lubricants (13%).

The Earning Per Share (EPS) of the company during 2006-07 was Rs.43.12 as against Rs. 28.74 in the previous year.

The share price of company varied between Rs. 311.65 to Rs. 616 during the year 2006-07 as compared to Rs. 190.35 to Rs.616 in 2005-06. The average share price during the year was Rs.463.82

The Company Scored ‘Excellent’ MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 1429 regular employees (executives 569 & non-executives 860) as on 31.3.2007. About 27.43 % of the employees were having professional qualifications. Around 31 % employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 3 employees retired and 44 new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were Government / official Directors.

7. Strategic Issues

Research & Development (R&D)

R & D and technology upgradaion is one of the key objectives of the company. The efforts in R&D are directed at maintaining technological & cost leadership leading to customer satisfaction. During the year, the company had taken R&D initiatives for development of lubricants, leather chemicals and industrial packaging. These R&D efforts have helped the company to introduce new product range as also to remain cost effective in existing products. R&D expenditure of the company constituted 0.17 % of the turnover during 2006-07.

Environmental initiatives

The company is signatory to the Global Compact and is committed to ensure eco-friendly and environmentally safe manufacturing practices. The manufacturing plant of company at Chennai has almost completed the work to make it compliant with Occupational Health Standard Assessment Systems (OHSAS) to make the work place safer and hazard free.

Order Book Position

The year ended with an Order Booking of around Rs. 1300 crores.

BEL Optronic Devices Ltd. (BELOP)

1. Company Profile

BELOP was incorporated on 10.09.1990 under the Companies Act, 1956 as a joint venture of Bharat Electronic Ltd. (BEL) and Delft Instruments International (DII) of Netherlands. BEL acquired the shares of DII on 30.7.2002, which converted the company into a Government company. Its main objective is to be a customer focused, globally competitive company in defence electronics and in other chosen areas of professional electronics, through quality, technology and innovation.

BELOP is an un-categorised PSE in Medium and Light Engineering sector under the administrative control of M/o Defence, Department of Defence Production with its Registered and Corporate offices at Pune, Maharshtra. It is a subsidiary of BEL which holds its 92.79% equity shares.

2. Industrial / Business activities

BELOP is engaged in the production of Image Intensifier Tubes and Associated Power Supply Units from its single operating unit at Pune.

3. Production / Operational Profile

Image Intensifier Tube (I.I.Tube) is a specialized product used in optical instruments for night vision capability. The company has been granted exemption under section 211 of the Companies Act, 1956 for not publishing quantitative details in Annual Report.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	58.80	51.12	43.15	15.02
Cost of Production	52.16	40.74	36.18	28.03
Net Profit/ Loss(-)	8.16	6.01	4.58	35.77
Net Worth	33.16	25.90	21.22	28.03
Paid up Capital	18.32	18.32	18.32	0.00
Share of Holding Co.	17.00	17.00	17.00	0.00

5. Key Performance Factors

The increase in turnover by 17.10% was on account of orders received by the company. The turnover per employee was increased from Rs. 38.55 lacs in 2005-06 to Rs. 44.81 lacs in 2006-07. The profit of the company increased due to better yield levels and reduction in expenses, provisions, interest etc..

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 24.99 as against Rs. 32.77 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 135 regular employees (executives 47 & non-executives 88) as on 31.3.2007. About 15.56% of the employees were having professional qualifications. Around 3% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year for board level and 58 years for below board level employees. The company is following IDA 1997 pattern of remuneration. One employee retired and 4 new employees joined the company during the year.

As on 31.3.2007, there were three Directors in the company as against the sanctioned strength of twelve.

7. Strategic Issues

Restructuring Plan

The company was referred to BIFR as a sick company during the year 1998-99. The company's net worth became positive as on 31.3.2003 due to various measures taken including financial restructuring, one time settlement with creditors etc. Consequently, the company was de-registered from BIFR w.e.f. 31.3.2003.

Research & Development (R&D)

The company's in-house R&D Unit recognized by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology is involved in all the product and process developments and yield improvement activities. The R&D Unit is also involved in design & in-house fabrication of UHV Systems & Test Equipments for enhancement in Production & Testing Capacity of I.I.Tubes and Power Supplies.

The company has derived the following benefits as a result of the above efforts:

- Supply of better quality Tubes to customers.
- Yield and productivity improvements leading to profit.
- Increase in production and test capacity.
- Export of products.

The R&D expenditure of the company constitutes 1.29% of the turnover during 2006-07.

Environmental initiatives

During the Year 2006-07, BELOP has improved its surroundings by developing greenery in 800 sq. meters area and planting about 300 saplings.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 101.23 crores.

Bharat Dynamics Ltd. (BDL)

1. Company Profile

BDL was incorporated on 13.7.1970 under the Companies Act, 1956 with the objective of becoming self reliant and globally competitive high technology aerospace industry. BDL is a Schedule-'B' / Mini-ratna CPSE in Medium and Light Engineering sector under the administrative control of M/o Defence, D/o Defence Production and Supplies with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business Activities

BDL is engaged in manufacturing of defence related equipment through its two operating units at Hyderabad and Medak in Andhra Pradesh.

3. Production / Operational Profile

The product range of the company comprises of Anti Tank Missiles, Air Defence Missiles, Strategic Missiles, Torpedoes, Mines and Deception Device. However being classified information, details have not been furnished.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	433.29	528.50	454.06	-18.02
Cost of Production	395.21	495.79	483.60	-20.29
Net Profit/ Loss(-)	32.74	76.72	30.66	-57.33
Dividend declared (as % of PBT)	45.28	19.36	43.58	133.88
Net Worth	462.95	457.29	408.11	1.24
Paid up Capital	115.00	115.00	115.00	0.00
Share of Central Govt.	115.00	115.00	115.00	0.00

5. Key Performance factors

The decrease in turnover and profitability is attributed to initial stages of productinisation of new products. The performance of the company depends upon the orders received from Govt. of India.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.285.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2120 regular employees (executives 622 & non-executives 1498) as on 31.3.2007. About 21.70% of the employees were having professional qualifications. Around 30% employees come under the age bracket of 51 and above years. The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 36 employees retired during the year. Further 95 skilled and 4 unskilled employees also left the company in attrition. However, 22 employees joined the company during the year.

During the year, 41 employees retired under VRS and an amount of Rs.2.95 crore was spent in this regard. Since the introduction of VRS, a total of 526 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were part time Non-official Director / professionals.

7. Strategic Issues

The company aims to be a leader in aerospace industry.

Research & Development (R&D)

Counter measure dispensing system, twin missile launcher and 3 kms atgm are some of the R&D projects at different stages of development i.e., development / user trials etc. The R&D expenditure of the company constituted 1.22 % of its turnover.

Environment and Ecology

Extensive plantation is carried out at both the units to keep greenery of the environment. Rainwater harvesting, sewage water treatment plant are some of the other measures taken towards an ecological balance.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 1853 crores.

Small Scale Industries/Ancillary Industrial Units

The company had outstanding amount of about Rs. 67 lakhs to be had paid to 19 small scale industries as on 31.3.2007.

Bharat Electronics Ltd. (BEL)

1. Company Profile

Bharat Electronics Limited (BEL) was established in 1954 under the Companies Act, 1913 with an objective to manufacture Transreceivers in technical collaboration with M/s CSF, France, to be used by the Indian Army for radio communication. Subsequently, the company widened its range of products to defence electronics and in other chosen areas of professional electronics. Presently, the main objectives are to be a customer focused company providing state-of-the-art products and solutions at competitive prices, through quality, technology and innovation; to attain technological leadership in defence electronics through in-house R&D, partnership with defence/research laboratories and academic institutions; and to raise marketing abilities to global standards along with strive for self reliance through indigenization.

BEL is a Schedule 'A', Navratna company under the Ministry of Defence, Department of Defence Production and Supplies with 75.86% shareholding by the Government of India. Its Registered and Corporate offices are at Bangalore.

2. Industrial / Business activities

The company has pioneered the growth of the Electronic Components industry in the country. With a small beginning in the field of Radio Communication, it has become a multi-technology and multi-product company. BEL has 9 operating units at Bangalore, Ghaziabad, Pune, Machilipatnam, Punchakula, Kotdwara, Navi Mumbai, Chennai and Hyderabad. It has one subsidiary namely BEL Optronic Devices Ltd. and two financial joint ventures namely GE-BE Ltd. and BEL Multitone Ltd. with equity participation of 26% and 49% respectively.

3. Production / Operational Profile

BEL has a product range of more than 350 products, which are broadly classified into 8 core business groups including Radars and Sonars, Communication, Electronic Warfare Systems, Electro Optics, Tank electronics, Tele-communication and Broadcasting, Components and Turnkey Solutions. The value of production of the company during 2006-07 was Rs. 4012.75 crore compared to Rs. 3450.03 crore in the previous year.

4. Major Financial Highlights

(Rs in crores)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3892.46	3502.01	3185.33	11.15
Cost of Production	3095.60	2668.60	2613.21	16.00
Net Profit/ Loss(-)	718.16	583.01	446.32	23.18
Dividend declared (as % of PBT)	13.67	13.57	12.49	0.74
Net Worth	2591.18	2040.23	1589.61	27.00
Paid up Capital	80.00	80.00	80.00	0.00
Share of Central Govt.	60.69	60.69	60.69	0.00

5. Key Performance Factors

During 2006-07, BEL recorded all over improvement in its performance, the turnover increased by 11.78%, net profit by 23.18% networth by 26.85% and turnover from indigenous technology to 81% from 73% in the previous year.

The Profit After Tax to Sales ratio was increased by 16.49% in 2005-06 to 18.17% in 2006-07.

The Earning Per Share increased from Rs.72.88 to Rs. 89.77 during this period.

The increase in turnover is attributed to rolling out of 25 new products and systems and the profitability increased because of higher volume of business.

The company declared interim dividend of 40% during the year.

During the year, the company received a plan assistance for Research of Rs.11.15 crore in the form of grants.

The share price of the company varied between Rs. 811 to Rs. 1794 during the year 2006-07. The average share price during the year was Rs. 1343. The Closing Share price as on 31.3.2007 was Rs.1575.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 12357 regular employees (executives 3988 & non-executives 8369) as on 31.3.2007. About 40.47% of the company employees come under the age bracket of 51 and above years and 22.25% employees were having professional qualification.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 648 employees retired during the year and 710 new employees including 388 in managerial category joined the company,

The total number of Directors in the company, as on 31.3.2007 was 18, out of which 9 were part time Non-official Directors / professionals, 2 Pt. Time Government Directors and 7 full Time Functional Directors.

7. Strategic Issues

Restructuring Plan

The company is in discussion with the business partners to expand business operations through joint ventures in various growth areas such as thermal imaging, avionics etc.

BEL has consolidated its capabilities for providing turnkey system solutions based on varios technologies including satcom, CDMA, radio communication and networking and is actively pursuing projects in this area.

The company is setting up state-of-the-art facility for Rapid Phototyping (RP), Rapid Tooling(RT) and Rapid Manufacturing(RM) for quick realization of mechanical parts for design verification.

Research & Development (R&D)

Recognizing the need for self reliance and indigenous development, the company has grown with R&D focus. It has evolved following three-layer set up to effectively address the technology and product needs of the consumers:

(i) All 9 manufacturing units have their own unit Development and Engineering(D&E) groups developing new products in their respective areas;

(ii) Central D&E group at Bangalore is working to develop specialized technology modules for the unit D&E groups; and

(iii)Two Central Research Laboratories (CRLs) at Bangalore and Ghaziabad are set up for undertaking research in futuristic areas with a view to identify and realize enabling technologies relevant to the company's products.

The R&D expenditure of the company constituted 3.55 % of turnover during 2006-07.

Environmental initiatives

BEL has been maintaining a clean and green environment at all its nine units, which are all ISO 14001 certified. Clean surroundings, green environment, stringent pollution control measures, waste water treatment, zero effluent discharge, rainwater harvesting, energy conservation, water conservation, systematic management and disposal of hazardous and other forms of wastes and several other endeavors are a part of the well established Environmental Management System.

Order Book Position

The order book position has increased to Rs.9130 crore as on 31.3.2007 from Rs.6633 crore as on 31.3.2006.

Bharat Pumps & Compressors Limited (BPCL)

1. Company Profile

BPCL was incorporated on 1.1.1970 under the Companies Act, 1956 with an objective to provide quality products and services to core sector industries with special thrust on Oil and Natural Gas, Petrochemicals, Refineries, Nuclear and Thermal Power Plants, Fertilizers and Public Transport Services complying to health and safety requirement and to become an Indian MNC in the field of Fluid handling, Gas compression, Gas storage equipment, services and project management.

BPCL is a Schedule-'B' BIFR/BRPSE referred company in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries & Public Enterprises, D/o Heavy Industry having its Registered and Corporate offices at Allahabad, U.P. The company is a 100% subsidiary of Bharat Yantra Nigam Limited.

3. Industrial / Business Activities

BPCL is involved in manufacturing of centrifugal pumps, reciprocating pumps and compressors, sucker rod pumps, cementing units and their spares and various type of industrial gas cylinders including CNG cylinders and CNG cascades in its single operating unit at Allahabad, U.P. It has offices at New Delhi, Mumbai, Kolkata, Chennai, Vadodara and Dibrugarh.

4. Production / Operational Profile

The average capacity utilization for all products / services of the company taken together was 33% during 2006-07. The performance details of the products are as follows:

Major Products	Unites	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Pumps & compressors	Nos.	66	72	106	81
Gas Cylinders	Nos.	14151 (23.59)	11050 (18.42)	8949 (14.92)	11383 (18.98)

5. Major Financial Highlights

(Rs in crores)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	126.57	82.49	61.33	53.44
Cost of Production	118.94	91.27	72.88	30.32
Net Profit/Loss (-)	19.11	1.82	-10.86	950.00
Net Worth	56.96	-117.14	-121.61	-148.63
Paid up Capital	53.53	53.53	53.53	0.00
Share of Holding Co.	53.53	53.53	53.53	0.00

6. Key Performance Factors

After turnaround in 2005-06, the performance of the company improved further during financial year 2006-07. The improvement in turnover and profitability was mainly due to thrust on meeting customer commitment, better order book, timely availability of inputs, vigorous follow up and day to day monitoring by management and hard working by dedicated workers.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.358 as against Rs. 34 in the previous year.

7. Human Resource Development (HRD)

The enterprise employed 1214 regular employees (231 executives & 983 non-executives) as on 31.3.2007. About 5% of the employees were having professional qualifications. Around 64% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 21 employees retired during the year. Further 3 skilled employees also left the company in attrition. However, 2 new skilled and 4 unskilled employees joined. During the year 41, employees were identified as surplus manpower. A Total of 547 employees have availed of VRS since inception of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 4 were part time Non-official Directors / professionals and one each Government Official Director and full time functional Director.

8. Strategic Issues

Restructuring Plan

A restructuring/revival/rehabilitation Plan for BPCL was approved by the Govt. in Dec. 2006, which comprises measures such as management support and infusion of equity of Rs. 20 crore by BHEL, financial support of Rs. 150 crore by ONGC and technology support by EIL and Waiver of Plan and Non-Plan loan including interest due as on 31.3.2006 (total Rs. 153.15 crore), budgetary support of Rs. 3.37 crore to clear outstanding CISF dues, etc.

New initiatives

The company initiated new steps for performance improvement which include preparation of road map for next 10 years and accordingly preparation of time bound programme for various activities, getting certifications such as ISO-9001:2000 (Integrated Management System) by QS Zurich, Switzerland, ISO 14001:2004 (Environment Management System) & OHSAS 18001:1999 (Occupational Health and Safety Management System), export initiatives for CNG Cylinders to Iran & Italy, review of purchase process and adoption of new purchase policy, reduction in rejection and rework, improvement in response time and better facilities for employees.

Research and Development

BPCL has initiated various R& D activities, which will improve the performance of its products. Following are the major initiatives taken: -

- Changing the process of impeller casting having low shroud opening from natural sand casting to investment casting.
- Improvement in the bearing arrangement of multistage centrifugal pumps

Environment and Ecology

- The statuary requirement for discharge of Air and Water are strictly complied with.
- BPC is certified to Environment Management System (ISO: 14001) and Occupational Health & Safety Management System (OHSAS). As part of company 's commitment towards

conservation of environment, several tree plantation drives were organised and plantation of more than one lac Jatropha saplings was done.

Order Book Position

The year ended with an Order Booking of around Rs. 157.74 crores thereby taking the cumulative orders on hand at the beginning of the year 2007-2008 to the extent of Rs.189 crores. This placed the company in a comfortable position for formulating well planned production schedules over a period of years to come.

Biecco Lawrie Ltd. (BLL)

1. Company Profile

BLL was incorporated on 23.12.1919 as British India Electric Construction Co. Ltd. (BIECC) under the Indian Companies Act, 1913. In 1972 BIECC was taken over by Balmer Lowrie & Co. (a CPSE), thus it became a Government company. The company was subsequently renamed as BLL. In 1979, it became an independent Government Company after the Government becoming its majority shareholder. BLL is a Schedule-'C' BIFR referred CPSE in Medium and Light Engineering sector under the administrative control of M/o Petroleum and Natural Gas with 57.35% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

BLL is engaged in manufacturing of electrical switchgear & spares, Lube Oil Blending and providing electrical repairs services and projects etc. through its two operating units at Kolkata.

3. Production / Operational Profile

The product / service range of the company comprises of four products. The Average Capacity Utilization for all products / services taken together was 62% during 2006-07. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Switchgear-Panels	Nos.	1401 (102)	1247 (91)	1134 (82)	1261 (92)
Lubricating Oil blending & filling	KLs	2253 (22.53)	3864 (38.64)	4138 (41.38)	3418 (34)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	46.52	43.99	34.89	5.75
Cost of Production	46.73	42.48	35.73	10.00
Net Profit/Loss(-)	2.31	2.22	1.28	4.05
Net Worth	-17.29	-19.80	-22.28	-12.68
Paid up Capital	42.00	42.00	42.00	0.00
Share of Central Govt.	24.10	24.10	24.10	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in market demand of vacuum circuit breakers. In case of electric repair the company has initiated marketing strategies to procure orders from Steel, Power and Railway sectors.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.0.55 as against Rs. 0.52 in the previous year.

The Company has signed its first MOU with its administrative Ministry namely M/o Petroleum & Natural for the year 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 450 regular employees (executives 116 & non-executives 334) as on 31.3.2007 as against 482 employees as on 31.3.2006. Attrition is a general phenomenon in the industry as there is a demand for skilled technical personnel.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

With the implementation of Accelerated Power Development Reforms (APDRP), Rural Electrification Programme and Rajiv Gandhi Grameen Vidyutikaran Yojna, there is a scope for the company to grow leaps and bound. The company looks to the future with confidence.

As a business strategy, the focus of the company is on its core area of electrical equipment manufacturing and services. It is in the process of phasing out its petroleum products business.

Restructuring Plan

The company has prepared a *Restructuring Plan* (which includes merger with a company having business synergy) for revival and sustainable performance, which was sent to the administrative Ministry for submission of same before the BRPSE and thereafter for the approval of the Government.

Research & Development (R&D)

The company's application research and R&D group is working on different projects to launch products to match changing market needs.

Environmental initiatives

Environment protection measures through pollution control have been implemented at all the factories of the company. The company has initiated a pilot project to undertake rainwater harvesting at its manufacturing sites.

Central Electronics Ltd. (CEL)

1. Company Profile

CEL was incorporated on 26.6.1974 under the Companies Act, 1956 with an objective to achieve excellence in technology and manufacturing of solar energy systems and strategic electronics and to be a market leader in the field of Solar Photovoltaic Energy sources, particularly for rural applications, as also in Railway Safety and Signaling Electronics and Microwave Phase Control Modules growth with profitability and productivity and technology development.

CEL is a Schedule-'B' CPSE in Medium and Light Engineering sector under the administrative control of M/o Science and Technology, D/o Scientific and Industrial Research with 100% shareholding by the Government of India. Its Registered office is at New Delhi, and Corporate office at Sahibabad, U.P.

2. Industrial / Business Activities

CEL is engaged in production and marketing of Solar Photovoltaic Products, Railway Electronics, Cathodic Protection Systems, Microwave Electronics and PZT Alumina through its only one operating unit at Sahibabad, U.P.

3. Production / Operational Profile

The product range of the company comprises of solar cells, modules and railway electronics products. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Solar PV Modules & System	**KW**	1717 (86)	2110 (106)	2149 (107)	1992 (98)
Axle Counters	**Nos.**	1536 (154)	1453 (145)	1396 (140)	1462 (146)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	120.99	100.68	87.68	20.17
Cost of Production	122.77	94.85	79.33	29.44
Net Profit/ Loss(-)	2.85	12.43	-0.56	-77.07
Net Worth	31.75	28.90	4.43	9.86
Paid Up Capital	47.77	42.77	37.77	11.69
Share of Central Govt.	47.77	42.77	37.77	11.69

5. Key Performance Factors

Despite increase in turnover, the profitability of the company declined during 2006-07. The Solar Photovoltaic segment constituted around 55% of company's turnover but contributed negatively in profitability. The company is earning profits from System Production segment which constitutes 41% of the turnover.

The company is exporting Solar Cells and Modules to Germany, Sudan, Mali, Afghanistan, Nepal, Sri Lanks, Spain and USA.

The company received a grant of Rs. 5 crore during the year under S&T scheme for a project for 'Cost reduction Measure in Solar Cell and Modules Areas.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 669 regular employees (executives 239 & non-executives 430) as on 31.3.2007. About 8.67% of the employees were having professional qualifications. Around 43.65 % come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 7, out of which 4 were part time Non-official Director / professional.

7. Strategic Issues

Project Implementation

The company strives for continuous improvement in productivity through regular updation of benchmark set in manufacturing practices and methods followed and process and technologies employed.

A project on 'Up-gradation and up-scaling of Solar Photovoltaic operation to 10MW per annum' was implemented. This was funded by the Govt. of India at a total cost of Rs.20 crores.

Research & Development (R&D)

The company makes efforts to retain its technological leadership in the area of SPV and chosen fields of electronics through in-house R & D as well as collaboration and cooperation with DRDO and CSIR Laboratories, Universities, IITs etc.The R&D expenditure of the company constituted 2.73% of the turnover during 2006-07.

Electronics Corporation of India Ltd. (ECIL)

1. Company Profile

ECIL was incorporated on 11.4.1967 under the Companies Act, 1956 with an objective to promote and develop industrial electronics with indigenous know how and to attain self-sufficiency in Atomic Energy programme, Defence, Space, Civil Aviation, Security and such other sectors of strategic importance. The company is a Schedule-'A' PSE in Medium and Light Engineering sector under the administrative control of D/o Atomic Energy with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business Activities

ECIL is engaged in manufacturing of nuclear industrial and analytical instruments, radio communicating systems, telecommunication equipments, simulators for Thermal and Nuclear Power plants, electronic voting machine etc. through its two operating units at Hyderabad and Tirupati in Andhra Pradesh and 14 Business Divisions handling different kinds of products. The company has one financial joint venture namely ECIL-Rapiscan Ltd. with a share holding of 49%.

3. Production / Operational Profile

The company is exempted by Department of company Affairs regarding disclosure of quantitative particulars in the annual accounts as required under schedule VI of the Companies Act, 1956 due to the strategic nature of the company's activities in accordance with section 211 (3b) of the companies act, 1956.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	917.91	649.62	720.04	41.30
Cost of Production	753.34	628.43	670.86	19.88
Net Profit/ Loss(-)	128.37	42.27	37.13	203.69
Dividend declared (as % of PBT)	16.12	16.24	37.07	-0.71
Net Worth	464.08	363.43	321.54	27.69
Paid up Capital	154.88	154.88	145.88	0.00
Share of Central Govt.	154.88	154.88	145.88	0.00

5. Key Performance Factors

The increase in profitability is attributed to increase in turnover as well as ion margins. ECIL is the electronics arm of the Department of Atomic Energy. Most of the orders have been received from Government Departments / PSEs. During the year 1,20,000 Electronic voting Machines (EVMs) were supplied to Election Commission of India. However, the modified defence procurement procedure by MoD resulted in a delay of obtaining select Defence orders.

Over the years company has established its presence in 10 Countries of the World in terms of export. However exports constitute less than 1% of its turnover.

The Earning Per Share of the Company as on 31.3.2007 was Rs.828.83.

6. Human Resource Development (HRD)

The enterprise employed 4854 regular employees (executives 3129 & non-executives 1725) as on 31.3.2007 as against 4955 employees as on 31.3.2006. About 30.14% of the employees were having professional qualifications. Around 64% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 231 employees retired during the year. In addition, 5 skilled employees also left the company. However, 120 employees joined the company during the year.

During the year, 112 employees availed of VRS and an amount of Rs. 13.71 crore was spent in this regard from internal resources. Since the introduction of VRS a total of 2499 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 4 were Government / official Directors and 3 full time functional Directors.

7. Strategic Issues

Company has reoriented the operations towards high technology and low volume projects / products. An exercise to internalize the MOU to ensure more pragmatic and progressive operations management was initiated. Business development and certification EMS 14000 enhancement through appropriate tie-ups are proposed.

C4I systems for Brahmos Missile, LCA-MMR Antenna Platform and system for B1-B2 &PFBR projects ib the Nuclear sector were the significant new projects during the year.

Research & Development (R&D)

In-house R&D plus projects have been approved by the TDC. During the year 2006-07, the R&D expenditure of the company constituted 3.81% of its turnover.

Environmental initiatives

Company has been awarded ISO environment management system.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 1120 crores.

Hindustan Cables Ltd. (HCL)

1. Company Profile

HCL was incorporated in the year 1952 with the objective of making the country self reliant in the manufacturing and supply of various types of telecommunication wires and cables. HCL is a Schedule-'B' / BIFR referred CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 99.60% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

HCL is engaged in manufacturing and supply of telecommunication jelly filled cables, optic fiber cables and telecom turnkey services through its 5 operating units at Burdwan and Narendrapur in West Bengal, Allahabad in U.P. and Hyderabad in Andhra Pradesh. It also has one R&D centre in Hyderabad.

3. Production / Operational Profile

The product range of the company comprises of two segments namely Telecom Cables and Turnkey projects. The performance details of major products are as follows:

Major Products / Services	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Turnkey Activity (sales)	**Rs. Cr.**	2.22	6.08	20.89	9.73
Jelly filled cables	**LCKM**	nil	0.02	0.03	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.23	6.32	21.15	-64.72
Cost of Production	313.61	293.68	282.90	6.79
Net Profit/ Loss(-)	-310.68	-295.32	-270.88	5.20
Net Worth	-1833.35	-1524.33	-1236.75	20.27
Paid up Capital	419.36	419.37	419.36	0.00
Share of Central Govt.	417.69	419.37	417.69	-0.40

5. Key Performance Factors

The increase in losses is attributed to increase in finance charges. The reasons for falling performance is attributed to absence of orders from BSNL, disproportionate employee cost and non-availability of working capital. As such, production in all the units has come to a halt. HCL is a listed company but its shares are not traded.

During the year, the company received a non-plan assistance of Rs.94.95 crores for payment of wages and salaries. The company has availed of a cumulative Government Guarantee of Rs. 112 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 3105 regular employees (executives 426 & non-executives 2679) as on 31.3.2007 as against 3153 employees as on 31.3.2006. About 6.7% of the employees were having professional qualifications. Around 49% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 18 employees retired during the year. Since the introduction of VRS a total of 3527 employees retired under the scheme.

Total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were full time Functional Directors and 4 Government / official Directors.

7. Strategic Issues

In the absence of orders at remunerative price and advance, the operations in all the units of the company have been virtually stopped. The company has been pursuing with the administrative Ministry and BSNL for release of purchase orders at remunerative price alongwith advance.

Due to introduction of various wireless services, there has been a drastic reduction in laying of Jelly Filled & Optical Fibre Cables in external plant network of BSNL / MTNL. The Company is following up with other sectors also for orders through open tenders.

Various projects like FRLS cables and instrumentation and control cables, high count optical fibre cables, power cables using XLPE technology, HDPE tarpauline and HDPE pipe are under active consideration for product diversification.

Restructuring Plan

The last revival plan was sanctioned on 27.01.1999 with a total financial involvement of Rs.309.89 crores including cash infusion of Rs.143 crore.

The IIT, KGP, which was appointed by the Government for formulation of revival package for HCL, has submitted the same to the company. After adaptation the Board of Directors the revival scheme was submitted to the Ministry for their approval. Accordingly, a draft revival plan is under consideration of the BRPSE / Government. The IIT, KGP in their revival plan submitted to the company has suggested some new products like FRLS Cable, XLPE Cable, Broad Band Equipment, renewable energy equipment in addition to the existing products such as Jelly filled cable and optical fiber cables. The necessary funds for the proposed revival package will be provided by the Central Government.

Order Book Position

The year ended with an Order Booking of around Rs. 6.63 Crores.

HMT (Bearings) Ltd. (HBL)

1. Company Profile

HBL was set up in the year 1964 under the Factories Act 1948 as Indo Nippon Precision Bearings Ltd. The commercial production began in 1970. The company was taken over by HMT Ltd. in the year 1981. The vision and objectives of the HBL are to produce and market Bearings and other engineering components of world class excellence through total performance leadership and to achieve market share of 10% for the domestic Taper Roller Bearings organized sector market and 5% in total organized sector market of Taper Roller Bearings, Cylindrical Roller Bearings and Ball Bearings. It is a Schedule-'C' PSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with its Registered office at Hyderabad and Corporate office at Bangalore, Karnataka. It is a subsidiary of HMT Limited which is holding its 97% equity shares.

2. Industrial / Business Activities

HBL is one of the taken over enterprises engaged in manufacturing and selling of ball and roller bearings through its single operating unit and Marketing Head Quarter at Hyderabad and Regional Sales Offices at Chennai, Kolkata, Delhi, Pune, Jamshedpur, Jabalpur and Mumbai.

3. Production / Operational Profile

The performance details of major product are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ball & Roller Bearings	Lakh Nos.	9.31 (30)	10.45 (33)	10.72 (34)	10.16 (32)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	25.74	24.13	25.23	6.67
Cost of Production	32.05	33.61	35.33	-4.64
Net Profit/ Loss(-)	-7.16	0.44	-11.08	-1,727.27
Net Worth	-5.46	-1.37	-30.37	298.54
Paid up Capital	17.13	9.23	9.23	85.59
Share of Holding Co.	16.89	8.99	8.99	87.88

5. Key Performance Factors

During last two years i.e. 2005-06 and 2006-07 the performance of the company declined, due to shortage of working capital and delay in release of GOI guarantee. The market share of the company in India declined to 1% in 2006-07 as compared to 2% in 2005-06.

6. Human Resource Development (HRD)

The enterprise employed 326 regular employees (executives 121 and non-executives 205) as on 31.3.2007 as against 339 employees as on 31.3.2006. About 7.36% of the employees were having professional qualifications. Around 31% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 16 employees retired during the year. Further 9 skilled employees also left the company on other grounds.

The total number of Directors in the company, as on 31.3.2007 was 2 out of which one each was full time Functional Director and Government / official Director.

7. Strategic Issues

The company is focusing on high value added products for better margins.

Restructuring Plan

The revival plan for the company with a cash assistance of Rs.7.40 crore and Non-cash assistance of Rs. 26.57 crore was approved in November, 2005, which is under implementation.

HMT Chinar Watches Ltd. (HCWL)

1. Company Profile

HCWL was incorporated in 2000-01, as a 100% subsidiary of HMT Ltd. under the Companies Act, 1956, owing to the restructuring plan of HMT Ltd. The objective was to de-merge the units engaged in the watch business from the HMT Ltd. and to boost industrial activity in the state of J&K. HCWL is a Schedule-'C' / sick PSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with its Registered office at Bari Brahmani, Jammu (J&K) and Corporate office at Bangalore, Karnataka.

2. Industrial / Business Activities

HCWL is engaged in manufacturing of hand wound mechanical and quartz watches at their two watch factories located at Zainakot (Srinagar) and watch assembly unit at Bari Brahmani (Jammu).

3. Production / Operational Profile

The performance detail of major product are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Watches	No.	77382 (15)	48328 (9.67)	5492 (1.10)	43734 (8.59)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.28	1.53	0.76	49.02
Cost of Production	43.60	31.87	26.32	36.81
Net Profit/ Loss(-)	-39.91	-30.88	-25.23	29.24
Net Worth	-177.19	-145.83	-111.97	21.50
Paid up Capital	1.66	1.41	1.41	17.73
Share of Holding Co.	1.66	1.41	1.41	17.73

5. Key Performance Factors

Financial performance of the company is deteriorating over the years due to liquidity crunch and declining demand for Mechanical Watches. New series of Quartz Watches under the name "GALAXY" have been introduced and launched in the market.

During the year the company received a non-plan assistance of Rs.15.61 crore of which Rs.12.61 crore was for payment of salaries and wages and Rs.3 crore for capital expenditure.

6. Human Resource Development (HRD)

The enterprise employed 577 regular employees (executives 13 and non-executives 564) as on 31.3.2007 as against 580 employees as on 31.3.2006. About 10% employees were having professional qualifications. Around 70% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 3 employees retired during the year. Since the introduction of VRS a total of 230 employees have availed of the scheme.

7. Strategic Issues

Restructuring Plan

Revival plan is under consideration of BRPSE / Government. The revival plan envisage reduction of employees by 400 and fresh recruitment of 100 young professionals for R&D and marketing. Financial assistance of Rs.394.89 crores has been requested including write off / waive off of GOI loans and other liabilities of Rs.184.80 crore.

HMT Ltd. (HMT)

1. Company Profile

HMT was incorporated on 7.2.1953 under the Indian Companies Act, 1913 with an objective to manufacture and carry on the business of agricultural machineries i.e. Tractors. The company is a Schedule-'A' CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public

Enterprises, D/o Heavy Industry with 98.19% shareholding by the Government of India. Its Registered and Corporate offices are at Bangalore, Karnataka.

2. Industrial / Business Activities

HMT is engaged in manufacturing and selling of Tractors and Food Processing Machines (FPM) with 4 operating units (two manufacturing and two service divisions) at Pinjore, Mohali, Hyderabad and Aurangabad and 15 Area Offices of Tractor Division. It has six subsidiaries namely HMT Bearings Limited, HMT Chinar Watches Limited, HMT (International) Limited, HMT Machine Tools Limited, HMT Watches Limited and Praga Tools Limited. The company has two financial joint ventures namely SUDMO HMT Process Engineers (I) Ltd. and Nigeria Machine Tools Ltd. with an equity participation of 50% and 15% respectively.

3. Production / Operational Profile

The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Tractors	Nos.	6401 (64)	7902 (79)	7007 (70)	7103 (71)
Food Processing Machines (FPM)	Rs. in crore	NA	3.64	2.73	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	224.49	247.73	197.29	-9.38
Cost of Production	292.27	290.11	267.62	0.74
Net Profit/ Loss(-)	54.30	13.27	5.98	309.19
Net Worth	861.81	81.46	24.91	957.95
Paid up Capital	515.65	482.92	476.17	6.78
Share of Central Govt.	507.15	474.42	467.67	6.90

5. Key Performance Factors

The decrease in turnover and increase in losses are attributed to the historical as well as other reasons such as company's operations like vertically integrated manufacturing units established in industrially backward areas of different states led to duplication of facilities, non optimal capacity utilization and higher cost of manufacturing, old plant and machinery, depletion of skill level of employees due to reduction in manpower, thin margins and low salary structure.

Although the capital goods industry has been doing well, the market share of Tractors produced by the company reduced to 1.85% in 2006-0-7 as compared to 2.71% in 2005-06 due to more capacity than the demand of tractors in the country leading to higher competition and huge discounts.

The exports of the company are routed through its subsidiary company namely HMT (I) Ltd. However, during the year there was no significant improvement in the export of Tractors due to problems in the technology needed for meeting the requirements of specific export markets.

During the year the company received a budgetary support of Rs. 4.50 crore in the form of equity Rs.2.25 crore and loan Rs.2.25 crore. In addition, the company received a non-plan assistance of Rs.106.64 crore during the year for paying salary and wages and statuary dues. The company has availed of a cumulative Government Guarantee for Rs.644 crores as on 31.3.2007.

The Earning Per Share (EPS) of the company was Rs.1.09 during 2006-07 as against Rs. 0.28 in the previous year.

The share price of company varied between Rs. 37.65 to Rs.94.80 during the year 2006-07 as compared to Rs.34.50 to Rs.111.45 in 2005-06.

The Company scored 'Fair' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2383 regular employees (executives 461 and non-executivs 1922) as on 31.3.2007 as against 2429 employees as on

31.3.2006. In order to reduce costs and increase competitiveness, the company is aiming at further manpower reduction along with emphasis on training and development.

A total of 41 employees retired during the year under superannuation and 22 employees left the company on other grounds. Since the introduction of VRS from 1.4.2000, a total of 977 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 5 were part time Non-official Directors / professionals and 2 each full time Functional Directors and Government / Official Directors.

7. Strategic Issues

The company is focusing on higher HP segment of Tractor Market, sale of Diesel Engine, Restyling of body parts of Tractors, consolidation of manufacturing facilities, tie up with nationalized banks for financing of Tractors directly to increase the rural lending etc.

Restructuring Plan

Revival / restructuring of the company is under consideration of BRPSE / Government. The company is modernizing its plants with funds received under Plan Budgetary Support from the Government of India. An amount of 15 crore released during the year 2005-06 under Plan Budgetary Support and Rs.3.00 crore during the year 2006-07 under AMR scheme for Tractor Division, Pinjore towards CAPEX for modernization.

Research & Development (R&D)

With a view to improve production process, the company has taken R&D initiative for reduction of wheelbase, improvement in Ceramic clutches and implementation of CAPEX for quality control. The company has also made investment for technology up-gradation in CAD / CAM facilities, testing facilities, implementation of ERP packages etc. The R&D expenditure of the company constitutes 0.62% of its turnover during 2006-07.

HMT Machine Tools Ltd. (HMTL)

1. Company Profile

HMTL was incorporated on 9.8.1999 as 100% subsidiary of HMT Ltd. under the Companies Act, 1956 as a part of *Restructuring Plan* of HMT with the objective of providing manufacturing solutions and manufacturing / marketing of machine tools. It is a Schedule-'B' /BIFR referred CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry. Its Registered and Corporate offices are at Bangalore, Karnataka.

2. Industrial / Business Activities

HMTL is engaged in manufacturing of wide range of products catering to the requirement of advanced manufacturing like machine tools, Industrial machinery, peripherals etc. as well as providing services in reconditioning and refurbishing of machines, project consultancy etc. through its 5 operating units at Bangalore in Karnataka, Pinjore in Haryana, Kalamassery in Kerala, Hyderabad in Andhra Pradesh and Ajmer in Rajasthan.

3. Production / Operational Profile

The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Machine Tools	Nos.	586 (66.74)	587 (73.84)	556 (56.62)	-
Printing Machines	Nos.	39 (54.93)	51 (86.44)	47 (43.92)	-
CNC Systems	Nos.	95 (31.56)	83 (27.57)	79 (26.25)	-
Ball Screws	Nos.	246 (24.60)	390 (39)	727 (72.7)	-
Die Casting and Plastic Injection Moulding Machines	Nos.	22 (64.71)	33 (97.06)	NA	NA
Metal Forming Presses	Nos.	2 (20.00)	8 (100.00)	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	224.37	208.99	204.34	7.36
Cost of Production	419.16	386.30	344.34	8.51
Net Profit/ Loss(-)	-149.78	-6.56	-73.80	2,183.23
Net Worth	80.55	-590.09	-616.82	-113.65
Paid up Capital	15.70	10.70	10.70	46.73
Share of Holding Co.	15.70	10.70	10.70	46.73

5. Key Performance Factors

Production of all products except CNC Systems declined during 2006-07 compared to previous year. However the company recorded increase in turnover.

Despite increase in turnover and other income and better inventory management, the loss of the company increased dramatically because of writing off a big amount of VRS compensation during the year.

6. Human Resources Development (HRD)

The enterprise employed 4236 regular employees (executive 1429 and non-executives 2807) as on 31.3.2007 against 4386 employees as on 31.3.2006. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

7. Strategic Issues

Restructuring Plan

During the year, a revival plan envisaging infusion of funds by way of preferential and equity capital, conversion of long term loan into equity and waiver of interest has been sanctioned by the Government of India with a view to address the negative networth of the company.

Research & Development (R&D)

Revenue expenditure on R&D cost is charged to profit and loss account under natural heads and capital expenditure is recorded as addition to fixed assets and depreciated over the estimated life of the related assets. Similarly contribution to sponsored R&D is amortized equally over the duration / balance duration of the programme.

HMT Watches Ltd. (HWL)

1. Company Profile

HWL was incorporated on 9.8.1999 as a 100% subsidiary of HMT Ltd. under the Companies Act, 1956 with the objective of acquiring all the assets, properties and liabilities watch business of HMT Ltd, as a part of *Restructuring Plan* of the Holding Co. HWL is a Schedule-'B' CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry. Its Registered and Corporate offices are at Bangalore, Karnataka.

2. Industrial / Business Activities

HWL is engaged in manufacturing of all kinds of watches and its components through its 4 operating units at Bangalore and Tumkur in Karnataka and Ranibagh (Nanital) in Uttaranchal.

3. Production / Operational Profile

The performance details of major products of the company are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Watches	**No. (lakhs)**	5.55 (8.53)	4.66 (7.17)	2.99 (4.60)	4.40 (6.77)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	31.57	18.33	21.25	72.23
Cost of Production	259.12	172.07	149.31	50.59
Net Profit/ Loss(-)	-195.81	-76.31	-134.53	156.60
Net Worth	-815.95	-715.57	-657.80	14.03
Paid up Capital	5.49	5.49	5.49	0.00
Share of Holding Co.	5.49	5.49	5.49	0.00

5. Key Performance Factors

HWL's production grew by 19% in physical terms and by 35% in value terms during 2006-07 compared to previous year.

The company's sales grew by 63% in physical terms and 69% in value terms. The institutional sales contributed 79% of total sales while that of new products developed constituted 81% of total sales during the year. Major orders executed were from M/s Bharat Sanchar Nigam Ltd. and BHEL

Despite increase in turnover the losses were also increased. This is attributed to low off take by the trade channel, higher interest burden and reduction in exports.

6. Human Resource Development (HRD)

The enterprise employed 2145 regular employees (executives 473 & non-executives 1672) as on 31.3.2007 as against 2162 employees as on 31.3.2006. About 2.75 % of the employees were having professional qualifications. Around 30% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 10 employees retired during the year. Since the introduction of VRS a total of 4455 employees availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were full time Functional Directors and one Government / official Director.

7. Strategic Issues

Restructuring Plan

The company has drawn up various strategies and action plan to improve the operations and to make turnaround plan during 2007-08. A revival Plan covering issues of organizational and financial restructuring and rationalization of manpower has been submitted to the Government.

In order to increase turnover and market share during 2007-08, steps like reduction in inventory and personnel costs, increase in high-end watches of high profit margin, adoption of innovative and aggressive marketing policies, focus on cost reduction and superior asset base, energization of institutional sales, introduction of new models etc. are being taken.

Research & Development (R&D)

The company has established its own R&D facilities for different products to meet its needs. The focus is on progressively achieving self-reliance in product technology. It has developed and launched new sub-brands viz. SONA QUARTZ, INOX-GOLD, INOX and new contemporary series in Automatic Watches. The company has introduced 48 new models during 2006-07. The company has plan to strengthen infrastructure for R&D and improving interaction with research/education institutions. The R&D expenditure of the company constituted 0.10 % of its turnover during the year.

ITI Limited (ITI)

1. Company Profile

ITI was incorporated on 25.01.1950 under the Companies Act 1956 and was the First Public sector undertaking set up by the Government of IndiaI to assist the Government in sensitive and strategic Telecommunication fields as also to tap the opportunities of convergence of Communications, Internet and entertainment business. The company is a Schedule 'A" / BIFR referred CPSE in Medium and Light Engineering Sector under the administrative control of Ministry of Communication and Information Technology, D/o Telecommunication with 92.87% share holding by the Government of India. Its Registered and Corporate Offices are at Bangalore, Karnataka.

2. Industrial / Business Activities.

ITI is involved in manufacturing and supply of Telecom equipments covering whole spectrum of switching (Large, Medium and Small switches), Transmission (Digital, Microwave, Fibre Optics and Satcom Products), Access Products and subscriber premises equipment, Mobile equipments etc. through its 6 operating Units at Bangalore (Karnataka), Gonda, Allahabad and Rae Bareli (U.P), Palakkad (Kerala) and Srinagar (J&K). The Company has one joint venture namely India Satcom Ltd. with an equity participation of 49%.

3. Operational Profile

Major Products / Services	Unit	Value of Production during			Average of three years
		2006-07	2005-06	2004-05	
GSM - INFRA	Rs. crore	431.29	267.26	305.57	334.71
Turnkey Projects / Business	Rs. crore	315.76	373.80	410.28	366.61
WLL CDMA – INFRA	Rs. crore	339.07	228.58	114.23	227.29
GSM-BTS, RTT, SHELTER P/P	Rs. crore	205.12	203.82	NA	NA
MPLS / MLLN / Network For IT Related	Rs. crore	134.06	51.13	0.42	61.87
CDMA WLL-IFWT/Hand Sets	Rs. crore	72.70	107.11	63.54	81.12
STMs/Optic Fibre Equipments	Rs. crore	57.53	62.35	25.25	48.38
OCB TAX / TANDEM	Rs. crore	47.70	85.15	77.94	70.26
C-DOT Products & Spares	Rs. crore	30.71	34.68	57.80	41.06
OCB-283 CSN/TAX & Spares	Rs. crore	25.34	32.92	64.22	40.83

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1762.63	1660.74	1317.87	6.14
Cost of Production	2278.71	2082.42	2091.50	9.43
Net Profit/ Loss(-)	-405.26	-428.76	-309.82	-5.48
Net Worth	1077.90	1643.61	-583.77	-34.42
Paid up Capital	588.00	588.00	288.00	0.00
Share of Central Govt.	567.47	567.47	567.47	0.00

** Including Revaluation Reserve.*

5. Key Performance Factors

The revenues from WLL-CDMA(Wireless in Local Loop-Code Division Multiple Access) Infra equipments, IFWT(Integrated Fixed Wireless Terminals) and MLLN(Managed Leased Line Network) contributed in the increase of turnover along with other products and services.

The losses of the company also decreased due to reduction in manufacturing, administration and selling expenses, employee and financial expenses etc. However, the company has been incurring losses because of severe competition from multinationals, non-availability of technology, low or no margin on products, resource crunch etc.

The Company has taken up major Turnkey projects for GSM / WLL / CDMA Infra, MLLN and SSTP thereby shifting from Product manufacturing to Turnkey Solution Business.

During the year the company received a non-plan support of Rs.25 crore for payment of wages & salary. The company has also availed of total cumulative Government Guarantee of Rs. 409 crore as on 31.3.2007.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. (-)15.

The market price of Company's shares was between Rs. 36.40 to Rs. 53.60 during the year 2006-07 as against Rs. 23.65 to Rs. 94.75 during the year 2005-06. The average share price during the year was Rs. 45.

The Company scored 'Fair' MOU rating during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 13415 regular employees (executives 5466 & non-executives 7949) as on 31.3.2007. About 11.55% of the employees were having professional qualifications. Around 42% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year for Board level and 58 years for below Board level employees. The company is following IDA 1997 pattern of remuneration. A total of 220 employees retired during the year. Further 32 skilled employees also left the company in attrition.

During the year 2698 employees were identified as surplus. 532 employees availed of VRS and an amount of Rs.31.29 crore was spent in this regard. Since the introduction of VRS, a total of 13744 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were Government / official Directors.

7. Strategic Issues

Restructuring Plan

BIFR has declared ITI Limited as sick. However, a Revival Plan was approved by the Government on 24/12/2004 with an estimated cost of Rs.1025 crore. Accordingly, substantial modernization has been effected at Mankapur Plant at the cost of Rs.44 crore and at Rae Bareli at the cost of Rs.34 crore for manufacturing of GSM equipments and other related equipments, funding for this purpose is being sourced from Government as per the revival package.

Focus is to be on Wireless Technology Equipment. Steps are being taken for technology tie-ups. Also revamping of manpower has been undertaken to suit the technology.

Project Implementation

During the year, Capital Investment of Rs.150 crore was made for Technology infusion in the manufacturing Plants with the Market demand.

Research & Development (R&D)

During the year, the company undertook R&D initiative for ENCRYPTION - SECURE COMMUNICATION, STM-1 Converter, STM-1 and STM-4 Crypto Devices in the customer networks, Encryption equipment for STM-1, MIL PCM SECRECY etc. The R&D expenditure of the company constituted 2.16 % of its turnover.

Environment Initiatives

During the year, ITI Palakkad & Mankapur Plants successfully upgraded its Environmental Management System to ISO 14001:2004. Further, ITI Bangalore Plant is under process of Implementation to Environmental Management System.

Order Book Position

During the year 2006-07 the company booked orders amounting to Rs. 3108.20 crore and till the end of the year orders of around Rs. 1266.46 crores were in hand. The company mainly depends on Government orders as the share of orders received from private sector including export orders was less than one percent of the total order booking during the year.

IDPL (Tamilnadu) Ltd. (IDPLTN)

1. Company Profile

The company was established in 1994 as a wholly owned subsidiary of the Indian Drugs & Pharmaceuticals Ltd. with the objective of manufacturing surgical Instruments, Drugs, hospital Equipments and aids and appliances for handicapped persons. IDPL (Tamilnadu) Ltd. is an uncategorised CPSE in Medium and Light Engineering sector under the administrative control of M/o Chemicals and Fertilizers, Department of Chemicals and Petrochemicals, having its Registered and Corporate offices at Chennai, Tamilnadu.

2. Industrial / Business Activities

The company is involved in production of surgical instruments, fabrication, general engineering, hospital equipment and formulations such as tablets, capsules, vials and ampoules and liquid orals.

3. Production / Operational Profile

The company mostly manufactures generic products. However, the production activities are closed.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.46	2.04	1.82	-28.43
Cost of Production	3.15	3.18	2.98	-0.94
Net Profit/ Loss(-)	-1.20	-0.42	-0.56	185.71*
Net Worth	-14.13	-13.31	-12.51	6.16*
Paid up Capital	4.00	4.00	4.00	0.00
Share of Holding Co.	4.00	4.00	4.00	0.00

*Negitive growth

5. Key Performance Factors

There were no production activities in the company during 2006-07. While the turnover of IDPL(TN) declined during the year, its profitability increased. In other words the loss of the company declined by 71.70% during 2006-07 compared to previous year.

6. Human Resources Development (HRD)

The enterprise had a workforce of 31 employees as on 31.3.2005.

7. Strategic Issues

Annual reports of IDPL (TN) along with its holding company are in arrears and the company so far has been able to submit reports only upto the year 2004-05.

The holding company of IDPL (TN) is referred to BIFR and BRPSE and the proposal for its revival is under consideration. The M/o Chemicals and Fertilizers has constituted an Expert Committee to conduct Techno Economic feasibility for rehabilitation of IDPL along with its subsidiaries. The report of the committee is awaited.

Instrumentation Ltd. (IL)

1. Company Profile

IL was incorporated on 21.3.1964 under the Companies Act, 1956 with an objective to attain self-reliance in providing instrumentation and control systems to Key sectors of economy such as thermal power, steel, fertilizer, refineries & other process industries, telecom, railways, nuclear application and defence. IL is a Schedule-'C' / BIFR referred PSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kota, Rajasthan.

2. Industrial / Business Activities

IL is engaged in manufacturing/production of Digital Control System, Telecommunication System, Gas Analysers, Panels and Control Desks, Control Valves, Railway Signaling System, UPS and Defense Electronics etc. through its two operating units located at Kota Rajasthan and Palakkad in Kerala. It has Marketing Head Office at Kota and five Branch Offices at Delhi, Kolkata, Mumbai, Chennai and Jaipur.

The company has four subsidiaries namely Rajasthan Electronics and Instruments Ltd., Jaipur (Rajasthan) established as joint venture with RIICO and three wholly owned subsidiaries namely IL Power Electronics Ltd. Jaipur, Instrumentation Digital controls Ltd., Kota and Instrumentation Controls Valves Ltd., Palakkad.

3. Production / Operational Profile

The product range of the company comprises of eleven products. The production of company depends on product mix desired by customers. Capacity utilization can not be ascertained as various products are manufactured on same machinery interchangeably. The brief details of major products are as follows:

Major Products / Services	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Electronic range of Instruments	No.	224	1060	2303	1196
Process Control Valves	Nos.	3613	4063	5472	4383
Control Panels and Control Desks	Nos.	511	1250	2202	1321
Telecom Products	Lines	6387	10500	28,000	14962
Orifice Plate / Flow Measuring Devices	Nos.	296	199	182	226
Safety Relief Valves & Pressure Reducing Valves	Nos.	142	84	146	124
Railway Signaling System	Rs. lakh	359	124	317	267
UPS Systems	Rs. lakh	148	87	108	114

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	217.57	206.45	162.89	5.39
Cost of Production	264.98	240.92	217.30	9.99
Net Profit/ Loss(-)	-27.80	-24.51	-16.98	13.42
Net Worth	-220.35	-195.56	-179.16	12.68
Paid up Capital	24.05	24.05	24.05	0.00
Share of Central Govt.	24.05	24.05	24.05	0.00

5. Key Performance Factors

The increase in turnover is attributed to overall increase in efficiency and good order booking. However, net loss has increased due to higher interest burden. The Earning Per Share of the Company is negative.

During the year the company received a non-plan assistance of Rs. 32.38 crore for payment of wages and salary / statutory dues and VRS/ VSS.

Stiff competition due to entry of multinational companies, high interest burden and high cost of production due to surplus manpower are some of the causes responsible for sickness of the company. The company is making efforts to reduce the losses by reduction in surplus manpower, reduction in inventory and outstanding dues and various other means for economization of costs.

6. Human Resource Development (HRD)

The enterprise employed 1677 regular employees (executives 1058 & non-executives 619) as on 31.3.2007 as against 1715 employees as on 31.3.2006. About 18.78% of the employees were having professional qualifications. Around 62% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 14 employees retired during the year. In addition, 39 skilled employees also left the company.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one each was part time Non-official Director / professional and Government / official Director.

7. Strategic Issues

Restructuring Plan

The company is registered with BIFR since 1993 and a revival scheme was sanctioned in 1999. A Modified Revival Scheme has been approved by the BRPSE and is under consideration of the Government.

Research & Development (R&D)

The R&D expenditure of the company constituted 0.03 % of its turnover during 2006-07.

National Instruments Ltd. (NIL)

1. Company Profile

NIL was incorporated in the year 1830 in the name of Mathematical Instruments office associated with Survey of India Department and became a PSE in 1957 under the Companies Act, 1956 with the objective of manufacturing and providing import substitution of surveying instruments. NIL is a Schedule-'D' / BIFR referred PSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal. The BIFR has recommended its winding up.

2. Industrial / Business Activities

NIL is engaged in the manufacturing of surveying equipments and device through its single operating unit at Kolkata, West Bengal. The enterprise had a workforce of 68 employees as on 31.3.2006.

3. Operational Profile

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Survey & Optical instruments	Rs. Lakhs	N.A.	15.14	30.07	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07*	2005-06	2004-05	
Turnover	1.28	1.28	3.67	0.00
Cost of Production	2.68	2.68	5.39	0.00
Net Profit/ Loss(-)	-1.60	-1.60	-8.71	0.00
Net Worth	-245.78	-245.78	-240.49	0.00
Paid up Capital	8.31	8.31	8.31	0.00
Share of Central Govt.	8.31	8.31	8.31	0.00

*2005-06 figures repeated

5. Key Performance Factors

The company has not furnished information for 2006-07.

5. Strategic Issues

The company has made an appeal to AAIFR against the BIFR winding up order as per directions of administrative Ministry. The case is still pending. Meanwhile Jadavpur and Calcutta Universities expressed their interest to take over the assets and liabilities including the existing employees of NIL. The Govt. of West Bengal has authorized Jadavpur University to go ahead in taking over the assets and liabilities of NIL. The Government has approved the transfer of the company to the Jadhavpur University and the matter is being processed further.

Praga Tools Ltd. (PTL)

1. Company Profile

PTL was incorporated in 1943 in the private sector. Government of India acquired controlling interest in the company in 1959 by subscribing its majority shares. Its main objective is to manufacture machine tools of international quality at reasonable cost. It is a Schedule-'C' / BIFR referred CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 45.40% shareholding by the Government of India. The company is a subsidiary of HMT Ltd., which is holding 53% of its shares since 1988. Its Registered and Corporate offices are at Secunderabad, Andhra Pradesh.

2. Industrial / Business Activities

PTL is engaged in manufacturing of machine tools/ accessories and CNC machining centers through its two operating units namely Machine Tools Division at Secunderabad and CNC Division at Hyderabad in Andhra Pradesh.

3. Production / Operational Profile

The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Machine Tools	**Nos.**	147 (49)	169 (56)	177 (59)	164 (55)
CNC Machining Centres	**Nos.**	1 (8.33)	0 (0)	1 (8.33)	0.67 (5.55)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	9.31	10.91	10.34	-14.67
Cost of Production	28.52	22.92	48.01	24.43
Net Profit/ Loss(-)	91.92	116.51	-34.39	-21.11
Net Worth	18.63	-72.39	-278.38	-125.74
Paid up Capital	35.00	35.00	35.00	0.00
Share of Holding Co.	15.89	15.89	15.89	0.00

5. Key Performance Factors

The variation in turnover and profitability is attributed to poor inflow of orders and lack of need based working capital. The high profitability in comparison to turnover is due to profit on sale of assets amounting to Rs.82.40 crore as per revival plan and credited to PL account. Further interest on Bank CC (Rs. 11.80 crore) and ICDs (11.40 crore) are withdrawn and credited to PL A/c.

The operation of Forge & Foundry Division at Balanagar was discontinued as it had negative contribution margin and now the company is outsourcing all its casting requirements at cheaper / competitive rates with better credit line.

6. Human Resource Development (HRD)

The enterprise employed 481 regular employees (executives 117 and non-executives 364) as on 31.3.2007 as against 554 employees as on 31.3.2006.

A total of 716 employees were relieved under the VRS scheme during last 3 years which resulted in recurring saving of Rs.8.25 crore per annum.

7. Strategic Issues

PTL has taken or proposed to take action for customized precision engineering component orders entering into MOU with HAL & LCA/ ADA and BHEL / ECIL projects, considering potential for small range 3 in one Cutter Tool Grinder, Thread Rolling Machines, comprehensive marketing plan, thrust on export of machine tools etc.

Discontinuation of company transport & canteen facilities to employees and provision of allowance for the same has resulted in a saving of Rs. 85 lakhs annually.

Restructuring Plan

The BIFR has sanctioned a rehabilitation scheme on 29.3.2007, envisaging appointment of IDBI as Monitoring Agency(MA), constitution of a Management Committee comprising CEO of the company, Special Director of BIFR, if any, and MA to review the operations of the company, appointment of Chartered Accountant as current Auditors with direct reporting to MA, not to take any new projects or expansion or make any investment or obtain any asset on lease/hire without prior permission of BIFR, finalization of annual accounts without delay as per the provisions of the Companies Act, 1956, to submit progress report on the implementation of the scheme to MA on a quarterly basis, and payment of all current dues arising after cut off date by the company in the normal course.

As envisaged in the revival plan for investment of Rs.10 crore towards modernization / up-gradation of technology / machinery, the GOI has released an amount of Rs. 5 crore for this purpose.

The company successfully disposed off 8.56 acres of its land at Kavadiguda, Secunderabad to M/s Rajalaxmi Gruha Nirman Prt. Ltd., Bangalore for Rs. 82.30 crore which ultimately turned out to be a main source for funding the Rehabilitation Scheme. Consequent to this, the Registered office as well as operations of the Machine Tools Division have been shifted from Kavadiguda to its CNC Division situated at Qutubullapur, during first week of December, 2006.

In compliance of the directives of the GOI, action has been initiated for the merger of PTL with HMT Machine Tools Limited, Bangalore including obtaining of necessary approvals and sanctions from BIFR.

Research and Development

During 2006-07, the R&D unit of PTL has designed, developed Model 456 CNC Surface Grinder of Table size 800x400mm and Model 513, Guide Bar Spline Rolling Machine which are considered useful for Die Making Industries and multi-loading of small components and for Automobile Industries respectively. The company is developing Model 458 CNC and 458 PLC Surface Grinders with Table size 1000x400mm, Vertical Machining Centre with Table size 750x500mm and Low Cost Lathe with swing dia 400x500mm.

Rajasthan Electronics & Instruments Ltd. (REIL)

1. Company Profile

The REIL was incorporated on 12.6.1981 under the Companies Act, 1956 as a joint venture of Instrumentation Ltd., Kota and Rajasthan State Industrial Development and Investment Corporation Ltd. with an objective to identifying customer's specific needs, translating them into quality products and providing dependable after sales services in the areas of rural electronic, non-conventional energy systems & information technology by developing, manufacturing and marketing quality products and by offering quality services.

REIL is a Schedule-'C' / Mini Ratna enterprise in Medium and Light Engineering Sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry, with its Registered and Corporate Offices at Jaipur, Rajasthan. REIL is a subsidiary of Instrumentation Ltd., which is holding its 51% equity.

2. Industrial / Business Activities

REIL is one of the joint venture ISO 9001 enterprises in the manufacturing of Agro dairy Electronic Items, Solar Photo Voltaic Modules / Systems, Electronic Energy Meters, IT Solutions and power through Wind Energy.

3. Production / Operational Profile

The product range of the company comprises of five products. The average capacity utilization for all products of the company taken together was 76% during 2006-07. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Electronic Milk Analyses	Nos.	7514 (166.97)	7111 (158.02)	5556 (123.47)	6727 (149)
SPV Modules / Systems	KW	1195 (59.75)	865 (43.25)	1581 (79.05)	1214 (61)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	69.87	59.74	57.33	16.96
Cost of Production	66.84	57.68	54.73	15.88
Net Profit/ Loss(-)	2.32	2.23	2.00	4.04
Dividend declared (as % of PBT)	12.93	14.24	8.25	-9.20
Net Worth	14.33	12.53	10.31	14.37
Paid up Capital	2.25	2.25	1.25	0.00
Share of Holding Co.	1.15	1.15	0.64	0.00

5. Key Performance Factors

The turnover of the company increased by about 16% during 2006-07.The increase in turnover and profitability is attributed to indigenisation of the imported components, keeping staff at minimum level, implementation of six sigma approach, enterprise resource planning, energy conservation, taking up R&D activities on regular basis and diversification.

The overall increase in production levels, better operational efficiencies, aggressive marketing couple with excellent brand equity of products have enabled REIL to increase its revenue and sustain its earning. However, the company faced crunch on account of all round increase in cost of basic raw material cost which depressed the profits in comparison to increase in turnover.

Over the years, company has established its presence in seven Countries of the World in terms of export. The total exports in foreign currency were amounted to Rs. 3.66 crore as against the import of Rs. 14.00 crore during 2006-07.

The Company took up the Product Certification of SPV Module up to 150 watt as per International Standard IEC 61215.

The earning per share of the Company decreased to Rs. 10.32 in 2006-07 from Rs.12.28 in the year 2005-06.

6. Human Resources Development (HRD)

The enterprise employed 206 regular employees (executives 112 & non-executives 94) as on 31.3.2007 as against 194 employees as on 31.3.2006. About 22.33% of the employees were having professional qualifications. Around 4% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee retired and 2 skilled employees left the company in attrition during the year. However, 16 new skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 3 were part time Non-official Directors / professionals.

7. Strategic Issues

The company aims at diversification in the area of Wind Power Generation. It has proposed to implement KAIZEN techniques and modernisation and upgradation of solar module manufacturing facility.

Research & Development (R&D)

The Company has a full fledged Research & Development Department recognized by Department of Scientific & Industrial Research, Ministry of Science & Technology. This department is committed for upgradation of existing products to make them cost effective. It also dedicated itself for development of new products based on marketing & customer's feed back. The R&D expenditure of the company constituted 1.49 % of the turnover.

Environmental initiatives

REIL is firmly commited to managing its operations with utmost responsibility, protecting the environment and safe guarding the health of its stakeholders. The company being an electronic industry is eco-friendly and is concerned not only to comply with norms for prevention and control of pollution, but also to go beyond this by adopting clean technologies and improvements in management practices. The employees are also made conscious of their responsibilities towards protecting the environment.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 20.55 crores.

Richardson and Cruddas (1972) Ltd. (R&C)

1. Company Profile

R&C was incorporated in the year 1972 under the provisions of the Richardson and Cruddas Ltd. (Acquisition and Transfer of Undertaking) Act, 1972) with the objective of taking over the assets and liabilities of the old engineering company viz. R&C. The current objective of the company is to manufacture capital infrastructure engineering products. R&C is a Schedule-'C' / BIFR referred/

taken over CPSE in Medium and Light Engineering sector under the administrative control of M/o Heavy Industries and Public Enterprise, D/o Heavy Industry having its Registered and Corporate offices at Mumbai, Maharashtra. The company is a 100% subsidiary of Bharat Yantra Nigam Ltd. (BYNL).

2. Industrial / Business Activities

R&C is engaged in manufacturing of medium and heavy structurals through its 4 operating units at Mumbai, Mulund (West) and Nagpur in Maharashtra and Chennai in Tamilnadu.

3. Production / Operational Profile

The product range of the company comprises of ten products. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Structurals	MT	7522 (26.58)	8024 (28.35)	3782 (13.36)	6443 (22.76)
Process Plant (Chemical Machinery)	MT	1238 (41.83)	326 (11.01)	239 (8.07)	594 (20.30)
Hand Pump	Nos.	26 (0.13)	979 (4.90)	4030 (20.15)	1678 (8.39)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	49.91	26.13	26.16	91.01
Cost of Production	87.06	70.79	59.94	22.98
Net Profit/ Loss(-)	-37.62	-42.59	-33.06	-11.67
Net Worth	-205.87	-172.44	-136.31	19.39
Paid up Capital	54.84	54.84	54.84	0.00
Share of Holding Co.	54.84	54.84	54.84	0.00

5. Key Performance Factors

Despite increase in turnover due to higher production of chemical machinery and increase in inland sales, the company incurred loss during 2006-07 which is attributed mainly to increase in sub-contracting/labour contracting expenses as also to interest burden. However, there was a decline in the net loss as compared to previous year. BHEL is the main customer of the company.

During the year the company received a non-plan assistance of Rs. 9.84 crore. It availed of cumulative Government Guarantee of Rs. 36.54 crore as on 31.3.2007 for raising loan.

6. Human Resource Development (HRD)

The enterprise employed 73 regular employees (executives 37 and non-executives 36) as on 31.3.2007 as against 74 employees as on 31.3.2006. About 6.85% of the employees were having professional qualifications. Around 75% employees come under the age bracket of 51 and above years. The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. One employee retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were part time Non-official Directors / professionals and one full time Functional Director.

7. Strategic Issues

Restructuring Plan

The company is under reference to BIFR since 1992. The revival scheme sanctioned by the BFIR in November, 1995 was ultimately declared as failed in January, 2000 and the Board further issued orders for its winding up making its recommendations to the High Court, Mumbai in July, 2003. Against the order of the BIFR the Government and the Management appealed in the AAIFR which stayed the operation of the BIFR Order and awaiting Government's further action in the matter.

The company was referred to BRPSE and on its recommendation the Government has approved revival of the company through formation of suitable joint venture. The further action is under process.

Research & Development (R&D)

Chennai unit of the company carry out environmental impact studies for various clients.The company Laboratory at Chennai is recognized as Board Laboratory by the Govt. of India & Govt. of Tamil Nadu.

Environmental initiatives

The company is fully committed to prevent pollution and protect environment. Efforts were continued to promote afforestation in Mulund and Nagpur units where sufficient vacant land is available for the purpose. The pollution control equipment installed at Nagpur unit to safeguard health hazards arising out of galvanizing activities is functioning satisfactorily as per the standards set by the Regulating Agency.

Order Booking

Despite severe competition the company booked orders worth Rs. 82.45 croe during 2006-07.

Vignyan Industries Ltd. (VIL)

1. Company Profile

VIL was incorporated in the year 1965 as Private Ltd. company with Polish collaboration under the Companies Act, 1956 with an objective to manufacture steel casting for the railway, heavy engineering and steel ingots for Steel Rolling Mills. However, the company became sick in December, 1974 and the Government of Karnataka took over its management control and handed over to Bharat Earth Movers Limited (BEML). The company was rehabilitated with the assistance of Financial Institutions and became a deemed Government company in January, 1975. The BEML acquired 74.45% shares of VIL in October, 1975 thereby it became the subsidiary of BEML. Presently BEML holds 96.56% shares of VIL. The current objective of the company is to carry on business relating to ferrous/non-ferrous industries.

VIL is an uncategorised / BIFR referred PSE in Medium and Light Engineering sector under the administrative control of M/o Defence, D/o Defence Production and Supplies having its Registered office at Tarikere, Karnataka and Corporate office at Bangalore, Karnataka. The company was registered with BIFR in 1992-93. The BIFR sanctioned a rehabilitation package for revival of the company, the successful implementation of which enable the VIL to turn its networth positive. Later on the BIFR declared the company as 'no longer sick' in May, 2003.

2. Industrial / Business activities

VIL is involved in the production of steel castings for engineering industries, railways, constructions and infrastructure industries. Its only operating unit is at Tarikere, Karnataka.

3. Operational Profile

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Steel Castings	Tonnes	3362 (84)	3762 (94)	3168* (158)	3431 (112)

** Installed capacity was 2000 tonnes till 31.3.2005*

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	21.07	24.85	18.55	-15.21
Cost of Production	21.35	23.44	17.92	-8.92
Net Profit/Loss(-)	1.04	0.66	0.42	57.58
Net Worth	5.41	4.29	3.56	26.11
Paid up Capital	2.79	2.79	2.79	0.00
Share of Holding Co.	2.69	2.69	2.69	0.00

5. Key Performance Factors

The performance of the VIL declined in terms of production by 13.61% and sales by 14.91% during 2006-07 compared to previous year. This was due to strike by the fetters hampering the production. However, the problem was addressed and a new shed has been created with five new contractors on the job.

However, the Profit Before Tax increased by 35.27% and Profit After Tax by 57.16%.

Earning Per Share was Rs. 37.13 during 2006-07.

6. Human Resource Development

VIL employed 223 persons as on 31.3.2007 as compared to 226 as on 31.3.2006.

7. Strategic Issue

The company is poised for tremendous growth in the years to come as it has been increasing its production and supply to other customers like

ICF, Chennai and Jessop Co. Limited, Kolkata and also planning for expansion of foundry.

The order book position is comfortable and the company is looking forward for better results.

Recertification of ISO 9001:2000 and ISO 14001 is under process. Special Training Programme on Internal Audit, ISO awareness, TQM and SQC is planned for all employees to meet the recertification requirements.

Research and Development

As a part of Research and Development, the company has a plan to increase the production to 550MTs per month by introducing fast loop moulding system (no bake process). For manufacture of SG Iron indigenous technology has been developed and implemented by the in-house R&D team. Expenditure on R&D is included under the manufacturing process.

9 PETROLEUM (Refinery & Marketing)

As on 31.3.2007, there were 8 Central public sector enterprises in the Petroleum group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Indian Oil Corporation Ltd.	1964
2.	Chennai Petroleum Corporation Ltd.	1965
3.	Bongaigaon Refinery & Petrochemicals Ltd.	1974
4.	Bharat Petroleum Corpn. Ltd.	1976
5.	Hindustan Petroleum Corpn. Ltd.	1976
6.	GAIL (India) Ltd.	1984
7.	Mangalore Refinary & Petrochemicals Ltd.	1988
8.	Numaligarh Refinary Ltd.	1993

2. The enterprises falling in this group are mainly engaged in refining and selling of petroleum and petroleum products such as diesel, kerosene, naphtha, gas lubes, greases, chemical additives, lubricants etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	Indian Oil Corporation Ltd.	202503.81	167586.85
2.	Chennai Petroleum Corporation Ltd.	24754.63	21128.77
3.	Bongaigaon Refinery & Petrochemicals Ltd.	5788.45	5636.95
4.	Bharat Petroleum Corpn. Ltd.	97560.22	77035.92
5.	Hindustan Petroleum Corpn. Ltd.	83571.14	68161.77
6.	Gail (India) Ltd.	16047.18	14459.41
7.	Mangalore Refinary & Petrochemicals Ltd.	28633.14	24967.54
8.	Numaligarh Refinary Ltd.	7212.45	5268.04
	Total	**466071.02**	**384245.25**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Indian Oil Corpn. Ltd.	7499.47	4915.12
2.	Chennai Petroleum Corpn. Ltd.	565.27	480.96
3.	Bongaigaon Refinery & Petrochemicals Ltd.	184.98	174.76
4.	Bharat Petroleum Corpn. Ltd.	1805.48	291.65
5.	Hindustan Petroleum Corpn. Ltd.	1571.17	405.63
6.	Gail (India) Ltd.	2386.67	2310.07
7.	Mangalore Refinary & Petrochemicals Ltd.	525.52	371.61
8.	Numaligarh Refinary Ltd.	568.80	448.93
	Total	**15107.36**	**9398.73**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	**2005-06**
1.	No. of employees	65418	65318
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	98.80	102.34
	b. Medical facilities	278.38	242.48
	c. Others	162.65	156.12
3.	Capital cost of township *(Rupees in crore)*	1021.09	1013.04
4.	No. of houses constructed	25891	30514

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

PETROLEUM (REFINERY & MARKETING)

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	790000	800000	800040
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	181470	181470	181470
OTHERS	374571	376784	384516
(B) SHARE APPLICATION MONEY	2436	0	0
(C) RESERVES & SURPLUS	6895193	5947534	5339243
TOTAL (A)+(B)+(C)	**7453670**	**6505788**	**5905229**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1160402	1631555	790941
(B) UNSECURED LOANS	4268523	3411077	2480890
TOTAL (A)+(B)	**5428925**	**5042632**	**3271831**
(1.3) DEFERRED TAX LIABILITY	1105045	975455	932402
TOTAL (1.1)+(1.2)+(1.3)	**13987640**	**12523875**	**10109462**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	12108791	10571625	9804648
(B) LESS DEPRECIATION	5076536	4515677	4028903
(C) NET BLOCK (A-B)	7032255	6055948	5775745
(D) CAPITAL WORK IN PROGRESS	1195078	1472530	1171786
TOTAL (C)+(D)	**8227333**	**7528478**	**6947531**
(2.2) INVESTMENT	3716644	2464760	1084824
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	4926416	4848154	3940814
(B) SUNDRY DEBTORS	1326058	1319984	1180717
(C) CASH & BANK BALANCES	507293	595158	556122
(D) OTHER CURRENT ASSETS	196014	130751	52899
(E) LOAN & ADVANCES	1399133	1567864	1411933
TOTAL (A)+(B)+(C)+(D)+(E)	**8354914**	**8461911**	**7142485**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	5504121	4998646	4595137
(B) PROVISIONS	822857	938606	484725
TOTAL (A+B)	**6326978**	**5937252**	**5079862**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**2027936**	**2524659**	**2062623**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	15727	5978	6686
(2.7) DEFFRED TAX ASSETS	0	0	7798
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	0
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**13987640**	**12523875**	**10109462**

PETROLEUM (REFINERY & MARKETING)

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	51594194	44174402	37004216
(B) EXCISE DUTY	4987092	4187193	3278363
(C) NET SALES (A-B)	46607102	39987209	33725853
(D) OTHER INCOME / RECEIPTS	2425473	1309544	387432
(E) ACCRETION / DEPLETION IN STOCKS	147615	500784	428685
(I) TOTAL INCOME (C+D+E)	**49180190**	**41797537**	**34541970**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	43557098	37402081	29957153
(B) STORE & SPARES	114989	98441	78227
(C) POWER & FUEL	134687	87015	93475
(D) MANUFACTURING / DIRECT / OPERATING EXP.	1137649	1167416	821558
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	504220	407729	414449
(F) OTHER EXPENSES	883121	673765	813955
(G) PROVISIONS	60286	20911	11912
(II) TOTAL EXPENDITURE (A TO G)	**46392050**	**39857358**	**32190729**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	2788140	1940179	2351241
(4) DEPRECIATION	556460	501227	520635
(5) DRE. / PREL. EXP. WRITTEN OFF	17225	4124	3290
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	2214455	1434828	1827316
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	71306	57233	32383
(C) OTHERS	227556	144169	114505
(D) LESS INTEREST CAPITALISED	5708	5426	4986
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	293154	195976	141902
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1921301**	**1238852**	**1685414**
(9) TAX PROVISIONS	611147	338500	437032
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	1310154	900352	1248382
(11) NET EXTRA -ORD. ITEMS	-200582	-40765	13512
(12) NET PROFIT / LOSS (10-11)	**1510736**	**941117**	**1234870**
(13) DIVIDEND DECLARED	485858	299742	407265
(14) DIVIDEND TAX	77230	42039	56709
(15) RETAINED PROFIT (12-13-14)	**947648**	**599336**	**770896**

PETROLEUM (REFINERY & MARKETING)

MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2578743	2941205	2092373
(ii) CAPITAL EMPLOYED	9060191	8580607	7838368
(iii) NET WORTH	7437943	6499810	5898543
(iv) COST OF PRODUCTION	47258889	40558685	32856556
(v) COST OF SALES	47111274	40057901	32427871
(vi) VALUE ADDED	2947943	2900456	4025683
(vii) R & D EXPENDITURE	10848	8962	9929
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	65418	65318	65969
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	64231	52018	52354
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.73	0.78	0.55
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.52	1.69	1.55
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	42.62	29.70	35.64
(iv) SUNDRY DEBTORS : SALES (No. of days)	10.38	12.05	12.78
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	38.58	44.25	42.65
(ii) SEMI / FINISHED GOODS : SALES	24.68	27.40	27.06
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.08	0.12	0.16
		(%)	
(vii) SALES : CAPITAL EMPLOYED	514.42	466.02	430.27
(viii) PBDITEP : CAPITAL EMPLOYED	30.77	22.61	30.00
(ix) PBITEP : CAPITAL EMPLOYED	24.44	16.72	23.31
(x) COST OF SALE : SALES	101.08	100.18	96.15
(xi) MATERIAL COST : SALES	93.46	93.54	88.83
(xii) SALARY & WAGES : SALES	1.08	1.02	1.23
(xiii) R & D EXPENDITURE : SALES	0.02	0.02	0.03
(xiv) PBITEP : SALES	4.75	3.59	5.42
(xv) PBTEP : NET WORTH	25.83	19.06	28.57
(xvi) NET PROFIT : NET WORTH	20.31	14.48	20.94
(xvii) GROSS MARGIN : GROSS BLOCK	23.03	18.35	23.98

Bharat Petroleum Corporation Limited (BPCL)

1. Company Profile

BPCL was incorporated in the year 1976, under the Burmah-Shell (Acquisition of Undertakings in India) Act 1976 with the objective to takeover the right, title, interest and liabilities of Burma-Shell Oil Storage & Distribution Company of India Limited (formed in 1928), as already acquired the same by the Government of India under the said Act., in relation to its undertaking in India in Bharat Petroleum Corporation Limited (then known as Burma-Shell Refineries Limited, a company incorporated in 1952). Its main objective is to undertake refining and marketing of Petroleum products.

BPCL is a schedule-'A' / Navratna PSE in petroleum sector under the administrative control of M/o Petroleum and Natural Gas. As per the approval of the Ministry of Company Affairs dated 18.8.2006, Kochi Refineries Limited, a subsidiary of the company, has been merged with the BPCL w.e.f. 1.4.2004(the appointed date), thereby reducing Government holding to 54.93%. Earlier the Government equity shareholding in the company was decreased by virtue of disinvestment taken place during 1991-92, 1992-93 and 1993-94 by 20%, 10% and 3.8% respectively. The company has its Registered and Corporate offices at Mumbai.

2. Industrial / Business Activities

BPCL is involved in the field of refining and marketing of petroleum products through its two refineries at Mumbai and Ernakulam and Lube blending / filling plants at Mumbai, Calcutta, Delhi and Chennai. In addition, the company has Depots, Installations and LPG plants across India. It has three subsidiaries namely Numaligarh Refinery Ltd. and Bharat Petro Resources Limited(BPRL) with an equity holding of 62.96% and 100% respectively. BPRL also has a wholly owned subsidiary namely Bharat Petro Resources JPDA Limited(BPR-JPDA Ltd.). The company also has ten financial joint ventures with equity participation of 11% to 50% in the respective JV.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Fuel Refinery	MMT	19.78 (101.44)	17.24 (88.41)	10.30 (104.04)	15.77 (97.96)
Benzene	MT	103585 (53.70)	61335 (31.80)	23856 (22.56)	62925.33 (36.02)
Toulene	MT	39544 (54.10)	43051 (122.65)	9641 (41.73)	30745.33 (72.83)
Lubricants *	MT	116337 (64.27)	100461 (55.50)	100461 (55.50)	105753.00 (58.42)
Sulphur	MT	71429 (60.70)	27800 (92.67)	27800 (92.67)	42343.00 82.01)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	97560	77036	58970	27
Cost of Services	95611	77865	59649	23
Net Profit/ Loss(-)	1805	292	966	519
Dividend declared (as% of PBT)	20	23	27	-13
Net worth	10274	9139	6388	12
Paid up capital	362	362	300	0
Share of Central Govt.	199	199	199	0

5. Key Performance Factors

The production as well as Profit After Tax has increased over the previous year, mainly due to the higher crude throughput , higher sales volume, higher refiners margin coupled with receipt of oil bonds (GOI).

The Refinery Modernisation Project has been implemented resulting in increased crude oil processing capacity to 12 MMTPA

The company has a 26.3% market share of LPG (Bulk and Packed), 30% share in Motor Spirit, 21.9% share in Aviation Turbine fuel and 27.7% share in High Speed Diesel.

The Earnings Per Share for the year 2006-07 was Rs.49.94 as compared to Rs.8.07 during 2005-06.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The market price of the company's shares was between Rs. 281.85 to Rs. 505 during the year 2006-07.

The extension of the Mumbai-Manmad product pipeline to Piyala with feeder line from Piyala to Bijwasan envisaged laying of a total 774 Km cross country pipeline with an estimated cost inclusive of IDC Rs.807.46 Crore, with a foreign exchange component of Rs.236.56 Crores has been commissioned in January 2007.

6. Human Resource Development (HRD)

The enterprise employed 13970 regular employees (4443 executives and 9527 non-executives) as on 31.3.2007. About 17% employees were having professional qualifications. Around 24% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year 204 skilled and 11 unskilled employees left the company and 489 new skilled employees joined.

Since the introduction of VRS, a total of 436 employees have taken VRS from the company.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 3 were part time Non-official Director / professionals.

7. Strategic Issues

The Company made vigorous efforts for marketing of products to industrial customers thereby achieving higher sales volume compared to the previous year. Efforts were also made to increase the customer base/sales of lubes and aviation products, in spite of intense competition. While Industrial and Commercial SBU achieved a growth of 6.2% in sales during the year 2006-07, the Aviation Business unit represented a positive growth of 29% over the previous year, which was highest in the industry.

New initiatives undertaken by BPCL for performance improvement include introduction of new as well as better grades of lubricants to meet customers demand, providing technical support to customers whenever required, etc.

With a view to achieve a degree of self-reliance BPCL has ventured into the upstream exploration and production arena and for this purpose a wholly owned subsidiary has been promoted. In order to achieve a balanced portfolio of assets, the company has bid for new fields in India and abroad in consortium with other players.

BPCL is gearing itself to maintain and enhance its presence in the retail market. The company has also sought to prepare itself by collaboration with one of the leading international companies to maintain and augment the market in aviation sector.

Research & Development (R&D)

BPCL has two in-house R&D Centres viz. Corporate R&D Centre at Greater Noida, UP and Product & Application Development Centre at Sewree, Mumbai which are recognized by the DSIR, Ministry of Science & Technology, Govt. of India and carry out research & development in the areas of Catalysts and Catalytic Processes, Clean Fuel technology, Resid Upgradation, Detailed Crude Evaluations, Value added products, modeling and simulation of refinery processes, corrosion and fouling, analytical methods development, alternative fuels and various other products and applications like High Performance Diesel Engine Oil, High Performance Gasoline Engine Oil, Synthetic Gear Oil, Long Life Rear Axle Oils, Rust preventive for steel plants, high performance greases, metal working fluid, exclusive grades for Defence, Radiator Coolant and alternate formulations for existing grades.

Environment and Ecology

The following environmental friendly initiatives have been taken in BPCL to reduce the emission of green house gases and protect the environment:

- Bio remediation of sludge(instead of burial in ground)
- CDM opportunities
- Oil water separator (OWS)
- Air/water/ground water testing and limiting within norms
- Benzene vapour recovery system
- Rain water harvesting at water resource crunch places and Waste water recycling and re-use
- Bio gas plant/vermiculture plants for canteen waste

- Developing gardens/eco parks/bird park etc. planting samplings etc.
- Energy conservation clubs and solar heating, wind mill, solar cell power for lighting etc.

Bongaigaon Refinery & Petrochemicals Ltd. (BRPL)

1. Company Profile

BRPL was incorporated on 20.2.1974 under the Companies Act, 1956, with the main objective of achieving excellence in refining and petrochemical business through optimizing capacity utilization, maximize value addition, reduce cost of operation, earn reasonable rate of return and to supply quality products and services to ensure competitive edge.

BRPL is a schedule-'B' / Mini-Ratna PSE in petroleum sector under the administrative control of M/o Petroleum and Natural Gas. It is a subsidiary of Indian Oil Corporation Limited, which holds its 74.46% equity shares. Its Registered and Corporate offices are at P.O. Dhaligaon, District Chirang (Assam).

2. Industrial / Business Activities

BRPL is engaged in the refining of crude oil and production of petroleum products and production and marketing of value added petrochemicals, Dimethly Terephtalate (DMT) and polyester staple fiber (PSF) products through its three operating units (refinery, petrochemical and polyester staple fiber unit) at Chirang (Assam). The company has liaison offices at Delhi, Mumbai, Kolkata and Guwahati. The petroleum products of BRPL are marketed by IOC.

3. Production / Operational Profile

The product range of the company comprises of 13 products. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Petroleum Products	000' MT	2054 (88)	2356 (100.26)	2278 (98.35)	2229 (95.54)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5788	5637	4543	3
Cost of Services	5589	5457	3943	2
Net Profit/ Loss(-)	185	175	478	6
Dividend declared (as% of PBT)	25	20	35	25
Net worth	975	871	758	12
Paid up capital	200	200	200	0
Share of Holding Co.	149	149	149	0

5. Key Performance Factors

The turnover increased by 2% and net profit by 6% during 2006-07 compared to 2004-05.

Distillate yield at 85.99% was the highest ever achieved in a year. LPG yield of 2.32% on crude throughput during the year 2006-07 was better than previous year of 2.25%. The company achieved lowest ever fuel loss of 5.04%, lowest ever specific energy consumption (MBTU/BBL/ NRGF) of 91.11 (new method) and highest ever lost time accident free period of 1862 days during 2006-07.

The increase in turnover and profitability is attributed to increase in product price, better price realization and cost cutting measures. The gross refinery margin, however, decreased due to increase in crude price with no commensurate increase in product price.

Except refinery the other two segments of the company namely petrochemicals and PSF contributed negatively in the profitability of the company. These two segments are under shutdown.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.9.26 as against Rs. 8.75 in the previous year.

The share price of company varied between Rs. 39 to Rs. 79.50 during the year 2006-07 as compared to Rs.64 to Rs.105 in 2005-06. The average share price during the year was Rs.56.31.

6. Human resource Development (HRD)

The enterprise employed 1720 regular employees (executive 574 & non-executive 1146) as on 31.3.2007. About 15% of the employees were having professional qualifications. Around 40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 8 employees retired and 8 new skilled personal recruited during the year. Further 12 skilled and one unskilled employee also left the company on other grounds.

The total number of Directors in the company, as on 31.3.2007 was 13, out of which 3 were part time Non-official Directors / professionals and 7 Government/Official Directors.

7. Strategic Issues

Restructuring Plan

The Board of Directors of the company in its meeting held on 29.11.2006 approved the scheme of Amalgamation for merger of BRPL with IOC.

Project Implementation

During the year, 3 projects related to Petro-chemical Instrument Modernisation, Revamping of Power Distribution system and Construction of one additional crude tank to augment crude storage capacity were completed.

Currently two projects are under implementation namely Diesel Hydro treatment (DHDT) project and MS maximization. The DHDT project will lead to achieve the Euro-III quality specification of Diesel and MS maximization will reduce production of demand limited naphtha and increase the production of high value Motor Spirit.

Research & Development (R&D)

With a view to improve the production process the company had taken R&D initiatives for field trial –run in DCU & CCU plants in collaboration with IOC (R&D) for production of Needle coke of improved quality, quality enhancement of Light diesel Oil (LDO) etc. during 2006-07.

Environmental initiatives

Company has a well-established Environmental Management System (EMS). It is an ISO-14001: 2004 certified company for its EMS.

Chennai Petroleum Corpn. Ltd. (CPCL)

1. Company Profile

CPCL was incorporated on 13.12.1965 as Madras Refineries Ltd. under the Companies Act, 1956 with an objective of maximizing profit through manufacturing and supply of petroleum products and other related business in a reliable, ethical and socially responsible manner and to be a world class energy company with a dominant presence in South India. CPCL is a schedule-'B' / Mini-Ratna CPSE in Petroleum sector under the administrative control of M/o Petroleum and Natural Gas. It is a subsidiary of Indian Oil Corporation (IOC), which holds its 51.88% equity shares. Its Registered and Corporate offices are at Chennai, (Tamilnadu).

2. Industrial / Business Activities

CPCL is engaged in refining of crude oil and manufacturing of petroleum products through its two refineries at Manali and Pannangudi near Nagapattinam, both in Tamilnadu. It has one Liaison Office at New Delhi. The company has two financial joint ventures namely Indian Additives Ltd. and National Aromatics and Petrochemicals Corp. Ltd. In both the JVs, CPCL has an equity participation of 50% with M/s. Chevron Oronite of USA and Southern Petrochemical Industries Corp. Ltd. (SPIC) respectively.

3. Production / Operational Profile

The product range of the company comprises of Motor Spirit, High Speed Diesel, LPG, ATF, Naphtha, Kerosene, etc. and other allied products like propylene, sulphur, wax, etc. The average capacity utilization of crude processing during last three years i.e. 2004-05, 2005-06 and 2006-07 was 85%, 98.7% and 99.1% respectively. The brief details of major products (having more than 5% contribution in turnover) are as follows:

(Rs. in crore)

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
LPG	'000 MT	392.9	407.5	267.1	355.8
Gasoline	'000 MT	778.8	754.5	582.9	705.4
Naphtha	'000 MT	780.7	876.0	762.3	806.3
SKO	'000 MT	687.9	830.0	808.4	775.4
Aviation Turbine Fuel	'000 MT	696.9	554.9	430.2	560.7
High Speed Diesel	'000 MT	3563.8	3522.9	3069.1	3385.3
LOBS	'000 MT	187.3	195.9	245.1	209.4
FO	'000 MT	1530.5	1419.1	1232.8	1394.1
Asphalt	'000 MT	349.0	433.0	375.3	385.8

It is seen that the production of Naphtha, SKO, LOBS and Asphalt was lower than the average production of three years during 2006-07.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	24755	21129	14214	17
Cost of Services	24326	20856	13751	17
Net Profit/ Loss(-)	565	481	597	18
Dividend declared (as% of PBT)	20	25	19	-19
Net worth	2638	2280	2003	16
Paid up capital	149	149	149	0
Share of Holding Co.	77	77	77	0

5. Key Performance Factors

The turnover and profitability of CPCL increased during the year 2006-07 mainly on account of increase in price of products and increase in Gross Refining Margins due to favorable spreads between Crude and Products in the international market respectively.

CPCL exported 827 TMT of products to various countries like Bangladesh, Singapore, Malaysia, China etc. through Indian Oil Corporation for a total value of Rs. 1533 crore during 2006-07.

The share price of the company varied between Rs. 178.20 to Rs. 240.20 in Bombay Stock Exchange and between Rs. 178.95 to Rs. 241.60 in National Stock Exchange during the year 2006-07. The book value during the year was Rs.177.15 per share.

Earning Per Share was Rs. 37.96 during 2006-07 as compared to Rs. 32.29 in the last year.

The company recommended a dividend of 120% on the paid up capital during the year 2006-07, which is at the same level as declared last year. Dividend pay out was 31.61% during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1651 regular employees (Supervisory 723 & Non-Supervisory 928) as on 31.3.2007. The total number of Directors in the company, as on 31.3.2007 was 16 out of which 11 were part time Non-official Directors.

61% of employees have been covered by training during the year and achieved 3.46 Average Training Mandays against a target of 2.0 Mandays.

The company is following IDA 1997 pattern of remuneration. It has enhanced the benefits under the performance based incentive scheme. CPCL revised the superannuation scheme by switching over from 'Defined Benefit' to 'Defined Contribution' w.e.f. 1.11.2006.

7. Strategic Issues

CPCL is taking initiatives to improve distillate yields, diversify crude baskets at competitive price, optimize crude mix, maximize transportation of crude through Suez max tankers, control energy consumption, reduce operating cost and monitor refinery performance on a continuous basis.

Research and Development

R & D efforts are aimed at to provide technical support to refinery operations, optimization of process units and also to provide analytical inputs for process trouble shooting. During 2006-07 the company spent Rs. 5.39 crore out of which Rs. 2.34 crore was capital expenditure and Rs. 3.05 crore as recurring expenditure. The total R&D expenditure as per cent to turnover constituted 0.02%.

Projects implementation

As a strategic measure, the company focused on making investment in the area of expansion of refining capacity by low cost debottlenecking, projects for meeting environmental norms, improvement of distillate yields, enhancing captive generation of utilities, viz, water and power to minimize depreciation on external sources and improving infrastructure to market various products in domestic market as well as export.

During 2006-07, the company executed two projects namely MGD Capacity Sewage Reclamation Plant and Offsite Automation Project at a cost of Rs. 47 crore and Rs. 26.8 crore respectively. CPCL has 7 ongoing projects namely Sea Water Desalination Project, Gas Turbine, New Crude Oil Pipeline, Windmill Farm Project, Refinery III – Capacity Augmentation, Auto Fuel Quality Upgradation Projects and Installation of Additional Crude Tanks. The company proposed to take up three new projects namely Resid Upgradation Project, Propylene Recovery Unit and 15 MMTPA Refinery-cum-Petrochemical Complex.

Environment and Ecology

CPCL follows the ten principles enshrined in the Global Compact Programme, instituted by the Secretary General of the United Nations, aimed to promote Social responsibility of the Corporates all over the world.

The environment cell of the company works dedicatedly for the upkeep of Refinery environmental operations and also for complying with the provisions of the Environmental laws. It took several initiatives in encouraging the development and diffusion of environment friendly technologies by implementing De-Nox technology in eight major stacks of Refinery III in addition to the installation of low Nox burners in all the furnaces and process heaters of Refinery III.

GAIL (India) Ltd. (GAIL)

1. Company Profile

GAIL was incorporated on 16.8.1984 under the Companies Act, 1956 with the mission of accelerating and optimizing the effective and economic use of natural gas and its fractions to the benefit of national economy. The vision of the company is to be the Leading Company in Natural Gas and Beyond, with global focus, committed to customer care, value creation for all stakeholders and Environmental Responsibility.

GAIL is a schedule-'A' / Navratna CPSE in petroleum sector under the administrative control of M/o Petroleum and Natural Gas with 57.34% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

GAIL is involved in integrating all aspects of the Natural Gas Value Chain(including exploration and production, processing, transmission, distribution and Marketing) and its related services. The company has 10 Zonal Offices, 23 business units, 15 joint ventures and 2 subsidiaries. The subsidiaries of GAIL are GAIL GLOBAL (SINGAPORE) PTE LTD and Brahmputra Cracker And Polymer Ltd.

3. Production / Operational Profile

The product/ service network of the company comprises of 5800 KM of Natural Gas high pressure trunk pipeline, 7 LPG Gas processing units, 1922 KM of LPG transmission pipeline network, 30 oil and Gas exploration blocks, 3 Coal Bed Methane Blocks and 1300 KM of OFC network offering highly dependable bandwidth for telecom service providers. The performance details of major product / Services having more than 5% contribution in turnover are as follows:

Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Natural Gas	MMSCMD	67.84 (127.04)	67.63 (126.65)	68.1 (127.53)	67.86 (127.07)
LPG	000' MT	1026 (87.81)	1042 (89.17)	1095 (93.67)	1054 (90.22)
HDPE / LLDPE	MT	353921 (114.17)	311469 (100.47)	298787 (96.38)	321392 (103.67)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	16047	14459	13591	11
Cost of Services	13815	11588	11041	19
Net Profit/ Loss(-)	2387	2310	1954	3
Dividend declared (as% of PBT)	30	25	24	18
Net worth	11393	9973	8626	14
Paid up capital	846	846	846	0
Share of Central Govt.	485	485	485	0

5. Key Performance Factors

Gross sales increased by 11%, but the gross margin of the company decreased by 10% during 2006-07 compared to previous year.

Debt-Equity ratio stands in a very comfortable position of 0.12:1.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The share price of company varied between Rs. 205.1 to Rs.325 during the year 2006-07 as compared to Rs. 201.20 to Rs. 318.25 during the year 2005-06. The average share price during the year was Rs.265.05.

The E.P.S. during the year 2006-07 was Rs. 28.22 as against Rs. 27.32 during 2005-06.

6. Human Resource Development (HRD)

The enterprise employed 3474 regular employees (executive 2376 & non-executive 1098) as on 31.3.2007. About 55.12% of the company employees were having professional qualifications. Around 7.31% of employees come under the age bracket of 51 and above years. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

During the year 2006-07, 74 skilled employees left the company and 124 new skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were part time Non-official Director / Professional.

7. Strategic Issues

GAIL has transformed into an integrated energy company through integration of Gas Value Chain. The focal point of GAIL's growth plan is to prepare itself for the era of clean fuel industrialization.

GAIL is continuing its efforts to build strategic alliance with international companies to gain entry in the international market.

GAIL has promoted a subsidiary namely Bhramaputra Cracker and Polymer Limited for producing 2,80,000 MT per year of petrochemical products at Lepetkata (Assam) with 70% equity participation.

GAIL has been awarded total 26 blocks of Coal Bed Methane (CNM) under I, II and III bidding rounds and also on nomination and FIPB route.

Research and Development

The company carried out R&D activities in the areas of Leak detection software development for Natural Gas pipelines, Absorptive separation of Light hydrocarbons Gas mixtures, development of Catalyst and Process for conversion of waste plastics, LPW to value added Liquid Fuels, Pilot scale testing of coke inhibitors etc.

Environment and Ecology

GAIL has extensively promoted Health, Safety and Environment (HSE) excellence as a corporate culture. The HSE policy, inter alia, aims at to ensure safety of public, employees, plant & equipment, compliance of all statutory rules and regulations, carrying out safety audits and promoting eco-friendly activities.

GAIL constantly endeavors to minimize the direct and indirect environmental impact of its business operations and strives to enrich environment wherever possible.

Water conservation efforts are directed at prevention of water wastage in the company.

Hindustan Petroleum Corporation Ltd. (HPCL)

1. Company Profile

HPCL was incorporated on 5.7.1952 under the Companies Act, 1913 as Standard Vacuum

Refinery Co. of India Ltd. It was renamed as ESSO Standard Refining Co. of India Ltd. in 1962. By virtue of Lube India and ESSO Standard Refinery Co. of India Ltd. Amalgamation Order, 1974, it was changed to the present name Hindustan Petroleum Corporation Limited and after nationalization ESSO undertakings were vested in it. In the year 1976, Caltex and in 1979, Kosangas Co. Ltd. were also merged with HPCL.

The main objective of the company is to delight customers by superior understanding and fulfilling their stated and latent needs with innovative product and services in the petroleum sector as also to be highest performer in rate of growth and return on investment by working faster than its competitors in the most cost effective way. HPCL is a Schedule-'A' / Navaratna PSE in Petroleum sector under the administrative control of M/o Petroleum and Natural Gas with 51.07% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

HPCL is one engaged in crude process refining and marketing of petroleum products. It has two refineries at Mumbai in Maharashtra and Visakhapatnam in Andhra Pradesh. In addition, the company has Lube refinery, 7 Lube Blending Plants, 37 Terminals, 71 Depots, 13 ASFs, 42 LPG Bottling plants and 7986 Retail outlets. The total number of units of HPCL are 290 approximately. The company also owns two multi product, cross country pipelines viz. Mumbai-Pune and Vijaywada-Secunderbad pipe-line. The company has 9 financial joint ventures in the field of exploration, production, refining and marketing with a shareholding ranging from 16.95% to 50%.

3. Production / Operational Profile

The product range of the company comprises of 300+ products like Motor Spirit, High Speed Diesel, LPG, Naphtha, FO & Bitumen etc. The Average Capacity Utilization for all products of the company taken together was 132% during 2006-07. The performance details of some major products are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Light Distillates	TMT	4023.00	3126.93	3091.62	3413.85
Middle Distillates	TMT	6879.30	6693.92	6806.54	6793.25
LOBS/TOBS	TMT	338.10	279.70	214.00	277.27
Heavy Ends	TMT	3402.90	2825.81	2945.12	3057.94

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	83571	68162	59265	23
Cost of Services	88008	72490	58517	21
Net Profit/ Loss(-)	1571	406	1277	287
Dividend declared (as% of PBT)	31	36	31	-13
Net worth	9599	8736	8441	10
Paid up capital	339	339	339	0
Share of Central Govt.	173	173	173	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in refinery throughput and increase volume per employee. During the year, Government has not permitted the petroleum companies to increase in selling price of petroleum products leading to under recoveries. The net under recovery absorbed by HPCL on marketing of sensitive products during 2006-07 was about Rs.772 crore.

The retail constituted nearly 57% of HPCL's business. The emphasis in retail business has been moved from a commodity player to provider of branded products and services. During the year, the company commissioned 673 new Retail Outlets with focus on highways and rural markets to expend the reach of the company to 7986 outlet as on March, 2007.

HPCL controls 16% market share in India's downstream oil sector. The company enjoys market share of 22.70% among PSU Oil companies and 21.60% on total industry basis including private players in combined petrol and diesel retail.

The LPG business accounts for approximately 13% of the total volume base of the company. 44 new LPG distributorships were commissioned during the year.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.46.35.

The share price of company varied between Rs. 207.3 to Rs.357.2 during the year 2006-07 as compared to Rs. 281.60 to Rs. 370 in 2005-06. The average share price during the year was Rs.282.25.

Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

During 2006-07 the company achieved 16.66 MMT throuhgput as against 13.82 in the previous year. While Mumbai Refinery operated at 134.80% capacity utilization, the Visakhapatnam Refinery operated at 123.20% capacity utilization. The Fuel and Loss in these refineries was 6.34% and 5.80% respectively as against 6.76% and 5.99% respectively in the previous year.

The enterprise employed 10899 regular employees (executives 4107 & non-executives 6792) as on 31.3.2007 as against 10778 employees as on 31.3.2006. About 26.51% of the employees were having professional qualifications. Around 4.21% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 46 employees retired during the year. In addition, 121 skilled employees also left the company. However, 377 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 4 were part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

Project Implementation

Refining and Marketing is the core area for the company, new opportunities are being explored to access new revenue streams and even out variations in cash flows from downstream business. Accordingly, the company has ventured in upstream and city gas distribution.

GGSRL project activities have been stepped up. M/s EIL has been appointed as PMC. Various steps have been initiated for expediting the financial closure and SBI Caps appointed in this regards.

A joint Venture Agreement (JVA) was signed between M/s Mittal Investment Sarl, a company incorporated under the laws of Luxemburg and HPCL on March 02, 2007 for jointly promoting GGSRL Project subject to approval of Government of India. Thereafter an addendum was signed with of Mittal Energy Pvt. Ltd. Singapore replacing Mittal Investment as the Joint venture partner, with due approvals.

Research & Development (R&D)

During the year for improvement in production / design / product life cycle, the company has finalized MOU with Research collaborators for the 5 projects namely Energy efficient Deasphalting process using supercritical solvent recovery with IIP, EIL & CHT, Optimization studies of food grade Hexane manufacturing unit and feasibility study for producing polymer grade Hexane With II, Optimization studies of NMP Lube Extraction Unit With IIP, Improve-ment of Propylene Purity With IICT Hyderabad, Implementation of Advance Process Control technology. However the R&D expenditure of the company constitutes negligible percentage of its turnover.

Environmental initiatives

HPCL's Mumbai and Visakh refineries have initiated steps to upgrade the MS / HSD quality to meet the standards as per Auto Fuel Policy recommendations and Emission Control Project.

The company is taking steps towards the control of Pollution at its refineries. At Mumbai Refinery, the steps taken are Hazardous Waste Management: Crude Sludge Treatment and Hazardous Waste Disposal, Air Emission Control & Monitoring, Effluent Water Treatment & Control, ISO 14001:2004 Certificate Renewal and Public Awareness Activities.

At Visakh Refinery, the steps taken are Emissions

Management, Liquid Effluent Management and Hazardous Waste Management:

The company has been participating in the UN Global Compact Programme which is aimed at promoting global compact.

Indian Oil Corporation Ltd.(IOC)

1. Company Profile

IOC was incorporated on 1.9.1964 by merging Indian Refineries Ltd. (established in 1958) with Indian Oil Company (established in 1959) under the Companies Act, 1956. In 1981 Assam Oil Co. Ltd. was also merged with IOC. The main objectives of IOC are to serve the national interests in oil and related sectors in accordance and consistence with Government policies; to ensure maintenance of continuous and smooth supplies of petroleum products by way of crude oil refining, transportation and marketing activities and to enhance country's self-sufficiency in oil refining and build expertise in laying of crude oil and petroleum pipelines.

IOC is a schedule-'A' / Navratna PSE in Petroleum sector under the administrative control of M/o Petroleum and Natural Gas with 82.03% Central Government shareholding. Its Registered office and Marketing Head Office are at Mumbai, Corporate and Refineries Head Offices are at New Delhi, Pipeline Head Office at NOIDA (U.P.), R&D Centre at Faridabad (Haryana) and Assam Oil Division at Digboi (Assam).

2. Industrial / Business Activities

IOC is a major diversified transnational integrated energy company involved in the field of refinery, transportation of crude and petroleum products through its pipelines, marketing of petroleum products, research and development, and development/improvement of lubricants/petroleum products. It has 7 refineries at Barauni(Bihar), Koyali, Vadodara (Gujarat), Digboi and Guwahati(Assam), Haldia(West Bengal), Mathura(U.P.) and Panipat(Haryana), 8 subsidiary units namely Indian Oil Blending Ltd.(merged with IOC w.e.f. 12.5.2006), Chennai Petroleum Corp. Ltd., Bongaigaon Refinery and Petrochemicals Ltd., (in principle decision to merge with IOC has been taken by the Board of Directors), IBP Co. Ltd.(since has been merged with the holding Co. w.e.f. 1.4.2006), Indian Oil Technologies Ltd., Indian Strategic Petroleum Reserves Ltd. (Ceased to be a subsidiary of IOC w.e.f. 9.5.2006 consequent upon transfer of IOC's entire equity holding to Oil Industry Development Board), Indian Oil Mauritius Ltd. and Lanka IOC Ltd. and 11 financial joint ventures in the field of petroleum and petrochemicals projects namely Avi Oil India Pvt. Ltd. (25%), Petronet India Ltd.(16%), Indian Oil Tanking Ltd. (50%), Petronet V.K. Ltd.(26%), Indian Oil Panipat Power Consortium Ltd.(50%), Lubrizol India Pvt. Ltd.(50%), Indian Oil Petronas Pvt. Ltd.(50%), Petronet LNG Ltd. (12.50%), Petronet CI Ltd.(26%) and Green Gas Ltd.(22.50%).

3. Production / Operational Profile

The performance details of IOCL in respect of throughput and sale of its products are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Throughput	**MMT**	44.00	38.52	36.63	39.72
HSD	**MMT**	22.62	15.30	14.88	17.60
MS	**MMT**	3.99	3.54	3.60	3.71
SKO	**MMT**	6.11	3.29	3.35	4.25
ATF	**MMT**	2.53	1.56	1.16	1.75
LPG	**MMT**	5.12	1.45	1.22	2.60
FO / LSHS	**MMT**	6.63	5.18	5.24	5.68
BITUMEN	**MMT**	2.30	1.87	1.78	1.98
LUBES	**MMT**	0.44	o.20	o.15	0.26
NAPTHA (NET)	**TMT**	2280	2076.176	2559.044	- 18.87%

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	202504	167587	137660	21
Cost of Services	210329	172579	135018	22
Net Profit/ Loss(-)	7499	4915	4891	53
Dividend declared (as% of PBT)	26	23	28	12
Net worth	34700	29245	25951	19
Paid up capital	1168	1168	1168	0
Share of Central Govt.	958	958	958	0

5. Key Performance Factors

The throughput of IOCL increased by 14.23% during 2006-07 compared to previous year and capacity utilization increased from 93% in 2005-06 to 98% during 2006-07. The refinery-wise throughput processed during 2006-07 was as under:

Refinery	Production	Capacity utilization
Guwahati	0.839 MMT	83.9%
Barauni	5.469 MMT	91.15%
Gujarat	12.953 MMT	94.55%
Haldia	5.837 MMT	97.28%
Mathura	8.883 MMT	111.04%
Panipat	9.435 MMT	78.63%
Digboi	0.586 MMT	90.15%

Profit After Tax for the year 2006-07 increased by more than 52% which includes Rs.3224.78 crore profit on sale of 20% equity investment in ONGC Ltd.

Provision of Rs.1319.29 crores towards diminution in value of investment in erstwhile IBP co. Ltd. transferred to a Trust as per the Scheme of amalgamation.

IOCL maximized processing of low-priced heavy and sour crudes to 43.8% as against the earlier best of 38.5% achieved during 2005-06. New crudes like Bonga, Seria Light, Erha, Nemba, Arab Mix 50:50, Iran Mix 50:50, etc. were added to the crude basket to increase supply sources and improve margins.

For the year 2006-07, pipeline network achieved the throughput of 51.69 MMT with capacity utilization of 83.74% as against 45.35 MMT during 2005-06.

Earning Per Share of IOC was Rs.62.90 in 2006-07 as compared to Rs. 42.08 during 2005-06

The market share of the company in domestic sales during 2006-07 was 53.30% as compared to 50.44% during 2005-06.

The Foreign Exchange Earnings(FEE) of the company during 2006-07 were Rs.9126.23 crores which was mainly due to export of Crude Oil, LAB and Petroleum products.

The company scored 'Good' MOU rating during the year 2006-07.

The company is listed in Mumbai Stock Exchange and National Stock Exchange. The market price of the company's shares was between Rs.622 to Rs.309 during the year 2006-07 as against Rs. 599 to Rs. 370 during 2005-06

In order to improve competitiveness, various steps such as implementation of ERP through "SAP", action plans for improvement in distillate yield, maximization of high sulphur crude processing, utilization of VLCC for optimization of crude transportation, optimum utilization of infrastructure facilities, value addition, diversification etc. were taken.

6. Human Resource Development (HRD)

The enterprise employed 29862 regular employees (11055 executives & 18807 non-executives) as on 31.3.2007. About 24% of the employees were having professional qualifications. Around 28% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 593 employees (506 skilled and 87 unskilled) left the company in attrition. However, 771 new skilled employees and 42 unskilled employees joined during the year.

During the year, 46 employees retired under VRS and an amount of Rs. 580 crore was spent in this regard. Since the introduction of VRS, a total of 2415 employees retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 14, out of which 5 were part time Non-official Directors / professionals.

6. Strategic Issues

Indian Oil Blending Ltd. has been merged with IOC in May, 2006 and the merger of Bongaigaon Refinery and Petrochemicals Ltd. with the holding company is under process.

Project implementation is accorded high priority. During 2006-07, IOC commissioned 5 projects and 8 major projects were on going.

IOC has expanded its business operations in different segments of hydrocarbon value chain in addition to its core areas of operation which include Exploration and Production, diversification into Gas business, integration with downstream petrochemical business, international initiatives for downstream marketing/product export/R&P consultancy, and international trade and shipping.

Research & Development (R&D)

The company undertakes research in various areas in its R&D Centre established in 1972 at Faridabad. It lays thrust on cutting edge technologies keeping in view the changing/ emerging needs. During the year Indian Oil's R&D Centre developed 180 cost effective formulations, out of which 164 were commercialized. The Centre has signed an agreement to deploy INDMAX, the hallmark technology of the Centre, for the upcoming 15 MMTPA integrated refinery-cum-petrochemicals project at Paradip.

A new joint venture, Indo Cat Pvt. Ltd. has been formed with Intercat, USA for manufacture of FCC (fluidized catalytic cracking) catalysts and additives in India. 14 Patents were filed while seven have been granted, including three foreign patents.

The R&D expenditure of the company during 2006-2007 was Rs.80.98 Crores which constituted 0.04% of the turnover.

Environment and Ecology

The Environment Management Systems at the refineries, pipelines and major marketing installations are certified under ISO-14001 standards. E.I. DuPont India Pvt. Ltd. has been engaged for safety culture assessment and foundation building at Gujarat, Haldia and Mathura refineries. IOC has taken Clean Development Mechanism projects in each of its refineries.

Mangalore Refinery and Petro-Chemicals Ltd. (MRPL)

1. Company Profile

MRPL was incorporated on 7.3.1988 under the Companies Act, 1956 with the objective of forming a joint venture between HPCL and Indian Rayon and Industries Ltd. (IRIL). However, as per diversification plan, ONGC acquired 71.62% of its shareholding from IRIL and thereby MRPL became a subsidiary of ONGC on 30.3.2003. MRPL is a schedule 'B' Miniratna CPSE in Petroleum sector under the administrative control of M/o Petroleum and Natural Gas. Its Registered and Corporate offices are at Mangalore, Karnataka.

2. Industrial / Business Activities

MRPL is engaged in refining of crude oil through its single operating unit at Mangalore, Karnataka.

3. Production / Operational Profile

The product range of the company comprises of ten products like Motor Spirit, High Speed Diesel, Naphtha, LPG, Aviation Turbine Fuel etc. The performance details of crude processing are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Crude Oil Processing	MT	12.53 (129)	12.11 (125)	11.84 (122)	12.16 (125.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	28633	24968	18508	15
Cost of Production	28416	24128	17428	18
Net Profit/ Loss(-)	526	372	880	41
Dividend declared (as% of PBT)	13	20	12	35
Net worth	2757	2395	2133	15
Paid up capital	1762	1762	1762	0
Share of Holding Co.	1255	1255	1255	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in throughput. The company markets its products to domestic oil marketing companies and also sells to direct bulk consumers and through exports. The exports constitute 36%

of the company's turnover and 47% of the total dispatches of the company.

The Earning Per Share of the Company during 2006-07 was Rs.3.

The share price of the company varied between Rs. 30 to Rs. 63.50 during the year 2006-07 as compared to Rs.45 to Rs.51.81 in 2005-06. The average share price during the year was Rs. 45.95.

6. Human Resource Development (HRD)

The enterprise employed 1046 regular employees (executives 384 & non-executives 662) as on 31.3.2007 as against 967 employees as on 31.3.2006. About 25.53% of the employees were having professional qualifications Around 6% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 4 employees retired on superannuation and 16 skilled employes also left the company on other grounds. However, 69 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 5 were part time Non-official Director / professionals and 2 each were Functional Directors and Government / official Directors.

7. Strategic Issues

In the year 2005, the Government of India nominated MRPL to purchase the entire crude oil to be produced from various oil blocks in Rajasthan. As such company is planning to establish a refinery in Rajasthan.

The company continues to lay more emphasis on exploring export potential to sell its surplus production capacity.

ONGC and HPCL have entered into a MOU for product sale-purchase and providing for infrastructure services and co-operation in energy and related field for a period of 4 years. This will facilitate greater evacuation and marketing of MRPL products by HPCL in domestic market.

Action has been initiated to upgrade refinery, to recover distillates from black oil pool and extract value added products. It is also in the process of reviewing its retail marketing plans considering the prevailing market scenario where marketing margins have turned negative.

Project Implementation

Under Phase III, MRPL has taken up implementation of a large Refinery upgradation and expansion project at a cost of Rs. 7943 crore which will increase the distillate yield by about 10%, eliminate the low value Black oil and increase the refining capacity from existing 9.69 MMTPA to 15 MMTPA with total project implementation period of 48 months.

For implementing the Aromatics Project at an estimated cost of Rs. 4852 crore to produce Paraxylene, a value added product, MRPL and ONGC have incorporated a SPV namely ONGC Mangalore Petrochemicals Limited.

Research & Development (R&D)

MRPL conducts R&D activities in its state-of-the-art laboratory. It is in the process of setting up a full fledged R&D centre. This will take up projects like Corrosion monitoring and inhibition (Water and Sulfide corrosion) in Refinery, Catalyst evaluation studies, additive efficacy, and further research in bio-based fuel or additives.

During the year, the company had undertaken R&D initiative for carrying out a research programme on lab scale for production of bio-diesel, the testing of which is in progress. The R&D expenditure of the company was Rs 0.72 crore during 2006-07.

Environmental initiatives

MRPL has a well established ISO 14001 certified Environment Management System. In order to meet the stringent emission norms, LSHS with less than 1% Sulphur used as internal fuel to reduce emissions and resulting in Sox & NOx levels in the ambient air much lower than limits.

MRPL was the first refinery to start recycle and re-use of treated effluent to cooling towers, on a continuous and consistent basis.

Numaligarh Refinery Ltd. (NRL)

1. Company Profile

NRL was incorporated on 22.4.1993 under the Companies Act, 1956 with an objective to fulfill the commitment made by GOI in Assam Accord of 1985 for providing required thrust towards industrial and economic development of Assam. The commercial production started from October, 2000. The main objective of the company is to develop core competencies in Refining and Marketing of petroleum products with a focus on achieving international standards on safety, quality and cost; maximize wealth creation for meeting expectations of stakeholders and to contribute towards the development of the region.

NRL is a schedule-'B' Mini-Ratna PSE in petroleum sector under the administrative control of M/o Petroleum and Natural Gas. Its Registered and Corporate offices are at Dispur, Guwahati, Assam. NRL is a subsidiary of Bharat Petroleum Corp. Ltd. (BPCL) which holds its 51% equity shares (12.35% holding is with Government of Assam, 12.35% with Oil India Ltd. and 12.34% with Oil Industry Development Board).

2. Industrial / Business Activities

NRL is engaged in refining of indigenous crude oil through its single operating unit at Golaghat, Assam. It has two Zonal / Regional offices at Kolkata and Delhi. The company is having one joint venture namely Brahmaputra Cracker and Polymer Limited with GAIL India Ltd., Govt. of Assam and Oil India Ltd. with an equity holding of 10%.

3. Production / Operational Profile

The main segment of the company comprises of Petroleum Refining and Marketing of 8 Petroleum Products. The average capacity utilization for all products / services of the company taken together was 83% during 2006-07 as against 71% in 2005-06. The performance details of major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Crude Throughput	MT	2504 (83.46)	2133 (71.09)	2042 (68.07)	2226 (74.21)
LPG, Naphtha, MS, ATF, SKO, HSD, RPC / CPC, Sulphur etc.	TMT	2268	1858	1873	2033

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	7212	5268	3917	37
Cost of Services	6495	4908	3511	32
Net Profit/ Loss(-)	569	449	409	27
Dividend declared (as% of PBT)	28	30	23	-6
Net worth	2045	1691	1401	21
Paid up capital	736	736	736	0
Share of Holding Co.	463	463	463	0

5. Key Performance Factors

The sales turnover grew by 36.25% and profit after tax by 26.70% during 2006-07 compared to previous year.

The increase in profitability is attributed to increase in capacity utilization and higher realization of prices coupled with improved product mix, optimization of operations, stringent cost control measures, saving in interest cost, decrease in deferred tax liability.

However, the gross refining margin was marginally lower due to increase in international crude oil prices in freight cost as well as under recoveries of Central Sales Tax.

During the year, the refinery fuel and loss as per cent of crude processed increased to 10.5% as against 10.3% in 2005-06. The marketing of the major products from the refinery (i.e. 80% of the company's sales) is being done through BPCL and only 5% sale is made through direct retail.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.7.73 as against Rs. 6.10 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 720 regular employees (executives 333 & non-executives 387) as on 31.3.2007. About 39% of the employees were having professional qualifications and other 37% were qualified technicians. Around 3.47%

employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee retired during the year. On superannuation and 22 skilled employees also left the company in attrition. However, 33 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 12 out of which one was part time Non-official Director / professional and nine Government / official Directors.

7. Strategic Issues

Project Implementation

BPCL has recently entered into an agreement with Bangladesh Petroleum Corporation for supply of 10,000 MT of HSD per month from Numalgarh Refinery through river route by barges.

In order to substitute Naphtha by natural gas as fuel and feed, agreements have been signed with supplier OIL and the transporter Assam Gas Company Limited(AGCL).

Numaligarh Refinery and AGCL have formed a joint venture company namely M/s DNP Limited with 40:60 ratio participation in equity to implement the Duliajan-Numaligarh Gas Pipeline project.

During the year NLR participated in a Joint Venture namely Brahmaputra Cracker and Polymer Limited incorporated on 08th January, 2007 for implementing the Assam Gas Cracker Project.

Environment and Ecology

In its quest for environmental excellence and continual improvement, NRL has been pursuing a focused programme towards environment protection. All the environmental monitoring parameters including treated effluent quality, stack emissions, ambient air quality, noise level etc. are maintained well within the stipulated standards.

NRL has complied with requirements for continuation of certification of Environmental Management System 14001:2004, achieving Zero discharge of treated effluents in Effluent Treatment Plant inside refinery as also effluents from Sewage Treatment Plant. NRL is installing one 12 Mega-watt Turbo Generator to reduce green house gas emission, a Captive Power Generation by recovery and utilization of waste energy of HP steam.

10 STEEL

As on 31.3.2007, there were 6 Central public sector enterprises in the Steel group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Mishra Dhatu Nigam Ltd.	1973
2.	Steel Authority of India Ltd.	1973
3.	Maharashtra Elektrosmelt Ltd.	1974
4.	Sponge Iron India Ltd.	1978
5.	Ferro Scrap Nigam Ltd.	1979
6.	Rashtriya Ispat Nigam Ltd.	1982

2. The enterprises falling in this group are mainly engaged in production of saleable steel, spun pipes, castings, sponge iron, special steel and various allied products.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below::

(*Rs. in crore*)

Sl.	Enterprise	Turnover	
No.		2006-07	2005-06
1.	Mishra Dhatu Nigam Ltd.	184.48	146.77
2.	Steel Authority of India Ltd.	34111.12	28265.75
3.	Maharashtra Elektrosmelt Ltd.	231.88	195.74
4.	Sponge Iron India Ltd.	50.61	43.04
5.	Ferro Scrap Nigam Ltd.	105.71	99.85
6.	Rashtriya Ispat Nigam Ltd.	7932.66	7305.71
	Total	**42616.46**	**36056.86**

5. **Net Profit/(Loss) :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl.	Enterprise	Net Profit/Loss	
No.		2006-07	2005-06
1.	Mishra Dhatu Nigam Ltd.	23.19	12.03
2.	Steel Authority of India Ltd.	6202.29	4012.97
3.	Maharashtra Elektrosmelt Ltd.	18.50	20.97
4.	Sponge Iron India Ltd.	4.03	3.18
5.	Ferro Scrap Nigam Ltd.	1.26	5.68
6.	Rashtriya Ispat Nigam Ltd.	1363.43	1252.37
	Total	**7612.70**	**5307.20**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	2005-06
1.	No. of employees	152920	158383
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	433.48	48.73
	b. Medical facilities	49.54	11.27
	c. Others	602.55	15.40
3.	Capital cost of township *(Rupees in crore)*	1215.91	263.14
4.	No. of houses constructed	149486	150150

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

STEEL

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	1323800	1323800	1378800
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	863615	1157362	1157362
OTHERS	355001	61254	100020
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	1510367	899451	632662
TOTAL (A)+(B)+(C)	**2728983**	**2118067**	**1890044**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	216089	121032	169328
(B) UNSECURED LOANS	294956	356047	482182
TOTAL (A)+(B)	**511045**	**477079**	**651510**
(1.3) DEFERRED TAX LIABILITY	171759	181602	201826
TOTAL (1.1)+(1.2)+(1.3)	**3411787**	**2776748**	**2743380**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	3920649	3859476	3803491
(B) LESS DEPRECIATION	2568645	2422281	2268327
(C) NET BLOCK (A-B)	1352004	1437195	1535164
(D) CAPITAL WORK IN PROGRESS	184260	94516	45096
TOTAL (C)+(D)	**1536264**	**1531711**	**1580260**
(2.2) INVESTMENT	53236	29410	75507
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	808527	762681	583670
(B) SUNDRY DEBTORS	261337	211509	208824
(C) CASH & BANK BALANCES	1710886	1204948	1044630
(D) OTHER CURRENT ASSETS	47313	27759	25848
(E) LOAN & ADVANCES	321329	414889	257048
TOTAL (A)+(B)+(C)+(D)+(E)	**3149392**	**2621786**	**2120020**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	670414	628582	610288
(B) PROVISIONS	671878	802421	643965
TOTAL (A+B)	**1342292**	**1431003**	**1254253**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**1807100**	**1190783**	**865767**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	14527	24304	39985
(2.7) DEFFRED TAX ASSETS	660	540	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	181861
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**3411787**	**2776748**	**2743380**

STEEL

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	4939919	4174228	4230731
(B) EXCISE DUTY	656073	568560	444707
(C) NET SALES (A-B)	4283846	3605668	3786024
(D) OTHER INCOME / RECEIPTS	227796	160768	158826
(E) ACCRETION / DEPLETION IN STOCKS	24025	101016	78055
(I) TOTAL INCOME (C+D+E)	**4535667**	**3867452**	**4022905**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	1630669	1612917	1301279
(B) STORE & SPARES	300623	302416	262074
(C) POWER & FUEL	296196	283832	261340
(D) MANUFACTURING / DIRECT / OPERATING EXP.	209343	49797	6606
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	594362	482675	513770
(F) OTHER EXPENSES	117962	133609	186782
(G) PROVISIONS	5432	6245	10634
(II) TOTAL EXPENDITURE (A TO G)	**3154587**	**2871491**	**2542485**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	1381080	995961	1480420
(4) DEPRECIATION	157947	163795	215200
(5) DRE. / PREL. EXP. WRITTEN OFF	13441	19677	18687
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1209692	812489	1246533
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	4421	7458	7670
(C) OTHERS	32171	39155	56805
(D) LESS INTEREST CAPITALISED	88	469	169
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	36504	46144	64306
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1173188**	**766345**	**1182227**
(9) TAX PROVISIONS	410544	235261	282500
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	762644	531084	899727
(11) NET EXTRA -ORD. ITEMS	1374	364	5719
(12) NET PROFIT / LOSS (10-11)	**761270**	**530720**	**894008**
(13) DIVIDEND DECLARED	129092	83028	136727
(14) DIVIDEND TAX	19974	11645	18581
(15) RETAINED PROFIT (12-13-14)	**612204**	**436047**	**738700**

STEEL

MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	1555336	1606948	1785610
(ii)	CAPITAL EMPLOYED	3159104	2627978	2400931
(iii)	NET WORTH	2714456	2093763	1668198
(iv)	COST OF PRODUCTION	3362479	3101107	2840678
(v)	COST OF SALES	3338454	3000091	2762623
(vi)	VALUE ADDED	2080383	1507519	2039386
(vii)	R & D EXPENDITURE	9021	7462	6810
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	152920	158383	163292
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	32390	25396	26219
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	0.19	0.23	0.34
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	4.70	4.17	3.47
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	9.03	6.29	9.07
(iv)	SUNDRY DEBTORS : SALES (No. of days)	22.27	21.41	20.13
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	68.89	77.21	56.27
	(ii) SEMI / FINISHED GOODS : SALES	34.93	38.65	26.11
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.88	-1.44	0.64
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	135.60	137.20	157.69
(viii)	PBDITEP : CAPITAL EMPLOYED	43.72	37.90	61.66
(ix)	PBITEP : CAPITAL EMPLOYED	38.29	30.92	51.92
(x)	COST OF SALE : SALES	77.93	83.20	72.97
(xi)	MATERIAL COST : SALES	38.07	44.73	34.37
(xii)	SALARY & WAGES : SALES	13.87	13.39	13.57
(xiii)	R & D EXPENDITURE : SALES	0.21	0.21	0.18
(xiv)	PBITEP : SALES	28.24	22.53	32.92
(xv)	PBTEP : NET WORTH	43.22	36.60	70.87
(xvi)	NET PROFIT : NET WORTH	28.05	25.35	53.59
(xvii)	GROSS MARGIN : GROSS BLOCK	35.23	25.81	38.92

Ferro Scrap Nigam Ltd. (FSNL)

1. Company Profile

FSNL was incorporated in the year 1979 under the Companies Act, 1956 in collaboration with M/s Harsco Corporation (Inc.), USA as a subsidiary of M/s MSTC Limited to take over the running business of M/s Heckett Engineering Company in India in order to Indigenise the entire scrap recovery process in the steel sector under SAIL, RINL and IISCO. The main objective of the company is to reclaim iron and steel scrap from slag in all the integrated steel plants under SAIL, RINL and IISCO. It is also operating for private sector plants like NINL, IIL and JSPL.

FSNL is a Schedule-'C' / Mini Ratna PSE in Steel sector under the administrative control of M/o Steel. Its Registered and Corporate offices are at Bhilai(Chhattisgarh). FSNL is now a 100% subsidiary of MSTC Ltd.

2. Industrial / Business activities

FSNL is engaged in processing and recovering iron and steel from slag and executing job of slag handling as also executing various other material handling related jobs in the steel plants as per their requirement through its 9 units at Burnpur and Durgapur in West Bengal, Rourkela and Duburi in Orissa, Bhilai and Raigarh in Chhatisgarh, Bokaro in Jharkhand, Visakhapatnam in Andhra Pradesh and Dolvi in Maharashtra. It has one Liaison Office in New Delhi.

3. Production / Operational Profile

The main product of the company is scrap. The Average Capacity Utilization for all products / services taken together was 98.46% during 2006-07.The performance details of major products (having more than 5% contribution in turnover) are as follows:

Name of Product / Service	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Recovery & processing of scrap from slag & handling of scrap	M.T.	11.52 (98.46)	11.66 (99.66)	11.42 (98.03	11.53 (98.72)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	105.71	99.85	90.78	5.87
Cost of Production	107.49	98.37	89.66	9.27
Net Profit/ Loss(-)	1.26	5.68	5.41	-77.82
Dividend declared (as % of PBT)	7.96	13.54	12.68	-41.19
Net Worth	129.56	129.62	124.55	-0.05
Paid up Capital	2.00	2.00	2.00	0.00
Share of Holding Co.	2.00	2.00	2.00	0.00

5. Key Performance Factors

Despite increase in turnover due to slag handling, the profit declined during 2006-07, compared to previous year due to decrease in production of high value scrap, higher input cost etc. The company reduced the energy consumption during the year compared to previous year.

Networth of the company decreased by Rs.2.30 crore over previous year.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 630 as against Rs. 2840 in the previous year.

6. Human Resources Development (HRD)

The enterprise employed 1157 regular employees (159 executives & 998 non-executives) as on 31.3.2007. About 5% of the employees were having professional qualifications. Around 26 % employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 9 employees retired during the year. In addition, 16 employees left in attrition. However, 4 new skilled employees joined the company out of 19 employees recruited during the year.

Since the introduction of VRS, a total of 67 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4, out of which 2 were part time Non-official Directors/ professionals, one Government Official Director and one full time Functional Director.

7. Strategic Issues

Efforts are being made to reduce the cost reasonably within the limit despite increase in input cost.

Steel Industry is poised for grow to reach 100 million MT by the year 2019. FSNL will take advantage of this dealing with the existing customers as also to add new customers in the coming years.

Maharashtra Elektrosmelt Ltd. (MEL)

1. Company Profile

MEL incorporated in the year 1974 under the Companies Act, 1956 was promoted by the State Industrial and Investment Corporation of Maharashtra, with an objective to develop the Chandrapur area in Maharashtra which had vast deposits of good grade iron ore. MEL is an uncategorised BIFR referred CPSE in Steel sector under the administrative control of M/o Steel. Its Registered office is at Mumbai and Corporate office at Chandrapur, Maharashtra. MEL is a subsidiary of Steel Authority of India Ltd. (SAIL) which holds 99.12% of its equity.

2. Industrial / Business Activities

MEL is engaged in manufacturing of Ferro Alloys through its operating unit at Chandrapur, Maharashtra.

3. Production / Operational Profile

The performance details of major products are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
High Carbon Ferro Managanese	MT	56317	51525	65245	57696
Silico Manganese	MT	50371	46712	33078	43387
Medium Carbon Ferro Manganese	MT	373	2344	2218	1645
Capacity Utilization	%	126	120	118	121

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	231.88	195.74	222.95	18.46
Cost of Production	193.19	183.58	186.90	5.23
Net Profit/ Loss(-)	18.50	20.97	52.23	-11.78
Dividend declared (as % of PBT)	16.99	0.00	0.00	1699.12
Net Worth	67.25	53.96	33.92	24.63
Paid up Capital	24.00	24.00	24.00	0.00
Share of Holding Co.	23.79	23.79	23.79	0.00

5. Key Performance Factors

Despite increase in turnover over last three years, there is fall in profitability due to increase in power tariff and employees remuneration and other benefits.

The company maintains conversion arrangements with SAIL Steel Plants to maximize revenue generation. MEL had to operate two furnaces for two months for Sillico Manganese in order to meet enhanced demand for SAIL plants and reduced demand for Ferro Manganese. For balance period, one furnace was operated for producing Ferro Manganese and the other one for Silico Manganese.

The company is registered with stock exchanges of Mumbai and Ahmedabad since 1975 However, there was no floor trading of its shares.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.7.71 as against Rs. 8.74 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 801 regular employees (executives 138 and non-executives 663) as on 31.3.2007 as against 802 employees as on 31.3.2006. A total of 3 employees retired during the year. Since the introduction of VRS, a total of 199 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was five out of which one was part time Non-official Director / professional and 4 were Government / official / nominee Directors.

7. Strategic Issues

The Company is making vigorous efforts to find customers outside SAIL. The focus and trust of the company is on optimization of manpower utilization and improvement in productivity along with cost control.

Restructuring Plan

The company was registered with BIFR and the same has now been 'Dropped' because of net worth becoming positive.

As recommended by the Expert Group, constituted by the Ministry of Steel, the Board of MEL has in principle approved the merger of the company with SAIL subject to provisions of Companies Act, 1956.

Research & Development (R&D)

During the year, the company has taken R&D initiatives in the area of technical improvement of several processes figures.

Environmental initiatives

The company has focused its attention in the areas of green belt development in and around the plant premises, solid waste management, monitoring of liquid effluent and air ambient for various environmental parameters.

Mishra Dhatu Nigam Ltd. (MIDHANI)

1. Company Profile

MIDHANI was incorporated on 20.11.1973 under the Companies Act, 1956 with the objective of manufacturing and sale of high technology metals, alloys and their products, components to all strategic sector customers and to enable these customers to source strategic materials, which are not easily accessible. The mission of the company is to achieve self-reliance in the research, development, production and supply of strategic materials and products for critical and hi tech engineering application.

MIDHANI is a schedule-'B' CPSE in Steel sector under the administrative control of M/o Defence, D/o Defence Production and Supplies with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business Activities

MIDHANI is engaged in manufacturing of some of the very complex alloys like super alloys, maraging steel, titanium and titanium alloys, special purpose steels and welding electrodes through its single operating unit at Hyderabad, Andhra Pradesh. The company has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products.

3. Production / Operational Profile

The product range of the company comprises of complex alloys. The perfomance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Supper alloys, Special Stainless Steel & Titanium Based alloys	**MT**	1337 (49)	1215 (45)	1262 (46)	1271 (47)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	184.48	146.77	123.64	25.69
Cost of Production	192.24	164.47	131.04	16.88
Net Profit/ Loss(-)	23.19	12.03	6.86	92.77
Dividend declared (as % of PBT)	13.04	13.24	11.86	-1.52
Net Worth	172.08	154.29	144.69	11.53
Paid up Capital	137.34	137.34	137.34	0.00
Share of Central Govt.	137.34	137.34	137.34	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher productivity combined with development of new products, adoption of innovative strategies, good corporate governance, comfortable order booking, customer care etc. The Direct labour productivity, in terms of value added per direct employee, stood at Rs. 33.60 Lakh as compared to Rs. 25.30 Lakh during the previous year. The value added per employee was 10.09 Lakh, as compared to Rs. 7.67 Lakh in the previous year.

The major customers of MIDHANI are Dept. of Space, Defence Research & Development Organisation (DRDO), Ordnance Factories (OFs), Hindustan Aeronautics Limited (HAL) etc.

The market share of the company was 75% in maraging steel (MDN 250), 100% in maraging steel (MDN 350), 35% in Special steel, 70% in titanium alloys, 25% in soft mag alloys and 35% in PM products (moly) during 2006-07.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 173 as against Rs. 87.57 in the previous year.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 1281 regular employees (executives 376 & non-executives 905) as on 31.3.2007. About 16.32% of the employees were having professional qualifications. Around 4.14% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 35 employees retired on superannuation and 5 skilled and 2 unskilled employees also left the company on other grounds. However, one new skilled and one unskilled employee joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 6, out of which one was part time Non-official Director / professional.

7. Strategic Issues

Restructuring Plan

During the year 2003-04, careful strategies were worked out to bring in a turnaround for the company and as a result the Year 2003-04 was a Year of Turnaround for the company. MIDHANI for the first time achieved an "Excellent " performance rating in the 13th year of signing of the Memorandum of Understanding (MOU) with Ministry of Defence (MOD). The company surpassed all previous milestones in the areas of turnover, order booking, gross margin, PBT etc. and since then the company never looked back. For the fourth time in succession the company achieved 'Excellent' MoU rating for the year 2006-07.

Project Implementation

During the year 2006-07, Modernisation and Up-gradation program has been taken up for effective implementation with desired thrust and focus. Major mile stone events for accomplishing the project and the targeted time frames were achieved in spite of some setbacks due to perils of nature. The time and cost overruns were kept as minimum as possible.

Research & Development (R&D)

MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenisation of critical technologies and products to render support to several programmes of national importance and hi-tech segments of Indian Industry. Practically every order executed by the Company is an import substitution. MIDHANI successfully brought about hybridization of homegrown technologies with production scale know-how acquired from Western and East-Block sources, contributing to creation of a rich knowledge base. However, the R&D expenditure of the company constituted only 1.14% of the turnover.

Order Book Position

The year ended with an un-precedented fresh Order Booking of around Rs. 500 Crores, surpassing all its past records thereby taking the cumulative orders on hand at the beginning of the year 2007-2008 to the extent of Rs. 619 Crores. This placed MIDHANI in a comfortable position for formulating well planned production schedules over a period of 2 years to come.

Rashtriya Ispat Nigam Ltd. (RINL)

1. Company Profile

RINL was incorporated on 18.2.1982 under the Companies Act, 1956 with an objective to be a self supporting, growing company in production of steel with continuous improvement in productivity, quality and customer satisfaction. RINL is a schedule-'A' Miniratna CPSE in Steel sector, under the administrative control of M/o Steel with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Visakhapatnam, Andhra Pradesh.

2. Industrial / Business Activities

RINL is involved in production and marketing of carbon steel products in the long category and basic grade pig iron through its one operating unit at Visakhapatnam, Andhra Pradesh.

3. Production / Operational Profile

Product range of the company comprises of nine products. The performance details of company's major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Steel Product	MT	3.290 (124)	3.236 (122)	3.172 (119)	3.23 (122)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	7933	7306	7360	9
Cost of Production	6351	5813	5704	9
Net Profit/ Loss(-)	1363	1252	2008	9
Net worth	9523	8149	6878	17
Paid up capital	7827	7827	7827	0
Share of Central Govt.	7827	7827	7827	0

5. Key Performance Factors

The increase in turnover and profitability are attributed to execution of expansion project, increase in interest income and net sales realisation. Price of steel is cyclic in nature. Financial performance is also affected due to changes in prices of finished products.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.279 as against Rs. 256.12 in the previous year.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 16402 regular employees (executives 4674 and non-executives 11728) as on 31.3.2007, as against 16573 employees as on 31.3.2006. About 16% of the employees were having professional qualifications. Around 13% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 83 employees retired during the year under superannuation and 89 skilled and 4 unskilled employees left the company on other grounds. However, 5 new skilled employees and 7 executives joined during the year.

During the year 7 employees retired under VRS and an amount of Rs. 74 lakhs was spent in this regard. Since the introduction of VRS, a total of 16 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 4 each were part time Non-official Directors / professionals and full time Functional Directors and 2 were Government / official Directors.

7. Strategic Issues

The company aims at attaining 16 million ton liquid steel capacity through technology up-gradation, operational efficiency with a view to sustaining the growth levels already achieved and improving for the performance further, it has embarked on expansion of its capacity. This is also in line with the National Steel Policy of the Government of India (GoI) which envisaged increase in steel production in the country to 60 MT by 2012 and 110 MT by 2020.

Project Implementation

A project for doubling its capacities to 6.3MT is in progress at an estimated project cost of Rs.8692 crore, which is funded 50% through internal resources and remaining from external borrowings. Fourth Coke Oven Battery is also being added at an estimated cost of over Rs.350 crore.

Pulverized Coal injection at a cost of Rs.187 crore and Air Separation Plant at a cost of Rs.160 crore are contemplated.

RINL along with SAIL is contemplating Joint Venture Co. along with Local Partner for developing High Grade Limestone Mines in the Sultanate of Oman.

A Joint Venture Co. i.e Special Purpose Vehicle is proposed to be formed between SAIL, RINL, CIL, NMDC and NTPC for securing Coking Coal Supplies from Overseas by equity participation or as Greenfield project.

Research & Development (R&D)

During the year 2006-07, 7 new grades, 1 new section and 66 new products were developed. Based on the information / survey, various new products are also being developed by the company to cater to the customer's requirements during 2007-08. Further, pilot coke Oven was developed internally and successfully commissioned. Four campaigns of tests were conducted. Trials were conducted to get the effect of increase in soft coal in blend in absence of GICC. Briquettes made out of SMS, GCP Sludge (100MT) were tried in converter successfully. One project awarded to Regional Research Laboratory, Bhubaneswar (Briquettes from Metallurgical Wastes) was completed. Project on Use of Dry Fly Ash along with slag cement was completed. Tile flooring was done with the new composition. Pot sintering experiments were done for testing usage of Anthracite coal in sintering.

The R&D expenditure of the company constituted 0.12% of its turnover during the year.

Environmental initiatives

The commitment of VSP management for preservation of the environment as an integral part of its products and services has always remained a guiding principle of its business strategy. Being an ISO 14001 certified company since May 2001, VSP has expressly included social and environmental responsibility in its corporate objective, which is regularly reviewed and improved.

VSP was first certified to ISO 14001 : 1996 in May, 2001 and recertified on 15.12.2004. However, the standard was upgraded to ISO 14001 : 2004 on 31st May, 2006 and VSP took rapid strides to comply with the new standard.

All statutory requirements are fulfilled. 16 projects to improve the environmental standards further in VSP are under implementation at an estimated cost of over Rs.272.48 crores (7 out of 16 projects were completed during 2006-07 at a cost of Rs. 7.10 crore).

Order Book Position

The year ended with an Order Booking of around Rs.9131.13 crores.

Sponge Iron India Ltd. (SIIL)

1. Company Profile

SIIL was incorporated on 18.3.1975 under the Companies Act, 1956 with an objective to produce sponge iron of highest quality with maximum cost effectiveness and to develop new technology in the field of production of coal based sponge iron through continuous R & D efforts.

SIIL is a Schedule 'C' PSE in Steel sector under the administrative control of M/o Steel with 98.72% shareholding by the Government of India. Its Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business activities

SIIL is involved in manufacturing and sale of Sponge Iron and generation of power at its operating unit at Khammam, Andhra Pradesh.

3. Production / Operational Profile

Average capacity utilization for all products / services of the company taken together was 92% during 2006-07. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Sponge Iron	MT	55194 (90)	48302 (81%)	57501 (96%)	53666 (89)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	50.61	43.04	61.98	17.59
Cost of Production	50.31	42.52	52.94	18.32
Net Profit/ Loss(-)	4.03	3.18	3.93	26.73
Dividend declared (as % of PBT)	13.48	11.48	12.78	17.36
Net Worth	68.42	65.34	62.90	4.71
Paid up Capital	65.10	65.10	65.10	0.00
Share of Central Govt.	64.27	64.27	64.27	0.00

5. Key Performance Factors

The increase in profitability is attributed to increase in average sales realisation per MT of Sponge Iron.

During the year, the company made exports of equipment of sponge iron amounting to Rs.2.60 crore to Peru, South America.

Industrial environment is not encouraging for SIIL due to stiff competition from private Sponge Iron Plants. Non-availability of raw material and rise in input cost slowed down the pace of development in the sponge iron sector.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.6 as against Rs. 5 in the previous year.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 306 regular employees (executives 107 & non-executives 199) as on 31.3.2007. About13.40% of the employees were having professional qualifications. Around 33% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 5 employees retired during the year. Further, 3 employees availed of VRS and an amount of Rs. 0.32 crore was spent in this regard. Since the introduction of VRS, a total of 290 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 3 were Government / official Directors

7. Strategic Issues

With the improved quality of iron ore and coal identification, the operations of the company are likely to improve during 2007-08.

Project Implementation

There is a proposal to merge the company with NMDC. A plant set up for production of 45000 tonnes of pig iron, converted into SAF (Submerged Arc Furnace) to produce 8300 tonnes of silico manganese was capitalized on 1.4.1999, but could not be operationalized due to unremunerative prices. The disposal action initiated in 2004-05 was not pursued because of ongoing proposal of merger of the company with NMDC Ltd.

The Company is planning to set up 2 kilns of 1.00 lakh tpy capacity sponge iron production along with 40MW power plant, induction furnace and billet cast plant upon merger with NMDC Ltd.

Research & Development (R&D)

Continuing R&D activities for technology upgradation and reduction in costs is one of the objectives of the company. During 2006-07, the R&D expenditure of the company constituted 0.2% of the total turnover.

Environmental initiatives

During the year, about 750 saplings were planted to keep the environment green and clean.

Order Book Position

The company booked orders worth Rs. 3.92 crore, and all the 19 orders were from the private sector during 2006-07.

Steel Authority of India Ltd. (SAIL)

1. Company Profile

SAIL was incorporated on 24.1.1973 under the Companies Act, 1956 with an objective to plan, promote and organise an integrated and efficient development of iron and steel and associated input industries. Subsequently, "The Public Sector Iron and Steel Companies (Restructuring and Miscellaneous Provisions) Act, 1978" was enacted and came into force with effect from 1st May, 1978 with the objective to provide for restructuring of iron and steel companies in the Public Sector so as to secure better management and greater efficiency in their working. The aim was to bring all the Public Sector Plants under the overall control of an integrated company (i.e. SAIL) which is to function as on integral steel complex. The company aims to be a respected world class corporation and leader in Indian steel business in quality, productivity, profitability and customer satisfaction.

SAIL is a Schedule-'A' / Navratna PSE in Steel sector under the administrative control of M/o Steel with 85.82% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

SAIL is engaged in the production of Iron and Steel and other byproducts through its 8 operating plants at Bhilai in Chhattisgarh, Durgapur and Burnpur in West Bengal, Rourkela in Orissa, Bokaro in Jharkhand, Salem in Tamilnadu and Bhadravati in Karnataka. It has one subsidiary, namely Maharashtra Elektrosmelt Ltd., 9 joint ventures and 10 other Marketing / R&D / Training / consultancy units.

3. Operational Profile

The average capacity utilization of the company was 114% during 2006-07. The performance details of production by SAIL are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Pig Iron	000 T	499 (27.75)	576 (32.04)	NA	NA
Crude Steel	000 T	13503 (101.23)	13471 (101.09)	NA	NA
Total Saleable Steel	000 T	12581 (109.91)	12050 (105.28)	11030 (104)	11887 (106.40)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	34333	28266	28630	21
Cost of Production	26731	24709	20535	8
Net Profit/ Loss(-)	6202	4013	6817	55
Dividend declared (as% of PBT)	14	14	15	-6
Net worth	17184	12386	10012	39
Paid up capital	4130	4130	4130	0
Share of Central Govt.	3545	3545	3545	0

5. Key Performance Factors

SAIL has achieved the best ever turnover as well as Profit Before Tax during 2006-07 with a growth of 21% and 65% respectively over previous year.

The saleable steel production increased by 4% during this period. It continued to improve its debt-equity ratio from 0.35:1 as on 31.3.2006 to 0.24:1 as on 31.3.2007.

SAIL is the first metal company in India to reach a market capitalization of Rs.50,000 crore during 2006-07.

While improved market conditions helped in recording better financial performance, significant improvement came by way of several internal initiatives viz., higher capacity utilization at

114%, best ever techno-economic parameters, thrust on production and sales of value added products, emphasis on cost reduction and prudent cash management etc.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.15.02 as against Rs. 9.72 in the previous year.

The market price of the company's shares varied between Rs.61.05 to Rs.121.00 as compared to Rs. 41.80 to Rs. 86.60 during the year 2005-06.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 132973 regular employees (16031executives & 116942 non-executives) as on 31.3.2007. Around 44% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 5057 employees retired during the year. However, 1075 new skilled employees joined.

During the year, 539 employees retired under VRS and an amount of Rs. 40.67 crore was spent in this regard.

The total number of Directors in the company, as on 31.3.2007 was 22 out of which 11 were part time Non-official Directors / professionals**,** 2 Government official Directors and 9 full time Functional Directors.

The Company scored 'Excellent' MOU rating during the year 2006-07.

7. Strategic Issues

SAIL has drawn up aggressive modernization & expansion plans with state-of-the-art technology for all the plants and mines simultaneously, to achieve hot metal production of over 25 million tones by the year 2010 from current level of 14.6 million tones.

A system of tracking and rewarding innovations by employees in plants/units on a daily basis was introduced for the first time generating enthusiasm amongst employees at all levels to think and deliver innovatively.

A Shareholders' Agreement has been concluded for establishing a Joint Venture for Slag based cement plant with M/s. JP Associates.

Government has accorded 'in principle' approval for merger of Nilanchal Ispat Nigam Limited (NINL), Maharashtra Elektrosmelt Limited and Bharat Refractories Limited with SAIL and the merger process is going on.

Formation of a joint venture has been initiated with Manganese Ore India Ltd. (MOIL) at Bhilai to augment Ferro Alloys Production.

500 MW power plant has been added by SAIL-NTPC Joint Venture at Bhilai and another 500 MW Power Plant has been approved 'in principle' at Bokaro by SAIL-DVC Joint Ventre.

In addition to the above, some more new initiatives have been proposed viz. JV in the area of iron or and coal mining, equity participation in coal mines abroad, setting up of a Greenfield plant at Chhatisgarh in association with RINL and NMDC, setting up of SEX facilities at Salem Steel Plant and setting up of a wind farm near Salem Steel Plant.

Research & Development (R&D)

SAIL has a well-equipped Research and Development Centre for Iron and Steel (RDCIS) at Ranchi, which helps to produce quality steel and develop new technologies for the steel industry. Besides, SAIL also has its own in-house Centre for Engineering and Technology (CET).

Environmental initiatives

Comprehensive and structured initiatives taken in SAIL have significantly brought down the pollution load (stack emission) to 2.5 kg/tcs from 12.6 kg/tcs in a decade. Installing new air pollution control facilities in shops and augmenting the capacity of the existing ones are helping the stack emission to comply with the statutory norms. The stacks of the special steel plants are 100% complying with norms where as for those of the integrated steel plants, gaps have been identified and work is under progress to meet the regulatory standards.

Non-Performing Assets (NPA)

Assets of different types with approximate value of Rs. 24 crores, were Non Performing. Various committees have been formed to dispose off these assets through auction, sales etc.

11 TEXTILES

As on 31.3.2007, there were 5 Central public sector enterprises in the Textiles group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	National Textile Corpn. Ltd.	1968
2.	National Jute Manufactures Corpn. Ltd.	1980
3.	British India Corporation Ltd.	1981
4.	Brushware Ltd.	1981
5.	Birds Jute & Exports Ltd.	1987

2. The enterprises falling in this group are mainly engaged in producing and selling textile products such as yarn, worsted and woolen cloth, blankets, hosiery, polyster suiting, shirting ect.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
1.	National Textile Corpn. Ltd.	598.71*	0.00
2.	National Jute Manufactures Corpn. Ltd.	0.02	0.27
3.	British India Corpn. Ltd.	13.81	23.33
4.	Brushware Ltd.	0.00	0.00
5.	Birds Jute & Exports Ltd.	0.00	0.00
	Total	**612.54**	**23.60**

* All subsidiaries of NTC Ltd. merged with the company

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	National Textile Corpn. Ltd.	-535.80	-7.00
2.	National Jute Manufactures Corpn. Ltd.	-794.49	-424.31
3.	British India Corpn. Ltd.	-3.66	-20.87
4.	Brushware Ltd.	-0.04	-0.03
5.	Birds Jute & Exports Ltd.	-4.63	8.57
	Total	**-1338.62**	**-443.64**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	22814	42586
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	4.28	3.81
	b. Medical facilities	1.90	1.44
	c. Others	0.92	0.67
3.	Capital cost of township *(Rupees in crore)*	0.94	1.62
4.	No. of houses constructed	3335	3335

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TEXTILES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	71544	114144	119544
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	62508	62761	62763
OTHERS	295	42860	42858
(B) SHARE APPLICATION MONEY	252207	442462	442463
(C) RESERVES & SURPLUS	24090	24121	24889
TOTAL (A)+(B)+(C)	**339100**	**572204**	**572973**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	6317	15459	23310
(B) UNSECURED LOANS	1423468	2087834	1947764
TOTAL (A)+(B)	**1429785**	**2103293**	**1971074**
(1.3) DEFERRED TAX LIABILITY	0	0	0
TOTAL (1.1)+(1.2)+(1.3)	**1768885**	**2675497**	**2544047**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	64617	66009	69623
(B) LESS DEPRECIATION	39158	40063	42530
(C) NET BLOCK (A-B)	25459	25946	27093
(D) CAPITAL WORK IN PROGRESS	3990	384	727
TOTAL (C)+(D)	**29449**	**26330**	**27820**
(2.2) INVESTMENT	154	904812	1013501
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	19382	14802	18183
(B) SUNDRY DEBTORS	3547	3911	4913
(C) CASH & BANK BALANCES	225194	217953	33109
(D) OTHER CURRENT ASSETS	16487	48207	38017
(E) LOAN & ADVANCES	7308	132288	11521
TOTAL (A)+(B)+(C)+(D)+(E)	**271918**	**417161**	**105743**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	116192	118632	123841
(B) PROVISIONS	25572	30304	33321
TOTAL (A+B)	**141764**	**148936**	**157162**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**130154**	**268225**	**-51419**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	53	111	143
(2.7) DEFFRED TAX ASSETS	300	1102	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1608775	1474917	1554002
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1768885**	**2675497**	**2544047**

TEXTILES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	51700	60376	63347
(B) EXCISE DUTY	446	211	1884
(C) NET SALES (A-B)	51254	60165	61463
(D) OTHER INCOME / RECEIPTS	28320	94497	90473
(E) ACCRETION / DEPLETION IN STOCKS	4435	-2304	-880
(I) TOTAL INCOME (C+D+E)	**84009**	**152358**	**151056**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	29993	31775	37538
(B) STORE & SPARES	2804	2629	2760
(C) POWER & FUEL	9378	10059	10837
(D) MANUFACTURING / DIRECT / OPERATING EXP.	1339	3573	2897
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	37421	48195	47635
(F) OTHER EXPENSES	40091	2928	3268
(G) PROVISIONS	5652	1152	721
(II) TOTAL EXPENDITURE (A TO G)	**126678**	**100311**	**105656**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	-42669	52047	45400
(4) DEPRECIATION	435	464	450
(5) DRE. / PREL. EXP. WRITTEN OFF	2	0	16
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	-43106	51583	44934
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	96310	89381	79694
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	19156	91312	90436
(D) LESS INTEREST CAPITALISED	0	0	3
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	115466	180693	170127
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**-158572**	**-129110**	**-125193**
(9) TAX PROVISIONS	77	49	3
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-158649	-129159	-125196
(11) NET EXTRA -ORD. ITEMS	-24787	-208419	22738
(12) NET PROFIT / LOSS (10-11)	**-133862**	**79260**	**-147934**
(13) DIVIDEND DECLARED	0	0	0
(14) DIVIDEND TAX	0	0	0
(15) RETAINED PROFIT (12-13-14)	**-133862**	**79260**	**-147934**

TEXTILES
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	874439	2023661	1795440
(ii)	CAPITAL EMPLOYED	155613	294171	-24326
(iii)	NET WORTH	-1269728	-902824	-981172
(iv)	COST OF PRODUCTION	242581	281468	276249
(v)	COST OF SALES	238146	283772	277129
(vi)	VALUE ADDED	13514	13398	9448
(vii)	R & D EXPENDITURE	0	95	53
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	22814	42586	53281
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	13669	9431	7450
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	4.22	3.68	3.44
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.34	3.52	0.85
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	-1.87	1.22	0.85
(iv)	SUNDRY DEBTORS : SALES (No. of days)	25.26	23.73	29.18
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	138.03	89.80	107.98
	(ii) SEMI / FINISHED GOODS : SALES	113.94	70.06	86.62
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	63.79	-117.01	5.17
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	32.94	20.45	-252.66
(viii)	PBDITEP : CAPITAL EMPLOYED	-27.42	17.69	-186.63
(ix)	PBITEP : CAPITAL EMPLOYED	-27.70	17.54	-184.72
(x)	COST OF SALE : SALES	464.64	471.66	450.89
(xi)	MATERIAL COST : SALES	58.52	52.81	61.07
(xii)	SALARY & WAGES : SALES	73.01	80.10	77.50
(xiii)	R & D EXPENDITURE : SALES	0.00	0.16	0.09
(xiv)	PBITEP : SALES	-84.10	85.74	73.11
(xv)	PBTEP : NET WORTH	12.49	14.30	12.76
(xvi)	NET PROFIT : NET WORTH	10.54	-8.78	15.08
(xvii)	GROSS MARGIN : GROSS BLOCK	-66.03	78.85	65.21

Birds Jute & Exports Ltd. (BJEL)

1. Company Profile

BJEL was incorporated on 2nd July, 1904 in private sector. It became a 100% subsidiary of National Jute Manufactures Corp. Ltd. (NJMC) on 20.11.1986 after remaining closed for around 7 years due to financial stringency. BJEL is a uncategorised / BIFR / Takenover PSE in Textile sector under the administrative control of M/o Textiles. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

BJEL was engaged in processing of jute/jute blended fabrics which are used for jute/jute blended curtain materials, wall covering, draperies, blankets, chair and sofa covers, bed spreads, table clothes and mats, lamp sheds, garments, shopping bags, jute-leather fancy bags, suitcase and traveling kits, shoes-upper, jute composite etc. The company also processed rot-proof and fire-retardant fabrics, which is used as barrier cloth in collieries etc. BIFR concluded that no public interest would be served by reviving this company and recommended for its winding up. Therefore, the establishment of the company has been closed.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	0.00	0.00	0.00
Cost of Production	5.07	3.65	0.00	38.90
Net Profit/ Loss(-)	-4.63	8.57	0.00	-154.03
Net Worth	-57.23	-52.63	-53.90	8.74*
Paid up Capital	0.39	0.39	0.39	0.00
Share of Holdding Co.	0.29	0.29	0.14	0.00

*Negitive growth

4. Key Performance Factors

There have been no production and sale activities in the company for the last few years. The loss of the company increased during 2006-07 as compared to 2005-06 mainly due to huge interest burden.

Low productivity and low capacity utilization had been the major reasons for continuous losses incurred by the company.

5. Human Resource Development

There were only 8 employees as on 31.3.2007 out of which one was having professional qualification. All the employees were in the age group of 36 to 50 years. There were 5 Government / Official /Nominee Directors on the Board of the company as on 31.3.2007. All the employees have availed of VRS.

6. Strategic issues

The Government had filed an affidavit in the High Court of Calcutta stating that it has no objection if a Official Liquidator is appointed for BJEL Based on the recommendation of the BIFR, the Single Bench of the Calcutta High Court directed that an Official Liquidator should take possession of the assets of the company. Against this order the BJEL Staff Association filed an appeal in the Division Bench of the aforesaid High Court. The order of Single Bench dated 6.1.2005 was stayed on 17.2.2005 and still continuing. The BJEL Staff Association also filed an appeal before the AAIFR on 28.7.2004, which is still pending. The next date of hearing was 14.12.2007.

IDBI has been engaged as consultant to prepare Revival Plan of BJEL. The present proposal is based on updated report submitted by the IJT in September, 2007 in respect of technical viability for processing jute and jute allied products & cotton fabrics. The proposal include modernization and upgradation of production facilities, liquidation of unsecured loans and statutory dues, payment to pressing creditors, payment of VRS dues to all employees, sale of surplus land at Dakhindari, Kolkata and induction of fresh manpower as per industry norms.

British India Corpn. Ltd. (BIC)

1. Company Profile

BIC was incorporated in the year 1920 in private sector and was nationalized in 1981 under B.I.C. Ltd. (Acquisition of shares) Act, with an objective to take over the controlling shares from private hands. BIC is a Schedule-'B' / BIFR referred / takenover CPSE in Textile sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kanpur, Uttar Pradesh.

2. Industrial / Business Activities

BIC is involved in manufacturing of woolen / worsted fabrics through its two operating units at Kanpur in U.P. and Dhariwal in Punjab. It has three subsidiaries namely Elgin Mills Co. Ltd., Cownpore Textiles Ltd. and Brushware Ltd. The establishments of first two subsidiaries have been closed.

3. Production / Operational Profile

The performance details of major product of the company are as follows:

Major Products / Services	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Wollen Fabrics	Mts.	NA	27.48	46.77	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	13.81	23.33	23.74	-40.81
Cost of Production	43.86	43.60	42.84	0.60
Net Profit/ Loss(-)	-3.66	-20.87	-13.54	-82.46
Net Worth	-151.82	-143.89	-128.03	5.51
Paid up Capital	31.71	31.71	31.71	0.00
Share of Central Govt.	31.71	31.71	31.71	0.00

5. Key Performance Factors

The company has provided only provisional financial information for the year 2006-07.

BIC has been showing continuous losses during last several years due to obsolete machinery, excess manpower, shortage of working capital, inadequate marketing infrastructure for retail sale etc.

The restructuring was approved in 2002 with a cash assistance of Rs.86 crore and non-cash assistance of Rs.125 crore. The modernization programme has been delayed because of non-availability of funds through the sale of surplus land as the Government of U.P. has not allowed the conversion of leasehold land into free hold either free of cost or at concessional rate.

6. Human Resource Development (HRD)

The enterprise employed 2665 regular employees (executives 128 and non-executives 2537) as on 31.3.2007 as against 2729 employees as on 31.3.2006.

The company is following IDA 1987 pattern of remuneration. A total of 61 employees retired during the year. 772 employees have been identified as surplus manpower and 2 employees retired under VRS during 2006-07. Since the introduction of VRS a total of 3029 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were part time Non-official Directors / professional sand 2 Government / official Directors.

7. Strategic Issues

Restructuring Plan

In 2005, the Government approved a new revival plan for BIC on the recommendations of BRPSE which provided an additional allocation of Rs. 47.35 crore under Non-Plan for making payment to the Government of UP to secure conversion of leasehold lands into freehold, which will be paid in 8 quarterly installments. Leasing the mills to private partner(s) subject to the conditions that appropriate provisions is made in the lease conditions with regard to any land which may be surplus.

Brushware Ltd. (BL)

1. Company Profile

BL was incorporated in the year 1893 in private sector and was nationalised in the year 1981. BL is a un-categorised / taken over PSE in Textile sector under the administrative control of M/o Textiles. Its Registered and Corporate offices are at Kanpur, Uttar Pradesh. The company is a subsidiary of British India Corp. (BIC), which holds 57.2% of its equity shares.

2. Industrial / Business Activities

BL was involved in manufacturing of all types of brushes like industrial, domestic, personal and paint brushes catering to the needs of Defence, Railway, HAL, Sugar mills, textile mills, road ways etc. However, production activities of the company have been almost closed since 1994-95. There is virtually no work force on the roll of the company.

The company being a small-scale unit was not referred to BIFR. Due to non-availability of funds for working capital, no steps could be taken to improve upon its operational activities.

The application for closure of the company under the I.D. Act has been accepted by the Ministry of Labor and approved its closure.

The company is completely closed since last ten years.

National Jute Manufactures Corporation Ltd. (NJMC).

1. Company Profile

NJMC was incorporated on 3.6.1980 under the Companies Act, 1956 with an objective to take over six jute mills, the management of which was earlier taken over by the Government of India under the Industries (Development and Regulation) Act, 1951. NJMC is a Schedule 'B' / BIFR referred CPSE in Textile sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial/Business Activities

NJMC is engaged in manufacturing of jute goods through its 6 operating units at North 24 Paraganas, Howrah and Kolkata in West Bengal and Katihar in Bihar. It has one subsidiary namely Birds Jute and Exports Ltd.

3. Production/ Operational Profile

Due to disconnection of power supply by CESC/ BSEB in all six units of NJMC, there was no production activity during 2005-06 and 2006-07.

4. Major Financial Highlights

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.02	0.27	0.20	-92.59
Cost of Production	854.76	488.66	451.44	74.92
Net Profit/ Loss(-)	-794.49	-424.31	-598.90	87.24*
Net Worth	-5749.45	-4954.95	-4530.62	16.03*
Paid up Capital	55.80	55.80	55.80	0.00
Share of Central Govt.	55.80	55.80	55.80	0.00

*Negitive growth

5. Key Performance Factors

NJMC is registered with BIFR since 1994 and has been recommended for 'winding up' on 8.7.2004.

There has been no production activity in the company since 2004-05 except conversion of minimum process stock to finished stock due to disconnection of power supply by CESC / BSEB for non payment of bills.

The increase in loss was mainly due to VRS expenditure of Rs. 356.38 crore and payment of idle salary and wages and other administrative expenses.

During 2006-07, the company received non-plan budgetary support of Rs. 712.21 crore, out of which Rs. 142.63 crore was towards payment of Salary and Wages, Rs. 275.26 crore towards payment of VRS dues and Rs. 294.31 crore towards payment of statutory dues.

6. Human Resource Development

In response to a notice issued by the Management inviting VRS applications from workers, clerical staff and sub-staff, 16323 workers out of total strength of 16750 and 1109 clerical staff and sub-staff out of total strength of 1157 employees applied for VRS till 28.1.2007 and all the workers have been relieved from the service of the corporation. The Management has not issued any VRS notice till date in respect of the Executives pending finalization of different issues and VRS scheme for them.

The number of Directors on the Board was 6, out of which 2 were Full Time Functional Directors and 4 Government/Official Directors.

7. Strategic issues

NJMC had been suffering cash loss since inception. Based on the recommendation of the BIFR, the High Court of Calcutta passed the order for winding up of the company on 6.1.2005 and directed the official liquidator to take possession of assets of the company. Subsequently, as per the advice of the Ministry of Textiles, Government of India, NJMC Management preferred to appeal before the Division Bench of the High Court, Calcutta against the above order. The High Court, Calcutta heard the matter on 7.2.2005 and granted stay order against the operation of the order dated 6.1.2005. Further on 15.2.2005, the Court passed the order to continue the aforesaid order dated 7.2.2005 for a period of six weeks or until further orders, whichever is earlier. Presently the matter is not pending before the Division Bench of the High Court of Calcutta and will be taken up only after the AAIFR decides. In the meanwhile the AAIFR, on the appeal of the NJMC Officers Guild and others dated 8.7.2004, also granted stay order against the order of BIFR. The next date of hearing before the AAIFR was 14.12.2007.

Revival/restructuring

A Revival Scheme prepared by the IDBI has been forwarded to the Ministry of Textiles, which in turn has submitted to the BRPSE. It is proposed to operate three units of NJMC viz. Khardah, Kinnison and RBHM.

National Textile Corp. Ltd. (NTC)

1. Company Profile

NTC was incorporated on 1.4.1968 under the Companies Act, 1956 with the main objective of managing the affairs of sick textile undertakings takenover by the Government under the three Nationalisation Acts viz., The Sick Textile Undertakings (Nationalisation) Act, 1974, The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986 and The Textile Undertakings (Nationalisation) Act, 1995. NTC Limited was managing 119 mills through its 9 subsidiaries namely NTC (D P and R), NTC (Guj.), NTC (UP), NTC (SM), NTC (MN), NTC (WBABO), NTC (APKKM), NTC (MP) and NTC (TNP). However, as a part of modified revival scheme approved by the BIFR in March, 2006 and by the Government on 5th December, 2006 all the 9 subsidiaries have been merged with the NTC Limited during 2006-07.

NTC is a Schedule-'A' PSE in Textile sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business activities

NTC is involved in manufacturing and selling of wide range of fabrics in cotton / blended/ woolen yarn and modernization of 22 mills as per the Modified Revival Scheme.

3. Production / Operational Profile

The production performance of the company after reorganization/merger of subsidiaries is as follows:

Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Cloth	Lakh Meter	162.81	NA	NA	NA
Yarn	Lakh Kg.	380.38	NA	NA	NA
Waste	Lakh Kg.	19.06	NA	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	499	0	0	49,871
Cost of Production	1522	722	663	111
Net Profit/ Loss(-)	-536	-7	-7	7,554
Net Worth	-6737	2924	2931	-330
Paid up Capital	540	540	540	0
Share of Central Govt.	540	540	540	0

5. Key Performance Factors

While there was marginal increase in the turnover, there was steep decline in the profit due to the merging of sick subsidiary companies with NTC.

Earning Per Share was (-) Rs. 968.34 as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 17591 regular employees (875 executives and 16716 non-executives) as on 31.3.2007. About 1% employees of the were having professional qualifications. Around 56% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 1959 employees retired during the year. 2243 employees were identified as surplus manpower during 2006-07. 3023 employees availed of VRS during the year and an amount of Rs. 129.02 crore was spent in this regard. Since the introduction of VRS, a total of 64640 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5.

7. Strategic Issues

The BIFR sanctioned rehabilitation schemes to 8 subsidiaries of NTC during February-July, 2002. Subsequently in October, 2002, the Government sanctioned revival scheme for the 9th subsidiary i.e. NTC(TN) Ltd., as it was not registered with BIFR at that time. As per these revival/ rehabilitation schemes 53, viable mills were to be revived and 66 unviable mills to be closed. One mill each of the two categories were transferred to the Government of Pondicherry.

BIFR approved a Modified Revival Scheme for NTC in March, 2006 which was approved by the Government in December, 2006. The Modified Revival Scheme(MRS) envisaged modernization of 22 mills at a cost Rs. 530 crores out of total rehabilitation cost of Rs. 5267.56 crores , merger of 9 subsidiaries with the Holding company, closure of 67 unviable mills under I.D. Act and transfer of two mills to the Government of Pondicherry. The steps taken by the NTC Limited for implementation of the rehabilitation scheme are as follows:

- NTC explored the scope for JV route and invited EOI for 16 mills through advertisement and scrutinized 5 mills for JV which has been approved by Ministry of Textile.
- Sales of surplus assets worth Rs.3495.03 crores for funding the revival scheme.
- Settlement of Statutory dues by paying Rs.188.07 crores.
- One time settlement with Financial Institutions/ Banks for Rs.248.69 crores.
- One time settlement with secured and unsecured creditors by paying them the principal amount of dues.
- Mobilization of funds from the market to the tune of Rs.2028.13 crores.
- Modified VRS to 55642 employees at a cost of Rs.1951.13 crores.

NRDC proposes to set up an Indian Textile Plaza in Ahmedabad and an Indian International Trade Tower at Mumbai to promote the cause of textiles.

The implementation period of the revival scheme has been extended by BIFR upto 31st March 2008.

12 TRANSPORTATION EQUIPMENT

As on 31.3.2007, there were 10 Central public sector enterprises in the Transportation Equipment group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Mazagon Dock Ltd.	1934
2.	Hindustan Shipyard Ltd.	1952
3.	Garden Reach Shipbuilders & Engineers Ltd.	1960
4.	BEML Ltd.	1964
5.	Hindustan Aeronautics Ltd.	1964
6.	Central Inland Water Transport Corpn. Ltd.	1967
7.	Goa Shipyard Ltd.	1967
8.	Cochin Shipyard Ltd.	1972
9.	Scooters India Ltd.	1972
10.	Hooghly Dock & Port Engineers Ltd.	1984

2. The enterprises falling in this group are mainly engaged in manufacturing, repairing overhauling and selling of transportation equipments viz. aircrafts, helicopters, ships, tugs, barges, trawlers, assault boats, floating docks, dredgers, heavy moving equipments, rail coaches, road rollers, scooters, trucks etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
(1)	(2)	(3)	(4)
1.	Mazagon Dock Ltd.	18.65	164.29
2.	Hindustan Shipyard Ltd.	327.32	243.58
3.	Garden Reach Shipbuilders & Engineers Ltd.	706.74	980.64
4.	BEML Ltd.	2423.87	2059.54
5.	Hindustan Aeronautics Ltd.	7781.92	5341.50
6.	Central Inland Water Transport Corpn. Ltd.	14.91	13.00
7.	Goa Shipyard Ltd.	152.79	106.96
8.	Cochin Shipyard Ltd.	722.36	373.53
9.	Scooters India Ltd.	164.35	143.61
10.	Hooghly Dock & Port Engineers Ltd.	8.05	17.29
	Total	**12320.96**	**9443.94**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss) 2006-07	Net Profit/Loss) 2005-06
1.	Mazagon Dock Ltd.	168.08	60.10
2.	Hindustan Shipyard Ltd.	300.93	6.19
3.	Garden Reach Shipbuilders & Engineers Ltd.	120.14	65.32
4.	BEML Ltd.	204.93	186.93
5.	Hindustan Aeronautics Ltd.	1148.76	771.14
6.	Central Inland Water Transport Corpn. Ltd.	262.88	-43.66
7.	Goa Shipyard Ltd.	40.69	16.72
8.	Cochin Shipyard Ltd.	58.12	18.23
9.	Scooters India Ltd.	-22.50	1.56
10.	Hooghly Dock & Port Engineers Ltd.	-72.97	-38.03
	Total	**2209.06**	**1044.50**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and townships are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	**2005-06**
1.	No. of employees	65913	65256
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	37.70	22.73
	b. Medical facilities	56.75	32.82
	c. Others	57.29	24.57
3.	Capital cost of township *(Rupees in crore)*	9.95	35.05
4.	No. of houses constructed	3723	4261

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TRANSPORTATION EOUIPMENT
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	150472	140373	134372
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	105677	114690	113619
OTHERS	24899	3087	2613
(B) SHARE APPLICATION MONEY	1589	1379	704
(C) RESERVES & SURPLUS	580362	453144	374793
TOTAL (A)+(B)+(C)	**712527**	**572300**	**491729**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	23317	59618	64777
(B) UNSECURED LOANS	118558	175259	169730
TOTAL (A)+(B)	**141875**	**234877**	**234507**
(1.3) DEFERRED TAX LIABILITY	112234	74448	48221
TOTAL (1.1)+(1.2)+(1.3)	**966636**	**881625**	**774457**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	637082	532303	435584
(B) LESS DEPRECIATION	219150	206320	196506
(C) NET BLOCK (A-B)	417932	325983	239078
(D) CAPITAL WORK IN PROGRESS	31165	39385	30701
TOTAL (C)+(D)	**449097**	**365368**	**269779**
(2.2) INVESTMENT	2409	1763	1410
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	1426345	951883	758336
(B) SUNDRY DEBTORS	273198	272466	221584
(C) CASH & BANK BALANCES	2236967	1593834	1168844
(D) OTHER CURRENT ASSETS	45225	21191	17676
(E) LOAN & ADVANCES	778511	663835	481182
TOTAL (A)+(B)+(C)+(D)+(E)	**4760246**	**3503209**	**2647622**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	4441074	3283106	2431896
(B) PROVISIONS	170286	89178	90653
TOTAL (A+B)	**4611360**	**3372284**	**2522549**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**148886**	**130925**	**125073**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	196912	175655	178721
(2.7) DEFFRED TAX ASSETS	14198	4355	3443
(2.8) PROFIT & LOSS ACCOUNT (Dr)	155134	203559	196031
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**966636**	**881625**	**774457**

TRANSPORTATION EQUIPMENT
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1253468	961866	819786
(B) EXCISE DUTY	21368	17472	14721
(C) NET SALES (A-B)	1232100	944394	805065
(D) OTHER INCOME / RECEIPTS	172100	92902	48710
(E) ACCRETION / DEPLETION IN STOCKS	341115	77488	56738
(I) TOTAL INCOME (C+D+E)	**1745315**	**1114784**	**910513**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	976277	569445	455867
(B) STORE & SPARES	7383	12233	5210
(C) POWER & FUEL	17111	15547	14357
(D) MANUFACTURING / DIRECT / OPERATING EXP.	84260	35428	17508
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	209759	178785	175095
(F) OTHER EXPENSES	88585	76935	70440
(G) PROVISIONS	51210	26710	23105
(II) TOTAL EXPENDITURE (A TO G)	**1434585**	**915083**	**761582**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	310730	199701	148931
(4) DEPRECIATION	15104	12755	12329
(5) DRE. / PREL. EXP. WRITTEN OFF	26488	15673	10903
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	269138	171273	125699
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	14283	6165	6621
(B) ON FOREIGN LOANS	0	138	245
(C) OTHERS	4219	6584	5873
(D) LESS INTEREST CAPITALISED	3060	37	78
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	15442	12850	12661
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**253696**	**158423**	**113038**
(9) TAX PROVISIONS	90015	55840	44811
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	163681	102583	68227
(11) NET EXTRA -ORD. ITEMS	-57225	-1867	292
(12) NET PROFIT / LOSS (10-11)	**220906**	**104450**	**67935**
(13) DIVIDEND DECLARED	39408	28653	16271
(14) DIVIDEND TAX	5918	4029	2229
(15) RETAINED PROFIT (12-13-14)	**175580**	**71768**	**49435**

TRANSPORTATION EQUIPMENT

MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	242584	328926	322127
(ii) CAPITAL EMPLOYED	566818	456908	364151
(iii) NET WORTH	360481	193086	116977
(iv) COST OF PRODUCTION	1491619	956361	797475
(v) COST OF SALES	1150504	878873	740737
(vi) VALUE ADDED	572444	424657	386369
(vii) R & D EXPENDITURE	51735	45630	32623
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	65913	65256	66170
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	26520	22831	22051
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.20	0.41	0.48
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.07	1.07	1.09
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	4.71	3.06	2.25
(iv) SUNDRY DEBTORS : SALES (No. of days)	80.93	105.31	100.46
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	422.54	367.89	343.81
(ii) SEMI / FINISHED GOODS : SALES	250.29	191.28	194.40
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.20	0.58	0.29
		(%)	
(vii) SALES : CAPITAL EMPLOYED	217.37	206.69	221.08
(viii) PBDITEP : CAPITAL EMPLOYED	54.82	43.71	40.90
(ix) PBITEP : CAPITAL EMPLOYED	47.48	37.49	34.52
(x) COST OF SALE : SALES	93.38	93.06	92.01
(xi) MATERIAL COST : SALES	79.24	60.30	56.62
(xii) SALARY & WAGES : SALES	17.02	18.93	21.75
(xiii) R & D EXPENDITURE : SALES	4.20	4.83	4.05
(xiv) PBITEP : SALES	21.84	18.14	15.61
(xv) PBTEP : NET WORTH	70.38	82.05	96.63
(xvi) NET PROFIT : NET WORTH	61.28	54.10	58.08
(xvii) GROSS MARGIN : GROSS BLOCK	48.77	37.52	34.19

Bharat Earth Movers Ltd. (BEML)

1. Company Profile

BEML was incorporated in the year 1964 under the Companies Act, 1956 with the objective to provide total engineering solutions for defence, earth moving and infrastructure sectors as also to maintain dominant position in design, development, manufacture and marketing of Defence, Earthmoving and Construction equipment. The Company is a Schedule-'A' miniratna CPSE in 'Transportation Equipment' sector under the administrative control of M/o Defence, Department of Defence Production and Supplies with 61.23% shareholding by the Government of India. Its Registered and Corporate offices are at Bangalore (Karnataka).

2. Industrial / Business Activities

BEML is engaged in manufacturing and supply of wide range of earth moving, construction & mining equipments, Railway & Metro coaches, Defence vehicles etc. as also to offer engineering solutions, trading & contract mining through its eight manufacturing units at three operating complexes at Bangalore, Kolar Gold fields and Mysore. It has one subsidiary, namely, Vignyan Industries Limited.

3. Production / Operational Profile

The multi-locational and multi product company comprises of 50 products and three main segments namely Earth Moving (EM) equipments and spares, Defence products and Railway and Metro products. The Average Capacity Utilization for all products of the company taken together was 95% during 2006-07. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
1	2	3	4	5	6
EM Equipments	Nos.	1039 (69)	802 (53)	692 (46)	844 (56)
Defence aggregates & others*	Nos.	1098	708	642	816
BEML Tatra Trucks & other Defence Products	Nos.	330 (17)	477 (24)	427 (21)	411 (21)
Railway Products	Nos.	483 (121)	302 (76)	342 (86)	376 (94)

** Defence aggregates others consist of BMP Transmissions, Engineering Mine Plough, Ejector & Air cleaner Assy., Diesel Engines etc.*

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2424	2060	1733	18
Cost of Production	2152	1804	1550	19
Net Profit/ Loss(-)	205	187	175	10
Dividend declared (as% of PBT)	14	12	14	13
Net worth	1015	854	694	19
Paid up Capital	37	37	37	0
Share of Central Govt.	23	23	23	0

5. Key Performance Factors

The increase in turnover(17.95%) and profit before tax(10.73%) is attributed to a number of proactive measures taken by the company such as productivity improvement, product updation, rationalisation of standard man hours, cost control and cost consciousness, strict inventory control, value engineering of certain products, better utilization of man and machinery etc.

The company serves the core sectors of the economy such as mining, steel, cement, power, irrigation, construction, road building, defence, railway and metro transportation system. In mining & construction equipment business, BEML's market shares is approximately 70%.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 55.77, as against Rs. 50.87 in the previous year.

The share price of the company varied between Rs.723 to Rs. 1690 during the year 2006-07, as compared to Rs.361 to Rs. 1785 in 2005-06. The average share price during the year was Rs. 1086.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 11748 regular employees (executives 2243 & non-executives 9505) as on 31.3.2007. About 19% of the company employees were having professional qualifications. Around 46% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 522 employees retired during the year. Further 41 skilled employees also left the company in attrition. However, 324 new skilled and 39 unskilled employees joined during the year.

During the year, 215 employees availed of VRS and an amount of Rs. 3.96 crore was spent in this regard. Since the introduction of VRS, a total of 4652 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 16 out of which 8 were part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

The company aims to be a market leader with globalized presence and a diversified company supplying products and services to core sectors of economy.

Restructuring

The Company restructured its operations on Business Group lines from functional set up to increase Business growth and spinned off 3 major Business Groups under one Director each as CEO with delegated powers, a rare phenomenon in PSUs. Further it created SBUs, Heads of products, within each Business Group to accelerate growth.

With the approval of the Government, the company brought out public issue in June-July, 2007 which received overwhelming support with a issue price being finalized at Rs. 1075 per share, under Book Building Process.

For foraying into mining activity, the company has incorporated a joint venture namely M/s BEML Midwest Limited with M/s Midwest Granite Private Limited in April, 2007 with 45% and 55% shareholding respectively.

The company is in the process of forming a joint venture with M/s Companhia Comercio E Construcoes (CCS) of Brazil. Further the company has signed technology tie-up with M/s Terex of USA for high-end Dump-trucks.

BEML registered a company in Brazil BEML BRASIL PARTICIPACOES LTDA for sales of construction and mining equipment and providing service and parts support in Brazil and Latin American countries. International Divn. achieved Rs 110 crs. revenue. BEML also opened offices in Singapore and China to boost exports and sourcing parts.

Project Implementation

Rail Products Fabrication Unit at KGF has become fully operational during the year and started rolling out rail coach shells as a feeder unit to Bangalore Complex. This new plant added capacity to rail coach production and become cost effective source for parts and aggregates for rail coaches and wagons. Company committed Rs 250 crs capital expenditure towards modernization of all manufacturing units and expansion of rail unit II at KGF.

Research & Development (R&D) and Technology Absorption/Adaptation

R&D Centre played vital role in design and development of products, critical aggregates, indigenization activity etc. During the year, R&D's innovative product Aircraft Towing Tractor BA10G40 with Ground Power Unit was successfully launched and exhibited in the Aero India-2007. Further, the upgraded version of 65T class Excavator BE700 with latest features has been built and is undergoing in-house trials and testing. Value Engineered version of 35T class dump truck (BH35-2) has undergone serial production.

Keeping in mind the future trends of technology, in tune with changing business models of customers, the company has unveiled a plan of action to take up a number of projects/products with enhanced allocation of resources, to the tune of 3% of the turnover. Presently the expenditure on R&D is 0.70% of the turnover.

Technology absorption of collaborated product has been effective which resulted in achieving around 90 to 95 percent of indigenization level in respect of mining and construction equipments and is upto 50 percent for some of defence equipments.

The technology so absorbed and updated has resulted in import substitution, cost reduction and product improvement of a number of products presently manufactured by the company. The benefits derived as a result of the above efforts are faster introduction of newer and competitive products in the market, acquisition of new technologies, customer satisfaction and business growth, indigenisation and standardization of components / aggregates / sub systems for collaborated products.

Environmental initiatives

In order to protect the environment, tree plantation were undertaken in and around the factory premises, township at KGF, Bangalore and Mysore. Saplings of various types of avenue trees / flower bearing trees were planted in the vacant lands belonging to the company for maintaining ecological balance in the surrounding areas. Further, measures have also been taken to protect the existing flora and fauna.

Effluent treatment plants have been constructed inside the factory premises of the production units for treatment of domestic / industrial effluents. Further, treatment plants / oxidation ponds for treatment of natural process of treating effluents have been installed in various locations inside the factory and township. The landscaping department in the production units is utilizing treated effluent water. Test certificates are being sent to the State Pollution Control Board every month.

Order Book Position

The year ended with in-hand Order Booking of around Rs.1650 Crores.

Central Inland Water Transport Corp. Ltd. (CIWTC)

1. Company Profile

CIWTC was incorporated on 22.2.1967 under the Companies Act, 1956 by taking over the assets of the erstwhile Rivers Steams Navigation Company Ltd. with the objective to utilize the Inland Water Transport (IWT) mode of transportation as an operator. CIWTC is a Schedule-'C' / sick taken over PSE in Transport Equipment sector under the administrative control of M/o Shipping, Road Transport and Highways, Department of Shipping with 99.78% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

CIWTC is one of the sick taken over enterprises engaged in transportation of Cargo in the route of N.W. I and N.W. II and also with Bangladesh, through its operating unit namely *River Service Division* Kolkata, West Bengal.

3. Production / Operational Profile

The performance details of services rendered by CIWTC are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
IWT Transportation of Cargo	M/T	220322 (99)	85266 (88)	54502 (56)	120030.00 (81)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	14.91	13.00	6.56	14.69
Cost of Production	29.38	65.99	75.49	-55.48
Net Profit/ Loss(-)	262.88	-43.66	-67.26	-702.11
Net Worth	98.46	-284.68	-241.24	-134.59
Paid up Capital	250.93	130.45	130.45	92.36
Share of Central Govt.	250.65	130.17	130.17	92.56

5. Key Performance Factors

Although there is a marginal increase of 2.5% in the turnover as compared to previous year, the net profit has substantially increased mainly due to the impact of restructuring scheme sanctioned and implemented and reasons which include:

- Waiver of interest on GOI loan of Rs.213.83 crores.
- Sale of Rajabagan Dockyard to GRSE Ltd. – surplus on sale of assets was Rs.58.08 crores.
- Cost reduction as a result of reduction in man power by 431 nos. as on 31st March 2007, over previous year by way of VRS plan/normal retirement.
- Increase in operational earnings to the tune of Rs.1.91 crore during 2006-07.

The Earning Per Share of the company increased to Rs.322.35 as against (–)334.70 in 2005-06.

During the year the company received a budgetary support of Rs. 9.0 crore to pay wages and salary.

6. Human Resources Development (HRD)

The enterprise employed 466 regular employees (17 executives & 449 non-executives) as on 31.3.2007. About 1.5% employees were having professional qualifications. 32% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 patterns of remuneration. A total of 13 employees retired during the year. In addition, 5 skilled and 9 unskilled employees also left the company under attrition. During the year, 104 employees availed of VRS and an amount of Rs. 18.10 crore was spent in this regard. Since the introduction of VRS, a total of 2265 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 4 were Government/Official Directors and one full time Functional Director.

7. Strategic Issues

Restructuring Plan

Revival scheme for the company was sanctioned by the Government of India in 2001 with a total financial implication of Rs. 474 crore. Government of India has approved a new revival scheme for the company on the basis of the recommendations of BRPSE on 1.12.2005 with a cash assistance of Rs.73.6 crore and non-cash assistance of Rs.280 crore.

As per the revival plan, one unit for ship building and ship repairing viz. Rajabagan Dockyard was closed and then handed over to Garden Reach Shipbuilders & Engineers Limited (GRSE). Another unit viz. Deep Sea Ship Repairing had already been closed on 31st March, 2002.

The Company is expected to receive shortly the approval from the Government of India regarding reduction of share Capital of Rs.120.45 crores and on receipt of such approval necessary steps would be taken for effecting the same. The aforesaid Capital Reduction has already been approved by the Board of Directors of the Company.

Cochin Shipyard Ltd. (CSL)

1. Company Profile

CSL was incorporated in the year 1972 under the Companies Act, 1956 with an objective to take over the erstwhile Cochin Shipyard Project, under technical collaboration with M/s MHI, Japan. The main objective of the company is to build and repair vessels to international standards and provide value added engineering services. CSL is a Schedule-'B' / CPSE in Transportation Equipment sector under the administrative control of M/o Shipping Road Transport and Highway, D/o Shipping with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kochi, Kerala.

2. Industrial / Business Activities

CSL is engaged in shipbuilding, ship repair and Marine Engineering Training. It has the largest shipyard in the country with its operating unit at Kochi, Kerala.

3. Production / Operational Profile

CSL can build and repair the largest ships in India upto 1,10,000 DWT and repair upto 1,25,000 DWT. The performance details of major products/services are as follows:

Major Products / Services	Unit	Value of Services provide during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Shipbuilding	DWT	181395 (120.93)	110206 (73.47)	62517 (41.68)	118039 (78.69)
Ship repair	Rs. in crore	241.53	151.27	148.02	100.57

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	722	374	276	93
Cost of Production	759	429	306	77
Net Profit/ Loss(-)	58	18	12	219
Dividend declared (as% of PBT)	19	0	49	N/A
Net worth	326	287	269	13
Paid up Capital	232	232	232	0
Share of Central Govt.	232	232	232	0

5. Key Performance Factors

The turnover of the company increased by 92.69% and profit by 218.76% during 2006-07 as compared to previous year. The substantial sales were from exports followed by Government Departments/organizations.

The increase in profitability is attributed to higher turnover, reduction in construction time for shipbuilding through improvement in productivity, reduction in cost due to no rework as interface of the systems can be viewed in 3D modeling method, yard developed expertise to produce production engineering drawings faster with Tribon models, avoided import of designs for Tugs etc.

Operating environment continued to be challenging with the imposition of Service Tax at 12.24% on ship repair activities.

CSL has a market share of 50% (approx.) of the Indian ship repair market. In the shipbuilding sector it is presently the leading shipyard capable of constructing largest ship in the country.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.513.

During the year, the company received a non-plan assistance of Rs. 97.83 crores as grant / subsidy.

The Company scored ‘Excellent’ MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 2084 regular employees (executives 476 and non-executives 1608) as on 31.3.2007, as against 2075 employees as on 31.3.2006. About 16.84% of the employees were having professional qualifications. 56% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 85 employees retired during the year under superannuation and 1287 skilled employees also left the company on other grounds. However, 118 new employees joined during the year. Since the introduction of VRS, a total of 356 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which one was Government / official Director and 3 full time Functional Directors.

The Company trains 100 graduate engineers (marine engineers) every year who later join ships, both Indian and Foreign as 5th Engineers.

7. Strategic Issues

The company owns 173 acres of land, 35000 sqm of covered shop area, 73 cranes along with two docks. Infrastructure facilities like mobile aerial access platform for safety and speed in working; 100 T Transporter, 20 T Mobile Cranes; Dock Arms for Shiprepair; SSD bay with 50 T crane; Automatic Pipe Profile cutting machine; and 40 T LLTT Crane are being set up to improve productivity

Project Implementation

CSL is selected for construction of the prestigious Aircraft Carrier for the Indian Navy.

Research & Development (R&D)

The R&D initiatives taken by the company include

Main discharge pump for ship repair, upgradation of Plasma cutting machine, Electronic Access control etc.

Environmental initiatives

Rain water harvesting for industrial purpose is undertaken.

Order Book Position

The company has secured export orders in shipbuilding from internationally renowned companies worth more than Rs.2000 crores in the last three years. The year ended with an Order Booking of around Rs. 5014 crores.

Garden Reach Shipbuilders & Engineers Ltd. (GRSE)

1. Company Profile

GRSE was set up in 1884 as M/s River Steam Navigation Co. and was subsequently converted into a limited liability company in the year 1934, under the name of Garden Reach Workshop Ltd. The company was taken over by the Government of India in 1960 due to its strategic potential and to achieve self-sufficiency in the defence requirements. The company was renamed as GRSE in the year 1977 due to its diversified product range as a result of rapid diversification, through taking over of a number of sick engineering units. The primary objective of the company is to construct warships and auxiliary vessels for the Navy and the Coast Guard.

GRSE is a Schedule-'B'-Mini Ratna / taken over PSE in Transportation Equipment sector under the administrative control of M/o Defence, D/o Defence Production & Supplies with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business activities

GRSE has graduated in building modern high-tech warships like Frigates, Covrvettes, LST(L)'s, Fleet Tanker and now engaged in shipbuilding, ship repair, general engineering, and manufacturing of pump and diesel engine etc. through its 6 operating units at Kolkata and Ranchi.

3. Production / Operational Profile

The product / service range of the company comprises of three segments namely Shipping, Engineering Project and Marine Engine. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Shipbuild ing	Ton	2068 (64)	2998 (93)	2939 (54)	2668 (70)
General Engg.	Ton.	3650 (146)	3805 (152)	4202 (168)	3886 (155)
Diesel Engine	No.	8 (22)	4 (11)	8 (22)	7 (18)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	707	981	876	-28
Cost of Production	564	600	453	-6
Net Profit/ Loss(-)	120	65	28	84
Dividend declared (as% of PBT)	14	12	23	19
Net worth	442	350	299	26
Paid up Capital	124	124	124	0
Share of Central Govt.	124	124	124	0

5. Key Performance Factors

GRSE is one of the few shipyards with its own multi-dimensional activities, like the Engineering and Engine divisions, manufacturing / assembling Deck Machinery equipment and marine engines.The main customers of the company are Indian Navy and Coast Guard.

Although the value of production and turnover of the company declined during the year 2006-07, compared to previous year due to delay in delivery of Second LST (L) caused by failure of indigenous machinery, its value addition increased by 2.49% and value addition per employee from Rs. 5.00

lakh in 2005-06 to Rs. 5.20 lakhs in 2006-07.

Despite low turnover during the year, the profit increased by 83.90% and networth by 26.25%. This is the result of adoption of sound Corporate Policy based on consolidation, optimisation, controlled diversification and optimum utilisation of the skills.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 4996 regular employees (executives 802 & non-executives 4194) as on 31.3.2007. About 12.45% of the employees were having professional qualifications Around 66% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 408 employees retired during the year. Further, 2 skilled and 6 unskilled employees also left the company in attrition. However, 184 new skilled and 79 un-skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were part time Non-official Director / professional and 2 were Government / official Directors.

7. Strategic Issues

The company aims to become the leading shipyard in Southeast Asian Region and continues to contribute significantly to strengthen the Indian Navy, Coast Guard and maritime potential.

Restructuring/Modernization

During the year, the company took over Raja Bagan Dockyard from M/s CIWTC and has thereby become India's largest shipyard.

Project report for modernization of Shipbuilding facility, broadly consisting of a Dry Dock size 29M x 180M, an inclined Berth size 23M x 180M, a 250 ton capacity Goliath Crane and a Module Hall of size 29.4M x 99M with allied facilities and services has been finalized at an estimated cost of Rs. 403 crore, to be completed by end 2009.

Order Book Position

The year ended with in hand Order Booking of around Rs. 4058 crores.

Goa Shipyard Limited (GSL)

1. Company Profile

GSL was established on 26.11.1957 under the Portuguese Law as 'Estalerios Navais De Goa', as a small barge repair facility. Later on, it was leased to Mazagaon Dock Ltd. following the liberation of Goa in 1961 till 1967. It was renamed as Goa Shipyard Limited in 1967. GSL was created with the objective to produce quality ships and hi-tech components for defence and commercial sectors at competitive prices. GSL is a Schedule-'B' / taken over CPSE in Transport Equipment sector, under the administrative control of M/o Defence, Department of Defence Production with 51.09% shareholding by the Government of India. Its Registered and Corporate offices are at Vasco DaGama, Goa. 47.21% equity of GSL is held by the Mazagon Dock Ltd.

2. Industrial / Business Activities

GSL is engaged in shipbuilding, ship repair and General Engineering Services for defence and commercial sector through its one shipyard at Vasco Da Gama (Goa).

3. Production / Operational Profile

GSL does not have any standard products. All ships are built and repaired as per customer's specification within the capacity of the yard. In addition, stern gear system parts and spares for ships are supplied as per specification of the customer. The brief details of major services provided are as follows:

Major Products / Services	Unit	Production/services during (%Capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ship Building	SSU	5.148 (88)	3.856 (66)	3.126 (53)	4.043 (76)
Ship Repairs	Rs. Cr.	22.78	15.19	10.84	16.27
General Engineering	Rs. Cr.	7.35	5.78	27.68	13.60

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	153	107	83	43
Cost of Production	227	240	140	-5
Net Profit/ Loss(-)	41	17	10	143
Dividend declared (as % of PBT)	12	22	43	-47
Net Worth	216	185	175	17
Paid up Capital	29	29	19	0.00
Share of Central G ovt.	15	15	10	0.00

5. Key Performance Factors

The improvement in turnover and profitability is attributed to improved human productivity, reduction in expenditure and implementation of full fledged ERP system.

The major customers of GSL are Indian Navy and Indian Coast Guard.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 1641 regular employees (executives 471 & non-executives 1170) as on 31.3.2007. About 11.15 % of the employees were having professional qualifications. Around 33.27% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. During the year, 12 new skilled and 5 unskilled employees left the company. However, 12 skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 3 were part time Non-official Director / professional.

7. Strategic Issues

Project Implementation

The vision is to be a leading shipbuilder and ship-repair company in the high technology medium sized sector and diversify into other related products. For this, an ambitious modrnisation programme at a cost of Rs.691 crore is under implementation. The project is expected to enhance the present capacity of the yard by three times.

GSL has also diversified into constructing Damage Control Simulator for Indian Navy and Survival at Sea Training Facility Unit for ONGC. In addition, similar constructions like Fire Fighting Training Unit (FFTU) and Water Survival Training Facility (WSTF) are proposed to be built.

Research & Development (R&D)

All the vessels that are under construction have been designed with GSL in-house design capability. GSL has designed in-house and model tested 35 knots Fast Patrol Vessel (FPV) for Indian Coast Guard. GSL has been spending 3-5.56 crore per annum on R & D activities, since 2003-04 till date.

Environment and Ecology

GSL being a shipbuilding industry does not produce any environmental hazardous material which needs careful disposal.

Hindustan Aeronautics Ltd. (HAL)

1. Company Profile

HAL was incorporated on 1.10.1964, under the Companies Act, 1956 by merging Hindustan Aircraft Ltd. registered in 1940, with Aeronautics India Ltd. registered in 1963. It was created with the objective to manufacture and overhaul the agreed number of aircrafts, aero-engineers and rotubles as required by the Defence Services and Coast Guards and to become a global player in the Aerospace Industry, by becoming competitive while working as an instrument for achieving self reliance in design, manufacture and maintenance of aerospace equipment, civil transport aircraft, helicopter and missiles and diversifying to related areas.

The company is a Schedule-'A' / Navratna CPSE in 'Transporation Equipment' sector under the administrative control of M/o Defence, D/o Defence Production and Supplies with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Bangalore, Karnataka.

2. Industrial / Business Activities

The main activities of HAL include design, development, manufacture, up-grade and repair/ overhaul aircraft (fighters, trainers and transport), helicopters and associated aero-engines, accessories and avionics for both military and civil applications through its 20 production units located at Bangalore (Karnataka), Nasik (Maharashtra), Koraput (Orissa), Lucknow, Korwa and Kanpur in U.P., Hyderabad (A.P.) and Barrackpor (West Bengal). There are also 9 R&D centers co-located with these units. The company has four joint ventures namely Indo Russian Aviation Ltd., BAeHAL Software Ltd., Snecma HAL Aerospace Pvt. Ltd. and Samtel HAL Display Systems Pvt. Ltd. with an equity participation of 48%, 49%, 50% and 40% respectively.

3. Production / Operational Profile

The company has been granted exemption from adherence to the provisions of accounting standard 17 regarding segment reporting due to its nature of business and sensitive nature of disclosure. The average capacity utilization for all products was 101%. The details of production in terms of standard man hours are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Production in terms of Standard Man Hours (SMH)	SMH	270 (101)	260 (97)	259 (95)	263 (98)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	7782	5342	4534	46
Cost of Production	8600	5353	4476	61
Net Profit/ Loss(-)	1149	771	501	49
Dividend declared (as% of PBT)	14	18	13	-19
Net worth	2085	1441	882	45
Paid up Capital	121	121	121	0
Share of Central Govt.	121	121	121	0

5. Key Performance factors

The value of production during 2006-07 was Rs.9201.88 crore and the domestic market share of products was 96.52%.

The increase in profitability by 48.97% during 2006-07 is attributed to higher turnover(increased by 45.72%) along with interest income, refund of interest on income tax and withdrawal of liabilities. The other reasons for performance improvement are better fund management, rationalization of manpower and cost control.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 95.33, as against Rs.64 during 2005-06.

The employees of HAL resorted to a one day strike on 14.12.2006 which caused loss of 8490 man days and production loss of Rs. 2.32 crores.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 31666 regular employees (executives 8115 & non-eExecutives 23551) as on 31.3.2007. About 30% of the employees were having professional qualifications. Around 35% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 1559 employees retired during the year. Further, 704 skilled and 1441 unskilled employees also left the company in attrition. However, 1926 skilled and 2125 un-skilled new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 16, out of which 6 were part time Non-official Directors / Professionals and 2 Government / official Directors.

7. Strategic Issues

Business Restructuring

During the year two new divisions were formed at Barrackore, West Bengal and Composite manufacturing division in Bangalore. The

Barrackore division will carry out production and overhaul of Cheetal helicopters and Composite manufacturing division will take up manufacturing of composite structure for internal and export requirements.

The company is planning diversification in the areas of Unmanned Arial Vehicles(UAVs) and MRO of civil aircraft/engines.

Project Implementation

During the year, facilities have been set up for manufacturing of SU-30MK1 aircraft and Sukhoi Engine along with new assembly hangers / shops at different locations.

The company is planning to set up new divisions / factories to manufacture Medium Lift Helicopter, Multirole Transport Aircraft and new generation fighter aircraft.

Research & Development (R&D)

During the year design, and development of Light Combat Helicopter has been launched. The R&D expenditure of the company constituted 6.37 % of the turnover during 2006-07.

Environmental initiatives

The divisions of HAL are certified to the ISO14000-2004 Environment Management System. Trees and plants are being planted and raised in and around the Divisions to increase the green cover.

Order Book Position

The year ended with in hand Order Booking of around Rs.22,990 Crores. The company is planning to tap civil and export markets.

Hindustan Shipyard Ltd. (HSL)

1. Company Profile

HSL set up in 1941, under the Indian Companies Act in the Private sector, was taken over by the Government on 21.1.1952. The main objective of the company is to operate strong and efficient shipbuilding, ship repair and retrofitting of submarines to meet the growing requirements of Mercantile Marine, Oil and Defence sectors with good management and improved efficiency and to improve the financial performance and profitability. The company is a Schedule-'B' / taken over CPSE in 'Transportation Equipment' sector under the administrative control of M/o Shipping, Road Transport and Highways, Department of Shipping with 100% shareholding by the Government of India. Its Registered office is at Delhi and Corporate office at Visakhapatnam, Andhra Pradesh.

2. Industrial / Business Activities

The main activities of HSL include shipbuilding, Ship Repair, Submarine Retrofit, offshore platforms construction and structural fabrication. The company has its operating yards at Visakhapatnam, Andhra Pradesh.

3. Production / Operational Profile

The performance details of major products of the company are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Shipbuilding	DWT	2.16 (62)	1.85 (53)	1.47 (42)	1.83 (52.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	327	244	225	34
Cost of Production	475	315	246	51
Net Profit/ Loss(-)	301	6	-8	4762
Net worth	-707	-1013	-1026	-30
Paid up Capital	144	137	132	5
Share of Central Govt.	144	137	132	5

5. Key Performance Factors

The increase in turnover and profitability is attributed to better order book position, increased productivity and capacity utilization. The implementation of capital restructuring during the year as approved by Government in 1997 has resulted in prior period income.

Further, reorganization of deferred tax asset into books has also increased the profitability. Further, Recognized Deferred Tax Asset into books has also increased profitability.

During the year, the company received a Plan budgetary support of Rs. 47.07 crore in the form of equity (Rs.5 crore) and loan (Rs.42.07 crore) and Non-plan assistance of Rs.39.74 crore. The company has availed of a cumulative Government Guarantee of Rs. 255.46 crore as on 31.3.2007.

The Earning Per Share of the Company increased from Rs. 42.93 in 2005-06 to Rs. 2088 in the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 3017 regular employees (executives 507 & non-executives 2510) as on 31.3.2007, as against 3525 employees as on 31.3.2006. About 8.88% of the employees were having professional qualifications. Around 63% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 26 employees retired on superannuation. 32 skilled employees also left the company on other grounds. However, 144 new skilled employees joined during the year.

During the year, 718 employees availed of VRS and an amount of Rs. 60 crore was spent in this regard through loan taken from bank. Since the introduction of VRS, a total of 3570 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one each were part time Non-official Director / professional and Government / official Director and three full time Functional Directors.

7. Strategic Issues

Restructuring Plan

The company has been referred to BRPSE. A financial restructuring proposal is under consideration of the Government.

Order Book Position

During the year 2006-07, the company received only one order amounting to Rs. 22.35 crore. The total orders in hand were amounting to Rs. 2026.69 crore for 21 projects as on 31.3.2007.

Hooghly Dock & Port Engineers Ltd. (HDPEL)

1. Company Profile

HDPEL was incorporated in the year 1984 under the Hooghly Docking and Engineering Co. Ltd. (Acquisition and Transfer of Undertakings) Act, 1984 with the objective of acquiring the business of the Hooghly Docking and Engineering Co. Ltd., one of the oldest shipyards established in private sector in India. The Port Engineering Works, which was with M/s Andrew Yule & Co., was also merged with the new Company. The main objective of the company is to cater the requirement of inland and ocean-going vessels and adding nation's wealth. HDPEL is a Schedule-'C' sick CPSE in Transportation Equipment sector under the administrative control of M/o Shipping, Road Transport & Highways, D/o Shipping with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkatta, West Bengal.

2. Industrial / Business Activities

HDPEL is engaged in shipbuilding and ship repairing through its 2 operating units at Howrah, West Bengal.

3. Production / Operational Profile

The brief details of major activities are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Shipbuilding	**Ton.**	86 (8)	25 (2.27)	321 (29)	144 (13.09)
Ship repairing	**No.**	1 (4)	2 (13.33)	6 (40)	3 (19.11)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	8.09	17.29	17.55	-53.21
Cost of Production	105.14	45.39	62.95	131.64
Net Profit/ Loss(-)	-72.97	-38.03	-41.92	91.87
Net worth	-398.21	-327.26	-289.94	21.68
Paid up Capital	26.61	26.61	25.86	0.00
Share of Central Govt.	26.61	26.61	25.86	0.00

5. Key Performance Factors

The performance of the company in shipbuilding improved during the year over previous year it deteriorated in ship-repairing as well as in financial terms. 70% of the turnover comes from shipbuilding segment. During the year the turnover fell by 53% and losses increased by 92%.

The downfall in performance is attributed to increase in cost of production by 132% during the year as compared to previous year.

HDPEL is obtaining orders on competitive basis i.e. through open tendering process or direct negotiations rather than on nomination basis.

Earning Per Share of the company dropped from (-)Rs. 1455.35 in 2005-06 to (-)Rs. 2747.91.

6. Human Resource Development (HRD)

The enterprise had a workforce of 671 (executives 181 and non-executives 490) as on 31.3.2007 as against 718 employees as on 31.3.2006. About 28.76% of the employees come under the age bracket of 51 years and above. During the year 48 employees left the company out of which 24 retired under VRS, 21 retired on superannuation and 3 left on others grounds. Since the introduction of VRS in the company a total of 901 employees have availed of the scheme. During the year an amount of Rs.1.27 crore was spent on VRS. The company is following IDA 1992 pattern of remuneration. The retirement age in the company is 58 years.

The total number of Directors in the HDPEL, as on 31.3.2007 was 6 out of which 5 were Government / official Directors and one full time Functional Director.

7. Strategic issues

There is boom in the shipping industry across the world including India. As such for performance improvement the cost effective measures have been taken to match the time-schedule with respect to production targets.

Restructuring Plan

BRPSE in its 49th meeting held on 22.6.2007 has recommended a financial restructuring for HDPEL envisaging cash assistance of Rs.87.99 crore in the form of grant / equity from GOI along with waiver of GOI loan and interest as on 31.3.2007 amounting to Rs.366.38 crore. The revival plan is yet to be approved by the Government.

The company has been accredited with ISO 9000/ 2000 by IRQS.

HDPEL has surplus assets i.e. Foundry shop at Nazirgunge Works since 1999 with an assessed value of Rs. 1.19 crore. However, efforts are being made for leasing out the asset.

Mazagon Dock Ltd. (MDL)

1. Company Profile

MDL was incorporated on 26.2.1934 as a ship repair yard, under the Companies Act, 1913. Subsequently, it was taken over by the Government of India in 1960 with an objective to cater to the needs of Defence sector. The current objective of the company is to build warships for the Indian Navy and provide lead yard services to other defence shipyards. MDL is a Schedule-'A' Miniratna CPSE in Transportation Equipment sector under the administrative control of M/o Defence, D/o Defence Production and Supply with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

MDL is engaged in ship construction, ship repair, offshore fabrication work, construction and refitting of submarines through its 2 operating units at Mumbai and Nhava (Raigarh) in Maharashtra.

3. Production / Operational Profile

The main segments of the company are shipbuilding, ship repair and submarine and heavy engineering. The average capacity utilization for all products / services of the company taken together was 83% during 2006-07. The performance details of major product is as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ship building	Ship Unit	10.99 (93.43)	9.34 (79.41)	8.92 (75.85)	9.75 (82.90)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	18.65	164.29	177.47	-88.65
Cost of Production	1817.19	552.45	534.83	228.93
Net Profit/ Loss(-)	168.08	60.10	69.14	179.67
Dividend declared (as % of PBT)	19.40	33.49	0.00	-42.06
Net Worth	482.54	373.41	348.10	29.23
Paid up Capital	298.18	298.18	298.18	0.00
Share of Central Govt.	298.18	298.18	298.18	0.00

5. Key Performance Factors

Cumulative percentage of progress in the three ships of Project-17 showed steady improvement.

Value of production of the MDL increased by 261.18% during 2006-07, as compared to last year. It surpassed the budget estimates by 12.79%.

The increase in profitability is attributed to increase in interest income and increase in value of production.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 66.48.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 8013 regular employees (executives 791 & non-executives 7222) as on 31.3.2007. 8.91% of the company employees were having professional qualifications. Around 49% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 213 employees retired during the year. Further, 30 skilled and 29 unskilled employees also left the company on other grounds. However, 22 skilled and 50 other new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 4 are part time Non-official Director / professional.

7. Strategic Issues

The company aims to be a leader in the construction of warships and submarines in the Indian Ocean and through a process of expansion and consolidation to become a leading Shipbuilder of international standards for warships, submarines and merchant marine.

Project Implementation

Production of one 2000 Cu.M non-propelled Dumb Cutter Suction Dredger for Dredging Corporation of India, commenced on 30.5.2006 with sophisticated and proven technology from VOSTA LMG (Germany).

The company is engaged in Mazdock Modernisation Project (MMP) as a part of modernisation. This includes creation of facilities namely Wet Basin, Modular Workshop, Heavy Duty Goliath Crane, Cradle Shop and stores. The infrastructure that will be created through these projects will facilitate reduction in construction period and enable early delivery of ships.

Research & Development (R&D)

During the year, in order to improve the production process, the company has taken R&D initiatives for designing / development of the new SLB (Yard 11882) with reduced beam to suit Mogul Dry Dock and Telescopic shed arrangements on SLB deck for providing optimal conditions on board during MR refit cum upgradition of SSK Submarines.

Due to non-availability of wet basin, launching weight/draft restrictions on slipways and tide limitations, Pontoon-assisted-launching methods shall be used for follow on P15Average of 3 Years Class Destroyers for the first time in collaboration with M/s Baltisky Zavod of Russia.

Environmental initiatives

The company continued to be environmental friendly and has fulfilled all the statutory requirements of Central and State Pollution Control Boards .The Company is committed to meet all the stipulated standards, for maintaining and protecting the environment, by development of greeneries and plantation.

Order Book Position

At the end of the year, the company was having six in hand Order amounting to Rs. 30323.86 crore.

Scooters India Ltd. (SIL)

1. Company Profile

SIL was incorporated on 7.9.1972 under the Companies Act, 1956 with an objective to manufacture two wheelers and three wheelers. The current objective of the company is to provide economical and safe mode of transportation with contemporary technologies for movement of cargo and people, to provide eco-friendly, flawless reliable products to fulfill customer needs and achieving customer satisfaction by providing at right price and at right time. SIL is a Schedule-'B' / BIFR referred PSE in Transportation Equipment sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 95.37% shareholding by the Government of India. Its Registered and Corporate offices are at Lucknow, U.P. BIFR has declared SIL, 'no longer sick'.

2. Industrial / Business Activities

SIL is engaged in developing / manufacturing / marketing of three wheelers and quality engineering products through its single operating units at Lucknow, U.P. and 6 Zonal / Regional Offices at Delhi, Kolkata, Hyderabad, Pune and Chennai.

3. Production / Operational Profile

The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
3-Wheelers	Nos.	15162 (91.89)	15632 (94.74)	12863 (77.96)	14552 (88.20)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	164.35	143.61	120.82	14.44
Cost of Production	184.20	159.12	130.68	15.76
Net Profit/ Loss(-)	-22.50	1.56	1.39	-1,542.31
Net Worth	45.37	65.20	59.49	-30.41
Paid up Capital	43.00	42.99	42.99	0.02
Share of Central Govt.	41.01	41.00	41.00	0.02

5. Key Performance Factors

Despite increase in turnover, the company turned to loss during 2006-07 due to increase in material cost, manpower cost due to prior period adjustment for gratuity and leave encashment, depreciation due to commissioning of Paint Shop and increase in cost due to liquidity position.

The company continues to be a leader in passenger carrier (6+1) segment of vehicles and had a share of 49.94% in 2006-07 as against 31.20% in 2005-06.

The share price of the company varied between Rs.19.35 to Rs.40.80 during the year 2006-07 as compared to Rs.13.70 to Rs.46.80 in 2005-06. The average share price during the year was Rs.22.96.

The company scored ‘Fair’ MOU rating during the year 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 1601 regular employees (executives 289 & non-executives 1312) as on 31.3.2007 as against 1679 employees as on 31.3.2006. About 10.37% of the employees were having professional qualifications Around 85% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 88 employees retired during the year. In addition, 83 skilled employees also left the company on other grounds.

During the year, one employee availed of VRS and an amount of Rs. 4 lakhs was spent in this regard from internal resources. Since the introduction of VRS, a total of 1152 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which one each were part time Non-official Director / professional, full time functional Director and Government / official Director.

7. Strategic Issues

Rise in cost of fuel and problems in issue of permits by Regional Transport Authorities shall continue to pose problem for growth of 3-wheeler industry. Major business process and improvement plan with the assistance of ARAI is under implementation. Vehicles run on non-conventional energy sources will get prominence due to environmental issues, especially in metro and bigger cities.

The company is working on developing smaller model with 4-stroke petrol engine on gaseous fuel CNG / LPG, which are expected to be introduceed in 2007-08.

Research & Development (R&D)

Recurring expenditure of Rs. 14 lakh incurred on R&D during 2006-2007 was 0.14% of the total turnover as against 0.36% during 2005-2006.

Environmental initiatives

Vikram CG-1500 model running on CNG has contributed significantly to the company's sales in 2006-07. Company has taken up Rectification Audit ISO 14001.

13 COAL AND LIGNITE

As on 31.3.2007, there were 9 Central public sector enterprises in the Coal and Lignite group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Neyveli Lignite Corpn. Ltd.	1956
2.	Bharat Coking Coal Ltd.	1972
3.	Coal India Ltd.	1973
4.	Central Coalfields Ltd.	1975
5.	Eastern Coalfields Ltd.	1975
6.	Western Coalfields Ltd.	1975
7.	Northern Coalfields Ltd.	1985
8.	South Eastern Coalfields Ltd.	1985
9.	Mahanadi Coalfieldls Ltd.	1993

2. The enterprises falling in this group are mainly engaged in producing and selling of coal such as coking coal, non-coking coal and lignite. The Neyveli Lignite Corpn. Ltd. is also involved in generation of power.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	Neyveli Lignite Corpn. Ltd.	2108.11	2201.41
2.	Bharat Coking Coal Ltd.	2879.20	3112.28
3.	Coal India Ltd.	243.80	231.70
4.	Central Coalfields Ltd	3900.73	3910.01
5.	Eastern Coalfields Ltd.	3518.21	3417.68
6.	Western Coalfields Ltd.	5392.97	4382.35
7.	Northern Coalfields Ltd.	4630.84	4546.86
8.	South Eastern Coalfields Ltd.	5268.89	5984.72
9.	Mahanadi Coalfieldls Ltd.	3712.75	3277.11
	Total	**31655.50**	**31064.12**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Neyveli Lignite Corpn. Ltd.	566.78	702.35
2.	Bharat Coking Coal Ltd.	49.58	202.66
3.	Coal India Ltd.	2822.81	1711.66
4.	Central Coalfields Ltd.	649.73	758.37
5.	Eastern Coalfields Ltd.	110.60	363.86
6.	Western Coalfields Ltd.	682.38	990.54
7.	Northern Coalfields Ltd.	1366.49	1300.98
8.	South Eastern Coalfields Ltd.	1236.89	929.01
9.	Mahanadi Coalfieldls Ltd.	1368.45	1256.29
	Total	**8853.71**	**8215.72**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and townships are given below:

Sl. No.	Particulars	Social Overheads & Township	
		2006-07	**2005-06**
1.	No. of employees	457218	467422
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	1055.08	966.60
	b. Medical facilities	133.53	155.05
	c. Others	460.88	684.84
3.	Capital cost of township *(Rupees in crore)*	2569.57	2441.92
4.	No. of houses constructed	316971	232701

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

COAL & LIGNITE
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	2100418	2100418	2100418
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	788600	788600	788600
OTHERS	640539	640539	640539
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	2960186	2487371	2127507
TOTAL (A)+(B)+(C)	**4389325**	**3916510**	**3556646**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	101085	84771	60232
(B) UNSECURED LOANS	683710	752271	839767
TOTAL (A)+(B)	**784795**	**837042**	**899999**
(1.3) DEFERRED TAX LIABILITY	89505	119386	106546
TOTAL (1.1)+(1.2)+(1.3)	**5263625**	**4872938**	**4563191**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	3947662	3819923	3710921
(B) LESS DEPRECIATION	2544967	2405466	2270417
(C) NET BLOCK (A-B)	1402695	1414457	1440504
(D) CAPITAL WORK IN PROGRESS	329282	171169	151241
TOTAL (C)+(D)	**1731977**	**1585626**	**1591745**
(2.2) INVESTMENT	1140689	1542718	1759878
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	360341	325664	280281
(B) SUNDRY DEBTORS	155127	185929	266022
(C) CASH & BANK BALANCES	2015645	1594747	993123
(D) OTHER CURRENT ASSETS	66721	53133	57414
(E) LOAN & ADVANCES	1872376	1479207	1080738
TOTAL (A)+(B)+(C)+(D)+(E)	**4470210**	**3638680**	**2677578**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	2571719	2589528	2250308
(B) PROVISIONS	767450	572619	512154
TOTAL (A+B)	**3339169**	**3162147**	**2762462**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**1131041**	**476533**	**-84884**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	2122	841	613
(2.7) DEFFRED TAX ASSETS	64232	57636	25240
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1193564	1209584	1270599
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**5263625**	**4872938**	**4563191**

COAL & LIGNITE
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	3414353	3460690	3369844
(B) EXCISE DUTY	348803	354278	478859
(C) NET SALES (A-B)	3065550	3106412	2890985
(D) OTHER INCOME / RECEIPTS	702226	520806	428248
(E) ACCRETION / DEPLETION IN STOCKS	27966	45988	27301
(I) TOTAL INCOME (C+D+E)	**3795742**	**3673206**	**3346534**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	0	3212	3402
(B) STORE & SPARES	459066	431648	379743
(C) POWER & FUEL	188693	159635	161643
(D) MANUFACTURING / DIRECT / OPERATING EXP.	214573	228550	120388
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	1084861	1043043	1150725
(F) OTHER EXPENSES	407387	465266	493676
(G) PROVISIONS	12639	5437	24122
(II) TOTAL EXPENDITURE (A TO G)	**2367219**	**2336791**	**2333699**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	1428523	1336415	1012835
(4) DEPRECIATION	180805	169846	185731
(5) DRE. / PREL. EXP. WRITTEN OFF	867	0	0
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1246851	1166569	827104
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	427	1986
(B) ON FOREIGN LOANS	12883	11499	11712
(C) OTHERS	45205	42105	51494
(D) LESS INTEREST CAPITALISED	9208	5685	4769
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	48880	48346	60423
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1197971**	**1118223**	**766681**
(9) TAX PROVISIONS	316178	312151	291733
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	881793	806072	474948
(11) NET EXTRA -ORD. ITEMS	-3578	-15500	-7655
(12) NET PROFIT / LOSS (10-11)	**885371**	**821572**	**482603**
(13) DIVIDEND DECLARED	382814	371155	216930
(14) DIVIDEND TAX	56865	52270	29496
(15) RETAINED PROFIT (12-13-14)	**445692**	**398147**	**236177**

COAL & LIGNITE
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2075559	2241837	2293173
(ii) CAPITAL EMPLOYED	2533736	1890990	1355620
(iii) NET WORTH	3193639	2706085	2285434
(iv) COST OF PRODUCTION	2597771	2554983	2579853
(v) COST OF SALES	2569805	2508995	2552552
(vi) VALUE ADDED	2445757	2557905	2373498
(vii) R & D EXPENDITURE	543	584	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	457218	467422	483394
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	19773	18596	19838
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.18	0.21	0.25
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.74	1.41	1.19
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.12	2.86	2.10
(iv) SUNDRY DEBTORS : SALES (No. of days)	18.47	21.85	33.59
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	42.90	38.27	35.39
(ii) SEMI / FINISHED GOODS : SALES	22.96	20.38	16.92
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	-10.92	2.29	-0.12
		(%)	
(vii) SALES : CAPITAL EMPLOYED	120.99	164.27	213.26
(viii) PBDITEP : CAPITAL EMPLOYED	56.38	70.67	74.71
(ix) PBITEP : CAPITAL EMPLOYED	49.21	61.69	61.01
(x) COST OF SALE : SALES	83.83	80.77	88.29
(xi) MATERIAL COST : SALES	0.00	0.10	0.12
(xii) SALARY & WAGES : SALES	35.39	33.58	39.80
(xiii) R & D EXPENDITURE : SALES	0.02	0.02	0.00
(xiv) PBITEP : SALES	40.67	37.55	28.61
(xv) PBTEP : NET WORTH	37.51	41.32	33.55
(xvi) NET PROFIT : NET WORTH	27.72	30.36	21.12
(xvii) GROSS MARGIN : GROSS BLOCK	36.19	34.99	27.29

Bharat Coking Coal Ltd. (BCCL)

1. Company Profile

BCCL was incorporated on 1.1.1972 under the Companies Act, 1956 with the objective to take over the private coal mines and to produce targeted quantity of coal economically with due regard to safety conservation and consumer satisfaction. BCCL is a schedule-'B' / BIFR referred / taken over CPSE in coal sector under the administrative control of M/o Coal. Its Registered and Corporate offices are at Dhanbad, Jharkhand. BCCL is a 100% subsidiary of Coal India Ltd.

2. Industrial / Business Activities

BCCL is engaged in extraction of coking coal for supply to steel plants and non-coking coal for supply to power houses, fertilizer and cement plants and other sectors, from its 70 coal mines (37 underground, 13 open cast and 20 mixed mines). The area of its operation/mining is spread over 270 Sq. K.M. in Jharia Coalfield (JCF) and 32 Sq. K.M. in Raniganj Coalfield (RCF) in the States of Jharkhand and West Bengal respectively. The company also has 6 coking coal washeries, 2 non-coking coal washeries, 1 captive power plant and 5 bye-product coke plants in Jharkhand. The mines are grouped into 13 areas for administrative convenience.

3. Production / Operational Profile

The performance details of company's products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Raw Coal	MT	24.204 (83.06)	23.311 (80.00)	22.314 (80.01)	23.276 (81.02)
Washed Coal	MT	2.717 (29.76)	3.26 (35.71)	2.686 (29.42)	2.888 (31.63)
Hard Coke	MT	0.025 (41.67)	0.039 (65.00)	0.039 (65.00)	0.034 (57.22)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2879	3112	2541	-7
Cost of Production	3279	3346	3713	-2
Net Profit/ Loss(-)	50	203	-959	-76
Net worth	-4674	-4723	-4926	-1
Paid up capital	2118	2118	2118	0
Share of Holding Co.	2118	2118	2118	0

5. Key Performance Factors

BCCL recorded an increase in raw coal production by 3.84%, overburden removal by 5.22% (88.65% of the target), output per shift by 10.58% (increased to 1.15 tonnes from 1.04 tonnes) and the Wagon loading by 2.24% during 2006-07 over the previous year. However, coal offtake declined by 7.89% and supply of washed and direct feed coal to steel sector declined by 27.92% during this period. The major production of coal is from opencast mines.

The company could not achieve expected profits due to implementation of wage & pay revision despite robust financial position of the company. Athouth the number of employees got reduced from 113738 in 2001 to 83578 in 2007 during last six years, but Salary still constitute more than 50% of total cost of production.

Further the coking coal production also suffered due to exhaustion of reserves, insufficient investment in mining equipment and non-availability of land.

The other constraints affecting the performance include shortage of working capital, power failure, absentism, mechanical breakdown, industrial relations, lag/stowing, rain etc.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.23.41.

6. Human Resource Development (HRD)

The enterprise employed 83578 regular employees (executives 2318 & non-executives 81260) as on 31.3.2007 as against 86146 employees as on

31.3.2006. About 1.71 % of the employees were having professional qualifications Around 43% employees belong to the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 3366 employees retired during the year on superannuation and 1143 skilled and 2256 unskilled employees left the company due to attrition. 23 new skilled and 680 un-skilled employees joined during the year.

During the year, 51 employees retired under VRS. Since the introduction of VRS; a total of 34740 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 12 out of which 5 were Part Time non-official Directors, 3 Full Time Functional Directors and 4 Government / official Directors.

7. Strategic Issues

The company has evolved its own Revival Strategy which envisaged modernization of UG mines, increased investment in Heavy Earth Moving Machine capacity in open cast mines, closure of heavy loss making mines, deploying of hired HEMM in isolated patches, open up a few large open cast mines and optimization of washery operations.

Restructuring Plan

BCCL was registered with BIFR as a sick company in 1995. After capital restructuring in 1997, the company's networth became positive. However, the networth again became negative in 1999-2000 resulting in compulsory reference to BIFR. A modified rehabilitation scheme was submitted to BRPSE during 2005-06 which remitted back the proposal to the M/o Coal for additional information / modification of the proposal, etc. BCCL has appointed a consultant for review and appraisal of projection and the underlying assumptions of revival package. The report of consultant was approved by BCCL board on 21.4.2006 and forwarded to M/o Coal.

Project Implementation

Eight projects with the capital outlay of Rs. 326.46 crore were under implementation during 2006-07. No mining project was sanctioned during the year.

Research & Development (R&D)

A scheme "High Capacity Sand Flushing through bore-holes" at Madhuband Colliery was taken up at an estimated outlay of Rs. 2.76 crore to conduct R&D study with a view to establish High Capacity Hydraulic Sand Flushing Technology which could be utilized for stabilization of unstable mines working.

Environmental initiatives

BCCL has made various efforts to improve the environment which include reclamation work, water sprinkling, pollution control in washeries etc. Environmental Management Plan (EMP) is also being prepared for 7 projects.

Central Coalfields Ltd. (CCL)

1. Company Profile

CCL was incorporated on 1.11.1975 under the Companies Act, 1956 with the objective to manage the nationalised/taken over coal mines of central division of Coal Mines Authority, now Coal India Ltd. It is a Schedule-‘B’ / BIFR referred CPSE in Coal and Lignite sector under the administrative control of M/o Coal. Its Registered and Corporate offices are at Ranchi, Jharkhand. CCL is a 100% subsidiary of Coal India Ltd.

2. Industrial / Business Activities

CCL is engaged in production and sale of coal through its 61 operating mines (25 are underground mines and 36 Open Cast Mines) at Hazaribagh, Ranchi and Bokaro in Jharkhand. The main products are raw coal, washed coal, washed coal powder, slurry, soft coke etc.

3. Production / Operational Profile

The performance details of major products of the company are as follows:

Major Products	Unit	/Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
COAL	LT	413.19	405.13	373.89	397.40
Coking Coal (Washed Coal)	LT	18.25 (37.92)	22.89 (47.59)	26.44 (54.97)	22.53 (46.83)
Non-Coking Coal (Washed Coal)	LT	66.76 (77.27)	65.66 (76)	57.57 (66.63)	63.33 (73.30)
Middling / Slurry	LT	21.22	22.18	23.34	22.25

4. Major Financial Highlights

(Rs. in ctrore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3901	3910	3492	0
Cost of Production	3357	3134	3386	7
Net Profit/ Loss(-)	650	758	280	-14
Dividend declared (as% of PBT)	24	25	0	5
Net worth	1686	1322	896	28
Paid up capital	940	940	940	0
Share of Holding Co.	940	940	940	0

5. Key Performance Factors

The overall performance of the company remained almost the same except coking coal production, which declined by 20.27% during 2006-07 on account of low production in Rajrappa O/C mine and lower yield in all coking coal washeries. The overall yield of Non-Coking coal washeries neverthless increased from 80.9% in 2005-06 to 81.4% during 2006-07. The overall utilization of the washenes increared from 69.2% to 70.01% during of this period.

Power sector was the major consumer of raw coal and the lone consumer for Non-coking washed coal. As on 31.3.2007, the gross debt of power sector to CLL stood at Rs.593 crores (as against Rs.704 crores as on 31.3.2006) followed by steel Rs. 174.38 crore (as against Rs. 210.64 crore on 31.3.2006).

The measures taken by the company for performance improvement include outsourcing of coal extraction and OB removal operations, improvement in supply chain management, productivity enhancement through utilization of HEMM, close and effective monitoring, improved work culture etc.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.691.21 as against Rs. 796.03 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 64,200 regular employees (executives 2,549 & non-executives 61,651) as on 31.3.2007 as against 64,018 employees as on 31.3.2006.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 74 employees retired and 2 availed of VRS during the year. At the same time, 27 new employees joined the company.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 3 were part time Non-official Directors / professionals and 4 each were full time Functional Directors and Government / official Directors.

7. Strategic Issues

The company aims to become a World Class innovative, competitive and profitable Coal Mining company Higher cost of production is the area which needs attention.

Project Implementation

Till 31.3.2007, a total of 81 projects (55 mining and 26 non-mining) each costing Rs.2 crore or more were sanctioned with a total outlay of Rs.4374.78 crore. Nine projects out of these 81 projects were over Rs.100 crore. As many as 54 projects (34 mining & 20 non-mining) of the 81 projects have already been completed at a sanctioned (capital) cost of Rs.1753.27 crore.

Research & Development (R&D)

The company has undertaken several R&D projects in collaboration with M/s CMPDIL, IIT and different Universities.

Major Products	Unit	/Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
COAL	LT	413.19	405.13	373.89	397.40
Coking Coal (Washed Coal)	LT	18.25 (37.92)	22.89 (47.59)	26.44 (54.97)	22.53 (46.83)
Non-Coking Coal (Washed Coal)	LT	66.76 (77.27)	65.66 (76)	57.57 (66.63)	63.33 (73.30)
Middling / Slurry	LT	21.22	22.18	23.34	22.25

4. Major Financial Highlights

(Rs. in ctrore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3901	3910	3492	0
Cost of Production	3357	3134	3386	7
Net Profit/ Loss(-)	650	758	280	-14
Dividend declared (as% of PBT)	24	25	0	5
Net worth	1686	1322	896	28
Paid up capital	940	940	940	0
Share of Holding Co.	940	940	940	0

5. Key Performance Factors

The overall performance of the company remained almost the same except coking coal production, which declined by 20.27% during 2006-07 on account of low production in Rajrappa O/C mine and lower yield in all coking coal washeries. The overall yield of Non-Coking coal washeries neverthless increased from 80.9% in 2005-06 to 81.4% during 2006-07. The overall utilization of the washenes increared from 69.2% to 70.01% during of this period.

Power sector was the major consumer of raw coal and the lone consumer for Non-coking washed coal. As on 31.3.2007, the gross debt of power sector to CLL stood at Rs.593 crores (as against Rs.704 crores as on 31.3.2006) followed by steel Rs. 174.38 crore (as against Rs. 210.64 crore on 31.3.2006).

The measures taken by the company for performance improvement include outsourcing of coal extraction and OB removal operations, improvement in supply chain management, productivity enhancement through utilization of HEMM, close and effective monitoring, improved work culture etc.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.691.21 as against Rs. 796.03 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 64,200 regular employees (executives 2,549 & non-executives 61,651) as on 31.3.2007 as against 64,018 employees as on 31.3.2006.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 74 employees retired and 2 availed of VRS during the year. At the same time, 27 new employees joined the company.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 3 were part time Non-official Directors / professionals and 4 each were full time Functional Directors and Government / official Directors.

7. Strategic Issues

The company aims to become a World Class innovative, competitive and profitable Coal Mining company Higher cost of production is the area which needs attention.

Project Implementation

Till 31.3.2007, a total of 81 projects (55 mining and 26 non-mining) each costing Rs.2 crore or more were sanctioned with a total outlay of Rs.4374.78 crore. Nine projects out of these 81 projects were over Rs.100 crore. As many as 54 projects (34 mining & 20 non-mining) of the 81 projects have already been completed at a sanctioned (capital) cost of Rs.1753.27 crore.

Research & Development (R&D)

The company has undertaken several R&D projects in collaboration with M/s CMPDIL, IIT and different Universities.

Environmental initiatives

The company has been submitting Annual Environments statement for all projects of CCL and JSPCB. In compliance of Environmental Clearance, Periodical Implementation Report, in quantum of dividend paid by the subsidiary companies and the interest received on loans provided to the subsidiary companies.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.444.48, as against Rs. 270.50 in the previous year.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

7. Human Resource Development (HRD)

The enterprise employed 4317 regular employees (410 executives & 3907 non-executives) as on 31.3.2007. Around 28% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 119 employees retired during the year. One unskilled employee left the company on account of attrition. At the same time, 6 new skilled employees joined during the year.

Furthermore 80 employees retired under VRS and an amount of Rs. 3.97 crore was spent in this regard during the year

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 2 were part time Non-official Directors / professionals, 2 Government Directors and 5 full time functional Directors.

8. Strategic Issues

In order to maximize the productivity of mines and improve upon the availability and utilization of equipments, steps such as upgradation of size of Dragline and Shovel for better control (and increased productivity of open cast mines), seeking maintenance and repair of the equipments by the manufacturers under Repair and Maintenance Contract (MARC), mechanization of underground mines through gradual conversion of existing manual loading to mechanized SDL/LHD loading, introducing mass production technology and using highly mechanized Longwall Powered Support(LPS) faces etc. are being taken. The company has a plan to mechanize 3 LPS, 24 Continuous Miner, one Shortwall Technology and 66 SLD/LHD mines during next 5 years.

In order to increase competitiveness measures to control the cost of production through effective cost control systems such as regular monitoring, budgetary control, exploration of non-conventional energy like Coal Bed Methane(CBM), exploration of underground coal gasification, coal liquefaction, surface coal gasification, energy conservation etc. are being taken.

Research & Development (R&D)

The Research & Development (R&D) efforts of Coal India Ltd. are promoted through the R&D Board of CIL, which sanctions R&D projects for funding from internal resources of CIL. The key thrust areas of R&D activities in CIL can be categorized as Production, Productivity and Safety, Coal Beneficiation, Coal Utilization and Environment & Ecology. The R&D Board of CIL assisted by the Apex Committee of R&D Board through its periodic meetings has sanctioned 4 projects during the year 2006-07. At present there are 15 projects which are in different stages of implementation. The R&D expenditure of the company was Rs.8.66 crore during the year 2006-07 which constituted 0.028% of turnover.

Eastern Coalfields Ltd. (ECL)

1. Company Profile

ECL was incorporated as a 100% subsidiary of Coal India Ltd. on 1.11.1975 under the Companies Act, 1956 by conversion of one of the production division of erstwhile Coal Mines Authority i.e. Eastern Division into a company, with the objective of reorganizing the nationalized coal industry as per Coal Mines (Nationalisation) Act, 1973. The current objective is to produce coal efficiently and economically with due consideration to safety, conservation and quality. ECL is a schedule-'B' / BIFR referred PSE in Coal and Lignite sector under the administrative control of M/o Coal. Its Registered and Corporate offices are at Burdwan, West Bengal.

2. Industrial / Business Activities

ECL is engaged in managing all the non-coking mines spread over Raniganj Coalfield, Saharjuri (Chitra) Coalfield and Rajamaahl Group of coal fields for producing coal for the power sector through its 112 operating fields at Burdwan, Bankura and Purulia in West Bengal and Dhanbad, Godda, Deoghar and Pakur in Jharkhand.

3. Production / Operational Profile

The performance with regard to coal productions is as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Coal Production	MT	30.5 (79)	31.1 (89)	27.26 (82)	29.62 (83)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3518	3418	3048	3
Cost of Production	3673	3456	3941	6
Net Profit/ Loss(-)	111	364	-679	-70
Net worth	-2925	-3036	-3400	-4
Paid up capital	2218	2218	2218	0
Share of Holding Co.	2218	2218	2218	0

5. Key Performance Factors

The production of coal decreased by 0.64 MT during 2006-07 as compared to previous year which adversely affected the turnover. Margin also decreased during the period mainly due to increase in salary and wages, value of consumption of stores and spares and expenditure of social welfare and community development etc. The change in the grade mix resulted in increase in price realization.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 50.

6. Human Resource Development (HRD)

The enterprise employed 98,780 regular employees (2,334 executives and 96,446 non-executives) as on 31.3.2007. About 2% of the employees were having professional qualifications Around 40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 3,132 employees retired during the year on superannuation and 1,174 skilled and 1,245 unskilled employees also left on other grounds. At the same time, 4 new skilled employees joined during the year.

As many as 2,043 employees were identified as surplus manpower during the year. 658 employees retired under VRS and an amount of Rs.26.87 crore was spent in this regard. Since the introduction of VRS a total of 30,563 employees have availed of the scheme.

The total number of Directors in the company was 11 as on 31.3.2007 out of which 4 were part time Non-official Directors / professionals, 4 full time Functional Directors and 3 Government/Official Directors.

6. Strategic issues

Restructuring Plan

Based on the recommendations of the BRPSE a revival plan was approved by the Government on 5.10.2006. As advised by the BIFR, the Company submitted a Draft Modified/Revised proposal in line with the Government approval to State Bank of India, the Operating Agency with a copy to BIFR. Besides providing cash and non-cash assistance by the Government(s)/ Coal India Limited, the proposal provides for reduction of manpower from 1,14,582 as on 1.4.2003 to 88,196 as on 1.4.2010 though natural attrition and VRS.

Research & Development (R&D)/Adoption of New Technologies

The R&D work relating to different mines is handled centrally by CMPDI(HQ), another subsidiary of CIL at Ranchi. In order to improve production, latest underground mining technologies have been proposed in different mines of ECL. Efforts are being made to modernize the operation of UG mines by introduction of Intermediate Technology with the deployment of SDL/LHD, Universal Drilling Machine (UDM) and Pony Belt conveyor.

Environmental initiatives

As per the MOEF guidelines, Environment Impact Assessment/Environment Mitigation Plan for all the Projects are taken on regular basis. Measures have been taken for conservation of energy as a result of which both cost of energy as well as specific consumption were reduced.

Mahanadi Coalfields Ltd. (MCL)

1. Company Profile

MCL was incorporated on 3.4.1992 as a wholly owned subsidiary of Coal India Limited(CIL) under the Companies Act, 1956 with the objective to acquire and take over any of the business activities carried on by the CIL and/or by its subsidiaries with all the associate assets, liabilities obligations and current contracts specially in the Orissa region from South Eastern Coalfields Ltd. and to carry on in India or elsewhere the trade or business of coal mining including the management of coal mines either independently or for and on behalf of or under the direction of CIL, the Central Government or any State Government (as custodian, receiver or in any similar capacity).

MCL is a Schedule-'B' PSE in Coal and Lignite sector under the administrative control of M/o Coal having its Registered and Corporate offices at Sambhalpur, Orissa.

2. Industrial / Business Activities

MCL is engaged in mining/production and marketing of coal through its 10 operating areas consisting of 22 Mining projects and 2 Central Workshop at Angul, Jharsuguda and Sundargarh districts of Orissa. It has two Liaison Offices at Kolkata and Bhubneswar. The company is having coal reserves spread over two coalfields viz. Talcher and Ib Valley.

3. Production / Operational Profile

The company is engaged in the mining and production of coal. MCL attained the highest ever production of Coal showing a growth of 15% from the previous year. The performance details regarding production of coal are given as under:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Coal	L.MT	800.01	696.05	660.80	718.95

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3713	3277	2898	13
Cost of Production	2271	1953	1888	16
Net Profit/ Loss(-)	1368	1256	927	9
Dividend declared (as% of PBT)	26	28	27	-7
Net worth	4223	3484	2805	21
Paid up capital	186	186	186	0
Share of Holding co.	186	186	186	0

5. Key Performance Factors

MCL recorded all round performance during 2006-07 compared to previous year. While the production of coal increased by 14.94%, the profit increased by 8.93%.

The company was accorded the status of Miniratna Category-I on 15th March 2007. Its Board declared an interim dividend for Rs.250 crores on 12.12.2006. The company has created a unique record of paying dividend for ten years in a row.

Earning Per Share during 2006-07 was Rs. 7341.44 as compared to Rs. 6739.74 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 20591 regular employees (executives 1215 & non-executives 19376) as on 31.3.2007. Around 30.24% employees belong to the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 354 employees retired during the year.

However, 31 skilled and 431 unskilled new employees joined the company.

As many as 132 employees retired under VRS and an amount of Rs. 5.20 crore was spent in this regard during the year.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which one was Government/official Director.

7. Strategic Issues

MOU has been signed with S.E. Railway for construction of a railway line from Dhutura in Jharsuguda to Sardega in Gopalpur of Sundargarh district of Orissa with a distance of 53.50 km at an investment over Rs. 400 crores, (with entire funding by MCL). The line will be operational by 2010. The land acquisition by S.E. Rly. has been proceeding at a fast pace.

Althonth planned for the transportation of coal from the hinterland of Gopalpur – Monharpur coal blocks of Basundhara-Garjanbahal area of Sundargarh districts, the rail link will be a boost to the economic development this area.

Research & Development (R&D)

The company has taken various R & D initiatives, for further improving the productvity per worker.

Environmental initiatives

Adequate measures are taken for protection of environment and the pollution control which include preparation of complete EIA-EMP through competent organization (CMPDIL) and implementation of the same in each mine; adequate waste-water treatment facilities including sedimentation ponds for mine drainage water and sewage treatment plants; massive plantation; integrated water supply, new surface miner technology initiative for reduction of dust generation etc.

Land reclaimation work is done regularly in the mined out areas of every project and about 1872 Ha of land has been reclaimed out of the total excavated area of 2678 Ha till 31st March, 2006. Out of the reclaimed land, 1105 Ha has been biologically reclaimed.

Regular plantation work is done by the company in and around its projects and about 37.52 lakhs trees have been planted since 92-93.

Neccessary environmental monitoring is done in field projects through CMPDIL laboratory, recognized by CPCB and owned by an ISO-9001-2000 company.

Neyveli Lignite Corpn. Ltd. (NLC)

1. Company Profile

NLC was incorporated on 14th November, 1956 under the Companies Act, 1956 with the objective to meet the electricity demand of southern states of India by excavating Lignite for thermal power generation. The vision of the company is to emerge as an environment friendly and socially responsible leading mining and power company and to strive for operational excellence in mining and exploration of lignite and power generation. NLC is a schedule-'A' Mini-ratna PSE in Coal and Lignite sector under the administrative control of M/o Coal with 93.56% shareholding by the Government of India. Its Registered office is at Chennai, Tamilnadu and Corporate office at Neyveli, Tamilnadu.

2. Industrial / Business Activities

NLC is engaged in exploration and mining of Lignite and generation / sale of power through its three mines and three thermal power stations at Neyveli, Cuddalore district of Tamilnadu. The company has entered into a 50:50 % Joint Venture agreement with Tamil Nadu Electricity Board viz. NLC Tamil Nadu Power Ltd. for setting up of 1000 MW coal based power project at Tuticorin.

3. Production / Operational Profile

The product range of the company comprises Lignite and Power. The performance details are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Lignite	**MT**	21.01 (87.54)	20.43 (85.13)	21.57 (89.88)	21.00 (87.52)
Power	**MU**	15787 (72.38)	16242 (74.46)	16746 (76.77)	16258 (74.54)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2108	2201	3002	-4
Cost of Production	1874	1838	1903	2
Net Profit/ Loss(-)	567	702	1215	-19
Dividend declared (as% of PBT)	23	39	19	-41
Net worth	8309	7990	7673	4
Paid up capital	1678	1678	1678	0
Share of Central Govt.	1570	1570	1570	0

5. Key Performance Factors

The reduction in turnover and profitability is attributed to adjustment in sales value amounting to Rs.502.15 crores for the years from 2001-02 to 2005-06, as per CERCs orders on lignite transfer price and power tariff received during the year 2006-07 and reduction in power generation in TPS-II following restricted supply of lignite from Mine-II.

Lignite production was lower mainly due to non-availability of land (from state Govt. due to delay in land acquisition) for mining during major part of the year 2006-07.

The Earning Per Share of the company during 2006-07 was Rs. 3.88 as against Rs. 4.27 in the previous year.

The share price of company varied between Rs.46.05 to Rs. 100.25 during the year 2006-07 as compared to Rs.65.10 to Rs. 89.90 in 2005-06. The average share price during the year was Rs.73.15.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise had 19115 regular employees (executive 4151 & non-executive 14964) as on 31.3.2007. About 15.08% of the employees were having professional qualifications. Around 25.67% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. During the year, 6 skilled and 2 unskilled employees left the company and 414 new skilled employees joined.

As many as 92 employees retired under VRS and an amount of Rs.7.03 crore was spent for this purpose. Since the introduction of VRS, a total of 3150 employees have availed of the scheme during the year.

The total number of Directors in the company, as on 31.3.2007 was 9, out of which one was part time Non-official Director / professional.

7. Strategic Issues

Project Implementation

The on going projects of the company are Mine II Expansion linked to TPS II Expansion Project, Thermal Power Station II Expansion project linked to Mine II, Barsingsar Mine Project in the Bikaner Dist rict (Rajasthan) and Barsingsar Thermal Power project linked to Barsingsar mine project.

The company has proposal to undertake 7 new projects namely Coal based Thermal Power Plant at Tuticorin in Joint venture with Tamil Nadu Electricity Board, Lignite cum power project at Jayamkondam in Tamil Nadu, Barsingsar Thermal Power Project Extension at Bithnok and Halda in Rajasthan, Power Plant with linked Lignite Mine at Riri in Rajasthan, Coal based Thermal Power Plant at Orissa, Gujarat Power Project with linked Lignite Mine project in the State of Gujarat (in joint venture with Gujarat Power Corporation Limited) and Mine III & Thermal Power Station III.

Research & Development (R&D)

With a view to improve production / design and production process the company has taken initiative for exploring alternative mining technology for Mine III so as to bring down the lignite excavation cost. The other R&D projects initiated by the company are development of Integrated Farming System in the mine spoils area for its reclamation, development of high performance highways using fly ash composites, development of a process for the production of activated carbon from Neyveli lignite and long term studies on utilization, popularization studies of fly ash in agriculture. The R&D expenditure of the company constituted 0.26 % of turnover.

Environmental initiatives

A modern automatic dust suppression system has been commissioned in Thermal stations. Installation of modern Dry Ash Collection System is also in progress in Thermal Power Stations.

The Coal ST project Development process for the production of activated carbon from Neyveli lignite was completed. The activated carbon produced in the pilot plant is found to have good adsorption capacity development and use of fly ash based pesticides.

Northern Coalfields Ltd. (NCL)

1. Company Profile

NCL was incorporated on 28.11.1985 under the Companies Act, 1956 with the objective to acquire and takeover any business activities carried out by Coal India Limited and to carry on the trade of coal mining business. NCL is a schedule-'B' Mini-ratna PSE in Coal and Lignite sector under the administrative control of M/o Coal. Its Registered and Corporate offices are at Sidhi (Singrauli), Madhya Pradesh. NCL is a 100% subsidiary of Coal India Ltd.

2. Industrial / Business Activities

NCL is engaged in Coal extraction from its 8 operating mining projects at Jhingurda, Jayant, Amlohri, Nigahi in Madhya Pradesh and Bina, Kakri, Dudhichua and Khadia in Uttar Pradesh.

3. Production / Operational Profile

The production performance of the company is as follows:

Major Products	Unit	Production during (% achievement against target)			Average of three years
		2006-07	2005-06	2004-05	
Coal	Million Tonnes	52.158 (100.30)	51.518	49.950	51.209
Overburden removal	Million cu. m.	139.598 (93.07)	133.864	NA	NA
Composite production	Million cu. m.	173.173 (94.39)	167.019	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4631	4547	4357	2
Cost of Production	3018	2792	2623	8
Net Profit/ Loss(-)	1366	1301	1149	5
Dividend declared (as% of PBT)	25	25	24	3
Net worth	5560	4725	4018	18
Paid up capital	178	178	178	0
Share of Holding Co.	178	178	178	0

5. Key Performance Factors

NCL achieved coal production and the overburden removal with the growth rates of 1.24% and 4.28% respectively during 2006-07 as compared to previous year. The turnover and profit after tax were also higher by 1.85% and 5.03% respectively due to increase in production and various cost control measures taken by the company.

Output per Man Shift (OMS) increased to 10.97 tonnes as compared to the previous year's achievement of 10.62 tonnes. The overall capacity utilization was 86.24% as compared to 86.85% in the previous year.

The crisis of bulk explosive in the company during last quarter of the year as also its short supply rendered the HEMM idle at almost all projects which resulted not only in loss of production but affected the OMS and capacity utilization.

Under the Coal Sector Rehabilitation Project(CSRP) the company received a loan of

US$ 142.165 million from International Bank for Reconstruction and Development (IBRD) i.e. World Bank and Yen equivalent to US$ 142.165 million from Japan Bank for International Cooperation(JBIC) for financing the CSRP.

The company incurred a capital expenditure of Rs. 352.31 crore against the budget of Rs. 300.00 crore mainly for acquisition/addition of HEMM, other plant and machinery and on buildings etc.

Earning Per Share was Rs.7691.02 as compared to Rs.7322.35 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 16,914 regular employees (1,382 executives and 15,532 non-executives) as on 31.3.2007. About 6% of the employees were having professional qualifications. Around 25% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 267 employees retired during the year under superannuation.

Since the introduction of VRS a total of 9 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 5 were full time Functional Directors, 4 Government/Official Directors and one Pt. Time Non-Official Director.

7. Strategic Issues

NCL has been conferred Mini Ratna Category-1 status in March, 2007. However, the enhanced autonomy and powers delegated to a Mini Ratna Category-1 Companies by the Government will be exercised only on appointment of requisite number of independent Directors which is awaited.

The estimated coal production of the company during the terminal year of XI plan i.e. 2011-12 will be 70 million tones. To achieve the above production level, seven new open-cast projects (OCP) have been identified in NCL command area namely Krishnashil OCP (4 mtpa) , Bina-extension OCP (4.5 to 6 mtpa), Block ‘B’ OCP (3.50 mtpa), Khadia-extension OCP (4 to 10 mtpa), Amlori-Extension OCP (4 to 10 mtpa), Nigahi Expansion OCP (10 to 15 mtpa) and Moher OCP (10 mtpa).

At present four mining projects and two non-mining projects costing Rs.5 crores and above are under implementation.

Environmental initiatives

NCL is committed to the Environmental Conservation and Pollution Control. Environmental Management System (EMS) has been implemented in all eight operating opencast mines of NCL. The company has framed its own Environmental Policy and developed Effective Management Programme to minimize the impact on environment due to mining operations. Programme has also been adopted to train all employees with respect to Environmental Awareness and Mitigation Measures

South Eastern Coalfields Ltd. (SECL)

1. Company Profile

SECL was incorporated in the year, 1985 under the Companies Act, 1956 with the objective to acquire and take over business of the Bilaspur division of Western Coalfields and Talchar area of Central Coalfields Ltd. (Talchar area was taken out in 1992 from Mahanadi Coalfields Ltd.) to produce and market the planned quantity of coal and coal products efficiently and economically. SECL is a schedule-'B' CPSE in Coal and Lignite sector under the administrative control of M/o Coal with its Registered and Corporate offices at Bilaspur, Chhattisgarh. SECL is a 100% subsidiary of Coal India Ltd.

2. Industrial / Business Activities

SECL is engaged in production and selling of coal through its 16 operating areas at Korba, Raigarh, Korea and Surguja in Chhattisgarh and Sahhdol districls in Madhya Pradesh and a Liaison Office at Delhi.

3. Production / Operational Profile

The performance details of major product are as follows:

Major Products	Unit	Production during (% capacity utilization) 2006-07	2005-06	2004-05	Average of three years
Coal	Million Tonne	88.502 (117)	83.024 (114)	78.550 (112)	83.359 (114)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	5269	5985	5539	-12
Cost of Production	4218	5274	4372	-20
Net Profit/ Loss(-)	1237	929	1059	33
Dividend declared (as% of PBT)	28	30	27	-5
Net worth	4080	3441	2947	19
Paid up capital	360	360	360	0
Share of Holding Co.	360	360	360	0

5. Key Performance Factors

The turnover of the company increased by 5.66% and profit by 29.15% during 2006-07 as compared to the previous year. About two third of the total sale were made to Government Departments/ organizations. The increase in profitability is attributed to increase in turnover, higher price and other income.

Although the performance of the company improved over the years, the company could not translate these achievements into additional profit due to additional liability incurred towards wage revision under NCWA-VII.

Earning Per Share of SECL was Rs. 3438.68 as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 84368 regular employees (executives 2718 and non-executives 81650) as on 31.3.2007 as against 85871 employees as on 31.3.2006. About 23% of the employees belong to the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 1339 employees retired and 78 new employees joined the company during the year.

In addition, 3 employees retired under VRS. Since the introduction of VRS a total of 4304 employees have availed of the scheme.

There were total 8 Directors on the Board of Directors of the company, out of which 5 were full time Functional Directors and 3 Government/ official Directors.

7. Strategic Issues

Invironmental initietives

Company has introduced modern eco-friendly technology for production of coal from opencast mines.

Western Coalfields Ltd. (W.C.L.)

1. Company Profile

WCL was incorporated on 29.10.1975 under the Companies Act, 1956 and came into being from 1.11.1975 after re-organization of Nationalised Coal Industry with an objective to produce coal efficiently and economically with due regard to safety conservation the quality. Keeping in view the tremendous growth of the company it was bifurcated into South Eastern Coalfields Limited and WCL w.e.f. 1.1.1986.

WCL is a Schedule - 'B' PSE in Coal and Lignite sector under the administrative control of M/o Coal having its Registered and Corporate offices at Nagpur, Maharashtra. WCL is a 100% subsidiary of Coal India Ltd.

2. Industrial /Business Activities

WCL is engaged in extraction of coal from 84 open cast and underground mines spreading in Nagpur, Chandrapur and Yeotmal districts of Maharashtra and Betul and Chhindwara districts of Madhya Pradesh. Out of 84 mines 36 are open cast, 42 are underground and 6 are mixed one. In addition, the company is involved in washing of raw coal The company has 10 field areas and 2

31.3.2006. About 23% of the employees belong to the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 1339 employees retired and 78 new employees joined the company during the year.

In addition, 3 employees retired under VRS. Since the introduction of VRS a total of 4304 employees have availed of the scheme.

There were total 8 Directors on the Board of Directors of the company, out of which 5 were full time Functional Directors and 3 Government/official Directors.

7. Strategic Issues

Invironmental initietives

Company has introduced modern eco-friendly technology for production of coal from opencast mines.

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3. Production / Operational Profile

The performance details of the company in terms of production of coal and dispatch thereof is as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Coal	MT	43.212 (105)	43.204 (103)	41.410 (109)	42.61 (105.67)
Coal despatch	MT	42.12	41.69	40.31	41.37

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4393	4382	3941	0
Cost of Production	3748	3293	3475	14
Net Profit/ Loss(-)	682	991	510	-31
Dividend declared (as% of PBT)	26	28	33	-5
Net worth	3020	2515	1964	20
Paid up capital	297	297	297	0
Share of Holding Co.	297	297	297	0

5. Key Performance Factors

The company achieved highest ever coal production and overall productivity during the year.

Out of total dispatch, 81.10% went to State Power Sector, 4.30% to cement sector and 14.50% to others.

Earning Per Share of WCL was Rs. 2296.79 during 2006-07 as compared to Rs.3334.02 in the previous year.

Daily monitoring of different elements of cost, increase in production and productivity and inprovoment in capacity utilization resulted in cost reduction.

at Saoner Mine No. III, Nagpur Area, WCL.

Benefits derived as a result of the R&D efforts were to utilize, by converting the Kinetic energy of mine exhaust air, which is wasted otherwise, into electrical energy.

Since this being a pilot project, further plans to use it in underground mines could be assessed after successful completion of the activity at Saoner Mine No. III, Nagpur Area, WCL.

Environmental initiatives

Environmental clearance for about 27 mines has been obtained from Ministry of Environment and Forest during the year 2006-07, which is the highest in a year so far in WCL as well as in Coal India Limited. All the EMPs approved by MOEF are under implementation.

The environmental statement was prepared for all working projects and was submitted to State Pollution Control Boards in the month of September, 2006. Recommendations given in the report are being implemented.

Environment Week was observed during June 1 -7, 2006. The World Environment Day was observed on 5th June, 2006. WCL received **Green Tech Environment Excellence Award 2006 (Silver)** from Green Tech Foundation, New Delhi

In the year 2006-07, around 1,59,000 tree saplings have been planted through State Forest Corporation for restoration of the flora on OB dumps and backfilled areas of opencast mines and in plains in underground mines creating thereby additional green cover of 63.6 hectare.

Dust Suppression measures at 4 sites have been also completed during 2006-07.

14 CRUDE OIL

As on 31.3.2007, there were 3 Central public sector enterprises in the Crude Oil group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Oil & Natural Gas Corporation Ltd.	1956
2.	ONGC Videsh Ltd.	1965
3.	Oil India Ltd.	1981

2. The enterprises falling in this group are mainly engaged in extration and exploration of crude oil.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	Oil & Natural Gas Corpn. Ltd.	56641.42	47966.44
2.	ONGC Videsh Ltd.	2863.49	1194.59
3.	Oil India Ltd.	5389.21	5550.19
	Total	**8252.70**	**6744.78**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	Net Profit/Loss 2005-06
1.	Oil & Natural Gas Corpn. Ltd.	15642.92	14430.78
2.	ONGC Videsh Ltd.	1052.56	649.45
3.	Oil India Ltd.	1639.98	1689.93
	Total	**18335.46**	**16770.16**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	Social Overheads & Township 2005-06
1.	No. of employees	42421	44236
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	77.21	65.82
	b. Medical facilities	186.76	131.78
	c. Others	31.12	27.46
3.	Capital cost of township *(Rupees in crore)*	0.00	109.53
4.	No. of houses constructed	6887	16271

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

CRUDE OIL

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	1650000	1575000	1575000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	179574	126737	126737
OTHERS	155715	67256	67256
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	6907087	5953074	5040651
TOTAL (A)+(B)+(C)	**7242376**	**6147067**	**5234644**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	70901	15944	9500
(B) UNSECURED LOANS	1371349	1592101	1370642
TOTAL (A)+(B)	**1442250**	**1608045**	**1380142**
(1.3) DEFERRED TAX LIABILITY	2273169	2011122	1453465
TOTAL (1.1)+(1.2)+(1.3)	**10957795**	**9766234**	**8068251**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	12949273	11354386	9810109
(B) LESS DEPRECIATION	8033700	7246715	6586690
(C) NET BLOCK (A-B)	4915573	4107671	3223419
(D) CAPITAL WORK IN PROGRESS	1080494	1150109	1122003
TOTAL (C)+(D)	**5996067**	**5257780**	**4345422**
(2.2) INVESTMENT	2582443	2532540	2025329
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	363555	350255	286492
(B) SUNDRY DEBTORS	370896	442107	490853
(C) CASH & BANK BALANCES	2296319	1207858	1170405
(D) OTHER CURRENT ASSETS	88526	52641	47087
(E) LOAN & ADVANCES	742969	1134995	726931
TOTAL (A)+(B)+(C)+(D)+(E)	**3862265**	**3187856**	**2721768**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1021444	816387	637954
(B) PROVISIONS	512942	432190	442426
TOTAL (A+B)	**1534386**	**1248577**	**1080380**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**2327879**	**1939279**	**1641388**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	51406	36635	56112
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	0
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**10957795**	**9766234**	**8068251**

CRUDE OIL

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	6516501	5498917	5168313
(B) EXCISE DUTY	27089	27799	34920
(C) NET SALES (A-B)	6489412	5471118	5133393
(D) OTHER INCOME / RECEIPTS	512601	371323	268439
(E) ACCRETION / DEPLETION IN STOCKS	1772	22439	3644
(I) TOTAL INCOME (C+D+E)	**7003785**	**5864880**	**5405476**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	594011	343380	510132
(B) STORE & SPARES	57975	52866	38597
(C) POWER & FUEL	24556	16765	19445
(D) MANUFACTURING / DIRECT / OPERATING EXP.	1869579	1658653	1499847
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	275346	159948	152630
(F) OTHER EXPENSES	264377	191991	298255
(G) PROVISIONS	59019	48904	27569
(II) TOTAL EXPENDITURE (A TO G)	**3144863**	**2472507**	**2546475**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	3858922	3392373	2859001
(4) DEPRECIATION	613118	881489	649418
(5) DRE. / PREL. EXP. WRITTEN OFF	464802	0	999
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	2781002	2510884	2208584
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	147	247	349
(B) ON FOREIGN LOANS	163	223	293
(C) OTHERS	6466	4218	3643
(D) LESS INTEREST CAPITALISED	-23	0	-1603
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	6799	4688	5888
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**2774203**	**2506196**	**2202696**
(9) TAX PROVISIONS	925789	859590	755160
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	1848414	1646606	1447536
(11) NET EXTRA -ORD. ITEMS	14868	-30410	2765
(12) NET PROFIT / LOSS (10-11)	**1833546**	**1677016**	**1444771**
(13) DIVIDEND DECLARED	718691	698381	615115
(14) DIVIDEND TAX	109532	97948	83829
(15) RETAINED PROFIT (12-13-14)	**1005323**	**880687**	**745827**

CRUDE OIL
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	1736571	1791688	1393604
(ii)	CAPITAL EMPLOYED	7243452	6046950	4864807
(iii)	NET WORTH	7190970	6110432	5178532
(iv)	COST OF PRODUCTION	4229582	3358684	3202780
(v)	COST OF SALES	4227810	3336245	3199136
(vi)	VALUE ADDED	5814642	5080546	4568863
(vii)	R & D EXPENDITURE	9762	109592	11695
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	42421	44236	44960
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	54090	30132	28290
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	0.20	0.26	0.26
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	3.78	3.90	4.27
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	90.97	76.69	63.59
(iv)	SUNDRY DEBTORS : SALES (No. of days)	20.86	29.49	34.90
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	20.45	23.37	20.37
	(ii) SEMI / FINISHED GOODS : SALES	2.53	2.90	1.49
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	1.20	3.32	0.01
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	89.59	90.48	105.52
(viii)	PBDITEP : CAPITAL EMPLOYED	53.27	56.10	58.77
(ix)	PBITEP : CAPITAL EMPLOYED	38.39	41.52	45.40
(x)	COST OF SALE : SALES	65.15	60.98	62.32
(xi)	MATERIAL COST : SALES	9.15	6.28	9.94
(xii)	SALARY & WAGES : SALES	4.24	2.92	2.97
(xiii)	R & D EXPENDITURE : SALES	0.15	2.00	0.23
(xiv)	PBITEP : SALES	42.85	45.89	43.02
(xv)	PBTEP : NET WORTH	38.58	41.02	42.54
(xvi)	NET PROFIT : NET WORTH	25.50	27.45	27.90
(xvii)	GROSS MARGIN : GROSS BLOCK	29.80	29.88	29.14

Oil and Natural Gas Corporation Ltd. (ONGC)

1. Company Profile

Oil and Natural Gas Corporation Limited (ONGC), was incorporated on 23.6.1993 under the Companies Act, 1956 after transforming a statutory commission namely Oil and Natural Gas Commission into a Public Company through an Act of Parliament so as to take over its business w.e.f.1.2.94. Main objective of ONGC is to become a world class oil and gas company integrated in energy business with dominant leadership and global presence. ONGC is a schedule-'A'/ Navratna CPSE in Mining(Crude Oil) sector under the administrative control of M/o Petroleum and Natural Gas with 74.14% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at Dehradun, Uttranchal. It has 6 Regional Offices at Mumbai, Vadodara, Nazira (Assam), Kolkata, Chennai and Dehradun.

2. Industrial / Business activities

ONGC is India's premier upstream petroleum company engaged in exploration and production of hydrocarbons to fulfill energy needs and to ensure long-term sustainable energy security of the nation. ONGC produces value added products at its plants at Hazira, Uran and Ankleshwar and Mini refinery at Tatipaka. It has 2 Indian subsidiaries namely ONGC Videsh Ltd. and Mangalore Refinery and Petrochemicals Ltd. and three foreign subsidiaries namely ONGC Nile Ganga BV, Netherland, ONGC Narmada Ltd., Nigeria and ONGC Bonny Brahmputra Ltd., Nigeria. The company is a partner in seven incorporated joint ventures (JV) namely Petronet LNG Ltd., Petronet MHB Ltd., ONGC Tripura Power Company Pvt. Ltd., Pawan Hans Helicopers Ltd, Dahej SEZ Ltd. (DSL), Mangalore SEZ Ltd. (M-SEZ) and ONGC Mittal Energy Services Ltd. (OMESEL) with a shareholding of 12.5%, 23%, 15%, 21.5%, 23%, 23% and 50% respectively excluding unincorporated JVs on production sharing contracts.

3. Production / Operational Profile

The product range of the company in terms of exploration and production comprises two main segments Offshore and Onshore and 8 products. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during (%Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Crude Oil	MMT	27.89	26.19	28.13	27.40
Natural Gas	BCM	24.90	24.97	25.23	25.30
Value Added Products	MMT	3.238 (91)	3.364 (94.5)	3.419 (96)	3.340 (93.83)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	56641	47966	46364	18
Cost of Production	36871	29134	28469	27
Net Profit/ Loss(-)	15643	14431	12983	8
Dividend declared (as% of PBT)	28	30	29	-8
Net worth	61410	53593	46314	15
Paid up capital	2139	1426	1426	50
Share of Central Govt.	1586	1057	1057	50

5. Key Performance Factors

ONGC reported ever highest turnover and net profit during 2006-07. It also declared ever highest dividend of 310% on expanded capital after bonus issue of 1:2, despite paying highest ever subsidy of Rs.17024 crore (up 42.4%).

The increase in turnover is attributed to prevailing high price of crude oil in the international market. However, there was decrease in margins due to discount on international crude oil prices on account of under recoveries by the Oil Marketing Companies (OMCs). Further, there was increase in competition due to opening up of the Oil & Gas sector to domestic and international Oil companies.

The main performance highlights of different segments of the company during 2006-07 are as follows:

Exploration:

ONGC acquired 60632 GLK/LK of 2D, 56342 sq km of 3D seismic data and drilled 35 wells including three riser less pilot wells in the blocks awarded under first five rounds of NELP.

The exploratory efforts made resulted in 9 new hydrocarbon findings viz. 5 in Onland (Deloli, Mahelaj & Wadsar in Western Onshore Basin, Adichapuram in Kaveri Basin & Kalyanpur in Assam Shelf), 1 in Offshore Shallow Water (SB-14 in Mumbai Offshore) and 3 in Deepwater Offshore (KG-DWN98/S-1 & KG-DWN98/2UD1 in KG Deepwater & MDW-2 in Mahanadi Deepwater) and discoveries of 13 New pools / prospects.

Production:

Discoveries of Oil and Gas : ONGC made 22 discoveries out of which 9 were new hydrocarbon findings (5 in onland; 3 in deepwater including one of ultra deepwater; and one in shallow water) and 13 new pools. The initiative taken for shallow gas exploration started giving dividend. In Cambay basin, Olpad field gave fruitful results and confirmed shallow gas bearing reservoirs at a shallow depth.

Coal Bed Methane (CBM): Efforts to expedite exploration and exploitation of CBM are given special focus in the right earnest. Based on the analysis of data, an area of 6 sq km in Parbatpur block in Jharia has been identified for early development of CBM production.

Underground Coal Gasification: The Underground Coal Gasification project is being carried out with the consultancy of the Russian Institute, Skochinsky Institute of Mining (SIM-NMRC). New sites are being looked into and data generated through drilling of boreholes on jointly identified new sites by NLC and ONGC at Tadkeshwar in Gujarat, Hodu-Sindhari and Kurla in Rajasthan; and by GMDC & ONGC at Surkha in Bhavnagar, Gujarat. The data is currently under evaluation at SIM, Russia for studying their suitability to UCG.

Gas Hydrate: ONGC has been working in the field of gas hydrate exploration since 1997. It is an upcoming technology and is purely in R&D stage. Presently, all gas hydrate activity is coordinated by National Gas Hydrate Programme (NGHP) of Ministry of Petroleum & Natural Gas. DG, Directorate General of Hydrocarbons is the technical coordinator of NGHP.

ONGC led the list of Indian Corporates in the Forbes Global 2000 list of biggest corporations in the world and advanced to overall ranking of 239th position on Sales, Profits, Assets and Market evaluations (March, 2007). ONGC has been ranked at 158th position in Financial Times Global 500, among the world's largest companies & leads the list of Indian Corporates (June, 2006).

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 73.14.

The share prices of the company varied between Rs.726.50 to Rs.936.60 during the year 2006-07 as compared to Rs.811 to Rs.1325 in 2005-06. The average share price during the year was Rs. 831.65

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 33773 regular employees (executives 22643 and non-executives 11130) as on 31.3.2007 as against 34722 employees as on 31.3.2006. About 39.78% of the employees were having professional qualifications. Around 29% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 565 employees retired during the year under superannuation and 372 skilled employees left on other grounds. However, 70 new skilled employees joined during the year.

During the year, 97 employees availed of VRS and an amount of Rs. 12.88 crore was spent in this regard from internal resources. Since the introduction of VRS, a total of 6459 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 14 out of which 6 each were part time Non-official Directors / professionals and full time Functional Directors and 2 Government / official Directors.

Besides organizing training programmes in exploration/ production/ technical and management field, external faculties are also drawn from reputed institutes for these programmes. 44 institutes are empanelled for techno-scientific subjects and 39 institutes for Management Development programs. For training & development of non executive cadre ONGC has five regional training Institutes at Sivasagar, Assam, Vadodara, Chennai and Mumbai.

7. Strategic Issues

Exploration & Production of hydrocarbon continue to remain ONGC's primary and core activities. With a view to protect from the inherent business risk of E&P activities and due to dismantling of APM regime, ONGC has encashed many opportunities with proactive approach and timely action.

ONGC has synergized itself with downstream activities through acquisition of MRPL and promoting JVs of petrochemicals, LNG and power projects. Therefore, ONGC Group now has presence along the entire hydrocarbon value chain. Besides focusing on core business, ONGC is also looking for promoting an applied R&D in alternate energy.

Restructuring Plan

To consolidate ONGC as a global business entity and to achieve its long term goal to become an integrated global energy corporate, the organization was restructured in 2001. The restructuring included redistribution of portfolios among the Directors and strengthening of Board, reorganizing the regional business centers into separate business units comprising of Assets / Basins / Institutes / Services and Corporate functions. Other features of restructuring included delegation of greater authority to key executives, re-defining of reporting channel, streamlining procedures and rationalization of HRD policies, upgradation and modernization of technology including IT, focus on Health Safety and Environment (HSE), benchmarking of maintenance and material management processes.

Project Implementation

ONGC has successfully implemented projects worth Rs.27,100 crore in the last four years. The ONGC group has more than tripled its turnover from US$ 5 billion to US$18.5 billion in the last 5 years(2001-2006) and has definite plans to grow at 20-30% CAGR to achieve its new vision-to be an integrated energy multinational PSU.

Besides thrust on exploration and production of oil and gas, ONGC has firmed up its plans for value proposition and optimization for sustained growth. Some of these projects are :

Petrochemicals : ONGC has planned for conversion of Naptha to petrochemicals from its plants at Hazira , Uran and MRPL on value added products. Further it has firmed up two state-of-the-art petrochemical complexes - one at Dahej (Gujarat) and other at Mangalore (Karnataka). Dahej Complex will have C2-C3 extraction plant and an integral Petrochemical Complex. Mangalore Complex envisages Aromatic and Olefins projects.

Refineries : ONGC has initiated necessary action for de-bottlenecking and upgrading the 9.69 MMTPA refinery of MRPL to 15 MMTPA capacities. In addition, ONGC has a plan for establishing a green field refinery of 15 MMTPA at Mangalore SEZ to process heavy and sour crude. Techno-commercial feasibility of proposed Rajasthan Refinery and Kakinada Refineries are also under optimization studies.

LNG : Keeping in view the emerging opportunities in gas business, due to burgeoning gas demand in the country, ONGC is aggressively pursuing LNG opportunities.

Power : ONGC is developing 740 MW power plant at Palatana in Tripura primarily to monetize idle gas. The foundation stone of the power plant was laid by the Hon'ble Prime Minister of India on 29th October, 2005. The project is scheduled to be completed by early 2011. ONGC is also taking initiative to develop non-conventional energy sources and has planned to set up two Wind Power Projects of 50 MW each at Gujarat and Karnataka with approximate investment of Rs.5000 Million.

SEZ Projects : ONGC is the anchor co-promoter for developing Special Economic Zones at Dahej and Mangalore for tailor-made infrastructure development for ONGC's anchor industries planned at these locations.

Research & Development (R&D)

ONGC is a technology focused and knowledge based organization. It has a well-established infrastructure for R&D. Ten institutes located throughout India are engaged in R&D work covering varied areas of E&P activities such as Exploration, Reservoir Management, Drilling, Production Technology and Offshore Technology and also for Management Development. These institutes provide essential support to keep pace with the latest developments in technology world over, through procurement of state-of the-art technology, forming strategic alliances with world leaders, signing of MoUs with other R&D institutes within India and abroad.

ONGC is taking giant leaps to leverage IT for various business solutions. Best-in-class hardware infrastructure and software systems are in place. State of Art Technologies like Q-Marine Survey, 4D-seismic, Multi-Component Seismic Survey, GX Technology, Sea-Bed Logging, Air Borne Electro-Magnetic Survey (AEM), Multi-Transient Electro Magnetic (MTEM), Virtual Drilling and Seismic Channel Capacity Upgradaton are absorbed by Geophysical Services and technologies like 4C-4D project and Accelerated Weight Drop (AWD) are under advanced stage of induction / absorption.

The R&D expenditure of the company constituted 0.15% of its turnover during the year.

Environmental initiatives

ONGC is the major listed company in the world to have all its operational facilities and onshore as well as offshore rigs, certified for quality. Occupational health & Safety and Environment Management System (QHSE) based on ISO 9001, OHSAS 18001, ISRS and ISO 14001. All the operations have passed the QHSE surveillance audit conducted in 2006. QHSE certificates demonstrate corporate commitment, corporate progress and ensure continual improvements.

This year marks ONGC's efforts in identifying energy conservation projects that qualify for registration as Clean Development Mechanism (CDM) projects with United Nations Frame work Convention on Climate Change (UNFCCC) under the Kyoto Protocol. The CDM projects developed so far fall under the category of "Gas flaring Reduction, waste heat recovery & energy efficiency based on the approved UNFCCC methodologies and the development of more projects is in progress. Upon registration of these projects the Certified Emission Reduction (CER) earned could be traded for revenue earnings. Thirteen projects have been submitted to the Designated National Authority (DNA) and 11 projects have received host country approval. Further it became the first Central PSU to get two of its Clean Development Mechanism (CDM) projects registered by United Nations Framework Convention for Climate Change (UNFCCC). ONGC is the first PSU to get CDM validation for one of its CDM projects.

ONGC has started developing the ecologically threatened Mangroves in Cambay area and plans to develop the Mehul Sewri area in Mumbai through collaboration with internationally acclaimed institute i.e. Bombay Natural History Society (BNHS). The said program will consist of plantation of 5 lakh mangroves and build awareness among the fishermen, students etc.

Due to the number of initiatives in safety by developing and implementing procedure and practices, the Insurance premium for the year 2007-08 has come down by 38% in spite of an increase in the Asset value from US$ 13 billion to US$ 16 billion.

Oil India Ltd. (OIL)

1. Company Profile

OIL was incorporated on 18.2.1959 as a partnership venture between Government of India and Burmah Oil Company under the Companies Act, 1956 with an objective to manage oilfields of Naharkatigu in Assam. The company became a central public sector enterprise in 1981. The current objective of the company is to contribute towards meeting the energy requirements of the nation. OIL is a schedule-'A' / Mini-ratna CPSE in Crude Oil sector under the administrative control of M/o Petroleum and Natural Gas with

98.13% shareholding by the Government of India. Its Registered office is at Dibrugarh, Assam and Corporate office at New Delhi.

2. Industrial / Business Activities

OIL is engaged in Exploration, Exploitation and Production of Hydrocarbons; Transportation of Crude Oil and Natural gas and extraction of LPG through its two operating units at Dibrugarh and Kamrup district of Assam. The Company has 31 unincorporated joint ventures / Production Sharing Contracts (PSCs) with company's participating interest ranging from 10 to 100%.

3. Production / Operational Profile

The product range of the company comprises of 3 products. The performance details of these products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Crude Oil	**KL**	3512697	3609373	3553004	3558358
Natural Gas	**MSCM**	2118	2148	1843	2036
LPG	**MT**	43750 (87.50)	48312 (96.62)	49449 (98.90)	47170 (94.34)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5389	5550	3888	-3
Cost of Production	3520	3334	2467	6
Net Profit/ Loss(-)	1640	1690	1062	-3
Dividend declared (as% of PBT)	22	21	21	7
Net worth	6850	5849	4711	17
Paid up capital	214	214	214	0
Share of Central Govt.	210	210	210	0

5. Key Performance Factors

OIL contributes approximately 9.14% of overall domestic crude oil production and 2.38% of India's over all crude oil consumption. During the year, the company made considerable addition to Oil and Gas reserves. The company could achieve this despite adverse environmental problems in some of its major operational areas. The decrease in turnover and profitability is attributed to substantial increase in subsidy burden on crude oil and LPG.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 76.63.

Company secured 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 8538 regular employees (executive 2135 & non-executive 6403) as on 31.3.2007. About 11.23% of the company employees were having professional qualifications Around 28.68% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year it is following IDA 1997 pattern of remuneration. 95 skilled and 10 unskilled employees left the company durig 2006-07.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were Government Directors.

7. Strategic Issues

The company aims to accelerate exploratory efforts in order to increase hydrocarbon reserves, to undertake speedy development of discovered fields & increase recovery from depleting and developed fields to augment crude oil and gas production and to undertake selective diversification in the hydrocarbon value chain.

Restructuring Plan

OIL had restructured the organization with the help of IBM PWC and reorganized into five SBU's in 2004. Accordingly, a new HR Policy has been approved to meet the long term strategies of becoming a 7 Mtpa Company from the present level of 3.2 Mtpa with thrust on monetization of gas. Succession Plan is in place and Top management posts have been subjected to Competency Profiling and hence retraining. A new KPI based Performance Management System has been initiated. Enterprise Resource Planning (ERP) has been successfully implemented. OIL has embarked upon transforming itself into a Learning Organization through Competitive Advantage and co-creation of a new Vision.

Project Implementation

There are thirty one JV's in operation. OIL has undertaken a quantum leap in its operations & strategized to ensure Energy Security for the nation. In 2006-07, OIL acquired in NELP-VI six operator ship blocks (Total 12), two non-operator ship blocks (total 10) and two overseas blocks (total six). Oil already has a MOU with Indian OIL Corporation for jointly bidding in overseas E&P ventures.

OIL is also endeavoring to diversify selectively in the value chain for hydrocarbons, towards which, participation in the Assam based Gas Cracker & in shore based new Refineries is also on the anvil. OIL is actively examining CNG/PNG applications from it's oilfields in it's area of operations in the N.E Region upto Guwahati. A new venture for transportation of Products through a pipeline from Numaligarh Refinery to Siliguri is nearing completion.

Research & Development (R&D)

During the year for improvement in production / design and production process the company has taken R&D initiative in 12 different areas like Sediment logical & Petrographic Studies of the Barail Group in the Eastern Part of Upper Assam Basin, Oil to Oil and Oil to Source Correlation Studies in Upper Assam Basin, Reservoir fluid identification through geochemical analysis of sidewall cores, Corrosion Problem of Tubular in OIL's Eocene Wells, Control of Paraffin deposition in production tubing of producing wells; Study on Low Injectivity Problem in water Disposal Wells at a depth below 1000m, Implementation of MEOR Technology in OIL's wells: Feasibility Study of ASP Flood for OIL's Fields: Development of Oilfield Chemicals; Studies on Conversion of Coal to Liquid Fuel; Study of Natural Gas Hydrates in Indian Offshore and Ambient Air Quality Monitoring in OIL's Operational Area. R&D expenditure of the company constitutes 0.21 % of turnover.

Environmental initiatives

The major thrust of the company for abatement of pollution during the year was in setting up of Effluent Pits at strategic locations, Recycling of drilling effluent, , setting of noise barrier walls, procurement of diesel engines with acoustic enclosures, identification of possible areas of reducing CFC, Bio-Remediation of oily sludge in old pits, actions for obtaining ISO certifications in more installations, setting up of incinerator in OIL Hospital, field study on "Effect of gas flaring on paddy cultivation", organized various awareness programs, plantation of trees, sought expert opinion from Assam Agricultural University, Jorhat to resolve public complaints on damage to paddy cultivation, tea crop, sericulture etc. Oil India Limited takes its responsibility of minimizing environmental pollution and remedying the effects of any pollution caused by its operations very seriously. Concerted efforts in protecting the environment and minimizing the pollution have resulted in a clean and green environment in OIL's operational areas.

ONGC Videsh Ltd. (OVL)

1. Company Profile

OVL was incorporated as Hydro Carbon India (Pvt.) Ltd. on 5.3.1965 under the Companies Act, 1956 with an objective to takeover assets and liabilities of Oil and Natural Gas Corporation (ONGC) under the joint venture agreement operating in Iran. However, after the JV agreement was declared null and void by the Iran Government, the company started Marketing the expertise of ONGC abroad and facilitating its international marketing. The name of the company was changed to OVL in 1989.

The vision of the company is to become world class E&P company having an organization and culture committed towards sustainable growth and superior profitability through pursuit of international opportunities and excellence in execution. OVL is a schedule-'B' CPSE in Crude Oil sector under the administrative control of M/o Petroleum and Natural Gas. Its Registered and Corporate offices are at Delhi. OVL is a 100% subsidiary of ONGC Ltd.

2. Industrial / Business Activities

OVL is involved in carrying on business of exploring, drilling, extracting, producing, treating, refining, storing, transporting, exporting and generally dealing in or with petroleum or other crude oils, asphalt, bitumen, natural gas, chemicals etc. in India and abroad. Generally the company is operating abroad where it has 25 ongoing projects in 14 countries. It has five subsidiary companies namely ONGC Nile Ganga B.V. in Netherlands, ONGC Narmada Limited in Nigeria, ONGC Amazon Alaknanda Ltd. in Bermuda, BC-10 Campos Holding Ltd. and ONGC Do Brazil Exploracao Petrolifera Ltda. with 100% shareholding and one incorporated joint venture namely ONGC Mittal Energy Ltd., Cyprus. The company also has 12 un-incorporated joint ventures located abroad in Vietnam, Russia, Myanmar, Iran, Libya, Syria, Sudan, Egypt and Cuba with participating interest ranging from 20% to 90%.

3. Production / Operational Profile

The product range of the company comprises of exploring and production of oil and gas. The performance performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
GAS	**000 M3**	2147253	1755037	1349038	1750443
Crude Oil Including Condensate	**000' MT**	1256	214	39	503

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2863	1195	1082	140
Cost of Production	1906	1119	1092	70
Net Profit/ Loss(-)	1053	649	403	62
Dividend declared (as% of PBT)	0	0	14	0
Net worth	3650	1662	760	120
Paid up capital	1000	300	300	233
Share of Holding Co.	1000	300	300	233

5. Key Performance Factors

The reasons for performance improvement are attributed to increase in turnover and better price realisation of the company products.

The export production of Oil from Sakhalin-I project in Russia as well as production of Oil from Block 5A in Sudan and Mansarover Energy project in Columbia started during the year. The main revenue segments of the company are Asia, FSU countries and Africa.

During the year 7 crore shares of Rs.100 each were issued resulting in increase in paid capital of the company by Rs.700 crore.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.142.

6. Human Resource Development (HRD)

The enterprise employed 110 regular employees (executive 105 & non-executives 5) as on 31.3.2007. About 78.18 % of the employees were having professional qualifications. Around 11.82 % employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration.

During the year one employee retired under VRS and an amount of Rs. 9 lakhs was spent in this regard. Since the introduction of VRS total two employees have taken VRS from the company.

The total number of Directors in the company, as on 31.3.2007 was 12 out of which 8 are Government Directors.

7. Strategic Issues

Project Implementation

The company aims at to build a balanced portfolio of exploration, discovering and producing assets in focus countries. During the year, the company acquired participation in 9 oil and Gas projects in 6 countries including producing project in Columbia.

Export of crude from Sakhalin I project in Russia commenced from September, 2006. Crude oil production from Block 5A in Sudan started in August, 2006.

During the year, the company successfully completed drilling of four wells including a high pressure complex gas well in Farsi Offshore Block in Iran which resulted in discovery of oil and gas.

15 OTHER MINERALS & METALS

As on 31.3.2007, there were 10 Central public sector enterprises in the Other Minerals & Metals group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Indian Rare Earths Ltd.	1950
2.	National Mineral Dev. Corpn. Ltd.	1958
3.	Hindustan Copper Ltd.	1967
4.	Uranium Corporation of India Ltd.	1967
5.	Bharat Refractories Ltd.	1974
6.	Kudremukh Iron Ore Co. Ltd.	1976
7.	Manganese Ore (India) Ltd.	1977
8.	National Aluminium Company Ltd.	1981
9.	J & K Mineral Dev. Corpn. Ltd.	1989
10.	FCI Aravali Gypsum & Minerals (India) Ltd.	2003

2. The enterprises falling in this group are mainly engaged in recovering, refining and extracting basic raw materials such as aluminium, copper, iron, rare earth chemicals, lead, manganese and manufacturing of fire/ silica bricks, etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
(1)	(2)	(3)	(4)
1.	Indian Rare Earths Ltd.	360.12	306.03
2.	National Mineral Dev. Corpn. Ltd.	4185.84	3710.92
3.	Hindustan Copper Ltd.	1558.88	914.49
4.	Uranium Corpn. of India Ltd.	272.82	256.25
5.	Bharat Refractories Ltd.	172.81	142.50
6.	Kudremukh Iron Ore Co. Ltd.	234.61	1179.78
7.	Manganese Ore (I) Ltd.	414.31	329.75
8.	National Aluminium Company Ltd.	5940.19	4851.90
9.	J & K Mineral Dev. Corpn. Ltd.	0.00	0.00
10.	FCI Aravali Gypsum & Minerals (India) Ltd.	37.07	38.45
	Total	**13176.65**	**11730.07**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	Net Profit/Loss 2005-06
1.	Indian Rare Earths Ltd.	64.23	42.41
2.	National Mineral Dev. Corpn. Ltd.	2320.21	1827.80
3.	Hindustan Copper Ltd.	313.94	105.88
4.	Uranium Corpn. of India Ltd.	27.50	31.61
5.	Bharat Refractories Ltd.	-15.32	-7.07
6.	Kudremukh Iron Ore Co. Ltd.	13.77	356.30
7.	Manganese Ore (I) Ltd.	134.21	114.52
8.	National Aluminium Company Ltd.	2381.38	1562.20
9.	J & K Mineral Dev. Corpn. Ltd.	-0.18	-3.42
10.	FCI Aravali Gypsum & Minerals (India) Ltd.	6.31	9.00
	Total	**5246.05**	**4039.23**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	35539	36322
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	76.31	91.46
	b. Medical facilities	64.52	45.40
	c. Others	75.09	72.08
3.	Capital cost of township *(Rupees in crore)*	539.78	449.47
4.	No. of houses constructed	38215	36037

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

OTHER MINERALS & METALS

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	462100	462100	428100
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	312095	320641	311491
OTHERS	28615	10297	10297
(B) SHARE APPLICATION MONEY	5021	7805	10550
(C) RESERVES & SURPLUS	1508768	1132836	823214
TOTAL (A)+(B)+(C)	**1854499**	**1471579**	**1155552**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	7541	25723	39923
(B) UNSECURED LOANS	45093	32792	25453
TOTAL (A)+(B)	**52634**	**58515**	**65376**
(1.3) DEFERRED TAX LIABILITY	68520	69983	73171
TOTAL (1.1)+(1.2)+(1.3)	**1975653**	**1600077**	**1294099**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	1347704	1321396	1291856
(B) LESS DEPRECIATION	828159	781916	722551
(C) NET BLOCK (A-B)	519545	539480	569305
(D) CAPITAL WORK IN PROGRESS	177664	95327	67021
TOTAL (C)+(D)	**697209**	**634807**	**636326**
(2.2) INVESTMENT	30735	7405	7406
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	150544	145724	115222
(B) SUNDRY DEBTORS	56087	59133	58361
(C) CASH & BANK BALANCES	1109601	759112	471417
(D) OTHER CURRENT ASSETS	32528	15422	11198
(E) LOAN & ADVANCES	167117	284505	201859
TOTAL (A)+(B)+(C)+(D)+(E)	**1515877**	**1263896**	**858057**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	210813	185499	153110
(B) PROVISIONS	159939	251355	179297
TOTAL (A+B)	**370752**	**436854**	**332407**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**1145125**	**827042**	**525650**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	5692	4467	5262
(2.7) DEFFRED TAX ASSETS	15246	14911	3231
(2.8) PROFIT & LOSS ACCOUNT (Dr)	81646	111445	116224
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1975653**	**1600077**	**1294099**

OTHER MINERALS & METALS
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1405685	1238431	1015304
(B) EXCISE DUTY	88020	65424	46542
(C) NET SALES (A-B)	1317665	1173007	968762
(D) OTHER INCOME / RECEIPTS	103391	65134	49910
(E) ACCRETION / DEPLETION IN STOCKS	3398	6099	8842
(I) TOTAL INCOME (C+D+E)	**1424454**	**1244240**	**1027514**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	142847	95707	57543
(B) STORE & SPARES	31199	43395	42771
(C) POWER & FUEL	125024	150879	127462
(D) MANUFACTURING / DIRECT / OPERATING EXP.	97217	51268	53482
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	113621	101589	93535
(F) OTHER EXPENSES	63109	104904	102613
(G) PROVISIONS	6281	3097	5681
(II) TOTAL EXPENDITURE (A TO G)	**579298**	**550839**	**483087**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	845156	693401	544427
(4) DEPRECIATION	49817	69725	68567
(5) DRE. / PREL. EXP. WRITTEN OFF	8315	5987	5299
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	787024	617689	470561
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	1714	1283	1222
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	3480	4147	10696
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	5194	5430	11918
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**781830**	**612259**	**458643**
(9) TAX PROVISIONS	256563	210249	168992
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	525267	402010	289651
(11) NET EXTRA -ORD. ITEMS	662	-1913	2012
(12) NET PROFIT / LOSS (10-11)	**524605**	**403923**	**287639**
(13) DIVIDEND DECLARED	100216	85448	56086
(14) DIVIDEND TAX	14679	11983	7731
(15) RETAINED PROFIT (12-13-14)	**409710**	**306492**	**223822**

OTHER MINERALS & METALS
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	392074	390285	380066
(ii) CAPITAL EMPLOYED	1664670	1366522	1094955
(iii) NET WORTH	1767161	1355667	1034066
(iv) COST OF PRODUCTION	642624	631981	568871
(v) COST OF SALES	639226	625882	560029
(vi) VALUE ADDED	1021993	889125	749828
(vii) R & D EXPENDITURE	1391	1206	1694
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	35539	36322	36139
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	26642	23307	21568
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.03	0.04	0.06
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	7.19	6.81	5.60
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	23.78	19.09	15.06
(iv) SUNDRY DEBTORS : SALES (No. of days)	15.54	18.40	21.99
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	41.70	45.34	43.41
(ii) SEMI / FINISHED GOODS : SALES	18.09	19.36	20.95
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	2.10	1.35	0.86
		(%)	
(vii) SALES : CAPITAL EMPLOYED	79.15	85.84	88.48
(viii) PBDITEP : CAPITAL EMPLOYED	50.77	50.74	49.72
(ix) PBITEP : CAPITAL EMPLOYED	47.28	45.20	42.98
(x) COST OF SALE : SALES	48.51	53.36	57.81
(xi) MATERIAL COST : SALES	10.84	8.16	5.94
(xii) SALARY & WAGES : SALES	8.62	8.66	9.66
(xiii) R & D EXPENDITURE : SALES	0.11	0.10	0.17
(xiv) PBITEP : SALES	59.73	52.66	48.57
(xv) PBTEP : NET WORTH	44.24	45.16	44.35
(xvi) NET PROFIT : NET WORTH	29.69	29.80	27.82
(xvii) GROSS MARGIN : GROSS BLOCK	62.71	52.47	42.14

Bharat Refractories Ltd. (BRL)

1. Company Profile

BRL was incorporated on 22.7.1974, under the Companies Act, 1956 with an objective to run the production unit of Bhandaridah Refractories Plant, which was earlier acquired by the Government of India in 1972 and placed under the management of Bokaro Steel Ltd. BRL is a schedule-'C' BIFR referred PSE in Minerals and Metals sector under the administrative control of M/o Steel, with 99.86% shareholding by the Government of India. Its Registered and Corporate offices are at Bokaro, Jharkhand.

2. Industrial / Business Activities

BRL is involved in manufacturing and supply of various kinds of refractories to the integrated / mini steel plants through its 4 operating units at Bokaro and Hazaribagh in Jharkhand and Bhilai in Chhattisgarh.

3. Production / Operational Profile

The performance details of the major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Basic Bricks	MT	16990 (29.55)	16520 (28.73)	17373 (30.21)	16961 (29.50)
Silica Bricks	MT	1378 (13.78)	761 (7.61)	641 (6.41)	926.67 (9.27)
Fireclay Bricks	MT	25776 (37.91)	21823 (32.09)	21686 (31.89)	23095 (33.96)
Mortar	M T	35488	33094	25785	31456

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	172.81	142.50	109.35	21.27
Cost of Production	197.36	155.98	132.64	26.53
Net Profit/ Loss(-)	-15.32	-7.07	-5.21	116.69
Net Worth	-167.47	-159.31	-159.37	5.12
Paid up Capital	229.79	215.79	215.79	6.49
Share of Central Govt.	229.50	215.50	215.50	6.49

5. Key Performance Factors

The physical performance of the company during 2006-07 was highest ever during the last decade. There had been all round improvement in order procurement and after sales services. The company's products achieved greater appreciation as far as quality was concerned. However, the financial results of the company were not encouraging, due to high interest burden and un-remunerative selling price.

During the year 2006-07, the Company received a Budgetary Support of Rs.7 crores in the form of equity under Plan. The company has also taken one Government guarantee for raising a loan of Rs.16 crores.

6. Human Resource Development (HRD)

The enterprise employed 1679 regular employees (201 executives and 1478 non-executives) as on 31.3.2007. About 4% employees were having professional qualifications. 54% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 11employees retired during the year.

Since the introduction of VRS, a total of 2210 employees availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 3 were part time Non-official Directors/ professionals, one full time Functional Director and 2 Government/ Official Directors.

7. Strategic Issues

Restructuring Plan

Over the years, 3 revival plans have been approved for the company in the years 1996, 1998 and 2002. The first two revival plans failed due to delay in the implementation of the scheme, under utilization of capacity, low manpower utilization and changing demand pattern of refractories. The third revival plan was prepared based on the TEV study conducted by M/s. MECON and was approved by the Government on 11.06.2002. The plan envisaged Rs.55 crore non-plan assistance to liquidate statutory dues in respect of employees who had either already accepted VRS/

superannuated or were likely to accept VRS with normal rate of interest, Rs.90 crores as non-plan loan for implementation of VRS to bring down the manpower further, Government guarantee for raising Rs.30 crores for meeting working capital requirement, Rs.35 crores (Rs.7.00 crores every year for five years) for AMR scheme as equity, conversion of existing plan and non-plan loan as on 2000-01 amounting to Rs.97.89 crores into equity, moratorium on the repayment of loan and interest upto 2010-11 and exemption from payment of guarantee fee in respect of Rs.24 crores cash credit limit.

Since the company could not come out of the sickness despite revival schemes, it was referred to BRPSE during 2006-07 which recommended a revival plan to the Government consisting of waiver of part non-plan loan and accumulated interest on Government of India loan, conversion of remaining GOI loan into equity, set off pre-acquisition loss, balance loss and loss on restructuring of current assets and merger of BRL with SAIL.

Technical Collaborations:

To keep pace with the changing and stringent requirements of consuming industries, BRL has entered into technical collaboration with world leaders in refractory manufacturing like M/s Kawasaki Refractories, Japan for producing Magnesia Carbon Bricks, Slide Gate Refractories, Gunning Repair Materials, Cast mixes for steel Ladle, Spinel and Magnesia Spinel bricks, M/s Shinagawa Refractories, Japan for producing Tap Hole Clay, Silica Bricks for coke Oven & Continuous Casting Refractories and M/s. Librico, France for Ultra low Cement Castable for BF Trough. BRL has also entered into technical collaboration with SAIL, R&D Centre for Iron & Steel, Ranchi for Zero Cement Castable Alumina-magnesia-Spinnel Castable.

Research & Development (R&D)

BRL's group of highly competent and committed technologists is putting every effort in its fully equipped laboratories towards meeting the challenge of upgradation of process technology in the major consuming industries and continuous improvement of product quality.

Some of the products developed through in-house R & D work include Mullite bricks for high capacity Blast Furnace Tap Hole , Blast Furnace, Tap Hole Mass (both Tar bonded as well as resin bonded), and Zero Cement Castable - a unique product.

Order Book Position

The year ended with an Order Booking of around Rs. 139.57 Crores.

FCI Aravali Gypsum & Minerals (India) Ltd. (FAGMIL)

1. Company Profile

FAGMIL was incorporated on 14.02.2003 (after de-merging from Fertilizer Corporation of India (FCI) as per BIFR order) under the Companies Act, 1956 with the objective to take over the entire unit of FCI namely Jodhpur Mining Organisation (JMO) and to establish and carry on in India or any part of the world all kinds of business relating to Gypsum and other Minerals and their by-products and manufacture of various types of fertilizers, all organic and inorganic chemical compounds including by-products, derivatives and mixtures thereof. FAGMIL is a schedule 'C' CPSE in Minerals & Metals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 100% share holding by the Government of India. Its Registered and Corporate offices are at Jodhpur, Rajasthan.

2. Industrial / Business Activities

FAGMIL is involved mainly in the mining and selling of gypsum from its 9 Mines at Jaisalmer, Barmer, Bikaner and Ganganagar in Rajasthan and a Liaison office at NOIDA in U.P.

3. Production / Operational Profile

The enterprise has in its credit, the exploration & prospecting of 265 gypsum deposits with a reserve of more than 100 million tonnes. In fact, most of the Gypsum deposits in the country owe their existence to Jodhpur Mining Organisation. Gypsum mines of Jodhpur Mining

Organisation are scattered in vast & difficult Thar Desert. The performance details of company's product are as follows:

Major Products / Services	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
Mining & Selling of Gypsum	000' MT	859	827	773	820

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	37.07	38.45	29.94	-3.59
Cost of Production	27.76	29.21	24.68	-4.96
Net Profit/ Loss(-)	6.31	9.00	6.05	-29.89
Dividend declared (as % of PBT)	12.76	14.89	22.34	-14.32
Net Worth	48.05	21.57	14.20	122.76
Paid up Capital	7.33	7.33	7.33	0.00
Share of Central Govt.	7.33	7.33	7.33	0.00

5. Key Performance Factors

The performance of the company was impressive and established an all time record in production as well as in sales, since its inception. The turnover was also higher during 2006-07 but due to exclusion of Railway freight, compared to previous year, it has been shown lower.

Sales from Kavas and Ramsinghpur mines was 'nil' due to stagnation of flood water in mines and non-issue of 'Ravanas' by the Department of Mines of the Government of Rajasthan for want of environment clearance to renew the leases.

The company has been showing profits consistently for the last four years. Although the profit before tax and prior period adjustment was higher by Rs. 1.65 crore, the net profit decreased during 2006-07 compared to previous due to higher tax provisions including deferred tax of Rs. 3.87 crore and prior period adjustments..

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 8.61 as against Rs.12.28 in the previous year.

The company scored 'Excelent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 120 regular employees (executive 42 & non-executive 78) as on 31.3.2007. About 10% of the employees were having professional qualifications. Around 80% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 7 employees retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

Restructuring Plan

FCI Aravali Gypsum & Minerals India Ltd. was earlier a part of Fertilizer Corporation of India Ltd., functioning in the name of Jodhpur Mining Organization. These mines are in operation since 1952, supplying mineral Gypsum to Sindri Fertilizer Plant to meet requirement of raw material for the manufacture of Ammonium Sulphate.

BIFR approved demerger of Jodhpur Mining Organization of Fertilizer Corporation of India Ltd. in to FCI Aravali Gypsum & Minerals India Ltd. with effect from 1.4.2003.

The Government of Rajasthan has imposed land tax @ Rs. 2/- per sq. meter or 5% of the market value of the land whichever is less w.e.f. 1.4.2006. On the other side, development charges on production of Gypsum have been withdrawn. Therefore, an amount of Rs. 28.71 lakh (difference of above two) has been kept as refundable amount to customers.

Research & Development (R&D)

During the year, the company undertook R&D initiative to assign the research job, for assessing the impact of Gypsum for agriculture purpose, to the Agriculture Universities and to IBM Ajmer for beneficiation of Gypsum. Accordingly, an amount of Rs. 19.08 lakh was incurred.

Hindustan Copper Ltd. (HCL)

1. Company Profile

HCL was incorporated on 9.11.1967 under the Companies Act, 1956 with an objective to takeover assets and liabilities of Copper Projects at Khetri, Dariba, Rakha and Agnifundala(Lead Copper) from National Mineral Development Corp. Ltd. Indian Copper Complex Ltd. at Ghatsila, Jharkhand was acquired by HCL in March, 1972, by an Act of Parliament. The main objective of the company pertains to exploration, exploitation, mining of copper and copper ore including benefication of minerals, smelting and refining of copper. HCL is a schedule-'A' PSE in Minerals and Metal sector under the administrative control of M/o Mines with 99.38% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

The major activities of the company cover the area of exploration, mining, benefaction, smelting, refining and production of cathodes and CCR as saleable products. It also recovers various by-products associated with copper ore. The entire marketing operation of all its products is carried out by the company directly. HCL has 4 operating units at Khetrinagar in Rajasthan, Ghatsila in Jharkhand, Malanjkhand in Madhya Pradesh and Taloja in Maharashtra. The company has Branch offices at Delhi, Mumbai, Bangalore and Indore.

3. Production / Operational Profile

The product range of the company comprises of ten products. The average capacity utilization for all products of the company taken together was 73.65% during 2006-07. The brief details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Wire Rod	MT	39651 (66.09)	35488 (59.15)	23607 (39.35)	32915 (54.86)
Cathodes	MT	39785 (83.76)	36087 (75.97)	24186 (50.92)	33353 (70.22)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1559	914	483	70
Cost of Production	1317	824	502	60
Net Profit/ Loss(-)	314	106	56	197
Net worth	682	362	177	88
Paid up capital	949	909	909	4
Share of Central Govt.	945	905	905	4

5. Key Performance Factors

Ore production, metal in concentrate, cathode and CC Wire Rod production was higher by 24%, 32%, 10% and 23% respectively during 2006-07 compared to last year.

The increase in turnover and profitability is mainly attributed to increase in selling price gain due to higher LME and increase in production.

The expenditure of the company including cost of imported raw material increased by about 52% during 2006-07 as compared to last year. The salary and wages increased by about 24%.

During the year, the company made a sale of Rs.125.17 crore to Government Departments / Organization including a sale of Rs.31.97 crore under the purchase preference policy.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.4.02 as against Rs.1.45 in the previous year.

The share price of company varied between Rs. 61.20 to Rs. 222.20 during the year 2006-07 as compared to Rs.43 to Rs. 78 in 2005-06. The average share price during the year was Rs.83.50.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 5451 regular employees (executives 796 & non-executives 4655) as on 31.3.2007. About 4.57% of the employees were having professional qualifications. Around 45.59%

employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. The company is following IDA 1997 pattern of remuneration. Total 126 employees retired during the year on supannuation and 21 skilled and 4 unskilled employees also left the company on other ground. However, 51 new skilled and 8 un-skilled employees joined during the year.

During the year, 44 employees were identified as surplus manpower, which retired under VRS and an amount of Rs.3.90 crore (budgetary support) was spent in this regard. Since its introduction, total 12230 employees have taken VRS.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which two were Government / official Directors.

7. Strategic Issues

Restructuring Plan

Considering the business scenario, the company decided to reopen the closed mines like Surda mines in eastern sector in Jharkhand, wherever feasible

The Government has sanctioned two restructuring plans during 1999 and 2002. A new financial restructuring scheme has also been submitted to the Government for approval.

During the year 2006-07, the company received a budgetary support of Rs. 28.50 crore in the form of equity for replacement & renewal of existing plant & machinery to maintain the current level of production. In addition, the company also received a non-plan assistance of Rs. 25 crore during the year.

The company directed its efforts towards improving operational processes and practices as part of a comprehensive turn around plan named 'Manthan'. New technology has been absorbed during the year.

HCL is contemplating introduction of enhanced capacity concentrate burner, improvement of cooling elements and introduction of better quality of refractory bricks in Indian Copper Complex for which the company has prepared a technology report with the help of M/s MECON.

Development of SSI and Ancillary Units

All production units of HCL continued to follow Government guidelines in encouraging procurement of materials from SSI & Ancillary units.

Research & Development (R&D)

Study on bio-leaching of lean grade copper ore of MCP continued in collaboration with Institute of Minerals and Metals Technology(IMMT), Bhubaneswar under CSIR.

During the year 2006-07, the company signed a MOU with IMMT to work on R&D programmes.

Environment and Ecology

HCL is fulfilling all statutory requirements as obligatory to achieve pollution norms. During the year, M/s EQMS India Pvt. Ltd. has been awarded the work for 'Consultancy services for Environment study and suggesting remedial measures' in HCL units.

Indian Rare Earths Ltd. (IREL)

1. Company Profile

IREL was incorporated on 18.8.1950 under the Companies Act, 1913 as a joint venture with the then Government of Travancore, Cochin. It became a wholly owned Central Government enterprise on 1.1.1963 under the Department of Atomic Energy when the shares of the State Bank of Tranvacore were handed over to the Government of India. Its main objective is to emerge as a leading international player in the areas of mining and separation of beach sand minerals as well as value added products thereof. IREL is a schedule-'B' PSE in Minerals and Metals sector under the administrative control of D/o Atomic Energy with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

The main activity of the company is to separate beach sand deposits to produce ilmenite, monazite, rutile, zircon, garnet and sillimanite. The monazite recovered is processed further to produce rare earths chloride and trisodium phosphate with uranium and thorium. It operates through 4 operating units at

Kollam and Ernakulam in Kerala, Kanniyakumari in Tamilnadu and Ganjam in Orissa.

3. Production / Operational Profile

The product range of the company comprises of 7 products. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Ilmenite	MT	385958 (83)	453606 (97.55)	417275 (89.74)	418946 (90.10)
Zircon	MT	18771 (78)	25269 (109.87)	23376 (101.63)	22472 (93.33)
Rutile	MT	13481 (56)	17510 (72.96)	16317 (67.99)	15769 (65.65)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	360.12	306.03	295.48	17.67
Cost of Production	269.09	261.63	222.40	2.85
Net Profit/ Loss(-)	64.23	42.41	24.01	51.45
Dividend declared (as % of PBT)	18.31	13.58	6.91	34.86
Net Worth	307.56	263.54	232.98	16.70
Paid up Capital	86.37	86.37	86.37	0.00
Share of Central Govt.	86.37	86.37	86.37	0.00

5. Key Performance Factors

The Company has been generating handsome profits continuously during the last 10 years and paying dividend. IREL also has been a significant earner of valuable foreign exchange for the nation and has been exporting its products to advanced countries like USA, UK, France, Germany, Norway, Japan etc. Over the decades, IREL has built up a corporate image in the world market as a reliable supplier of beach sand minerals and rare earth compounds.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2690 regular employees (executives 651 & non-executives 2039) as on 31.3.2007. About 13.38% of the employees were having professional qualifications. Around 55.87 % of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 16 skilled and 26 unskilled employees left the company and 12 skilled and 8 non-skilled joined.

The total number of Directors in the company, as on 31.3.2007 was 7, out of which 3 were Government / Official Director.

7. Strategic Issues

IREL's vision is to emerge as a leading supplier of beach sand minerals in the world over the next few years. It would be achieved by maximum utilisation of existing capacities, new capacity addition, capture of major portion of the global TiO2 feed stock demand and by adding values to its mineral products.

Research and Development

The R&D activities are carried out by the company in several areas, which resulted in improvement in grade and recovery of the mineral products, reduction of processing cost, value addition, product diversification, development of new process and technology and recovery of strategic products from new raw materials. However, the expenditure on R&D constituted only 0.31% of turnover.

J&K Mineral Development Corp. Ltd. (JKMDCL)

1. Company Profile

JKMDCL was incorporated on 19.5.1989 as a joint venture of National Minerals Development Corporation Ltd. (NMDC) and J&K Government under the Companies Act, 1956 with the objective to undertake exploration, prospecting, mining and processing of Magnesite, sapphire, marble, limestone, iron ore, coal, phosphate, manganese ore & other mineral deposits and otherwise trading & dealing in minerals of all nature.

JKMDCL is an uncategorised PSE in Minerals and Metals Sector under the administrative control of M/o Steel having its Registered and Corporate offices at Jammu, Jammu and Kashmir. It is a subsidiary of NMDC which hold its 84% equity shares.

2. Industrial / Business Activities

JKMDCL was involved in the mining of raw Magnesite ore at Udhampur, Jammu and Kashmir.

3. Production / Operational Profile

The company is under closure and in the process of winding up. There is no production during last five years.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	0.00	0.00	0.00	0.00
Cost of Production	0.16	3.58	0.71	-95.53
Net Profit/ Loss(-)	-0.18	-3.42	-0.72	-94.74
Net Worth	-4.59	-4.40	-1.32	4.32
Paid up Capital	4.74	4.74	4.74	0.00
Share of Holding Co.	3.96	3.96	3.96	0.00

5. Key Performance Factors

There is no production in the company. The net loss decreased by Rs.324 lakhs over 2005-06 due to decrease in depreciation and assets impairment.

6. Human Resource Development (HRD)

The enterprise employed 6 regular employees (executive 1 & non-executives 5) as on 31.3.2007.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. One employee retired during the year.

The company is managed by part time Directors from holding company namely NMDC Ltd.

7. Strategic Issues

The Board of the company reviewed the status of production of Dead Burnt Magnesite including sale of Raw Magnesite and other efforts made by the company for revival. The Board desired to stop all the developmental activities of the company and to take up the issue of dissolution and winding up of the J&KMDC with the Government of India and State Government of J&K.

Kudremukh Iron Ore Co. Ltd. (KIOCL)

1. Company Profile

KIOCL was incorporated in the year 1976 under the Companies Act, 1956 with an objective to meet the long term requirement of Iron Ore for the steel mills of Iran. However, due to political developments in Iran, company diversified into Pellet. KIOCL is a schedule-'A' Mini-ratna PSE in Mineral and Metal sector under the administrative control of M/o Steel with its Registered and Corporate office at Bangalore, Karnataka. Government of India holds 98.99% of its equity.

2. Industrial / Business Activities

KIOCL is engaged in the mining of Iron Ore, beneficiation of Iron Ore into concentrate, production and export of Iron Ore Concentrate and also Iron Oxide Pellets. Its operating units are at Kudremukh and Mangalore districts of Karnataka. The company has one financial Joint Venture with MECON Ltd. and MSTC Ltd. namely Kudremukh Iron and Steel Co. Ltd. (KISCO) to manufacture low sulphur, low phosphorous, Pig iron and Ductile Iron Spun pipes at Mangalore.

3. Production / Operational Profile

Major Products	Unit	Production during (% (Capacity Utilization) 2006-07	2005-06	2004-05	Average of three years
Iron Ore Concentrate	MT	-	2.922 (58)	4.350 (65)	2.424 (41)
Iron Oxide Pellets	MT	o.63 (18)	2.834 (81)	3.795 (95)	2.231 (65)

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	235	1180	1807	-80
Cost of Production	363	737	752	-51
Net Profit/ Loss(-)	14	356	650	-96
Dividend declared (as% of PBT)	0	22	12	-100
Net worth	2061	2064	1847	0
Paid up capital	635	635	635	0
Share of Central Govt.	628	628	628	0

5. Key Performance Factors

KIOCL was conferred CAPEXIL's Special Export Award in September, 2006 in recognition of outstanding export performance in respect of Iron Ore for the year 2005-06.

The company generated internal resources of Rs. 45.49 crores during 2006-07.

Since the company did not generate adequate profit, no dividend has been declared during 2006-07.

As against a target of 3.050 million tonnes of Pellets set in the MOU for 2006-07, the actual production remained 0.630 million tonnes, which is 21% achievement of the targets. The capacity utilization was only 18% during the year as compared to 81% during 2005-06.

Consequent upon switchover from magnetite ore from the captive mines at Kudremukh to Hematite Ore sourced from NMDC and other sources, the operations of Pellet Plant at Mangalore were affected significantly, which resulted in lower production and profitability of the company.

Since the mining activities at Kudremukh had been stopped on 31.12.2005, in pursuance to the directions of the Supreme Court, there was no production of concentrates during 2006-07.

Company scored 'Fair' MOU rating during the year 2006-07.

6. Human Resource Development

The enterprise is driven by a workforce of 1582 employees, consisting of 1080 workmen, 380 executives and 122 supervisors as on 31.3.2007.

VRS was introduced from 16.2.2006 to 10.4.2006 and again from 12.7.2006 to 26.7.2006. As a result, 308 employees comprising 65 executives, 48 supervisors and 195 non-executives were released under the scheme, as on 31.3.2007.

Industrial relations situation remained peaceful through out the year.

7. Strategic Issues

In the absence of long term mining lease, no major projects were undertaken during the year 2006-07.

KIOCL has been making efforts to get mining lease in the States of Karnataka and Orissa. But due to the petitions filed by various applicants, the matter remained subjudice in the High Courts of Karnataka and Orissa.

KIOCL has entered into an MOU with SAIL to form a joint venture company to mine iron ore at Kalta, Taldih and Barsua mines in Orissa. MECON Limited has prepared a feasibility report of the project, which has been accepted by both the JV partners.

In order to set up a Pig Iron & Ductile Iron Spun Pipe Plant at Mangalore, KIOCL has set up a Joint Venture with MECON and MSTC namely Kudremukh Iron and Steel Company (KISCO). This joint venture has become a wholly owned subsidiary of KIOCL w.e.f. 30.6.2006. However, a proposal for merger of KISCO with KIOCL has been approved by the Board of Directors as well as by the shareholders. The orders of the BIFR in this regard are awaited.

A specific plan and a programme has been drawn for compulsory energy audit to quantify the targets for energy conservation over the entire operational area.

Research and Development

Process and technological modification for use of hematite ore for pellet making and grinding facilities are under progress to improve production in consultation with reputed organizations like

Regional Research Laboratory (RRL), Bhubaneswar, M/s COREM, Canada, Metchem Canada Inc, Canada, KHD Humboldwag GMBH etc. During 2006-07, the company incurred revenue expenditure of Rs. 60 lakhs on R&D which was 0.22% of the total turnover.

Possibility of using Derric screen and presser filters are being explored as an effort towards technology absorption, adaptation and innovation. This will facilitate removal of slime and to filter the ultra fines respectively.

Environment and Ecology

The company is committed for preservation of ecology and prevention of pollution in its manufacturing activity. All measures were taken for monsoon protection, prevention of siltation etc. under the supervision and guidance of IIT, Delhi. Other activities such as afforestation, improvement of Town park, bio-technological approach to sustain ecological balance of mined area etc., continued during the year.

Manganese Ore (India) Ltd. (MOIL)

1. Company Profile

MOIL was originally setup in 1896 as Central Provinces Syndicate, which was later taken over by the Central Provinces Manganese Ore Company Limited (CPMO), a British Company incorporated in the UK. In 1962, as a result of an agreement by the Government of India (GOI) and the CPMO, the assets of CPMO were taken over by the Government and the MOIL was formed on 22.6.1962 with 51% capital held by the GOI and the state Governments of Maharashtra and Madhya Pradesh. The balance 49% shares were still held by the CPMO. In 1977, the balance 49% shares too were acquired from CPMO and MOIL became a 100% Government Company.

MOIL is a schedule-‘B’ / Mini-ratna PSE in Minerals and Metals sector under the administrative control of M/o Steel with 81.54% shareholding by the GOI and the remaining by the State Governments of Maharashtra(9.62%) and Madhya Pradesh(8.81%). Its Registered and Corporate offices are at Nagpur, Maharashtra.

2. Industrial / Business Activities

The company produces various grades of Manganese Ore, Electrolytic manganese Di-oxide and Ferro Manganese at its 10 operating Mines (6 in the State of Maharashtra and 4 in Madhya Pradesh) and manufacturing facilities for EMD at Dongri Buzurg and Ferro Manganese at Balaghat. Recently, in June, 2006 the company set up a 5 MW Wind Power Generation Unit at Dewas (MP) for captive consumption.

3. Production / Operational Profile

The Average Capacity Utilization for all products of the company taken together was 115% during 2006-07. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Manganese Ore	Tonnes	1047021	864890	943169	951693
Electrolytic manganese Di-oxide	Tonnes	1312 (131)	1301 (130)	1123 (112)	1245 (124)
Ferro Manganese	Tonnes	10200 (102)	6170 (62)	10325 (103)	8898 (89)
Electrocity (Wind Turbine Generator)	K wH	6652110 (92)	NA	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	414.31	329.75	374.77	25.64
Cost of Production	221.59	193.92	205.44	14.27
Net Profit/ Loss(-)	134.21	114.52	126.90	17.19
Dividend declared (as % of PBT)	14.15	11.78	4.55	20.14
Net Worth	449.24	346.05	257.27	29.82
Paid up Capital	28.00	15.33	15.33	82.65
Share of Central Govt.	22.84	12.50	12.50	82.72

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in sales realization, higher production and improved productivity. MOIL is the largest indigenous producer of high grade Manganese Ore which is the raw material for manufacturing of alloys, an essential input for steel making and dioxide ore for manufacturing dry batteries.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.479.31 as compared to 408.99 during 2005-06.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 6904 regular employees (executives 374 & non-executives 6530) as on 31.3.2007. About 2.52% of the employees were having professional qualifications. Around 18% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 44 employees retired during the year and 63 new employees joined.

During the year, 31 employees were identified as surplus manpower and all these employees availed of VRS. An amount of Rs. 1.01 crore was spent in this regard through internal resources. Since the introduction of VRS, a total of 1259 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 4 were part time Non-official Directors / professionals and 3 Government / official Directors.

7. Strategic Issues

The company aims to become the third best manganese mining company in the world and to globally expand its activities in all possible areas and to improve quality of low grade / waste dumps. The company is poised to maintain at least 42% share of manganese ore and to explore all possible alternative cost effective power services and to strive for zero accident rate.

Research & Development (R&D)

The company undertook R&D activities in exploratory drilling at mines and undertook studies on blasting, rock mechanics and stope design system etc. The R&D expenditure of the company constituted 0.5% of the turnover during 2006-07.

National Aluminium Co. Ltd. (NALCO)

1. Company Profile

NALCO was incorporated on 07.01.1981 under the Companies Act, 1956 with the objective to be a company of global repute in Aluminium sector. NALCO is a schedule -'A' Mini-ratna CPSE in Minerals and Metal sector under the administrative control of M/o Mines with 87.15% shareholding by the Government of India. Its Registered and corporate offices are at Bhubaneswar, Orissa.

2. Industrial / Business Activities

NALCO is engaged in mining of bauxite, manufacture of Alumina, Aluminium hydrates and Aluminium metal and various types of aluminium rolled products and generation of power through its 5 operating units (Bauxite Mines, Alumina Refinery, Aluminium Smelter, Captive Power Plant and Rolled Product unit) at Koraput and Angul districts of Orissa and one port facilities area at Visakhapatnam in Andhra Pradesh.

3. Production / Operational Profile

The product range of the company comprises of Bauxite, Alumina and Aluminium metal. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Bauxite	**000' MT**	4623 (96.31)	4854 (101.13)	4852 (101.08)	4776 (99.51)
Aluminium Metal	**MT**	358734 (103.98)	358954 (104.04))	338483 (104.79)	352057 (102.60)
Alumina Hydrate	**000' MT**	1475 (93.66)	1590 (100.95)	1576 (100.03)	1547 (98.21)
Electricity	**MU**	5968 (93.44)	5679 (88.07)	5613 (91.44)	5753 (90.98)

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5940	4852	4124	22
Cost of Production	2743	2737	2531	0
Net Profit/ Loss(-)	2381	1562	1235	52
Dividend declared (as% of PBT)	13	13	14	-1
Net worth	7695	5893	4698	31
Paid up capital	644	644	644	0
Share of Central Govt.	562	562	562	0

5. Key Performance Factors

The improvement in profitability of the company is attributed to the better price (sales realization) of products due to higher LME prices.

The share price of company varied between Rs. 180 to Rs. 337.80 during the year 2006-07, compared to Rs. 135 to Rs.311 in 2005-06. The average share price during the year was Rs. 230.28.

The domestic market share of the company in alumina and alluminium was approximately 10% and 29.80% respectively during 2006-07.

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The company employed 7426 regular employees (executives 1828 & non-executives 5598) as on 31.3.2007. About 24.62 % of the employees were having professional qualifications. Around 14.84% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. During the year, 12 skilled and 14 unskilled employees left the company. However, 14 new skilled and 2 un-skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were Government Directors.

7. Strategic Issues

Project Implementation

The Govt. of India approved the 2nd phase of expansion of the Company's integrated Aluminium Complex at an estimated capital cost of Rs.4091.51 crore (at July, 2003 price level) on 26.10.2004, to be completed in 50 months from the date of approval. The ongoing expansion will augment the annual capacity of Bauxite Mines to 63 lakh tonne from 48 lakh tonne, Alumina Refinery to 21 lakh tonne from 15.75 lakh tonne, Smelter to 4.6 lakh tonne from 3.45 lakh tonne and power generation to 1200MW from 960MW. Revised estimated capital cost at Rs. 5002.71 crore (at March 2007 price level) has been submitted for approval of the Ministry of Mines, Govt. of India.

NALCO has been allotted a Captive Coal Block, Utkal-E, of around 70 million tonne mineable reserve in Talcher area by Ministry of Coal. Investment for developing the block at capital cost of Rs.214.89 crore has been approved by the Board. The mine would supply 2 million tonnes coal to Captive Power Plant annually.

The company has also appointed EIL for preparation of a detailed report for upgradation of 4th stream alumina refinery from 525000 TPY to 700000 TPY.

Research & Development (R&D)

The In-house R&D Activities are being carried out by the company in Alumina Plant and Smelter Plant which include Laboratory scale studies on Utilization of Fly Ash, setting up of a Pilot Plant for treatment of Sodic Condensate, Iron reduction in Bauxite and PLK for production of export quality abrasive grade Bauxite, characterization of Baked Anode for process monitoring, setting up Anode Bench Scale Plant facilities, study on effect of Butts content on Green Anode quality etc.

Collaborative activities include basic studies on Percipitation of Boehmite (Alumina Monohydrate) in collaboration with Institute of Minerals and Materials Technology (IMMT), Bhubaneswar, studies on Mechnochemical Activation of Bauxite in collaboration with NML, Jameshedpur, production of value added materials in collaboration with IMMT, Bhubaneswar, investigation and utilization of Spent Pot Lining Materials of Smelter Plant etc.

The expenditure on R&D (Rs. 1.04 crore) constituted 0.02% of turnover.

Environment and Ecology

During the year, NALCO continued to provide high priority to Pollution Control, Safety, Health & Environment Management and Forest Plantation activities. In that direction, Defluoridation plant of Smelter was made fully operational after revamping and over 3 lakh trees were planted in different units of the Company.

National Mineral Development Corp. Ltd. (NMDC)

1. Company Profile

NMDC was incorporated on 15.11.1958 under the Companies Act, 1956 with the objective to emerge as a global mining organisation with international standards of excellence, rendering optimum satisfaction to all its stakeholders. NMDC is a schedule-'A' Miniratna CPSE in Mineral and Metals sector under the administrative control of M/o Steel with 98.39% shareholding by the Government of India. Its Registered and Corporate offices are at Hyderabad, Andhra Pradesh.

2. Industrial / Business Activities

NMDC is engaged in the production of iron ore and mining of diamond. It is operating 3 iron ore production units, two in Chhattisgarh and one in Karnataka. It has one diamond mining project in Madhya Pradesh and one silica sand project at Allahabad in Uttar Pradesh. The company has one Indian subsidiary namely J&K Mineral Development Corporation Limited with 76% shareholding and two wholly owned subsidiaries abroad namely NMDC-SARL in the Republic of Madagascar and NAM-India Mineral Development Corporation (Pty) Ltd. in the Republic of Namibia.

3. Production / Operational Profile

The product range of the company comprises of three segments namely Iron Ore, Other Minerals and services. The brief details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
IRON Ore	**Lakh Tonnes**	262.25 (131)	229.23 (119)	207.43 (110)	233.14 (120)
Diamnds	**Carats**	1703 (2)	43878 (52)	78217 (93)	41266 (49)
Silica Sand	**Tons**	31798 (11)	62636 (21)	70832 (24)	55089 (19)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4186	3711	2230	13
Cost of Production	1036	1145	1107	-10
Net Profit/ Loss(-)	2320	1828	755	27
Dividend declared (as% of PBT)	13	13	12	1
Net worth	5774	3985	2569	45
Paid up capital	132	132	132	0
Share of Central Govt.	130	130	130	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher human productivity due to upgradation of mining equipment in phased manner, along with increase in product prices. The 99.64% of the turnover of the company comes from Iron ore segment.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.175.56, as against Rs. 138.30 in the previous year.

The share price of the company varied between Rs. 1900 to Rs. 4800 during the year 2006-07, as compared to Rs. 820 to Rs. 2200 in 2005-06. The average share price during the year was Rs. 2450

Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 5582 regular employees (executives 1195 & non-executives 4387) as on 31.3.2007. About 8.33% of the employees were having professional qualifications. Around 44.37% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year. The company is following IDA 1997 pattern of remuneration. A total of 260 employees retired during the year. on superannuation and 31 skilled employees left the company on other ground. However, 127 skilled and 262 un-skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 4 were part time Non-official Directors / professionals.

7. Strategic Issues

Projects implementation

The company aims at achieving international standards in per capita productivity, value addition and cost effectiveness, to expand the operations in other areas of mining, mineral processing and to grow both in domestic and international markets.

2 projects are under construction, 2 are under planning and 9 in pipeline. In addition, possibilities of gold/dimond deposits are being explored at different places in Andhra Prades, Madhya Pradesh, Karnataka and Jharkhand,

The company has diversification plan in exploration of beach sand and coal in Andhra Pradesh, Kerala, Orissa and Tamilnadu.

Research & Development (R&D)

During the year, for improvement in production / design and production process, the company has taken R&D initiative for technology development project for production of carbon free sponge iron powder, Nano crystalline powder from blue dust etc. However, the R&D expenditure of the company constituted 0.18 % of turnover.

Environment and Ecology

NMDC has prompted to design, develop, document and implement Environmental Management System in line with ISO 14001 standards at all its iron ore and dimond production projects, with the aim of strengthening and achieving continuous improvement in environmental performance.

Environmental monitoring studies at all production projects have been successfully completed by external approved agencies as also State Pollution Control Board authorities for the year 2006-07.

Uranium Corporation of India Ltd. (UCIL)

1. Company Profile

UCIL was incorporated on 04.10.1967 under the Companies Act, 1956 with an objective to mine and refine uranium ore to produce concentrate and recover by-products at the most economic cost and market them efficiently to meet the requirement of Nuclear Power Programme. UCIL is a schedule-'B' Miniratna PSE in Minerals and Metals sector under the administrative control of D/o Atomic Energy with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Singbhum East, Jharkhand.

2. Industrial / Business Activities

UCIL is engaged in mining and processing of Uranium Ore through its 4 operating mines at Jaduguda, Bhatin, Narwapahar and Turamdih in Jharkhand.

3. Production / Operational Profile

The average capacity utilization for all products was 115.88% during 2006-07. The product-wise performance details are as follows:

Major Products	Unit	Production during			Average of three years
		2006-07	2005-06	2004-05	
U308	**KG.**	NA	110.39	109.81	NA
Magnatite	**Ton.**	NA	84.64	78.62	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	272.82	256.25	234.11	6.47
Cost of Production	251.74	232.65	210.87	8.21
Net Profit/ Loss(-)	27.50	31.61	29.26	-13.00
Dividend declared (as % of PBT)	15.19	16.24	12.98	-6.44
Net Worth	826.68	785.66	706.12	5.22
Paid up Capital	690.94	659.89	568.39	4.71
Share of Central Govt.	690.94	659.89	568.39	4.71

5. Key Performance Factors

UCIL is working under monopolistic conditions with 100% market share. The company's turnover increased marginally during 2006-07, compared to previous year but the profit declined slightly.

Emphasis has been laid on searching of import substitutes of certain valuable spares and better inventory management, which leads to reduction in inventory.

The Earning Per Share of the company was Rs. 40 during 2006-07, as compared to Rs. 49.82 in the previous year.

UCIL received budgetary support of Rs. 21.71 crore as equity during 2006-07.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development

The enterprise employed 4099 persons (executives 196 and non-executives 3903) as on 31.3.2007 against 4112 employees as on 31.3.2006. The retirement age is 60 years. During the year, 135 employees retired under superannuation and 32 persons availed of VRS, on which Rs. 1.57 crore was spent form the internal resources of the company. Since inception of the VRS, 323 employees retired under the scheme.

During 2006-07, 49 skilled and 60 unskilled new employees joined the company.

There were total 7 Directors on the Board of the company out of which 3 were full time Functional Directors and 2 each Part Time Non-Official Directors/Professionals and Government/Official Directors.

7. Strategic Issues

The performance of the company depends on Nuclear Power programmes of the Government.

One new project valuing Rs. 90.31 crore has been sanctioned by the Government of India during 2006-07.

Research and Development

Leaching tests of Tummalapalle, different kinds of rock samples and experiments on alkaline leaching were carried out as R&D activities. Efforts were also made to precipitate uranium peroxide from sodium diuranate obtained from Tummalapalle ore.

Environment and Ecology

UCIL's operations follow the norms set by various statutory bodies like Pollution Control Board, Director General of Mines Safety, Atomic Energy Regulatory Board etc. A full fledged Environmental Survey Laboratory -cum- Health Physics unit established by Bhabha Atomic Research Centre, an independent body, carries out Radiological Surveillance in and around the Tailings Pond and the surrounding areas upto 25 km radius from UCIL.The company has also been awarded ISO 9001:2000 certification for quality assurance and ISO 14001 certification for Environmental Management System by the World's prestigious Quality/Environment Auditing Company M/s TUV of Germany.

16 CONTRACT & CONSTRUCTION SERVICES

As on 31.3.2007, there were 11 Central public sector enterprises in the Contract & Construction Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Hindustan Prefab Ltd.	1953
2.	National Projects Construction Corpn. Ltd.	1957
3.	National Bldg. Constn. Corpn. Ltd.	1960
4.	Hindustan Steelworks Costn. Ltd.	1964
5.	Bridge & Roof Co.(India) Ltd.	1972
6.	Mineral Exploration Corpn. Ltd.	1972
7.	IRCON International Ltd.	1976
8.	BBJ Construction Company Ltd.	1984
9.	Konkan Railway Corporation Ltd.	1990
10.	Mumbai Railway Vikas Corpn. Ltd.	1999
11.	Rail Vikas Nigam Ltd.	2003

2. The enterprises falling in this group are mainly engaged in construction of houses, railway lines, roads and bridges and providing consultancy services in allied fields and works etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	Hindustan Prefab Ltd.	23.20	8.70
2.	National Projects Construction Corpn. Ltd.	721.80	577.66
3.	National Bldg. Constn. Corpn. Ltd.	1459.94	1235.70
4.	Hindustan Steelworks Costn. Ltd.	423.83	341.21
5.	Bridge & Roof Co. (I) Ltd.	556.62	467.60
6.	Mineral Exploration Corpn. Ltd.	76.30	78.87
7.	IRCON International Ltd.	1474.81	1058.08
8.	BBJ Construction Co. Ltd.	67.67	55.00
9.	Konkan Railway Corpn. Ltd.	657.00	621.48
10.	Mumbai Railway Vikas Corpn. Ltd.	4.42	3.70
11.	Rail Vikas Nigam Ltd.	6.54	4.65
	Total	**5472.13**	**4452.65**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Hindustan Prefab Ltd.	-14.63	-13.83
2.	National Projects Construction Corpn. Ltd.	4.40	2.26
3.	National Bldg. Constn. Corpn. Ltd.	80.88	28.03
4.	Hindustan Steelworks Costn. Ltd.	-83.50	-85.97
5.	Bridge & Roof Co. (I) Ltd.	4.47	1.39
6.	Mineral Exploration Corpn. Ltd.	59.57	16.21
7.	IRCON International Ltd.	86.87	80.67
8.	BBJ Construction Co. Ltd.	1.22	0.49
9.	Konkan Railway Corpn. Ltd.	-233.28	-235.61
10.	Mumbai Railway Vikas Corpn. Ltd.	9.94	14.11
11.	Rail Vikas Nigam Ltd.	3.59	1.89
	Total	**-89.27**	**-190.36**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	Social Overheads & Township 2005-06
1.	No. of employees	17354	17191
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	20.28	15.99
	b. Medical facilities	12.97	7.48
	c. Others	11.13	12.54
3.	Capital cost of township *(Rupees in crore)*	88.01	58.18
4.	No. of houses constructed	4160	3960

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

CONTRACT & CONSTRUCTION SERVICES
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	437147	434647	428747
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	194635	173053	157459
OTHERS	49211	46211	40789
(B) SHARE APPLICATION MONEY	53000	20002	20240
(C) RESERVES & SURPLUS	98587	87931	82129
TOTAL (A)+(B)+(C)	**395433**	**327197**	**300617**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	307198	318837	334439
(B) UNSECURED LOANS	626568	500155	418587
TOTAL (A)+(B)	**933766**	**818992**	**753026**
(1.3) DEFERRED TAX LIABILITY	510	423	859
TOTAL (1.1)+(1.2)+(1.3)	**1329709**	**1146612**	**1054502**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	447493	434549	429072
(B) LESS DEPRECIATION	111608	102262	93440
(C) NET BLOCK (A-B)	335885	332287	335632
(D) CAPITAL WORK IN PROGRESS	14581	160127	72572
TOTAL (C)+(D)	**350466**	**492414**	**408204**
(2.2) INVESTMENT	33469	31346	30028
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	316599	53320	44468
(B) SUNDRY DEBTORS	136550	102932	105537
(C) CASH & BANK BALANCES	299184	232249	190494
(D) OTHER CURRENT ASSETS	14521	14928	12804
(E) LOAN & ADVANCES	166225	128844	105026
TOTAL (A)+(B)+(C)+(D)+(E)	**933079**	**532273**	**458329**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	463930	376330	284650
(B) PROVISIONS	55828	45666	45427
TOTAL (A+B)	**519758**	**421996**	**330077**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**413321**	**110277**	**128252**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1145	3495	7489
(2.7) DEFFRED TAX ASSETS	3928	4065	4336
(2.8) PROFIT & LOSS ACCOUNT (Dr)	527380	505015	476193
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1329709**	**1146612**	**1054502**

CONTRACT & CONSTRUCTION SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	547227	445268	321191
(B) EXCISE DUTY	14	3	29
(C) NET SALES (A-B)	547213	445265	321162
(D) OTHER INCOME / RECEIPTS	22684	20991	16919
(E) ACCRETION / DEPLETION IN STOCKS	4617	3741	-446
(I) TOTAL INCOME (C+D+E)	**574514**	**469997**	**337635**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	55606	43716	71860
(B) STORE & SPARES	736	889	853
(C) POWER & FUEL	11963	10140	8219
(D) MANUFACTURING / DIRECT / OPERATING EXP.	329625	263650	160972
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	37073	33170	30613
(F) OTHER EXPENSES	81382	71288	35774
(G) PROVISIONS	3761	762	1143
(II) TOTAL EXPENDITURE (A TO G)	**520146**	**423615**	**309434**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	54368	46382	28201
(4) DEPRECIATION	11409	10724	9876
(5) DRE. / PREL. EXP. WRITTEN OFF	1794	10645	8171
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	41165	25013	10154
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	23900	20848	18072
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	22984	23888	25997
(D) LESS INTEREST CAPITALISED	13	4	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	46871	44732	44069
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**-5706**	**-19719**	**-33915**
(9) TAX PROVISIONS	8801	4404	2951
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	-14507	-24123	-36866
(11) NET EXTRA -ORD. ITEMS	-6460	-5087	-484
(12) NET PROFIT / LOSS (10-11)	**-8047**	**-19036**	**-36382**
(13) DIVIDEND DECLARED	2883	2584	2029
(14) DIVIDEND TAX	431	363	285
(15) RETAINED PROFIT (12-13-14)	**-11361**	**-21983**	**-38696**

CONTRACT & CONSTRUCTION SERVICES
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	676724	1037403	943027
(ii) CAPITAL EMPLOYED	749206	442564	463884
(iii) NET WORTH	-133092	-181313	-183065
(iv) COST OF PRODUCTION	580220	489716	371550
(v) COST OF SALES	575603	485975	371996
(vi) VALUE ADDED	483525	394261	239784
(vii) R & D EXPENDITURE	206	5	107
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	17354	17191	16751
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	17802	16079	15229
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	2.36	2.50	2.50
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.01	1.41	1.61
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.13	2.70	1.68
(iv) SUNDRY DEBTORS : SALES (No. of days)	91.08	84.38	119.94
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	211.18	43.71	50.54
(ii) SEMI / FINISHED GOODS : SALES	202.52	29.83	33.72
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	2.98	-0.17	0.72
		(%)	
(vii) SALES : CAPITAL EMPLOYED	73.04	100.61	69.23
(viii) PBDITEP : CAPITAL EMPLOYED	7.26	10.48	6.08
(ix) PBITEP : CAPITAL EMPLOYED	5.49	5.65	2.19
(x) COST OF SALE : SALES	105.19	109.14	115.83
(xi) MATERIAL COST : SALES	10.16	9.82	22.38
(xii) SALARY & WAGES : SALES	6.77	7.45	9.53
(xiii) R & D EXPENDITURE : SALES	0.04	0.00	0.03
(xiv) PBITEP : SALES	7.52	5.62	3.16
(xv) PBTEP : NET WORTH	4.29	10.88	18.53
(xvi) NET PROFIT : NET WORTH	6.05	10.50	19.87
(xvii) GROSS MARGIN : GROSS BLOCK	12.15	10.67	6.57

BBJ Construction Co. Ltd. (BBJCC)

1. Company Profile

BBJCC was incorporated in the year 1935 in the private sector and nationalized on 13.8.1987 with the objective to maintain market leadership in the field of design, fabrication and erection of steel bridges. It is a Schedule-'C' / taken over CPSE in Contract and Construction Services sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with its Registered and Corporate offices at Kolkata, West Bengal. BBJCC is a 100% subsidiary of Bharat Bhari Udyog Nigam Ltd. (BBUNL).

2. Industrial / Business Activities

BBJCC is engaged in providing services for construction of steel bridge, fabrication of steel structures, industrial structures and civil construction. The temporary project construction sites are located all over India.

3. Production / Operational Profile

The two main segments of the company comprises of Fabrication & Erection of Steel Bridges / Structure and Marine Structure & Civil Construction. The performance details of these services are as follows:

Major Products / Services	Unit	Value of Services provided			Average of three years
		2006-07	2005-06	2004-05	
Fabrication & Erection of Steel Bridges / Structure	Rs. Cr.	55.91	27.03	22.55	35.16
Marine Structure & Civil Construction	Rs. Cr.	17.08	30.86	15.74	21.23

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
(1)	(2)	(3)	(4)	(5)
Turnover	67.67	55.00	42.50	23.04
Cost of Production	71.82	58.36	40.46	23.06
Net Profit/ Loss(-)	1.22	0.49	0.33	148.98
Net Worth	11.49	9.92	9.10	15.83
Paid up Capital	17.02	17.02	1.97	0.00
Share of Holding Co.	17.02	17.02	1.97	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to execution of more orders and variation in product mix. Steps have been taken in all operational areas for reduction of operating costs and to increase the productivity. As the work of steel bridge construction (Structural Steel Girders) is gradually shrinking, the company has successfully diversified into various allied engineering fields.

The Earning Per Share of the company was Rs.7 in the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 640 regular employees (executives 49 & non-executives 591) as on 31.3.2007. About 6.09% of the employees were having professional qualifications. Around 6% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. A total of 9 employees retired and 8 new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which one each was part time Non-official Director / professional, full time Functional Director and Government / official Director.

7. Strategic Issues

Restructuring Plan

The financial restructuring approved by Govt. of India in July, 2005 include:-

(i) Conversion of Govt. of India Loan as on 31.03.2004 and interest thereon into equity amounting to Rs. 3.88 crores.

(ii) Conversion of interest outstanding on Govt. of India loan as on 31.03.2004 into equity amounting to Rs. 10.00 crores.

(iii) Conversion of Interest outstanding on Govt. of India Loan as on 31.03.2004 into Zero Rate Debentures amounting to Rs. 10.00 crores.

(iv) Waiver of balance Interest and Penal Interest accrued on Govt. of India Loan as on 31.03.2004 amounting to Rs. 30.73 Crores.

The effects of this restructuring were reflected in the accounts for the year ending 31.03.2005.

Research & Development (R&D)

In order to promote R&D and upgradation of technology the Company has absorbed the sophisticated technology of Cable Stayed and Cable Suspension Bridges. In the field of Gauge Conversion, the company has developed the First Launching Method of Steel Girders, which has been successfully introduced in various bridges in Assam, U.P. and A.P. Efforts were also made to explore technology from abroad.

Order Book Position

The company booked orders worth Rs. 125.11 crore all from Government Departments/ organizations and without any purchase preference support. The year ended with in hand Orders of around Rs.167.99 crores.

Bridge & Roof Co. (India) Ltd. (B&R)

1. Company Profile

B&R was incorporated on 16.1.1920 as a wholly owned subsidiary of Balmer Lawrie and Co. Ltd. In 1972, it became a public sector company under the M/o Petroleum and Natural Gas. In 1986 its control was transferred to M/o Heavy Industries and Public Enterprises, D/o Heavy Industry. Its main objective is to emerge as a leader in construction and project management services in India and in selected foreign markets and provide latest technology of international standard to its customers coupled with highest level of consumer satisfaction through requisite customer service.

B&R is a Schedule-'B' / taken over PSE in Contract and Construction services sector having its Registered and Corporate offices at Kolkata (West Bengal). B&R became a subsidiary of Bharat Yantra Nigam Ltd. (BYNL) in 1987 which now holds 99.10% equity of this company.

2. Industrial/Business Activities

B&R, which has two Strategic Business Units namely Project Division, Kolkata and Howrah Works, Howrah in West Bengal, is involved in structural fabrication and providing services in the field of civil / mechanical construction and turnkey projects in the areas of refineries, power, roads and highways, hydrocarbon, housing and urban development, cross country pipelines, ferrous and non-ferrous metals, environmental projects, sports complex, etc. and to produce bailey bridge, railway wagon, bunk house, freight container, industrial structures etc. It is a versatile construction company having presence all over India and is the only PSU engaged in Mechanical construction/erection work. It has also executed several important projects in Iraq, Abu Dhabi, Nepal & Maldives.

3. Production / Operational Profile

B&R is primarily a construction company. The construction activities comprise 96% of the total turnover. However, the production performance of the company was as follows:

Particulars	Unit	Performance during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Marine Freight Container	**Nos.**	20BH	30BH	NA	NA
Fabricated Structures	**MT**	5208 (66.77)	3953 (50.68)	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	556.62	467.60	442.90	19.04
Cost of Production	605.50	506.81	486.07	19.47
Net Profit/ Loss(-)	4.47	1.39	0.94	221.58
Dividend declared (as % of PBT)	1.39	2.85	0.00	-51.05
Net Worth	91.38	72.02	55.75	26.88
Paid up Capital	39.99	39.99	13.98	0.00
Share of Holding Co.	39.69	39.63	13.62	0.15

5. Key Performance Factors

B&R has a high credibility of quality and timely execution of projects of national importance. The company's pursuit of excellence and adherence to quality has earned itself the Quality System Accreditation of ISO 9001 for Storage Tank Construction and ISO 9002 for manufacture of Railway Wagons.

The major sales of the company were made to Government Departments/organizations and the share of sales through purchase preference support was only about 0.06% of the total sale of Rs. 556.62 crore including export sale.

The profit of the company increased by Rs. 4.07 crore mainly due to increase in sales and reduction in cost.

During the year the company received a Plan budgetary support of Rs. 15 crore in the form of equity and another Rs. 15 crore as loan.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1.12 as against Rs. 0.35 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1449 regular employees (610 executives & 839 non-executives) as on 31.3.2007. About 39% of the employees were having professional qualifications. Around 28% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. The company is following IDA 1997 pattern of remuneration. A total of 45 employees retired during the year. Further 19 skilled and 2 unskilled employees also left the company in attrition. Since the introduction of the scheme, total 465 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were part time Non-official Directors / professionals.

7. Strategic Issues

Modern sophisticated equipments are being acquired with the financial support received from the Government.

The company is in the process of implementing Enterprise Resource Planning (ERP) for linking various offices and project sites through online facilities.

Research & Development (R&D)

The Company has been continuing to develop new products, technologies and to upgrade Quality Standard. It has already established successful operation in many diversified areas such as Furnaces and Heaters, LSTK Projects, Cross-country Pipeline, Highways and Expressways, Bailey bridge, Railway Wagons, Main Boiler work in Thermal Power Station, Metro Rail at Delhi, Storage Silos for Alumina, Water Supply and Sewerage Systems, Flyovers etc.

The R&D expenditure incurred during the year 2006-07 was Rs. 1.81 lakhs which is 0.003% of the total turnover.

Order Book Position

The cumulative orders on hand at the beginning of the year 2007-2008 were to the extent of Rs. 1213 crores. This placed the company a comfortable position for formulating well planned production schedules.

Hindustan Prefab Ltd. (HPL)

1. Company Profile

HPL was incorporated on 16.8.1955 with an objective to carry on business of manufacturing of PCC and RCC components, construction and maintenance work etc. HPL is a Schedule-'D' / CPSE in Contract and Construction Services sector under the administrative control of M/o Urban Development with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

HPL was engaged in providing services in the field of construction work, maintenance of building and manufacturing of concrete PC Poles, PRC railway sleepers, RCC products. Production of PRC Railway sleepers and PC Poles has been stopped since mid 2004 for want of viable order and shortage of working capital. The value of work done at construction sites was Rs. 22.82 crore and that of operation and maintenance Rs. 0.37 crore during 2006-07 as against Rs. 8.03 crore and Rs.0.49 crore respectively during the previous year.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	23.20	8.70	9.54	166.67
Cost of Production	38.01	22.92	22.45	65.84
Net Profit/ Loss(-)	-14.63	-13.83	-13.40	5.78*
Net Worth	-118.74	-104.09	-90.26	14.07*
Paid up Capital	6.97	6.97	6.97	0.00
Share of Central Govt.	6.97	6.97	6.97	0.00

*Negitive growth

4. Key Performance Factors

The company is poised to improve performance by way of restructuring and adopting aggressive strategies. During 2006-07 the turnover increased by about 165% over previous year.

High manpower cost and heavy interest burden on Government Loans have been the major cause of increase in loss marginally during the year.

Capacities of RCC and Vayutan departments remained under utilized due to lack of viable orders.

5. Human Resource Development

The company was having 414 employees including 24 on contract basis as on 31.3.2007.

6. Strategic issues

The Company has been referred to BRPSE for capital restructuring /revival.

The company decided to have a Techno Commercial Consultant. After doing lot of exercise, it has been able to appoint M/s Ernst and Young Pvt. Limited which started their work in August, 2007.

Besides restructuring of its activities the company is making efforts towards to acquire new technology by having tie up with other groups on mutually agreed terms.

HPL has improved its order booking and as on 31.8.2007 it had orders in hand amounting to Ts.887.90 crore.

The company has entered into MOU with the Government for the year 2007-08.

Hindustan Steelworks Const. Ltd. (HSCL)

1. Company Profile

HSCL was incorporated in the year 1964 under the Companies Act, 1956 with an objective of creating in the Public Sector an organization capable of undertaking complete construction of modern integrated Steel Plants. HSCL is a Schedule-'B' / CPSE in Contract and Construction services sector under the administrative control of M/o Steel with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

HSCL is involved in undertaking construction activities in the areas of steel plants, power, oil and gas, roads / highways, bridges, dams, underground communication and transport system, industrial and township complexes etc. with high degree of planning, co-ordination and modern sophisticated techniques. Presently the company carries out some perennial operation and maintenance jobs in steel plants and major project jobs in infrastructure sector. The company has one Joint Venture namely HSCL-Sricon Infrastructure Private Limited for construction of Nagpur-Hyderabad Section of NH 7 with 51% equity holding.

3. Production / Operational Profile

The performance of the company in project construction was as follows:

Particulars	Unit	Performance during			Average of three year
		2006-07	2005-06	2004-05	
Project construction	**Rs. in crore**	433.33	349.80	322.31	368.48

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	424	341	314	24
Cost of Production	505	450	433	12
Net Profit/ Loss(-)	-84	-86	-94	-3
Net worth	-1229	-1164	-1109	5
Paid up capital	117	117	117	0
Share of Central Govt.	117	117	117	0

5. Key Performance Factors

The increase in turnover and fall in losses are attributed to higher productivity. The income per employee increased to Rs.26.9 lakhs during 2006-07 as compared to Rs.9 lakhs during 2005-06.

The main revenue segments of the company were steel, KVS & NVS, roads, railways and power with a revenue contribution of 26.89%, 15.57%, 12.74%, 12.50% and 11.79% respectively during the year.

The company earned operational profit but due to high interest burden and adjustment of extra ordinary items it incurred net loss during the year.

The company has availed of a cumulative Government Guarantee of Rs. 610.36 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 1612 regular employees (executives 345 & non-executives 1267) as on 31.3.2007 as against 1843 employees as on 31.3.2006. About 21.71% of the employees were having professional qualifications. Around 92.31% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for board level and 58 years for below board level employees. It is following IDA 1992 and CDA 1996 pattern of remuneration. A total of 71 employees retired during the year.

During the year, 150 employees availed of VRS and an amount of Rs.3.10 crore was spent in this regard.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 each were part time Non-official Directors / professionals, full time Functional Directors and Government / official Directors

7. Strategic Issues

The average age of the executives of the company is about 55. During the last 15 years there has been no recruitment in the company.

Restructuring Plan

The company had been facing acute financial difficulty since long. Despite a capital restructuring undertaken in 1999, the company is still in loss. The company has sent a proposal to its administrative Ministry for organizational, business and financial restructuring on the basis of viability study conducted by M/s A.F.Ferguson & Co.

Order Book Position

The year ended with in hand Orders of around Rs.986 crores. The company expects to secure more works in Steel sector (which is under going a major expansion programme for capacity enhancement) and also in the infrastructure sector specially the works of PMGSY in different states under "Bharat Nirman programme".

IRCON International Ltd. (IRCON)

1. Company Profile

IRCON was incorporated in the year 1976 under the Companies Act, 1956 with an objective to carry on the construction activities basically in Railways (subsequently diversified in all spectrum of infrastructure sector) including turnkey projects under Build Operate and Transfer(BOT), Build Lease and Transfer (BLT), Build Own, Operate and Transfer(BOOT) or any other scheme. The mission of the company is to be recognized nationally and internationally as a specialized construction organization comparable with the best in the field covering the entire spectrum of construction activities and services in the infrastructure sector.

IRCON is a Schedule-'A' Miniratna CPSE in Contract and Construction Services sector under the administrative control of M/o Railways with 99.80% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

IRCON is engaged in providing civil and other construction services such as formation and earthwork, track laying and welding, sidings & MGR system for thermal power stations, rehabilitation and upgradation of track, girder erection & regirdering, ballast and quarries, railway workshops, concrete sleepers, tunneling, pilling, bridges, etc; electrification of railway lines; construction of roads and highways, bridges, tunnels, airport runway; signaling and telecommunication work; buildings; electricity transmission substations etc. Besides 47 Regional / Project Offices in India, IRCON has Project Offices in Afghanistan, Bangladesh, Ethiopia, Malaysia, Mozambique, Nepal and Sharjah. IRCON has two joint ventures namely Companhia Dos Caminhos De Ferro Da Beira (CCFB), Mozambique with 25% shareholding and Ircon-Soma Tollway Private Limited (ISTPL), India with 50% shareholding.

3. Production / Operational Profile

The service range of the company comprises of railways, highways, buildings and others. The brief details of major construction activities (having more than 5% contribution in turnover) are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Railway	Rs in crore	595	569	692	619
Highways	Rs. in crore	244	269	528	347
Building	Rs. in crore	14	102	149	88
Others	Rs. in crore	119	119	106	115

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1474.81	1058.08	972.45	39.39
Cost of Production	1432.05	999.03	906.73	43.34
Net Profit/ Loss(-)	86.87	80.67	88.83	7.69
Dividend declared (as % of PBT)	23.15	22.63	18.84	2.30
Net Worth	874.48	829.30	777.72	5.45
Paid up Capital	9.90	9.90	4.95	0.00
Share of Central Govt.	9.88	9.88	4.94	0.00

5. Key Performance Factors

The increase in turnover is attributed to higher contribution from Indian projects. The operating income from foreign operation constituted only 8.27% of turnover during 2006-07. Gross margin increased due to increase in turnover.

Percentage of debtors to turnover decreased to 10.89% in 2006-07 compared to 13.95% in 2005-06.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1830 regular employees (executive 755 & non-executives 1075) as on 31.3.2007. About 58.25% of the employees were having professional qualifications. Around 14.26% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 8 employees retired during the year. Further 152 skilled and 4 unskilled employees also left the company on other grounds. However, 155 new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 5, out of which 2 were part time Govt. official Directors.

7. Strategic Issues

Project Implementation

The company has made headway in acquiring expertise in Metro and MRTS works and is specialized in laying ballast-less track which was commended by the clients. The company has so far successfully completed 80 projects in several foreign countries and over 210 varied projects in all parts of India including difficult terrains like Kashmir.

Besides Metro and MRTS works, the company has diversified in the areas of optic fibre, real estate, land development, leasing etc.

Konkan Railway Corpn. Ltd. (KRCL)

1. Company Profile

KRCL was incorporated in the year 1990 under the Companies Act, 1956 with an objective to construct a new broad gauge rail line between Rohu and Mangalore by raising the finance from Non-Government sources. The current objects are to provide excellent services to the shareholders, customers, investors, ensuring safety to passengers and improving productivity through efficiency in all spheres of activities. KRCL is a Schedule-'A' PSE in Contract and Construction Services sector under the administrative control of M/o Railways with 52.12% shareholding by the Government of India (the remaining holding is with the Governments of Maharashtra, Karnataka and Goa). Its Registered office is at Delhi and Corporate office at Mumbai, Maharashtra.

2. Industrial / Business Activities

KRCL is one of the Central / State Government Joint Venture providing services in the field of construction of railway line and operation of railway traffic from Roha in Maharashtra to Mangalore in Karnataka. In addition to the railway transportation, the corporation has undertaken construction of Katra - Laole railway project in J&K and construction of road over bridges in Jharkhand, implementation of ACD network in North East Frontier Railway., etc.

3. Operational Profile

The performance of the products of the company are as follows:

Products / Services	Unit	Performance during (Capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Passenger Transport-ation	Nos. in Million	32.99 (347.26)	30.17 (317.58)	30.02 (316.00)	31.06 (326.95)
Freight Transport-ation	NTKMs	2090.12 (46.45)	1597.50 (35.50)	1313.63 (29.19)	1667.08 (37.05)
RORO	No. of Trucks	23727 (85.36)	18072 (75.77)	17615 (80.97)	19805 (80.70)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	657	621	272	6
Cost of services	901	872	595	3
Net Profit/ Loss(-)	-233	-236	-305	-1
Net worth	-2314	-2080	-1859	11
Paid up capital	803	803	790	0
Share of Central Govt.	411	411	411	0

5. Key Performance Factors

The running of more freight trains via Konkan Railway from north and movement of iron ore traffic considerably increased the Freight earnings during 2006-07, recording growth of about 38% over previous year. The Ro-Ro earnings also increased by 44%. These have effected an overall increase in the turn over and a marginal reduction in the net loss. Further, decrease in finance charges due to redemption of high interest Bonds and reissue at lower rates also contributed in reduction in loss.

6. Human Resource Development (HRD)

The enterprise employed 4160 regular employees (168 executives & 3992 non-executives) as on 31.3.2007. Around 2.6% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

During the year 2006-07, 11 new skilled employees joined the company.

The total number of Directors in the company, as on 31.3.2007 was 14 out of which 4 each were part time Non-official Directors/professionals and full time Functional Directors and 6 Government/ official Directors.

7. Strategic Issues:

The construction work of 90 km Katra-Laole section of Udhampur-Srinagar-Baramulla single line broad gauge Railway project on cost plus 10% basis affected due to adverse geological conditions and various other constraints.

During the year 2006-07, the Company redeemed an amount of Rs.480.23 crore. The Company issued bonds worth Rs.358 crore at a rate of interest ranging from 8.50% to 8.90% per annum. The company decided to redeem Rs.50 crore from its operating surpluses and balance of Rs.72 crores to be reissued in 2007-08. Bonds worth Rs.114 crores are falling due for redemption in 2007-08.

A financial restructuring proposal as approved by the Board of Directors of KRCL has been forwarded by the Ministry of Railways to the Board for Reconstruction for Public Sector Enterprises (BRPSE) for its recommendation.

Mineral Exploration Corpn. Ltd. (MECL)

1. Company Profile

MECL was incorporated on 21.10.1972 under the Companies Act, 1956 with an objective to carry out detailed exploration of mineral potential deposits on a commercial approach, in order to reduce the time lag between the initial discovery of a mineral prospect and its eventual exploitation. MECL is a Schedule-B CPSE in Contract and Construction Services sector under the administrative control of M/o Mines, with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Nagpur, Maharashtra. The Zonal offices and Regional Maintenance Centres of the company are located at Ranchi, Nagpur and Hyderabad and Business Development Centers at Delhi and Kolkata.

2. Industrial / Business Activities

MECL carries out exploration activities under two major heads namely promotional work for coal, lignite and other minerals on behalf of and funded by the Government of India and contractual work on behalf of other agencies including public sector, private sector and state Governments etc.

3. Production / Operational Profile

The product / service range of the company comprises of exploratory drilling and exploratory / developmental mining. The performance details of major products / services (having more than 5% contribution in turnover) are as follows:

(Rs. in crore)

Major Products	Unit	Performance during			Average of three years
		2006-07	2005-06	2004-05	
Drilling	Mtrs.	196979 (115)	178425 (104)	173144 (101)	182849 (107)
Development Mining	Mtrs.	7811 (195)	8280 (207)	7525 (188)	7872 (197)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	76.30	78.87	73.55	-3.26
Cost of Production	79.20	66.16	71.11	19.71
Net Profit/ Loss(-)	59.57	16.21	3.95	267.49
Net Worth	104.73	0.77	-18.50	13,501.30
Paid up Capital	119.55	73.75	72.75	62.10
Share of Central Govt.	119.55	73.75	72.75	62.10

5. Key Performance Factors

88% revenue of the company comes from exploration.

Turnover increased during 2006-07 compared to 2005-06 due to healthy order book position, efforts to increase productivity, gainful utilization of available resources, effective monitoring system, more autonomy to project managers etc.

The restructuring plan approved by the Government of India on 8.8.2006 based on the recommendations of BRPSE inter alia contained waiver of interest on Govt. loan increased the level of profit.

The company is having 30% of market share in respect of exploratory drilling in India. The performance is attributed to Higher Human Productivity and Technology changes. The implementation of long awaited wage revision of the employees has acted as a motivating factor for increase in the profitability of the company.

Drilling productivity increased from 242m/drill/month during 2005-06 to 259m/drill/month during 2006-07.

Revenue per employee increased from Rs.3.67 lakhs to Rs. 4.02 lakhs during this period.

The Company scored 'Excellent' MOU rating during the year 2006-07. It achieved 113% of the target which was highest since inception of the company.

6. Human Resource Development (HRD)

The enterprise employed 2121 regular employees (executives 328 & non-executives 1793) as on 31.3.2007. About 7.78% of the company employees were having professional qualifications. Around 52% employees come under the age bracket of 51 and above years. The retirement age in the company is 58 years. The company is following IDA 1997 pattern of remuneration.

During the year 43 skilled and 6 unskilled employees left the company. The total number of Directors in the company, as on 31.3.2007 was 5, out of which one is Non-official Director / Professional. As on 31.3.2007, 121 executives were identified as surplus.

7. Strategic Issues

With the opening up of mining sector for private participation the competition in the domestic market has increased.

MECL has planned to induct new plants and machineries under its modernisation programmes for improvement of its performance and productivity. In order to complete the work in hand as per time schedule and requirement of the clients, it has planned to outsource some of the work. It has empanelled the agencies having technology know how for drilling and developmental mining through Expression of Interest (EoI).

Research and Development

MECL's R&D efforts have, by and large, been in the related field of activities. It has utilized funds available for the purpose under S&T programme of Ministry of Mines / Department of Science & Technology and also from internal resources. Being a commercial organisation, the application of R&D is limited to its area of operations and is being taken up on need basis in conformity with the requirement for implementation of its exploration programme.

Environment and Ecology

The environmental studies are being carried out in all the projects and a chapter on the baseline status of environmental studies is being incorporated in the geological reports.

Mumbai Railway Vikas Corpn. Ltd. (MRVC)

1. Company Profile

MRVC was incorporated on 12.7.1999 under the Companies Act, 1956 with the objective of augmenting transport capacity to match the continual growth in the number of commuters in Mumbai by developing coordinated plans and implement rail infrastructure projects, integrating urban development plan of Mumbai with Rail capacity and investments, undertaking commercial development of Railway land and air space etc. MRVC is a Schedule- 'A' CPSE in Contract and Construction Services sector under the administrative control of M/o Railways with 51% shareholding by the Government of India and 49% by the Government of Maharashtra. Its Registered and Corporate offices are at Mumbai, Maharshtra.

2. Industrial / Business Activities

MRVC is one of the Central-State Governments Joint Venture involved in developing rail infrastructure project i.e. Mumbai Urban Transport Project (MUTP) in Mumbai.

3. Production / Operational Profile

MRVC is in the process of implementing the MUTP, the cost of which will be shared between M/o Railways and Government of Maharashtra in a 50:50 ratio. This being a service enterprise, there are no production activities.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4.42	3.70	1.51	19.46
Cost of Production	7.04	5.83	4.28	20.75
Net Profit/ Loss(-)	9.94	14.11	10.60	-29.55
Net Worth	66.19	56.23	42.12	17.71
Paid up Capital	25.00	25.00	25.00	0.00
Share of Central Govt.	12.75	12.75	12.75	0.00

5. Key Performance Factors

The turnover increased during the year 2006-07 compared to previous year due to lower expenditure on project, the profit declined on account of lower receipt of interest income.

The loan sanctioned by the World Bank for Phase-1 of the project shall be serviced through surcharge on Mumbai suburban tickets.

The company is exempted from payment of Income Tax under section 11A of the Income Tax Act, 1961.

Earning Per Share of the company was Rs. 399.84 as on 31.3.2007.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 141 regular employees (executives 58 & non-executives 83) as on 31.3.2007 as against 135 employees as on 31.3.2006. About 36.88% of the employees were having professional qualifications. Around 23% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following CDA 1996 pattern of remuneration.

Total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were Government / official Directors and 6 full time Functional Directors.

7. Strategic Issues

The company aims to integrate suburban rail capacity enhancement plans with urban development of Mumbai.

Research & Development (R&D)

R&D is done through the Research and Design Standards Organization, Lucknow for inspection of materials and design modifications.

National Bldg. Const. Corpn. Ltd. (NBCC)

1. Company Profile

NBCC was incorporated on 15.11.1960 under the Companies Act, 1956 with an objective to become a leading company in the construction engineering and consultancy services, providing efficient and quality execution of projects. Its vision is to be a widely admired and preferred construction services company by setting highest standards in customer service, reliability, safety and environment stewardship, and cost containment. NBCC is a Schedule-'B' / CPSE in Contract and Construction Services sector under the administrative control of M/o Urban Development with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NBCC is engaged in execution of civil engineering projects, rendering project management consultancy services and development of real estate projects. The company has three Joint Ventures namely "Jamal – NBCC International (Proprietary) Ltd. "in Botswana , IJM-NBCC-VRm in Delhi and AMC-NBCC in Agartala with a share of 51%, 50% and 19.40% respectively.

3. Production / Operational Profile

The company has diversified into almost all fields of construction industry including highly specialized works like power plants, water treatment & sewage treatment plants, water supply pipe line work, road work, mass housing projects and engineering procurement and construction (EPC) project. The segment-wise revenue earned by the company from external customers is given below:

(Rs. in crore)

Particulars	Performance during			Average of three years
	2006-07	2005-06	2004-05	
Real Estate	153.73	44.48	NA	-
Infrastructure	108.78	141.33	NA	-
Civil construction including project management consultancy	1197.45	1051.19	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1459.94	1235.70	778.02	18.15
Cost of Production	1389.20	1277.53	776.36	8.74
Net Profit/ Loss(-)	80.88	28.03	15.46	188.55
Dividend declared (as % of PBT)	2.41	0.00	0.00	241.39
Net Worth	150.93	73.32	44.72	105.85
Paid up Capital	120.00	120.00	120.00	0.00
Share of Central Govt.	120.00	120.00	120.00	0.00

5. Key Performance Factors

During 2006-07 the growth rate of the company was 18% compared to 10% of the construction industry.

The reasons for performance improvement are attributed to increase in productivity, upto date price realization, reduction in overheads, technology change etc. The real estate income also helped in increase in profits.

Per employee profit increased from Rs. 1.11 as on 31.3.2006 to Rs. 3.31 as on 31.3.2007, turnover from Rs.48.90 to Rs. 59.74 and networth from Rs. 7332.00 to Rs. 151000 on these dates respectively. On the other side, ratios of salary and benefits to turnover declined from 3.78 to 3.17, prime cost to turnover from 89.55 to 85.37 and other expenses to turnover from 9.02 to 6.27 on the same dates.

The Company scored ‘Excellent’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2444 regular employees (executives 848 & non-executives 1596) as on 31.3.2007. About 23% of the employees were having professional qualifications. Around 28% employees come under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 were Government / official directors.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. During the year, 28 skilled and 9 unskilled employees left the company.

7. Strategic Issues

Competition

The company is facing stiff competition both in domestic and international tenders due to diversification by companies, JV formation and participation by international firm.

Research & Development (R&D)

The increase in efficiency also attributed to technological changes like computerization.

National Projects Construction Corp.n Ltd. (NPCC)

1. Company Profile

NPCC was incorporated in the year 1957 as a Premier Construction Company under the Companies Act, 1956 with the objective of competing with the domestic and international construction organizations in the field of planning, design, consultancy / construction of large civil / allied projects in various sectors of economy and serve as a price deterrent to the private contractor. NPCC is a Schedule-‘B’ /

CPSE in contract and construction services sector under the administrative control of M/o Water Resources with 96.48% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at Faridabad, Haryana.

2. Industrial / Business Activities

NPCC is engaged in providing services in the field of Construction of large Civil and allied projects in sectors relating to irrigation, river valley projects, barrages, canals, hydel and thermal power, steel, coal, rural and urban transportation, railways etc.

3. Production / Operational Profile

Over the last 49 years, the company has completed more than 254 projects of national importance all over the country and in most remote and hazardous locations where private sector is reluctant to work. It has executed works in the Middle-east countries, Nepal and Bhutan. The company has 20 zonal offices all over the country. The value of work done by the company in different segments as per last available information for the year 2005-06 is as follows:

Sl. No.	Segment	Amount (Rs. in crore)
1.	Infrastructure	188.28
2.	Power	109.37
3.	Communication	78.67
4.	Others	201.14
	Total	577.46

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	721.80	577.66	305.45	24.95
Cost of Production	757.42	625.16	379.68	21.16
Net Profit/ Loss(-)	4.40	2.26	-70.84	94.69
Net Worth	-650.68	-655.05	-657.47	-0.67*
Paid up Capital	29.84	29.84	29.84	0.00
Share of Central Govt.	28.79	28.79	28.79	0.00

*Positive growth

5. Key Performance Factors

The company has not provided any information for the year 2006-07. The company has got turnaround after 18 years by earning profit of Rs. 2.26 crore during 2005-06. However the corporation has no major capital scheme of its own in hand. It is only executing the works of the various clients who entrust / award the works to the corporation.

In order to improve the performance thrust areas like aggressive marketing, optimum utilization of available resources, continuation of VRS scheme, forming joint ventures etc. have been identified and being pursued aggressively.

6. Human Resources Development (HRD)

The enterprise had a workforce of 2370 employees as on 31.3.2006.

7. Strategic issues

Office of the comptroller and Auditor General of India has also named NPCC as one of the central Government company which shows arrears in finalization of its accounts. CAG has pointed out that arrears in finalization of company account leads to non compliance with the provisions of the section 166 and 210 of the Companies Act, 1956.

Restructuring Plan

NPCC was a loss making company and the losses were due to lack of orders, fixed cost that includes heavy interest on Government loans and expenditure on surplus manpower. A Revival plan submitted by the administrative Ministry has been recommended by the BRPSE which envisaged restructuring of operations and manpower, waiver of interest, conversion of loan to equity, financial grants etc. The revival plan is yet to be approved by the Government.

Rail Vikas Nigam Ltd. (RVNL)

1. Company Profile

Rail Vikas Nigam Limited was incorporated on 24th January, 2003 under the Companies Act, 1956 with the main objective of emerging as most efficient rail infrastructure provider with sound financial base and global construction practices for timely completion of projects. RVNL is a Schedule-'A' CPSE in Contract & Construction Services sector under the administrative control of M/o Railways with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

The company is involved in creating vital rail infrastructure with the objective of removing the capacity bottle-necks on the Golden Quadrilateral and its diagonals, providing vital linkages and augmenting capacity of existing links including the corridors connecting ports with the hinterland. Projects are to be implemented on a commercial format, involving limited budgetary financial resources and focusing mainly on private sector participation and market borrowings. Presently, the company is implementing 50 projects out of which 7 are through ADB funding, 11 through IRFC borrowing, 9 through "Capital Fund" of Railways, 11 with RVNL equity and 7 through project specific SPVs, one project through full funding by Ministry of Shipping and remaining 4 projects are at development stage. The Company is having 8 Project Implementing Units at Bhubaneswar, Bilaspur, Chennai, Jaipur, Kolkata, Navi Mumbai, New Delhi and Secunderabad.

3. Production / Operational Profile

The company is implementing four types of projects namely doubling (1811 Km), gauge conversion(1585 Km), new line(493 Km) and railway electrification(1906 Km). The total length of these projects is 5795 Km. The performance details of major services of the company are as follows:

Major Products / Services	Unit	Services provide during			Average of three years
		2006-07	2005-06	2004-05	
Projects completed	Nos.	3	7	-	-
Project Area Completed	Length in Km	778	1402	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	6.54	4.65	0.00	40.65
Cost of Production	16.20	13.67	0.00	18.51
Net Profit/ Loss(-)	3.59	1.89	0.00	89.95
Net Worth	1679.75	1149.23	974.17	46.16
Paid up Capital	1150.02	950.00	800.00	21.05
Share of Central Govt.	1150.02	950.00	800.00	21.05

5. Key Performance Factors

The turnover and profitability of the company increased during 2006-07, compared to previous year because of growth and momentum achieved in project execution during the year as well as better monitoring and coordination in project management.

RVNL completed 155 Kms. of new lines, 795 Kms. of gauge conversion and 276 Kms. of doubling and 954 Kms. of railway electrification including the area of 10 projects completed so far till 31.3.2007. This is approximately 38% of the total assigned length of 46 projects.

The Earning Per Share (EPS) increased from 0.02 per share to Rs.0.04 per share during 2006-07.

As per MOU targets for the year 2007-08 the company is to achieve 340KMs of Gauge conversion, 70 KMs of doubling, 20 KMs of railway electrification and 15Kms of new line works.

6. Human Resource Development (HRD)

The enterprise employed 167 regular employees (executives 158 & non-executives 9) as on 31.3.2007 as against 119 employees as on 31.3.2006. About 27.54% of the employees were having professional qualifications. Around 15% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 4 were part time Non-official Directors/professionals, 5 full time Functional Directors and 2 Government / official Directors including Pt. Time Chairman.

7. Strategic Issues

Solving of land acquisition problems along with cost of land acquisition is significant for the success of the company's projects.

The company has set up two additional project implementing units at Bilaspur and Kolkata and another at Bhopal is coming up.

The company has settled all pending issues related to ADB projects by maintaining close liaison. Focused attention on the disbursements during 2007 shall prove the capacity of the company.

17 FINANCIAL SERVICES

As on 31.3.2007, there were 16 Central public sector enterprises in the Financial Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Export Credit Guarantee Corpn.of India Ltd.	1957
2.	Rural Electrification Corpn. Ltd.	1969
3.	Housing & Urban Dev. Corpn. Ltd.	1970
4.	National Film Dev. Corpn. Ltd.	1975
5.	Indian Railway Finance Corpn. Ltd.	1986
6.	Power Finance Corporation	1986
7.	Indian Renewable Energy Dev. Agency Ltd.	1987
8.	National Scheduled Castes Finance & Devp. Corpn.	1989
9.	National Backward Classes Finance & Development Corpn.	1992
10.	National Minorities Devp. & Finance Corpn.	1994
11.	National Handicapped Finance & Dev. Corpn.	1997
12.	National Safai Karamcharis Finance & Dev. Corpn.	1997
13.	Balmer Lawrie Investments Ltd.	2001
14.	Kumarakruppa Frontier Hotels Ltd.	2001
15.	National Scheduled Tribes Finance & Dev. Corpn.	2001
16.	India Infrastructure Finance Co. Ltd.	2006

2. The enterprises falling in this group are mainly engaged in rendering financial services such as lending and debt services etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
1.	Export Credit Guarantee Corpn.of India Ltd.	594.44	543.05
2.	Rural Electrification Corpn. Ltd.	2651.70	2071.31
3.	Housing & Urban Dev. Corpn. Ltd.	2608.22	2297.99
4.	National Film Dev. Corpn. Ltd.	22.46	11.80
5.	Indian Railway Finance Corpn. Ltd.	2283.98	1892.00
6.	Power Finance Corpn.	3816.67	3125.56
7.	Indian Renewable Energy Dev. Agency Ltd.	166.35	155.54
8.	National Scheduled Castes Finance & Dev. Corpn.	15.40	15.99
9.	National Backward Classes Finance & Dev. Corpn.	19.51	21.74
10.	National Minorities Dev. & Finance Corpn.	17.46	17.04
11.	National Handicapped Finance & Dev. Corpn.	1.78	1.67
12.	National Safai Karamcharis Finance & Dev. Corpn.	5.89	5.45
13.	Balmer Lawrie Investments Ltd.	0.00	0.00
14.	Kumarakruppa Frontier Hotels Ltd.	0.00	10.51
15.	National Scheduled Tribes Finance & Dev. Corpn.	8.65	15.12
16.	India Infrastructure Finance Co. Ltd.	40.06	0.00
	Total	**12252.57**	**10184.77**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Export Credit Guarantee Corpn.of India Ltd.	369.70	221.76
2.	Rural Electrification Corpn. Ltd.	660.26	726.01
3.	Housing & Urban Dev. Corpn. Ltd.	310.13	260.24
4.	National Film Dev. Corpn. Ltd.	-5.27	2.40
5.	Indian Railway Finance Corpn. Ltd.	398.70	333.88
6.	Power Finance Corpn.	986.14	970.95
7.	Indian Renewable Energy Devt. Agency Ltd.	34.60	30.65
8.	National Scheduled Castes Finance & Devp. Corpn.	5.24	7.71
9.	National Backward Classes Finance & Devp. Co.	20.60	15.31
10.	National Minorities Devp. & Finance Corpn.	10.15	10.92
11.	National Handicapped Finance & Devpt. Corpn.	2.01	2.01
12.	National Safai Karamcharis Finance & Devpt. Corpn	3.12	2.36
13.	Balmer Lawrie Investments Ltd.	9.29	5.56
14.	Kumarakruppa Frontier Hotels Ltd.	8.59	5.61
15.	National Scheduled Tribes Finance & Devp. Corpn.	10.89	8.83
16.	India Infrastructure Finance Co. Ltd.	3.47	0.00
	Total	**2827.62**	**2604.20**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	3274	3326
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	0.56	0.73
	b. Medical facilities	4.83	1.90
	c. Others	2.77	2.71
3.	Capital cost of township *(Rupees in crore)*	70.69	15.93
4.	No. of houses constructed	53	195

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

FINANCIAL SERVICES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	1209000	1109000	1094000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	694935	674703	649265
OTHERS	32375	8669	7997
(B) SHARE APPLICATION MONEY	34500	2750	7072
(C) RESERVES & SURPLUS	1570524	1528384	1409433
TOTAL (A)+(B)+(C)	**2332334**	**2214506**	**2073767**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	4428475	3762804	3261318
(B) UNSECURED LOANS	6564570	5676072	4899781
TOTAL (A)+(B)	**10993045**	**9438876**	**8161099**
(1.3) DEFERRED TAX LIABILITY	379942	224960	161138
TOTAL (1.1)+(1.2)+(1.3)	**13705321**	**11878342**	**10396004**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	84497	64372	64075
(B) LESS DEPRECIATION	43469	40776	38629
(C) NET BLOCK (A-B)	41028	23596	25446
(D) CAPITAL WORK IN PROGRESS	1520	7099	1525
TOTAL (C)+(D)	**42548**	**30695**	**26971**
(2.2) INVESTMENT	2922234	2584427	2346299
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	57	96	152
(B) SUNDRY DEBTORS	1914	790	3161
(C) CASH & BANK BALANCES	941091	935612	688576
(D) OTHER CURRENT ASSETS	191250	137421	108119
(E) LOAN & ADVANCES	10330206	8780988	7801722
TOTAL (A)+(B)+(C)+(D)+(E)	**11464518**	**9854907**	**8601730**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	503410	394799	401232
(B) PROVISIONS	244638	212557	189429
TOTAL (A+B)	**748048**	**607356**	**590661**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**10716470**	**9247551**	**8011069**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	3798	3905	4082
(2.7) DEFFRED TAX ASSETS	18897	10918	6495
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1374	846	1088
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**13705321**	**11878342**	**10396004**

FINANCIAL SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	1225299	1018526	1066321
(B) EXCISE DUTY	42	49	764
(C) NET SALES (A-B)	1225257	1018477	1065557
(D) OTHER INCOME / RECEIPTS	64447	54607	39084
(E) ACCRETION / DEPLETION IN STOCKS	0	0	238
(I) TOTAL INCOME (C+D+E)	**1289704**	**1073084**	**1104879**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	1174	0	0
(B) STORE & SPARES	15	3	2
(C) POWER & FUEL	380	310	221
(D) MANUFACTURING / DIRECT / OPERATING EXP.	5016	28299	46632
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	17550	14969	14632
(F) OTHER EXPENSES	53370	26743	33063
(G) PROVISIONS	14891	16414	19132
(II) TOTAL EXPENDITURE (A TO G)	**92396**	**86738**	**113682**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	1197308	986346	991197
(4) DEPRECIATION	1693	1374	1436
(5) DRE. / PREL. EXP. WRITTEN OFF	1312	1229	1204
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1194303	983743	988557
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	12102	12122	16853
(B) ON FOREIGN LOANS	28191	27643	23237
(C) OTHERS	721723	597097	561054
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	762016	636862	601144
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**432287**	**346881**	**387413**
(9) TAX PROVISIONS	149789	91206	112038
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	282498	255675	275375
(11) NET EXTRA -ORD. ITEMS	-264	-4745	3083
(12) NET PROFIT / LOSS (10-11)	**282762**	**260420**	**272292**
(13) DIVIDEND DECLARED	83292	80034	84168
(14) DIVIDEND TAX	12509	11162	11325
(15) RETAINED PROFIT (12-13-14)	**186961**	**169224**	**176799**

FINANCIAL SERVICES
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	11208929	9513106	8168569
(ii)	CAPITAL EMPLOYED	10757498	9271147	8036515
(iii)	NET WORTH	2327162	2209755	2068597
(iv)	COST OF PRODUCTION	857417	726203	717466
(v)	COST OF SALES	857417	726203	717228
(vi)	VALUE ADDED	1223688	1018164	1065572
(vii)	R & D EXPENDITURE	0	25	0
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	3274	3326	3305
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	44670	37505	36894
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	4.71	4.26	3.94
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	22.77	24.96	21.44
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	365.70	296.56	299.91
(iv)	SUNDRY DEBTORS : SALES (No. of days)	0.57	0.28	1.08
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	0.02	0.03	0.05
	(ii) SEMI / FINISHED GOODS : SALES	0.00	0.00	0.00
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	7.19	-26.09	-16.19
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	11.39	10.99	13.26
(viii)	PBDITEP : CAPITAL EMPLOYED	11.13	10.64	12.33
(ix)	PBITEP : CAPITAL EMPLOYED	11.10	10.61	12.30
(x)	COST OF SALE : SALES	69.98	71.30	67.31
(xi)	MATERIAL COST : SALES	0.10	0.00	0.00
(xii)	SALARY & WAGES : SALES	1.43	1.47	1.37
(xiii)	R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv)	PBITEP : SALES	97.47	96.59	92.77
(xv)	PBTEP : NET WORTH	18.58	15.70	18.73
(xvi)	NET PROFIT : NET WORTH	12.15	11.79	13.16
(xvii)	GROSS MARGIN : GROSS BLOCK	1,416.98	1,532.26	1,546.93

Balmer Lawrie Investments Ltd. (BLIL)

1. Company Profile

BLIL was incorporated on 20.9.2001 under the Companies Act, 1956 with the objective of facilitating the disinvestment of IBP Co. Ltd., wherein the share holding of IBP Co. in Balmer Lawrie and Co. Ltd. was de-merged in favour of BLIL with effect from 15.10.2001. BLIL is an uncategorised PSE in Financial Services sector under the administrative control of M/o Petroleum with 59.68% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business activities

BLIL is engaged in providing a specific service i.e. to hold the equity shares of its subsidiary, Balmer Lawrie and Co. Ltd. The equity shares of the company are under compulsory demat mode and the shares are listed in the stock exchange.

3. Production / Operational Profile

The company is neither engaged in any production activity nor providing any service. BLIL is registered with RBI as a Non-Banking Finance Company.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	0.00	3.52	0.00
Cost of Production	0.36	0.32	0.27	12.50
Net Profit/ Loss(-)	9.29	5.56	3.43	67.09
Dividend declared (as % of PBT)	66.10	60.50	64.72	9.25
Net Worth	38.15	36.06	34.80	5.80
Paid up Capital	22.20	22.20	22.20	0.00
Share of Central Govt.	13.25	13.25	13.25	0.00

5. Key Performance Factors

The only major income of the company is from dividend received from its subsidiary namely Balmer Lawrie & Co. Ltd. and interest income from bank deposits. The variation in financial performance is due to variation in dividend received.

The share price of company varied between Rs.76.10 to Rs. 150 during the year 2006-07 as compared to Rs. 57 to Rs.163 in 2005-06. The average share price during the year was Rs.113.05

6. Human Resource Development (HRD)

The company does not have any employee of its own except its Company Secretary whose services have been seconded from Balmer Lawrie & Co. Ltd. All service for the company in the nature of accounts, finance, taxation, legal, secretarial, administration etc. are obtained from Balmer Lawrie & Co. Ltd. under a service agreement.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 are part time Non-official Directors / professionals and 3 Government / official Directors

7. Strategic Issues

The company was formed as a Special Purpose Vehicle (SPV) under the erstwhile disinvestments policy of the Government of India.

Export Credit Guarantee Corporation of India Ltd. (ECGC)

1. Company Profile

ECGC was incorporated on 31.7.1957 in the name of "Export Risk Insurance Corporation of India Ltd., under the Companies Act, 1956 with an objective to support and strengthen the export promotion efforts of the country by issuing credit insurance covers to protect the exporters against non-realisation on account of commercial and political risks. ECGC is a schedule 'C' CPSE in Financial Services sector under the administrative control of M/o Commerce and Industry, D/o Commerce with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

ECGC is engaged in providing a range of credit risk, insurance to Indian exporters against loss of goods & services and offer guarantees to banks and financial institutions to enable exporters to obtain better facilities from banks. Besides Head Office, it has 51 branch offices.

3. Production / Operational Profile

The service segment of the company comprises of Policies and Guarantees. The performance details of major services of the company are as follows:

Major Services	Unit	Value of Services			Average of three years
		2006-07	2005-06	2004-05	
Business covered	Rs. crores	50420.60	37421.57	35695.59	41179.25
Premium Income	Rs. crores	617.66	577.33	515.54	570.18
Claims Paid	Rs. crores	372.26	386.59	352.28	370.38
Recoveries made	Rs. crores	210.20	125.25	86.47	140.64

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	594	543	476	9
Cost of Services	258	305	467	-15
Net Profit/ Loss(-)	370	222	76	67
Dividend declared (as% of PBT)	23	11	12	104
Net worth	1429	1098	826	30
Paid up capital	800	700	600	14
Share of Central Govt.	800	700	600	14

5. Key Performance Factors

The increase in turnover and profitability is attributed to business growth and increase in recovery. The main sources of premium income were short term policies (31%), packing credit guarantees (39%) and post shipment guarantees (16%).

During the year the company received a budgetary support of Rs.100 crore in the form of equity.

The Earning Per Share of the Company increased from Rs.33.69 in 2005-06 to Rs.47.70 in the year 2006-07.

The Company has scored 'Excellent' MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 608 regular employees (executives 547 & non-executives 61) as on 31.3.2007. About 4.44% of the employees were having professional qualifications. Around 23% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 12 employees retired during the year. In addition, 19 skilled and one unskilled employee also left the company. However, 24 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 3 were Government / Official Directors and one each part time Non-official Director / professional and full time functional Director.

7. Strategic Issues

During the year 2006-07, the company introduced tailor-made credit insurance policies aimed at retention and acquisition of business from high value customers. These cover are tailor-made for individual customers wherein ECGC offers an insurance policy built around the special requirements of the customer. The model is fast gaining popularity.

Taking into consideration the pressures on exports due to rise of rupee against US dollar, the company decided to pass on the benefit of a better claim position by reduction in the standard rates of premium upto ten per cent across the board with effect from August, 2007.

A National Export Insurance Account (NEIA) has been set up by the Government of India which is operated by the Corporation to provide adequate credit insurance cover to protect medium and long term exporters.

The company got renewed the certification to function as non-life insurance and to carry on credit insurance business.

The company holds dominant market position in the credit insurance business. The ICRA Ltd. has assigned highest rating i.e. "AAA" rating denoting the ECGC's claim paying ability is highest and revealing the best prospects meeting policyholders' obligation.

Housing & Urban Development Corpn. Ltd. (HUDCO)

1. Company Profile

HUDCO was incorporated in the year 1970 under the Companies Act, 1956 with the objective of providing long-term finance for construction of houses for residential purposes or financing or undertaking housing and urban development programs in the country, setting up of new or satellite towns and industrial enterprises of building material and to promote, establish, assist, collaborate and provide consultancy services for the projects of designing and planning of works relating to housing and development programmes in India and abroad. HUDCO is a Schedule-'A' / Mini-Ratna CPSE in Financial Services sector under the administrative control of M/o Housing and Urban Poverty Alleviation with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business activities

HUDCO is engaged in providing services in the field of financing housing schemes, infrastructure development, building technology, consultancy, research and training in Human settlements through its 66 offices spread all over India. It has emerged as the leading national techno-financing institution with the major objective of financing / encouraging the housing activity in the country thereby alleviating housing shortage of all groups in rural and urban areas. The company has 4 joint ventures (JV) in infrastructure development sector with a share holding of 25% to 40%.

3. Production / Operational Profile

Till 31.3.2005, HUDCO had sanctioned 15437 projects involving total cost of Rs.1, 60,601 crore with a sanctioned loan of Rs.69,345 crore. Annual sanction during 2004-05 was Rs.13861 crore. Latest information in this regard has not been furnished by the company.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2608	2298	2773	14
Cost of Services	2142	1919	2066	12
Net Profit/ Loss(-)	310	260	397	19
Dividend declared (as% of PBT)	20	10	11	90
Net worth	3795	3590	3371	6
Paid up capital	2002	2002	2002	0
Share of Central Govt.	2002	2002	2002	0

5. Key Performance Factors

The increase in profitability is attributed to higher turnover, recovery from NPA(s), etc. The fall in interest income is attributed to maturity of bulk loans. Although the lending rates have remained constant but the borrowing cost has been steadily increasing due to which overall margins have gone down over the last three years.

Financial assistance is provided to agencies like State Housing Boards, Rural Housing Boards, Slum Clearance boards, Development Authorities, Improvement Trusts, Municipal Corporations, Primary Cooperative Societies, NGO's / Private Developers, Joint Sector and individuals.

The company has availed of a cumulative Government Guarantee for Rs. 1081.26 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 1084 regular employees (executives 569 and non-executives 515) as on 31.3.2007 as against 1098 employees as on 31.3.2006. About 27.21% of the employees were having professional qualifications. Around 14% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for Board Level and 58 years for below Board level employees. It is following IDA 1997 pattern of remuneration. A total of 16 employees retired during the year under superannuation and 3 skilled employees left the company on other ground. However, 3 new skilled employees and 21 executives joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were full time Functional Directors and 3 Government / official Directors.

7. Strategic Issues

The company aims to become the world's leading knowledge hub and financial facilitation organization for habitat settlement through expansion of lending to housing and urban infrastructure housing delivery through expanded avenues with due regard to profitability and social justice.

Project Implementation

HUDCO submitted 7 proposals of Joint Venture formation to the M/o Housing and Urban Poverty Alleviation for approval during 2006-07.

India Infrastructure Finance Company Limited (IIFCL)

1. Company Profile

IIFCL was incorporated on 05.01.2006 under the companies Act, 1956 with the objective of providing financial assistance and acting as a financial intermediary for the purpose of development and establishment of infrastructure projects in India. The company is an un-categorised CPSE in Financial Services sector under the administrative control of M/o Finance, D/o Financial Services with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Delhi.

2. Industrial / Business Activities

IIFCL is providing financial assistance of all forms individually or in association with others including long term financial assistance for Infrastructure Projects in India by mobilizing funds from domestic and foreign sources. The infrastructure projects include road and bridges, railway, seaport, airports & other transport projects, power, urban transport, water supply, sewerage, solid waste management, gas pipeline, projects in special economic zones etc. The financing pattern of infrastructure projects by the IIFCIL has been broadly laid down in the Scheme for Infrastructure Financing Through IIFCIL(SIFTI) provided by the Government of India.

3. Production / Operational Profile

IIFCL is engaged in providing financial assistance by raising long term funds as and when required for lending in consultation with M/o Finance. The magnitude of funds raised would be determined by demands from viable infrastructure projects. The company has signed MOU with 17 banks / financial institutions for seeking cooperation in the areas of creating deal flows, appraisal, syndication and other banking services. Apart from its equity, the IIFCL would raise long term debt from the market. In case of any mismatch between raising and their disbursement the surplus funds would be invested in marketable government securities. The details of sector-wise sanctions of loans to different projects during 2006-07 are as follows:

Sector	No. of projects	Loan approved (Rs. in crore)	Overall project cost (Rs. in crore)
Roads	32	3207	18007
Power	12	4303	36788
Airport	1	1150	5826
Seaports	2	150	1210
Total	47	8810	61831

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	40.06	0.00	0.00	N/A
Cost of Production	31.41	0.00	0.00	N/A
Net Profit/ Loss(-)	3.47	0.00	0.00	N/A
Net Worth	105.10	0.00	0.00	N/A
Paid up Capital	100.00	0.00	0.00	N/A
Share of Central Govt.	100.00	0.00	0.00	N/A

5. Key Performance Factors

The year 2006-07 was the first full year of company's operation. The performance factors of the company for last two years are not comparable as the last year comprised of operations only for 3 months. During the year, the company sanctioned a financial assistance of Rs.8810 crores for 47 projects with a project cost of Rs.61831 crore in 16 Indian states.

During the year, the company received a plan assistance of Rs.90 crore as equity. The company has been assigned AAA (SO) rating by the two rating agencies namely CRISIL and ICRA for its domestic borrowing programme.

During the year, the company engaged the services of a professional consultancy firm to prepare a comprehensive business, HR and IT plans. The detailed plan has since been submitted by the consultancy firm and is under process.

6. Human Resource Development (HRD)

The enterprise employed 15 regular employees (executives 12 & non-executives 3) as on 31.3.2007. The operating team of the company comprises of 12 professionals drawn on deputation from different banks and financial institutions.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which one was part time Non-official Director / professional and two Government / official Directors.

7. Strategic Issues

The company has been created as a Special Purpose Vehicle (SPV) under M/o Finance scheme for financing viable infrastructure projects. In order to be eligible for funding under this scheme only a project implemented through a Project Company set up on a no resource basis shall be eligible for financing by IIFCL. The IIFCL will not normally require to carry out any independent appraisal of the project. The lead Bank shall be responsible for regular monitoring and periodic evaluation of compliance of the project with agreed milestones and performance levels, particularly for purpose of disbursement of IIFCL funds.

The scheme may be reviewed by the Government of India at the end of 5 years or earlier if required. The continuation of the scheme, with or without modifications will be depended on the outcome of such review.

With an intention to introduce innovative financing mechanism it was announced in the Union Budget 2007-08 to consider establishment of two wholly owned overseas subsidiaries of IIFCIL with the objectives of borrowing funds from the RBI and lend to Indian companies implementing infrastructure projects in India, or to co-finance their ECBs for such projects, solely for capital expenditure outside India; and borrowing funds from the RBI, invest such funds in highly rated collateral securities, and provide 'credit wrap' insurance to infrastructure projects in India for raising resources in international markets. The loans by RBI to these subsidiaries will be guaranteed by the Government of India and RBI will be assured of a return higher than the average rate of return on its incremental investment. The legal and regularity aspects of this recommendation are to be examined by the Government.

Indian Railway Finance Corpn. Ltd. (IRFC)

1. Company Profile

IRFC was incorporated on 12.12.1986 under the Companies Act, 1956 with the main objective to bridge the gap in plan fund needs of Ministry of Railways and to meet its ‘Extra Budgetary Resources requirement by raising resources from capital market in India and abroad at the most competitive rates and terms as per annual targets given by the Ministry of Railways.

IRFC is a Schedule-‘B’ / PSE in Financial Services sector under the administrative control of M/o Railways with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

IRFC is providing financial services by borrowing from the commercial markets mainly to finance the acquisition of rolling stock assets to be leased to Indian Railways.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2284	1892	1827	21
Cost of Services	1672	1515	1455	10
Net Profit/ Loss(-)	399	334	405	19
Dividend declared (as% of PBT)	26	30	23	-12
Net worth	2121	2096	2393	1
Paid up capital	232	232	232	0
Share of Central Govt.	232	232	232	0

5. Key Performance Factors

Since IRFC is a finance company, its operating income is derived from income on loans, deposits and advances.

The income of the company increased by 13.1% during 2006-07 compared to previous year, which followed the usual trend attributed to growth in the assets leased to Ministry of Railways and higher yield on loans extended and deposits made by the company.

The company continued to maintain efficiency of operations reflected in its low overhead-to-turnover ratio at o.11%. This resulted in increase in profit before tax by 21.38%.

The dividend rate and dividend pay out ratios of IRFC for the year 2006-07 were 68.97% and 40.13% respectively.

During the year, the company received a budgetary support of Rs.268 crore towards new offerings of 26.80 lacs equity shares of Rs. 1000/- each.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1718.52 as compared to Rs. 1439.16 in the previous year.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 20 regular employees as on 31.3.2007. The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were part time Non-official Director / professionals, 3 Part time Government/Official Director and one full time Director.

Kumarakruppa Frontier Hotel Pvt. Ltd. (KFH)

1. Company Profile

KFH was incorporated on 23.08.2001 under the Companies Act, 1956 as a wholly owned subsidiary of ITDC with the objective of receiving the land, building and other assets and liabilities of the hotel properties given on lease-cum-management contract, administering the lease-cum-management contract and receiving the lease payments from time to time. KFH is an un-categorized CPSE in Financial Services sector under the administrative control of M/o Tourism. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

The only activity of the company is to receive lease rent from Bharat Hotels for the leased property.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	10.51	6.10	-100.00
Cost of Production	0.46	0.58	0.81	-20.69
Net Profit/ Loss(-)	8.59	5.61	5.36	53.12
Dividend declared (as % of PBT)	37.64	39.27	38.07	-4.17
Net Worth	14.31	10.13	10.11	41.26
Paid up Capital	0.97	0.97	0.97	0.00
Share of Holding Co.	0.97	0.97	0.97	0.00

4. Key Performance Factors

Most of its revenues (lease rentals) become a distributable net profit.

5. Human Resource Development

The enterprise had a workforce of 4 employees as on 31.3.2007. 25% of the employees were in managerial category. The total number of Directors was 4 out of which 2 were Government Directors.

6. Strategic issues

The consideration fixed for leasing of Hotel Ashok Bangalore was Rs. 4.11 crore per annum as Minimum Guaranteed Annual Payment(MGAP) upto 31.3.2007 which will be increased by 25% w.e.f. 1.4.2007 and in every five years thereafter or 16.5% of the gross turnover of the Hotel Ashok Bangalore as Turnover Based Annual Payment(TBAP), whichever is higher.

As per the terms of agreement the lessee has to pay 50% of the MGAP for 30 year, which is discounted as upfront amount. The remaining 50% of MGAP/TBAP after adjusting the amount paid is payable by the lessee in each financial year.

Indian Renewable Energy Dev. Agency Ltd. (IREDA)

1. Company Profile

IREDA was incorporated on 11.3.1987 under the Companies Act, 1956 with an objective to Finance and promote investment in renewable energy sources. IREDA is a Schedule-'C' PSE in Financial Services sector under the administrative control of M/o New and Renewable Sources with 100% shareholding by the Government of India. Its Registered and corporate offices are at New Delhi.

2. Industrial / Business Activities

IREDA is engaged in providing financing services as well as promoting self-sustaining investment in energy generation from renewable sources, energy efficiency and environmental technologies for sustainable development. The company has one financial Joint Venture namely MP Wind Farms Ltd. with an investment of 12 lakhs in equity.

3. Production / Operational Profile

IREDA provides financial assistance and services for promotion of non-conventional energy resources.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	166.35	155.54	241.03	6.95
Cost of Production	137.55	159.21	216.20	-13.60
Net Profit/ Loss(-)	34.60	30.65	30.41	12.89
Dividend declared (as % of PBT)	7.35	17.44	13.00	-57.86
Net Worth	731.96	678.59	629.05	7.86
Paid up Capital	400.00	400.00	375.35	0.00
Share of Central Govt.	400.00	400.00	375.35	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in interest income and less provision for bad and doubtful debts during the year 2006-07.

The variation in performance is attributed to competition from scheduled commercial banks and other financial institutions who have started financing NRSE sector, frequent changes in Government policies regarding tariff, wheeling, banking etc., delay in getting State Government clearances / forest land clearances for project land allocation and related documentations, uncertainties with respect to existing Power Purchase policies and Power Purchase Agreements in some of the states and delay in projects implementation due to unforeseen floods / rains / clouds bursts etc. in some of the regions. Many of IREDA sanctioned projects have been closed / withdrawn / taken over by banks due to interest differences as compared to banks.

During the year, the company received a budgetary support of Rs. 40 crore in the form of equity and Rs.15 crore as loan. In addition, the company received a non-plan assistance of Rs.370.02 crore during the year. The company has availed a cumulative Government Guarantee of Rs.616.05 crore as on 31.3.2007.

The Company scored ‘Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 111 regular employees (executives 82 & non-executives 29) as on 31.3.2007. About 44.14% of the employees were having professional qualifications. Around 10% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which one was Government / official Directors.

7. Strategic Issues

IREDA has diversified into consultancy services. It is also taking initiatives for raising the resources at cheaper rate and recovers the dues from borrowers.

National Backward Classes Finance and Development Corpn. (NBCFD)

1. Company Profile

NBCFD was incorporated on 13.1.1992 under Section 25 of the Companies Act, 1956 with the main objective of promoting economic and developmental activities for the benefit of the members of backward classes living below double the poverty line. NBCFD is a Schedule-'C' CPSE in Financial Services sector under the administrative control of M/o Social Justice and Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NBCFD is engaged in providing services in the field of disbursement of concessional loan to members of backward classes living below double the poverty line under self employment generation schemes through State Channelising Agencies(SCAs). The corporation is implementing term loan, margin money loan and micro finance schemes. It is operating through five regional offices at Kolkata, Mumbai, Chennai, Kanpur and Hyderabad.

3. Production / Operational Profile

The service range of the company comprises of income generating activities under 4 broad sectors namely Agriculture and Allied activities, Small Business / Artisan and Traditional Occupation, Service sector and Transport. The performance details of the company are as follows:

Major Services	Unit	Value of Services provide during			Average of three years
		2006-07	2005-06	2004-05	
Loans disbursement	Rs. in Crore	133.82	97.63	93.42	108.29
Repayment & refunds received	Rs. in crore	89.22	75.77	68.82	77.94

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	19.51	21.74	20.17	-10.26
Cost of Production	5.16	9.92	8.32	-47.98
Net Profit/ Loss(-)	20.60	15.31	12.08	34.55
Net Worth	661.85	618.26	590.93	7.05
Paid up Capital	448.35	435.35	406.63	2.99
Share of Central Govt.	448.35	435.35	406.63	2.99

5. Key Performance Factors

The increases in profitability is attributed to optimum use of company's resources and reduction in operating costs and "write back of earlier year" provision not required.

In order to cover maximum number of beneficiaries, 75% of the amount of term loans sanctioned in any financial year to a SCA shall be for those projects where NBCFDC loan component is below Rs.50,000 per unit.

During the year, the company received a budgetary support of Rs. 23 crore as equity. In addition, the company received a non-plan assistance of Rs. 31 crore as grant during the year.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.47.03.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 49 regular employees (executives 19 & non-executives 30) as on 31.3.2007. About 14% of the company employees were having professional qualifications. Around 8% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were part time Government/official Directors and one Full time Director.

7. Strategic Issues

Project Implementation

The corporation provides exposure to the artisans of the target group by way of inviting them to the exhibitions being held at various places in the country. The corporation provides adequate space to the artisans free of cost and also bears their traveling cost to encourage the poor artisans to take part in the exhibitions and showcase their inherent skill to the market. During the year 2006-07, the NBCFDC participated in 10 exhibitions in India and 2 exhibitions abroad.

Research & Development (R&D)

The company is keen to introduce new products after studying the requirements and developing instruments after in-house brain storming sessions. In order to enhance the scope of services/products, several innovative schemes have been introduced.

National Film Development Corpn. Ltd. (NFDC)

1. Company Profile

NFDC was incorporated on 11.05.1975 under the Companies Act, 1956 with an objective to plan, promote and organise an integrated and efficient development of the film industry in accordance with the national economic policy and objectives laid down by the Central Government from time to time. The company was restructured in 1980, by the merger of erstwhile Indian Motion Picture Export Corporation and Film Finance Corporation. The company therefore emerged as a central Agency to promote Good Cinema in the country. NFDC is a Schedule-'C' Mini-ratna CPSE in Financial Services sector under the administrative control of M/o Information and Broadcasting with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

NFDC is engaged in providing services in the field of financing / producing / distribution / export / import of quality feature films with socially relevant themes, creative and artistic excellence / experimental in form etc. The company also ensures the welfare of the Cine Artistes through the Cine Artistes Welfare Fund of India set up by the company. It acts as a nodal Agency to spread awareness of the India films and undertakes promotional activity by regularly participating in international film markets. The company operates through three Regional offices in Chennai, Delhi and Kolkata and one Branch office at Trivandrum.

3. Production / Operational Profile

The performance details of major services provided by the company are as follows:

Major Products / Services	Unit	Value of Services provide			Average of three years
		2006-07	2005-06	2004-05	
Distribution of films through TV	Rs. in crore	15.65	6.59	14.09	12.11
Export of film software	Rs. in crore	1.22	0.68	1.33	1.08
Foreign film distribution	Rs. in crore	0.03	0.05	0.29	0.12
Special projects	Rs. in crore	3.09	2.97	2.97	3.01

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	22.46	11.80	20.40	90.34
Cost of Production	29.09	35.39	25.96	-17.80
Net Profit/ Loss(-)	-5.27	2.40	-5.12	-319.58
Net Worth	-0.20	4.86	2.51	-104.12
Paid up Capital	14.00	14.00	14.00	0.00
Share of Central Govt.	14.00	14.00	14.00	0.00

5. Key Performance Factors

The turnover of the company increased by 86.71% during 2006-07 compared to previous year. Although all the three segments have recorded growth, the major contribution was from the revenue generated by distribution of films through TV.

The performance of NFDC is affected because of lack of working capital amd accumulated liabilities of previous years, high administrative expenses, recession in business activities and changing market dynamics.

The Branch offices at Guwahati, Secunderabad and Bangalore were closed during the year as no business was being generated therein.

No new films have been produced by NFDC since 2004, other than the Tamil feature film, SASANAM. This has considerably impeded the Corporation's export activities.

All efforts are being made to commercially exploit existing equipment to the optimum, Easy availability of improved technology in the industry is an impediment to NFDC's business.

During the year, the company received a plan assistance of Rs. 19.77 crores as loan.

6. Human Resource Development (HRD)

The enterprise employed 217 regular employees (executives 146 and non-executives 71) as on 31.3.2007. About 2.3% of the employees were having professional qualifications. Around 2% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. 2 new skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 each were full time Functional Directors and Government / official Directors.

7. Strategic Issues

With the changing trends of broadcasting, the corporation is aiming at upgrading its facilities to provide at par with foreign counterparts, with financial assistance from the M/o Information & Broadcasting.

The deteriorating condition of the negatives of NFDC films is an area of concern as this can impede future exploitation of rights of these films. Restoration and preservation requires a large influx of capital. To prevent any further damage to the negatives of NFDC films, efforts were made to transfer them all to the National Film Archives of India for purposes of preservation and storage.

NFDC proposed to renew its commitment to promote Cinemas of India as well as facilitating promotion of Indian Cinema abroad through new activities, in addition to its existing work, in the forthcoming years for which fresh infusion of additional capital in the Corporation is sought from the Government of India.

The Film Production byelaws were amended by enhancing the maximum budgets admissible for production, in keeping with current costs of production, and by restricting the scheme to the first feature film of a Director, in keeping with the mandate of promoting new talent in Indian cinema. Simultaneously, the Corporation will also endeavor to co-produce small budget, good quality commercially viable films with partners within India and abroad, on a public-private partnership basis, with a view to generating revenue.

The Corporation introduced a co-production initiative by inviting producers to submit projects in this regard. The primary objective of this initiative is to co-produce feature films on a public-private partnership basis, whereby the strengths of NFDC and of private producers could be combined to enhance the viability of a project. This is particularly imperative in market conditions where distribution of small budget films is impeded by rapidly rising marketing and publicity costs. Two projects, Lucky Red Seeds (Manjadikuru) (Malayalam) and Bubblegum (Hindi) were selected in the first edition of the scheme.

NFDC also aims to promote the growth of Indian Cinema through other activities such as script development, promotion of films made by independent filmmakers in markets abroad, and creation of platforms for greater interaction between Indian filmmakers and members of the film fraternity abroad.

In order to assist independent filmmakers to promote their films in international markets, the Corporation invited filmmakers to assign marketing rights of their films to NFDC. Seventeen films were selected in FY 2006-07 and promoted in MIPCOM (October 2006) as well as via e-marketing. These films are also being sent for entry to film festivals around the world.

NFDC has also been promoting and selling documentary films from Films Division's catalogue in accordance with directions of the Ministry of Information & Broadcasting.

Promotion of India as a filming destination has been identified as a key objective of NFDC. To achieve the same, NFDC has actively promoted the procedures for shooting films in India both via e-marketing and through print publicity. The Corporation collaborated with the Ministry of Tourism by issuing print publicity under the joint banner of NFDC and the Incredible India campaign. A link was also placed on www.incredibleindia.com to give information regarding procedures for shooting in India. It will be the endeavor of NFDC in the coming years to act as a single window clearance agent for foreign producers.

National Handicapped Finance & Dev. Corpn. (NHFDC)

1. Company Profile

NHFDC was incorporated on 24.1.1997 under the Companies Act, 1956 with the objective of economic empowerment of persons of disability by promotion of economic development activities and self employment ventures for their benefit so as to bring them to the mainstream of the society. NHFDC is a Schedule-'C' PSE in the financial services sector under the administrative control of M/o Social Justice & Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Faridabad, Haryana.

2. Industrial / Business Activities

NHFDC is engaged in providing services in the field of financial assistance for self-employment of the disabled persons through State Channelising Agencies.

3. Operational Profile

The NHFDC functions as an apex institution for channelising funds to persons with disabilities through the State Channelising Agencies (SCAs) nominated by the concerned State Governments and Union Territories or through Non Government Organisations (under Micro Credit Finance). The assistance in the form of loan is provided for setting up small business in service/trading sector; purchase of vehicles for commercial hiring; setting up small industrial unit; agriculture activities; self-employment amongst persons with mental retardation, cerebral palsy and autism; professional/educational/training courses; financial assistance for skills and entrepreneurial development; Micro Credit Finance; and Parents' Association of mentally retarded persons. The details of the assistance provided through State Channelising Agencies and under Micro Finance Scheme (MFS) are as follows:

(Rs. in crore)

Particulars	Performance during			Average of three years
	As on 31.3.2007	As on 31.3.2006	As on 31.3.2005	
Term Loans to SCAs	141.51	115.64	NA	NA
Term Loan under MFS	2.64	2.56	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.78	1.67	1.40	6.59
Cost of Production	1.07	0.95	0.88	12.63
Net Profit/ Loss(-)	2.01	2.01	1.73	0.00
Net Worth	104.10	90.38	81.96	15.18
Paid up Capital	79.80	68.30	62.30	16.84
Share of Central Govt.	79.80	68.30	62.30	16.84

5. Key Performance Factors

The company's overall performance improved marginally during 2006-07 compared to previous year. The major source of income is interest on the financial assistance provided in the form of loan or under MFS. It provides financial assistance through State Channelising Agencies for 9 schemes of different amounts.

The company received budgetary support of Rs. 5.50 crore as equity under Plan fund during 2006-07.

6. Human Resource Development

The company employed 21 employees (8 executives and 13 non-executives) as on 31.3.2007. About 14.26% employees had professional qualifications. During the year one employee left the company in attrition and one new skilled employee joined.

There were 2 Directors on the Board of the company and of them one each was full time Functional Director and Government/Official Director.

National Minorities Development & Finance Corpn. (NMDFC)

1. Company Profile

NMDFC was incorporated on 30.9.1994 under Section 25 of the Companies Act, 1956 with an objective to promote economic and developmental activities for the benefit of backward sections amongst minorities as defined under National Minorities Commission Act, 1992. NMDFC is a Schedule-C CPSE in Financial Services sector under the administrative control of M/o Social Justice and Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NMDFC is a national level apex financing body providing Financial Assistance / lending to eligible Minorities living below double the poverty line at the concessional rate of interest for self employment ventures and technical and professional education, with preference to women and occupational groups through 33 operational State Channelising Agencies (SCA) in 26 states and two Union Territories across the country.

3. Production / Operational Profile

The major schemes implemented by NMDFC are term loan, Margin money, Micro Credit, interest free loan for promotion of self help groups, revolving fund scheme under micro financing, educational loan, vocational training, Grant for skill / Design development / Marketing assistance scheme. The performance details are as follows:

Major Products / Services	Unit	Value of Services provided during			Average for three years
		2006-07	2005-06	2004-05	
Disbursements of Loans	Rs. in Crore	112.75	108.12	139.01	119.96

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	17.46	17.04	13.75	2.46
Cost of Production	8.82	7.79	6.42	13.22
Net Profit/ Loss(-)	10.15	10.92	9.45	-7.05
Net Worth	574.42	529.21	481.24	8.54
Paid up Capital	471.87	422.31	399.75	11.74
Share of Central Govt.	375.36	344.57	329.71	8.94

5. Key Performance Factors

While the income of the company has increased during 2006-07 as compared to last year, surplus declined by Rs. 77 lakhs. This is due to increase in salary and provisions for employees vis-à-vis administrative expences and provisions on loans and advances.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.22.61 compared to Rs. 26.76 in the previous year..

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 34 regular employees (executives 18 & non-executives 16) as on 31.3.2007. About 35.29 % the employees were having professional qualifications. Around 5.88% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years it is following IDA 1997 and CDA 1996 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which one was part time Non-official Director / professional.

7. Strategic Issues

Since NMDFC is a community welfare organization, it receives funds from the Government of India and the State Government for promoting economic and developmental activities amongst the minorities. During the year, the company received a budgetary support of Rs. 35.05 crore as equity.

National Safai Karamcharis Finance & Development Corpn. (NSKFDC)

1. Company Profile

NSKFDC was incorporated on 24.1.1997 under Section 25 of the Companies Act, 1956 with the primary objective of socio economic development of Safai Karamcharis / Scavenger beneficiaries including their dependents. NSKFDC is a Schedule-'C' CPSE in Financial Services sector under the administrative control of M/o Social Justice and Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NSKFDC provides concessional financial assistance to income generating and viable projects to the Safai Karamcharis / Scavengers and their dependents whose income is below double poverty line through 26 State Channelising Agencies (SCAs) nominated by State Governments / UTs. The financing schemes include term loan scheme, micro credit finance, mahila samridhi yojana, educational loan etc.

3. Production / Operational Profile

The performance details of services extended by the company are as follows:

Major Services	Unit	Services provide during			Average of three years
		2006-07	2005-06	2004-05	
Share Capital Received	Rs. in cr.	25.00	22.58	20.00	22.53
Term Loan Disbursed	Rs. in cr.	35.55	29.81	39.19	34.85
Beneficiaries covered	Nos.	2596	4390	4990	3992

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5.89	5.45	4.75	8.07
Cost of Production	2.69	3.05	0.62	-11.80
Net Profit/ Loss(-)	3.12	2.36	4.11	32.20
Net Worth	203.34	175.23	150.28	16.04
Paid up Capital	154.34	143.34	111.76	7.67
Share of Central Govt.	154.34	143.34	111.76	7.67

5. Key Performance Factors

NSKFDC is a company not for profit. It provides loans to SCAs at the interest rate of 2 to 3% which in turn give these loans to target beneficiaries at the rate of 5 to 6%. Funds are provided generally by way of equity through budgetary support every year. During the year 2006-07, the company received a plan assistance of Rs. 25 crores as equity support.

The Government of India has launched a new self employment scheme for rehabilitation of 342468 manual Scavengers all over the country. NSKFDC has been allotted the States of Maharashtra, Rajasthan, Madhy Prades, Tamilnadu, Pondicherry, Gujarat, Andhra Prades, Meghalaya, Nagaland, Jharkhand, Karnataka and Orissa for this scheme. During the year a grant of Rs.56 crore was received on this account out of which Rs.10.29 crore have been disbursed to the SCAs and Apex Corporations and balance of Rs.45.71 crore placed under short term deposit / saving accounts.

Awareness camps are organized in the basties / localities of the target group to dissuade them from continuing their traditional occupation and for taking alternative and dignified work.

The Earning Per Share (EPS) of the corporation increased to Rs.20.57 during 2006-07 as compared to Rs.18.41 during 2005-06.

The company has first time entered into MOU with the Government during 2005-06. The MOU rating for the year 2006-07 was ‘Very Good’.

6. Human Resource Development (HRD)

The enterprise employed 5 regular employees (executives 3 and non-executives 2) as on 31.3.2007. In addition the corporation also employed 15 contact workers.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 8 and all of them were Government / official Directors.

7. Strategic Issues

The company has requested M/o Social Justice & Empowerment for enhancement of authorized share capital from Rs.200 crore to Rs.800 crore.

There should be efficient system of appraisal of income generating viable projects and timely recovery of loans to have maximum coverage of Safai Karamcharis.

National Scheduled Castes Finance & Development Corpn. (NSCFDC)

1. Company Profile

NSCFDC was incorporated on 8.2.1989 under Section 25 of the Companies Act, 1956 as National SC and ST Finance and Development Corporation, which was later on bifurcated into two corporations one for SCs and another for STs w.e.f. 10.4.2001. The main objective of the company is to exclusively work for the economic development activities of the people belonging to SC categories living below double the poverty line. NSCFDC is a Schedule-'C' CPSE in Financial Services sector under the administrative control of M/o Social Justice and Empowerment with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NSCFDC is engaged in providing concessional financial assistance to the people belonging to SC categories by financing income-generating schemes, micro credit finance, grants for skill development programmes etc through 37 State / UT Channelising Agencies (SCAs) and other recognized institutions nominated by the respective State / UT Governments. Beneficiaries are required to pay 4-8% p.a. interest depending upon the scheme and extent of loan. The company has seven zonal offices at Bangalore, Mumbai, Chandigarh, Patna, Kolkata, Lucknow and Guwahati.

3. Operational Profile

The company assists the target group by way of loans and advances, skill training, entrepreneurship development programmes and other know-how. To facilitate this process during the year company has circulated Lending Policy Document with clear stipulations and formats along with responsibilities to all SCAs and Agencies for implementation. The details of loan disbursement under different schemes and beneficiaries thereof during 2006-07 are as under:

(Rs. in crore)

Sl. No.	Scheme	Amount of disbursement	No. of beneficiaries	% achievement of targets
1.	**Term Loan**	121.34	25,398	88.58
2.	**Micro Credit Finance**	25.35	24,852	100.00
3.	**Mahila Samriddhi Yojana**	22.33	27,720	100.00

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	15.40	15.99	14.74	-3.69
Cost of Production	12.08	12.65	7.05	-4.51
Net Profit/ Loss(-)	5.24	7.71	10.15	-32.04
Net Worth	550.36	508.12	483.82	8.31
Paid up Capital	388.80	351.80	324.20	10.52
Share of Central Govt.	388.80	351.80	324.20	10.52

5. Key Performance Factors

The decrease in turnover and profitability is attributed to decrease in share of loans carrying higher rate of interest. The financial assistance is provided through the SCAs nominated by the concerned State Governments and Union Territories. The loan limit under Micro Credit Schemes is raised from Rs. 25,000 to Rs.30,000/- per unit w.e.f. 1.10.2006.

During the year, 87% projects were commissioned against the target of 85%. In case of multi skill training, 100% target was achieved. However, the recovery from beneficiaries remained far below the target. Only 43.50% recoveries could be made against 66% for the year. The company could recover from the SCAs 89.51% against 91%.

During the year, the company received a budgetary support of Rs.37 crore in the form of equity.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.14.64.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 83 regular employees (executives 44 & non-executives 39) as on 31.3.2007. About 13.25% of the employees were having professional qualifications. Around 14.46% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 9 were Government / official Directors and one fulltime Director.

7. Strategic Issues

Lending Policy Document with clear stipulation and formats, and responsibilities of the SCAs towards the loan applicants has been circulated to all agencies with the request to follow the norms/procedures scrupulously.

The company has undertaken impact evaluation studies of its schemes through independent agencies. SCAs have been asked to submit Action Taken Report on the issues raised.

NSFDC has established linkages with Corporate sector to mobilize resources for conducting skill development programmes for the target group.

Timely and periodic monitoring of the schemes for increase in fund utilization level by the SCAs and recovery from the beneficiaries.

Special awareness compaign and preparation/ implementation of District Credit Plans in SC concentrated districts.

National Scheduled Tribes Finance & Development Corpn. (NSTFDC)

1. Company Profile

NSTFDC was incorporated on 10.4.2001 by bifurcating erstwhile National Scheduled Caste and Scheduled Tribes Finance and Development Corporation under Section 25 of the Companies Act, 1956 with an objective to work for the economic development of Scheduled Tribes. NSTFDC is a Schedule-'C' CPSE in Financial Services sector under the administrative control of M/o Tribal Affairs with100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NSTFDC is engaged in providing concessional financial assistance for viable income generating schemes / projects costing Rs. 10 lakhs per unit and upto Rs. 25 lakh per Self Help Groups (SHGs) through the Central / State Channelising Agencies (SCAs) nominated by respective Ministries / State / UT Governments for the economic development of eligible Scheduled Tribes having annual family income up to double the poverty line income limit. It also extends financial assistance for undertaking procurement and marketing activities of agricultural / minor forest produces and related activities in the tribal areas and provides grants through SCAs for undertaking training programmes for skill and entrepreneurial development of target group.

3. Production / Operational Profile

The performance details of company's services are as follows:

Major Services	Unit	Value of Services provided during (No. of Beneficiaries)			Average of three years
		2006-07	2005-06	2004-05	
Sanctions					
Income Generating Activities	Rs. in crores	91.83	67.52	68.06	75.80
Marketing Support Assistance	Rs. in crores	13.50	12.50	5.00	10.33
Adivasi Mahila Shashaktikaran Yojna	Rs. in crores	9.66	15.06	11.81	12.18
Disbursement					
Income Generating Activities	Rs. in crores	66.21 (31347)	51.06 (6227)	48.47 (12808)	55.25 (12525)
Marketing Support Assistance	Rs. in crores	13.80 (215800)	8.50 (115400)	5.00 (283000)	9.10 (204733)
Adivasi Mahila Shashaktikaran Yojna	Rs. in crores	13.01 (7511)	5.41 (9946)	11.97 (8108)	10.13 (8522)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	8.65	15.12	12.69	-42.79
Cost of Production	5.72	6.17	3.75	-7.29
Net Profit/ Loss(-)	10.89	8.83	8.16	23.33
Net Worth	336.73	325.84	317.01	3.34
Paid up Capital	230.50	230.50	210.50	0.00
Share of Central Govt.	230.50	230.50	210.50	0.00

5. Key Performance Factors

NSTFDC is a company not for profit making. It provides loans to SCA's at concessional interest rates which in turn extend to the target beneficiaries at the rate of 2% to 7%. Funds are provided generally by way of equity through budgetary support every year. However, during the year 2006-07, the company did not receive any budgetary assistance as the average of disbursement for the last three years was lower than the sanctioned amount.

In order to encourage the SCAs for timely repayment of dues, the Corporation has introduced an incentive scheme as "Rebate on Interest".

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 47.24 as against Rs.38.44 in the previous year.

The company has availed of cumulative Government Guarantees(33) amounting to Rs. 58.34 crore as on 31.3.2007.

The Company scrored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 59 regular employees (executives 25 and non-executives 34) as on 31.3.2007 as against 56 employees as on 31.3.2006. About 13.56% of the employees were having professional qualifications Around 5% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One skilled employee left the company during the year. However, 3 new skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 6 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

NSTFDC and NSFDC were incorporated by bifurcating erstwhile National Scheduled Castes and Scheduled Tribes Finance and Development Corporation. The loans given by corporation to SCAs are to be secured by way of State Government Guarantees / Orders / Assurance. The process of transfer of guarantee from NSFDC is in progress and guarantees are yet to be received from many of the SCAs for pre-bifurcation period.

In order to scale up activities of NSTFDC and also to reach rural ST population, the corporation has initiated action for implementing its "Micro Credit Scheme" through Public sector Banks.

The task of preparing Corporate Plan was assigned to Tata Institute of Social Sciences (TISS). The draft report has been received from TISS and is under examination.

Power Finance Corporation Ltd. (PFC)

1. Company Profile

PFC was incorporated on 16.7.1986 under the Companies Act, 1956 with an objective to provide financial resources and encourage flow of investments to the power and associated sectors; to work as a catalyst to bring about institutional improvements in streamlining the functions of its borrowers in the areas of financial, technical and managerial to ensure optimum utilization of available resources; to mobilize various resources from domestic and international sources at competitive rates; to strive for upgradation of skills for effective and efficient growth of the sector; and to maximize rate of return through efficient operations and introduction of innovative financial instruments and services for the power sector. PFC is a Schedule-A / Navratna CPSE in Financial Services sector under the administrative control of M/o Power with 89.78% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

PFC is engaged in providing services to finance power projects, power transmission and distribution works, renovation and modernization of power plants, system improvement and energy conservation, maintenance and repair of capital equipment, finance survey / studies and investigation / experiments etc.

PFC has two Regional Offices at Chennai and Mumbai and 11 subsidiary companies namely Sasan Power Limited for pit head Project at Sasan, Madhya Pradesh, Coastal Gujarat Power Limited for imported coal based project at Mundra (Gujarat), Akaltara Power Limited for pit head Project at Akaltara, Chhattisgarh, Coastal Karnataka Power Limited for imported coal based project at Tadri, Karnataka, Coastal Maharashtra Mega Power Limited for imported coal based project at Girye, Maharashtra, Orissa Integrated Power Limited for pit head Project in Orissa, Coastal Andhra Power Limited for imported coal based project at Krishnapatnam (AP), Jharkhand Integrated Power Limited for pit head Project in Talliya, Jharkhand and Coastal Tamilnadu Power Limited for imported coal based project in Tamilnadu. In addition, as mandated by the Government of India, two Shell companies namely Bokaro-Kodarma-Maithon Transmission Company Limited and East-North Interconnection Company Limited have also been formed for transmission projects to be offered through competitive route.

3. Production / Operational Profile

The product range of the company comprises of Rupee Term Loan, Foreign Currency Term Loan, Line of Credit, Suppliers Credit, Working Capital Loan, Bridge Loan, Bill discounting, Lease Finance, Debt Re-financing, Take out Financing, Financial Assistance to Equipment Manufacturers, Guarantees, Consultancy Services and grants.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3817	3126	3040	22
Cost of Services	2416	1873	1651	29
Net Profit/ Loss(-)	986	971	984	2
Dividend declared (as% of PBT)	17	29	28	-40
Net worth	8593	8138	7536	6
Paid up capital	1148	1030	1030	11
Share of Central Govt.	1030	1030	1030	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to the upward revision of lending rates for Rupee Term Loan which was raised by 300 to 325 basis points during the year in line with changes in borrowing cost and lending rate for short term loan by 475 basis points. The total loan assets (net of provision) grew by 23.31% to Rs.43,903 crore as on 31st March, 2007 as compared to Rs.35603 crore as on 31st March, 2006

Withdrawal of tax exemptions under section 10(23FB) to Venture Capital Fund in power sector rendered India Power Fund unattractive and PFC is now looking into an alternate structure. In addition to existing competitors like REC & other FIs, banks are now lending to power projects at competitive rates.

The Company scored 'Excellent' MOU rating during the year 2006-07.

During 2006-07 PFC raised loan against govt. guarantee amounting to 23.64 crore. The total cumulative Govt. Guarantee amount as on 31.3.2007 was 472.31 crore.

The share price of company varied between Rs.101.20 to Rs 120.60 during 2006-07. The average share price was Rs 110.75.

6. Human Resource Development (HRD)

The enterprise employed 311 regular employees (executives 210 & non-executives 79) as on 31.3.2007. About 50% of the employees are having professional qualifications and around 60% employees come under the age bracket of 36 to 50 years. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 15 skilled employees left the company and 33 new skilled people joined. The total number of Directors in the company, as on 31.3.2007 was 10 out of which 5 were Non-official Directors.

7. Strategic Issues

Recognizing the fact that economies of scale leading to cheaper power can be secured through development of large size power projects, Ministry of Power, CEA, and PFC are working in tandem for development of some projects under tariff based competitive bidding route. The Ultra Mega Power Projects, with each having a capacity of 4000 MW, would also have scope for expansion in future as well. The size of these projects being large, will meet the power needs of a number of States through transmission of power on regional and national grids. In order to enhance investor's confidence, reduce risk perception and get good responses to competitive bidding, it was deemed necessary to provide the required water linkage, coal linkage and to obtain various clearances including environment and forest clearance, land acquisition etc.

PFC was entrusted the role of a nodal agency at the initiative of GOI to set up Special Purpose Vehicles (SPVs) as wholly owned subsidiaries. The SPVs would facilitate tying up of power off-takes from these projects with appropriate terms and conditions and Payment Security Mechanism. Four projects at pit-head site based on indigenous coal and five projects at coastal locations based on imported coal have been identified for development of these Ultra Mega Power Projects. Nine wholly owned subsidiaries have been established by PFC for taking up developmental work of these Ultra Mega Power Projects along with two Shell companies.

PFC is initiating action to enter into strategic alliances with a number of other entities like Coal & Gas utilities, BHEL, Railways, etc. It has identified funding of power projects of non-conventional energy sources such as wind farms, small hydro projects and bio-mass projects as a focus area.

PFC has been identified as a nodal agency for assisting PSUs in preparation of Clean Development Mechanism ("CDM") project for renovation and modernisation of old thermal and hydro generation plants. It intends to continue to focus on providing funding to captive power plants for those clients who wish to establish their own sources of power generation.

Since the enactment of the Electricity Act, which allows the surplus power from captive power plants to be sold to the distribution companies and fed into the electricity grid, there has been a renewed interest in captive generation which can be capitalized for growth in this area.

In February, 2007, the corporation issued 11,73,16,700 fresh equity shares of face value of Rs. 10/- each at a premium of Rs. 75/- per share through an initial public offer and these shares were allotted on 19th February, 2007. The issued share capital increased from Rs. 1030.45 crores to Rs. 1147.77 crores and an amount of Rs 851.10 crores (net of issue expenses of Rs.28.78 crores) has been credited to securities premium account. Proceeds of the issue have been utilized for general business purposes.

Rural Electrification Corpn. Ltd. (REC)

1. Company Profile

REC was incorporated on 25.7.1969 under the Companies Act, 1956 with the main objective of financing rural electrification schemes in the country. REC is a Schedule-'A' / Mini-ratna -I PSE in Financial Services sector under the administrative control of M/o Power with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

REC is engaged in providing services in the field of Financing projects / schemes of power generation, transmission, distribution, rural electrification, systems improvement, renovation and modernization of power plants in both public and private sectors. REC finances different categories of schemes such as Generation / Transmission and Distribution Projects, R&M Projects, Systems Improvement/Intensive Electrification Schemes for Dalit Bastis / Village / Hamlet Electrification, Short Terms Loans etc. It is endeavoring for implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana, a Government of India Scheme for rural electricity infrastructure and household electrification. Besides corporate office, it operates through 17 project offices, one sub-office and one training center. The company has also incorporated one 100% own subsidiary namely REC Transmission Projects Co. Ltd. on 27.12.2006.

3. Production / Operational Profile

The performance details of major services of the company are as follows:

Major Products / Services	Unit	Value of Services provide			Average of three years
		2006-07	2005-06	2004-05	
Mobilization of resources	**Rs. Crore**	NA	9063	8501	NA
Loan sanctioned	**Rs. Crore**	31791	18771	16316	22292
Disbursement	**Rs. Crore**	13733	8007	7885	9875
Recoveries	**Rs. crore**	6585	5434	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2652	2071	2200	28
Cost of Services	1851	1415	1265	31
Net Profit/ Loss(-)	660	726	781	-9
Net worth	4013	4198	3779	-4
Paid up capital	781	781	781	0
Share of Central Govt.	781	781	781	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher level of financing activities undertaken and interest income of Rs.177 crores. Over the last ten years, the Corporation has recorded consistent growth in almost all the performance parameters. The performance for the year 2006-07 has been remarkable breaking all previous records in terms of sanctions and disbursements.

The profit during the year affected mainly on account of charging of Deferred Tax of Rs.116.29 crore and provision for Bad & Doubtful Debts of Rs.21.04 crore. Further, during the year 2006-07, the Deferred Tax provision of Rs.448.17 crore for the years 2001-02 to 2005-06 was made in accounts by transferring the corresponding amounts from the General Reserve. However, the Deferred Tax of Rs.190.63 crore for the period upto 2000-01 has been transferred to Deferred Tax Liability from General Reserve.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.8.46 as against Rs.8.17 during 2005-06.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 698 regular employees (executives 355 & non-executives 343) as on 31.3.2007. About 21.78% of the employees were having professional qualifications. Around 37% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 7 employees retired and 26 new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 was Government / official Directors.

7. Strategic Issues

The company aims at to facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population through financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country. REC Board of Directors has resolved to enlarge the scope of activities of the Corporation in financing of forward and backward linkages to the power infrastructure sector. Two separate companies have been formed by REC in the transmission and distribution domain to capitalize on expertise available with the organization and undertake projects in respective areas. This shall enable REC to diversify its range of services.

Project Implementation

"REC Transmission Projects Company Limited" has been incorporated as a subsidiary Project Development Company for Transmission Projects on 27.12.2006 and the process of filing various documents with RoC is in progress"

REC has also received clearance from the Ministry of Power to form a subsidiary Distribution Company (namely REC Power Distribution Company Limited) with the objective to promote, develop, construct, own, operate, distribute and maintain 66 KV and below voltage class Electrification / Distribution Electric Supply Distribution System; Decentralized Distributed Generation (DDG) and Associated Distribution System.; and Consultancy / Execution of works in above areas for other Agencies / Govt. Bodies in India and abroad.

Environmental initiatives

Under the Indo German Bilateral Cooperation, REC is assisting implementation of High Voltage Distribution System (HVDS) projects to increase energy efficiency in power Distribution. Energy efficiency achieved as a result of the programme indirectly resulted in reduction of greenhouse gases which cause global warming and is found eligible to be registered under the Clean Development Mechanism (CDM) of the Kyoto Protocol which is likely to result in additional revenue generation for these projects. REC has signed a Consulting Contract Agreement with Price Waterhouse Coopers for providing CDM Advisory services in respect of power distribution projects being financed by REC including diagnostic study, CDM project development, preparation of all relevant documentation and assist REC in marketing emission reduction and concluding transactions with preferred buyers.

18 Industrial Development & Tech. Consultancy Services

As on 31.3.2007, there were 15 Central public sector enterprises in the Industrial Development & Tech. Consultancy Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	National Research Dev. Corpn.	1953
2.	National Small Industries Corpn. Ltd.	1955
3.	Engineers India Ltd.	1965
4.	Water & Power Consultancy Services(India) Ltd.	1969
5.	Engineering Projects (I) Ltd.	1970
6.	MECON Ltd.	1973
7.	RITES Ltd.	1974
8.	Central Mine Planning & Design Institute Ltd.	1975
9.	Telecommunications Consultants (India) Ltd.	1978
10.	Educational Consultants (I) Ltd.	1981
11.	HSCC (India) Ltd.	1983
12.	Certification Engineers International Ltd.	1994
13.	Broadcast Engg. Consultants India Ltd.	1995
14.	National Informatics Centre Services Incorporated	1995
15.	Indian Oil Technologies Ltd.	2003

2. The enterprises falling in this group are mainly engaged in rendering engineering, technical and educational consultancy services for construction of all types of projects, plants, installation, certification etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	National Research Dev. Corpn.	4.27	3.93
2.	National Small Industries Corpn. Ltd.	326.45	264.17
3.	Engineers India Ltd.	570.12	792.66
4.	Water & Power Consultancy Services (India) Ltd.	128.10	111.19
5.	Engineering Projects (India) Ltd.	763.26	636.32
6.	MECON Ltd.	373.58	257.75
7.	RITES Ltd.	533.61	394.38
8.	Central Mine Planning & Design Institute Ltd.	160.32	145.79
9.	Telecommunications Consultants (India) Ltd.	382.59	453.49
10.	Educational Consultants (India) Ltd.	33.01	39.29
11.	HSCC (India) Ltd.	16.78	18.45
12.	Certification Engineers International Ltd.	15.86	17.63
13.	Broadcast Engg. Consultants India Ltd.	24.25	29.69
14.	National Informatics Centre Services Incorporated	99.84	60.75
15.	Indian Oil Technologies Ltd.	1.58	0.89
	Total	**3433.62**	**3226.38**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	National Research Development Corpn.	0.11	0.13
2.	National Small Industries Corpn. Ltd.	2.84	1.25
3.	Engineers India Ltd.	142.99	138.64
4.	Water & Power Consultancy Services (India) Ltd.	11.87	9.61
5.	Engineering Projects (India) Ltd.	15.30	12.39
6.	MECON Ltd.	20.38	16.12
7.	RITES Ltd.	118.18	99.16
8.	Central Mine Planning & Design Institute Ltd.	2.59	1.42
9.	Telecommunications Consultants (India) Ltd.	1.22	32.80
10.	Educational Consultants (India) Ltd.	2.79	2.48
11.	HSCC (India) Ltd.	7.98	9.62
12.	Certification Engineers International Ltd.	5.12	6.36
13.	Broadcast Engg. Consultants India Ltd.	3.62	1.39
14.	National Informatics Centre Services Incorporated	37.73	24.08
15.	Indian Oil Technologies Ltd.	0.72	0.20
	Total	**373.44**	**355.65**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	12604	13167
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	9.78	15.01
	b. Medical facilities	23.10	46.63
	c. Others	12.04	18.42
3.	Capital cost of township *(Rupees in crore)*	45.57	71.67
4.	No. of houses constructed	1730	2673

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

INDUSTRIAL DEVEPLOMENT & TECH.CONSULTANCY SERVICES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	139590	134390	132690
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	38975	35204	33908
OTHERS	2599	2598	694
(B) SHARE APPLICATION MONEY	14335	0	1500
(C) RESERVES & SURPLUS	211907	202034	172735
TOTAL (A)+(B)+(C)	**267816**	**239836**	**208837**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	10849	8643	11295
(B) UNSECURED LOANS	24875	34112	31516
TOTAL (A)+(B)	**35724**	**42755**	**42811**
(1.3) DEFERRED TAX LIABILITY	283	292	117
TOTAL (1.1)+(1.2)+(1.3)	**303823**	**282883**	**251765**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	72900	68958	66386
(B) LESS DEPRECIATION	37420	35462	32422
(C) NET BLOCK (A-B)	35480	33496	33964
(D) CAPITAL WORK IN PROGRESS	1626	1093	735
TOTAL (C)+(D)	**37106**	**34589**	**34699**
(2.2) INVESTMENT	27391	23966	24251
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	173150	142001	97334
(B) SUNDRY DEBTORS	129559	123378	120482
(C) CASH & BANK BALANCES	271572	216568	157925
(D) OTHER CURRENT ASSETS	32384	42474	38323
(E) LOAN & ADVANCES	117785	102302	80859
TOTAL (A)+(B)+(C)+(D)+(E)	**724450**	**626723**	**494923**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	487033	393749	297924
(B) PROVISIONS	43395	54662	50275
TOTAL (A+B)	**530428**	**448411**	**348199**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**194022**	**178312**	**146724**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1665	4028	5941
(2.7) DEFFRED TAX ASSETS	12201	8294	4720
(2.8) PROFIT & LOSS ACCOUNT (Dr)	31438	33694	35430
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**303823**	**282883**	**251765**

INDUSTRIAL DEVEPLOMENT & TECH.CONSULTANCY SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	349290	324601	294239
(B) EXCISE DUTY	5928	1963	1604
(C) NET SALES (A-B)	343362	322638	292635
(D) OTHER INCOME / RECEIPTS	35419	30394	21473
(E) ACCRETION / DEPLETION IN STOCKS	-3938	4555	540
(I) TOTAL INCOME (C+D+E)	**374843**	**357587**	**314648**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	69815	57265	40587
(B) STORE & SPARES	9074	5279	4609
(C) POWER & FUEL	1469	1817	962
(D) MANUFACTURING / DIRECT / OPERATING EXP.	101335	115904	127010
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	69942	63272	58983
(F) OTHER EXPENSES	56076	51683	42372
(G) PROVISIONS	5052	5292	3156
(II) TOTAL EXPENDITURE (A TO G)	**312763**	**300512**	**277679**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	62080	57075	36969
(4) DEPRECIATION	3013	3598	2665
(5) DRE. / PREL. EXP. WRITTEN OFF	1976	2845	2679
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	57091	50632	31625
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	46	102	73
(B) ON FOREIGN LOANS	540	502	573
(C) OTHERS	1954	1828	1970
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	2540	2432	2616
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**54551**	**48200**	**29009**
(9) TAX PROVISIONS	16981	14878	9609
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	37570	33322	19400
(11) NET EXTRA -ORD. ITEMS	226	-2243	-1868
(12) NET PROFIT / LOSS (10-11)	**37344**	**35565**	**21268**
(13) DIVIDEND DECLARED	10952	7911	8573
(14) DIVIDEND TAX	1668	1111	1204
(15) RETAINED PROFIT (12-13-14)	**24724**	**26543**	**11491**

INDUSTRIAL DEVEPLOMENT & TECH.CONSULTANCY SERVICES

MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	84976	69897	68215
(ii)	CAPITAL EMPLOYED	229502	211808	180688
(iii)	NET WORTH	234713	202114	167466
(iv)	COST OF PRODUCTION	320292	309387	285639
(v)	COST OF SALES	324230	304832	285099
(vi)	VALUE ADDED	259066	262832	247017
(vii)	R & D EXPENDITURE	1564	234	417
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	12604	13167	13525
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	46243	40045	36342
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	0.13	0.18	0.20
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.49	1.59	1.66
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	4.93	4.33	2.73
(iv)	SUNDRY DEBTORS : SALES (No. of days)	137.72	139.58	150.28
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	184.06	160.65	121.40
	(ii) SEMI / FINISHED GOODS : SALES	181.47	158.32	117.65
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	1.45	0.91	28.50
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	149.61	152.33	161.96
(viii)	PBDITEP : CAPITAL EMPLOYED	27.05	26.95	20.46
(ix)	PBITEP : CAPITAL EMPLOYED	24.88	23.90	17.50
(x)	COST OF SALE : SALES	94.43	94.48	97.42
(xi)	MATERIAL COST : SALES	20.33	17.75	13.87
(xii)	SALARY & WAGES : SALES	20.37	19.61	20.16
(xiii)	R & D EXPENDITURE : SALES	0.46	0.07	0.14
(xiv)	PBITEP : SALES	16.63	15.69	10.81
(xv)	PBTEP : NET WORTH	23.24	23.85	17.32
(xvi)	NET PROFIT : NET WORTH	15.91	17.60	12.70
(xvii)	GROSS MARGIN : GROSS BLOCK	85.16	82.77	55.69

Broadcast Engineering Consultants India Ltd. (BECIL)

1. Company Profile

BECIL was incorporated on 24.3.1995, under the Companies Act, 1956 with the objective to provide consultancy in Broadcast Engineering and share the expertise of AIR and Doordarshan with Indian companies. BECIL is a Schedule-'C' PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Information and Broadcasting with 100% shareholding by the Government of India. Its Registered and Project offices are at NOIDA, U.P. and Head office at New Delhi.

2. Industrial / Business Activities

BECIL is engaged in providing consultancy services including turnkey jobs in the specialized field of terrestrial radio & television broadcasting and satellite uplink and down link systems including DTH, TV Automation systems, Acoustics, Audio-Video systems (Sound Reinforcement systems)/ conferencing/recording/production and post production systems, MMDS and CATV network besides broadcast operations and even based satellite services. The activities performed by the company during 2006-07 include FM business such as common transmitter infrastructure, FM towers, interim transmission set ups, Television Broadcasting; Overseas business, trading activities, operation and maintenance; providing manpower to various channels of Doordarshan etc.

3. Major Financial Highlights

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	24.25	29.69	35.75	-18.32
Cost of Production	28.53	27.61	34.22	3.33
Net Profit/ Loss(-)	3.62	1.39	1.30	160.43
Dividend declared (as % of PBT)	13.10	11.84	13.43	10.61
Net Worth	9.39	6.98	5.91	34.53
Paid up Capital	1.37	1.37	1.37	0.00
Share of Central Govt.	1.37	1.37	1.37	0.00

4. Key Performance Factors

The company provides flexible, tailor-made solutions to every customer's unique requirements and emphasizes on a professional, total quality approach with frequent reviews and monitoring for efficient and cost effective completion of every project on schedule.

It is executing orders of various projects including restoration / revamping of information set up in Afghanistan and Restoration / Augmentation of Television Hardware in Jalalabd and Nangarhar provinces of Afghanistan.

The company has signed various agreements with private TV channels for rendering services involving system design to system integration.

Under the Government policy for grant of license under Private FM phase-II scheme for 91 cities the BECIL is appointed as system integrator for providing the common transmission infrastructure. Company will construct towers in 5 cities for Ministry of Information and Broadcasting.

6. Human Resource Development (HRD)

The enterprise employed 12 regular employees (executives 7 and non-executives 5) as on 31.3.2007. About 50% of the employees were having professional qualifications. Around 41.67% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 each were full Time Functional Directors and Government / official Directors.

7. Strategic Issues

The company will continue to remain actively engaged in setting up of CTI in 91 cities and also will have share in the studios system for FM channels. It is in the processing of setting up of television studios for Lok Sabha and a number of Government institutions/autonomous bodies as well as private clients.

The company has submitted a proposal to the Ministry of External Affairs for 'Re-enforcement of Radio Coverage in Afghanistan involving medium wave, short wave and FM transmitters along with their studios, centres. Negotiations are also in hand with other Overseas Agencies and are hopeful to get converted into work. It is continuing to explore overseas markets in African, Gulf and South East Asian countries.

The company has signed Memorandum of Understanding (MOU) with Ministry of Information and Broadcasting for financial year 2007-08.

Central Mine Planning & Design Institute Ltd. (CMPDI)

1. Company Profile

CMPDI was incorporated on 1.11.1975 under the Companies Act, 1956 with an objective to provide total consultancy in coal / mineral, exploration, mining, engineering and allied fields as a premier consultant in India as well as at International level. CMPDI is a Schedule-'B' / PSE in Industrial Dev. and Technical Consultancy services sector under the administrative control of M/o Coal with its Registered and Corporate offices at Ranchi, Jharkhand. CMPDI is a 100% subsidiary of Coal India Ltd. (CIL).

2. Industrial / Business activities

CMPDI is providing consultancy and other allied services in the field of geological exploration and drilling, project planning and design, engineering services in the field of designing systems and subsystems for mines, benefication and utilization of plants, coal handling plants, power supply systems etc. CMPDI is operating through its headquarter at Ranchi and seven regional institutes located at Dhanbad and Ranchi (Jharkhand), Bilaspur (Chhattisgarh), Singrauli (Madhya Pradesh), Asansol (West Bengal), Nagpur (Maharashtra) and Bhubaneshwar (Orissa).

3. Production / Operational Profile

The product / service range of the company comprises of Planning & Design (P&D), Exploration and Natural Resource Management. The performance details are as follows:

Major Products / Services	Unit	Value of Services during			Average of three years
		2006-07	2005-06	2004-05	
Consultancy Services (Planning & Designing, Exploration and Natural Resource Management Services)	Rs. Crore	163.16	149.83	151.95	154.98

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	160.32	145.79	151.15	9.97
Cost of Production	158.56	144.79	150.21	9.51
Net Profit/ Loss(-)	2.59	1.42	1.02	82.39
Net Worth	63.00	60.62	59.81	3.93
Paid up Capital	19.04	19.04	19.04	0.00
Share of Holding Co.	19.04	19.04	19.04	0.00

5. Key Performance Factors

Exploratory drilling for providing coal reserves in 84 blocks/mines spread over 17 coalfields in India covering 2,05,746 m of drilling was carried out during the year 2006-07, which was higher by 3.39% of the target.

17 Geological Reports based on coal exploration data were prepared which estimated 1.78 billion tones of additional in-situ coal resources comprising of 1.30 Bt - 'Proved' & 0.47 Bt - 'Indicated' category.

27 Project Reports / Revised Project Reports / Expansion Project Reports / Revised Cost Estimates were prepared envisaging capacity addition of 110 Mty approx.

21 outside-CIL consultancy jobs worth Rs. 3.24 crore were procured.

The increase in turnover and profitability is attributed to higher volume of work done as well as increase in productivity.

6. Human Resource Development (HRD)

The enterprise employed 3127 regular employees (executives 774 & non-executives 2353) as on 31.3.2007.

The total number of Directors in the company, as on 31.3.2007 was 8, out of which 2 were part time Non-official Director / professional.

7. Strategic Issues

Research & Development (R&D)

CMPDI is serving as nodal agency for all Science and Technology schemes funded by Ministry of Coal and R&D schemes funded by R&D Board of CIL. During the year, the R&D expenditure of the company constituted 5.40% of turnover.

Environment and Ecology

The company is environment friendly and has been taking various measures in this regard.

33 Environmental Management Plans along with 32 Form I for coal mining projects were prepared during the year.

An MOU was signed between the Ministry of Coal and United States Environmental Protection Agency (USPEA) for establishment of CBM/ CMM Clearing House in India. A decision has been taken to set up the Clearing House at CMPDIL, Ranchi.

CMPDIL along with Bharat Coking Coal Limited is implementing the UNDP/Global Environmental Facility(GEF) - Government of India Project namely Coalbed Methane Recovery and Commercial Utilization.

Certification Engineers International Ltd. (CEI)

1. Company Profile

CEI was incorporated in the year 1994 under the Companies Act, 1956 with an objective to undertake activities related to certification, re-certification, safety audit and safety management systems for offshore and onshore oil and gas facilities and third party inspection of equipments and installations in the hydrocarbon and other quality sensitive sectors of the industry.

CEI is a schedule 'C' PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Petroleum and Natural Gas having its Registered office at New Delhi and Corporate office at Mumbai, Maharashtra. It is a 100% subsidiary of Engineers India Ltd. (EIL).

2. Industrial / Business activities

CEI is engaged in providing services in the field of certification, re-certification, third party inspection, risk analysis, safety, energy and quality audits, and vender assessment.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	15.86	17.63	21.19	-10.04
Cost of Production	9.16	8.36	10.98	9.57
Net Profit/ Loss(-)	5.12	6.36	6.71	-19.50
Dividend declared (as % of PBT)	25.25	19.92	18.67	26.77
Net Worth	24.01	21.17	17.06	13.42
Paid up Capital	1.00	1.00	1.00	0.00
Share of Holding Co.	1.00	1.00	1.00	0.00

4. Key Performance Factors

During the year, the income from services decreased by10.1% because of not taking off the expected LSTK projects, delay in awarding of certification contracts and considerable reduction in average man days realizations due to higher competition.

The profit before tax decreased by 19.72% and profit after tax by 19.68% mainly due to adverse product mix, reduced average realization per man day and upward pressure on manpower cost.

The company has made provisions of Rs. 15.81 lakhs in respect of liability for pay revision from 1.1.2007 and also changed its accounting policy in respect of gratuity to provide for difference between the fund balance and accrued liability at the end of the year based on actual valuation which resulted in an increase in expenses by Rs. 4.74 lakhs.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.512 as against Rs.637 in the previous year.

5. Human Resource Development (HRD)

The enterprise employed 50 regular employees (47 executives & 3 non-executives) as on 31.3.2007. About 94% of the employees were having professional qualifications. No employee comes under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 10 skilled employees left the company in attrition and 31 new skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 4 and all were regular part time official directors from the Holding Company EIL.

6. Strategic Issues

The company is taking steps to reduce average man-day cost substantially, through fresh recruitment and outsourcing, to effectively counter the pressure of reduced average realizations and higher manpower cost due to pay revision and to pursue aggressive marketing strategies.

Order Book Position

The order book position of the Company is over Rs.13.00 crores as on 31.03.2007, which comprises the in-progress portion of the orders from ONGC, GSPL and GWSSB etc. The company expects orders from these organizations as also from major LSTK contractors during 2007-08.

The company is continuously exploring the possibility of securing certification & TPI jobs from other sectors/contractors and enhancing its service portfolio to include areas concerning environment, plant operation and safety, specialized engineering analysis etc.

Educational Consultants (India) Ltd. (Ed.CIL)

1. Company Profile

Ed. CIL was incorporated in the year 1981 under the Companies Act, 1956 with the main objective of providing educational consultancy services in system design, resource development, research and evaluation studies and management development, nationally and internationally, to enable educational systems to achieve excellence and to promote Indian education abroad as the single window nodal service provider.

Ed. CIL is a Schedule-'C' / Mini-ratna PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Human Resources Development, Department of Higher Education and Secondary Education with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at NOIDA, U.P.

2. Industrial / Business Activities

Ed. CIL is engaged in promotion of Indian education abroad by placement of International students in Indian Universities and secondment of teachers/experts abroad, conducting education fairs, seminars-cum-counseling sessions, improving liaison with Indian Missions abroad etc. and providing educational consultancy services including technical assistance, supply of educational aids, testing, institutional development etc.

3. Production / Operational Profile

The service range of the company comprises of three segments namely Human Resource Development, Institutional Development and Technical Assistance. The performance details in these services are as follows:

Major Products / Services	Unit	Value of Services provided			Average of three years
		2006-07	2005-06	2004-05	
Human Resource Development: Placement	Rs. Crore	9.73	9.08	9.58	9.46
Secondment	Rs. Crore	0.74	0.94	0.56	0.75
Testing	Rs. Crore	3.35	5.47	2.65	3.82
Institutional Development	Rs. Crore	8.35	14.42	5.71	9.49
Technical Assistance: Educational Aids	Rs. Crore	0.26	0.81	0.36	0.48
Other Projects	Rs. Crore	8.05	8.56	4.74	7.12

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	33.01	39.29	23.61	-15.98
Cost of Production	31.55	37.89	24.36	-16.73
Net Profit/ Loss(-)	2.79	2.48	0.69	12.50
Dividend declared (as % of PBT)	21.69	18.12	42.37	19.74
Net Worth	14.17	12.53	10.91	13.09
Paid up Capital	1.25	1.25	1.25	0.00
Share of Central Govt.	1.25	1.25	1.25	0.00

5. Key Performance Factors

Despite decrease in turnover, the profitability has increased during the year as a result of better margins. 42% revenue of the company comes from the human resource development segment and 30% revenue from the exports.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.224 as against Rs.199 in the previous year.

The Company scored 'Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 84 regular employees (executives 39 & non-executives 45) as on 31.3.2007. About 22.62% of the employees were having professional qualifications. Around 6% employees come under the age bracket of 51 years and above.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were Government official Directors.

7. Strategic Issues

Efforts such as introduction of profit center scheme w.e.f. 1.4.2005, establishment of Research & Planning unit to explore opportunities for diversification and establishment of an office either in South Africa or in ASEAN / Middle East region to promote Brand India in education sector were made / being made to improve competitiveness and cost control.

The activities relating to civil construction are being phased out in terms of the decision of the Board of Directors. Ed. CIL will limit its involvement upto finalization of Master Plans/ Conceptualization of Scheme and Engineering Designs.

Order Book Position

The year ended with in hand Order Booking of around Rs. 79.15 crores.

Engineering Projects (India) Ltd. (EPI)

1. Company Profile

EPI was incorporated on 16.4.1970 under the Companies Act, 1956 as an Indian consortium of Industrial Projects Ltd, the name was subsequently changed to Engineering Projects (India) Limited (EPI) on 14.12.1970. The main objective is to undertake turnkey projects in India and abroad mainly in the fields of civil and structural, material handling, metallurgy, mining, fertilizers and other industrial projects. EPI is a Schedule-'B' / Mini ratna Category-II CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 100% shareholding by the Government of India. Its Registered office is at Ranchi, Jharkhand and Corporate office at New Delhi.

2. Industrial / Business Activities

EPI is engaged in the field of execution of large and complex construction projects on TURN KEY BASIS in the areas like Civil and Structural Work, Metallurgical Sector, Environment and Pollution Control Defence, Water Supply, Material Handling Systems, Process Plants, Oil and Petrochemicals, Transmission Lines, Irrigation Canal Works etc. The services rendered by the company include the specialized services such as

Feasibility Studies Design and Engineering, Quality Assurance, Erection, Trial run and Commissioning, Operation and Maintenance, Detailed Project Reports, Supply of Plant and Equipment, Overall Project Management etc.

3. Production / Operational Profile

The service range of the company comprises of turnkey project management and project exports.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	763.26	636.32	515.38	19.95
Cost of Production	763.35	640.22	520.99	19.23
Net Profit/ Loss(-)	15.30	12.39	7.19	23.49
Dividend declared (as % of PBT)	33.86	45.33	63.67	-25.30
Net Worth	103.99	94.73	88.37	9.78
Paid up Capital	35.42	35.42	35.42	0.00
Share of Central Govt.	35.42	35.42	35.42	0.00

5. Key Performance Factors

The company has been able to improve its performance consistently after its financial restructuring about 7 years back.

During the year, EPI secured 23 projects amounting to Rs.1258.91 crore and completed projects worth Rs. 425.06 crore.

During 2006-07, the turnover of the company increased by 19.80% and profit by about 50.61% as compared to previous year. It is attributed to uptrend in the industry.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.16.82.

Company scored 'Execellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 469 regular employees (executives 384 and non-executives 85) as on 31.3.2007 as against 473 employees as on 31.3.2006. About 48.61% of the employees were having professional qualifications. Around 54% employees come under the age bracket of 51years and above.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 11 employees retired and 17 new employees joined the company during the year. Since the introduction of VRS a total of 350 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were part time Non-official Director / professional and 2 Government / official Directors.

7. Strategic Issues

Cost reduction assumes great significance as the company is operating in a highly competitive environment.

EPI initiated consolidation and reduction in number of small value projects, to optimize utilization of resources both human and financial, concentration on higher value projects and securing projects in new identified thrust areas. This has borne fruits and resulted in reduction in cost and increase in margins.

The number of projects reduced by 20 % and the share of high value projects worth more than Rs 40 crores constituted about 82 % of the order booked. The average size of the projects secured by EPI during the year was about Rs. 57 crores. 17 projects are under implementation.

Research & Development (R&D)

The R&D activities in the company command a high level of attention in all major areas of operation, with a focus to improve performance, efficiency, product life cycles and reduce cost by adopting advanced technologies.

Environmental initiatives

EPI is an ISO 9001: 2000 and ISO 14001:2004 certified company, covering Quality and Environment Management Systems (QEMS). In view of adherence to the QEMS, the company has been recertified ISO 14001:2004. The upgraded certifications cover all areas of operations of EPI.

Order Book Position

The year ended with an Order Booking of around Rs.2527.39 crores from 76 orders. The balance work on these projects was of Rs1755.15 crore as on 31.3.2007. For the year 2007-08, the company is expected to achieve its order booking target of Rs. 800 crore.

Engineers India Ltd. (EIL)

1. Company Profile

EIL was incorporated in the year 1965 under the Companies Act, 1956 with an objective to become a globally competitive EPC (Engineering, Procurement, and Construction) and consultancy organisation.

EIL is a Schedule-'A' / Mini-ratna CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Petroleum and Natural Gas with 90.40% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

EIL is engaged in providing consultancy and EPC services through its three regional offices and one branch office in India and eight overseas offices in London(UK), Abu Dhabi(U.A.E.), Doha (Qatar), Kuala Lumpur(Malaysia), Perth (Australia), Kuwait, Tripoli(Libya) and Dhammam(Saudi Arbia). It has two subsidiaries namely Certification Engineers International Ltd. and EIL Asia Pacific registered in India and Malaysia respectively.

3. Production / Operational Profile

The service range of the company comprises of conceptualizing, designing, engineering, procurement and project management and commissioning assistance in the hydro-carbon, fertilizer, mining and metallurgy, power and infrastructure sectors. The performance details of major services are as follows:

Major Services	Unit	Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Consultancy and engineering	Rs. in crore	488.75	425.61	365.62	426.67
Lumpsum turnkey projects (LSTK)	Rs. in crore	82.33	364.87	550.18	332.46

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	570.12	792.66	907.48	-28.08
Cost of Production	448.99	655.51	801.12	-31.51
Net Profit/ Loss(-)	142.99	138.64	112.64	3.14
Dividend declared (as % of PBT)	26.11	22.28	25.27	17.19
Net Worth	1030.81	943.32	845.86	9.27
Paid up Capital	56.16	56.16	56.16	0.00
Share of Central Govt.	50.77	50.77	50.77	0.00

5. Key Performance Factors

The company's turnover during the year decreased by 27% inspite of over 15% growth in consultancy projects turnover. This is on account of the 77% decline in the revenue from LSTK project segment. However, the margin in LSTK business is substantially lower as compared to consultancy business as such despite decrease in turnover there was marginal increased in profit. The increased operational efficiency and stringent cost controls also contributed towards the profitability.

The share price of company varied between Rs. 400 to Rs.908 during the year 2006-07 as compared to Rs. 325 to Rs. 1020 in 2005-06. The average share price during the year was Rs. 654.

Earning Per Share of the company was Rs. 25.84 during 2006-07 compared to Rs. 25.43 in the previous year.

During the year, two MOUs were singed for forming JVs – one with M/s. Technimont, Italy and the other with M/s. Tata Projects.

6. Human Resource Development (HRD)

The enterprise employed 2551 regular employees (executives 2123 & non-executives 428) as on 31.3.2007. About 61.86% of the company employees were having professional qualifications. Around 33.59% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. During the year 264 skilled and 1 unskilled employees left the company and 219 new skilled employees joined the company.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which one was part time Non-official Director / professional.

The company is addressing the issue of attrition through two pronged strategy involving coping with the matter while simultaneously endeavouring to limit its quantum. It has various ongoing initiatives for technical upgradation and development of multi-skilling abilities of personnel.

7. Strategic Issues

The formation of JVs and modernization are envisaged to strengthen organizational capabilities for securing and executing overseas / domestic consultancy business and LSTK projects.

The thrust of the EIL is on improving productivity both by continuous work process improvements and by enhanced use of IT hardware and software.

The R&D division of the company developed several technologies during the years, which would enhance the organization's technology portfolio and would also facilitate in securing more business for the company. However, the expenditure on R&D constitute only 0.38% of turnover.

EIL believes in values of transparency, professionalism and accountability. It has practiced good corporate governance by maintaining transparency in all its operations, making disclosures and enhancement of all stakeholders value within the framework of law and regulations.

HSCC (India) Ltd. (HSCC)

1. Company Profile

HSCC was incorporated on 30.3.1983 under the Companies Act, 1956 with an objective to be a market leader in providing innovative, high quality knowledge based services in the health and social sectors by seeking opportunities in special market niches and to develop as a consultancy organization with contemporary professional standards in the field of healthcare. HSCC is Schedule 'C', Miniratna PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Health and Family Welfare, D/o Health with 100% shareholding by the Government. Its Registered office is at Delhi and Corporate office at Noida, U.P.

2. Industrial / Business activities

HSCC is engaged in providing specialized consultancy services in the health care and other social sector which include to conduct studies in rehabilitation, upgradation / modernization and baseline survey and to undertake architectural planning & design, project management, procurement, acquisition of technology, information technology / recruitment / training in the field of hospitals and medical related institutes and laboratories.

3. Production / Operational Profile

The service range of the company comprises of conceptual studies & management consultancy, engineering studies and facility design, project management, procurement, logistics & installation and information technology.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	16.78	18.45	10.78	-9.05
Cost of Production	12.68	11.57	9.65	9.59
Net Profit/ Loss(-)	7.98	9.62	4.18	-17.05
Dividend declared (as % of PBT)	16.57	14.66	13.02	13.02
Net Worth	52.71	47.13	39.98	11.84
Paid up Capital	1.60	1.60	1.60	0.00
Share of Central Govt.	1.60	1.60	1.60	0.00

5. Key Performance Factors

The company recorded decline in almost in all the performance parameters like turnover, operating profit, per employee turnover, EPS etc.

The decrease in turnover and profitability is mainly attributed to the Policy Change, which resulted in drop in World Bank Procurement Assignments.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.499 as against Rs. 600.91 in the previous year.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 130 regular employees (executives 97 & non-executives 33) as on 31.3.2007. About 65% of the employees were having professional qualifications.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 2 employees retired during the year. Further 19 skilled employees also left the company in attrition. However, 17 new skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 were Government official Director.

7. Strategic Issues

The company aims to be known as the most preferred consulting partner to the clients in the Healthcare and Social Sector by offering Customized innovative solutions through harnessing knowledge pools and team work.

The company is exploring business opportunities in SAARC group of countries as well as CIS group of countries. Efforts are also on to tap the prospects in the Corporate sector where large investments are expected in the near future.

Project Implementation

There are around 48 on going projects where HSCC is presently rendering consultancy services.

Order Book Position

The year ended with in hand Order Booking of around Rs. 25.68 Crores.

Indian Oil Technologies Ltd. (IOTL)

1. Company Profile

IOTL was incorporated on 20.6.2003 under the Companies Act, 1956 with an objective to work as the technology provider through excellence in management of knowledge, technology and innovation for the benefit of stakeholders. IOTL is an uncategorised PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Petroleum & Natural Gas with its Registered office at Delhi and Corporate office at Faridabad, Haryana. The company is a 100% subsidiary of Indian Oil Corporation Limited (IOCL).

2. Industrial / Business Activities

IOTL is involved in marketing of technologies, products and quality services and solutions developed by IOCL R&D center, Faridabad to oil companies in India and aboard. The technology basket of company consists of process technologies, products and specialized services.

3. Production / Operational Profile

IOTL is a marketing company.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.58	0.89	1.09	77.53
Cost of Production	0.52	0.61	0.45	-14.75
Net Profit/ Loss(-)	0.72	0.20	0.42	260.00
Net Worth	1.87	1.14	0.94	64.04
Paid up Capital	0.55	0.55	0.55	0.00
Share of Holding Co.	0.55	0.55	0.55	0.00

5. Key Performance Factors

The performance improved during 2006-07 as compared to last year. The year 2003-04 was the first year of operation. Since the company is involved in a highly competitive & protective area of technology marketing, there is bound to be a gestation period.

The Earning Per Share (EPS) of the company was to Rs.13.09 during the year as compared to Rs.3.58 during 2005-06.

6. Human Resource Development (HRD)

The enterprise employed 5 regular employees (executives 4 & non-executive 1) as on 31.3.2007. About 80% of the employees were having professional qualifications. Around 60% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The chairman and directors of the company are part time only and are employees of IOC, the holding company. None of the directors are full time functional directors.

7. Strategic Issues

With the establishment of design and engineering group at Indian Oil, services requiring engineering input will also be offered. Technologies like INDMAX, which has been accepted by a refinery of IOCL, will have more chances for commercialization elsewhere.

The Company has been taking steps like initiating contacts with some of the prospective clients resulting in increase in the customer base, aggressive persuasion for technology offerings in Gulf & Africa etc.

MECON Ltd. (MECON)

1. Company Profile

MECON was incorporated on 31.3.1973 under the Companies Act, 1956 with an objective to reduce the dependency on foreign consultants and build indigenous capability for design and consultancy of steel plants in the country as also to absorb and assimilate technologies available in different developed countries and adopt it to suit Indian conditions. The company is aims to develop into an internationally recognized centre of excellence for providing quality services in technical consultancy, design & engineering, design and supply of plant, equipment &systems, project implementation from concept to commissioning for industrial development & upgradation ventures, development of infrastructure and other services sector.

MECON is a Schedule-"A" / Mini-ratna CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Steel with 100% shareholding by the Government. Its Registered and Corporate offices are at Ranchi, Jharkhand.

2. Industrial / Business Activities

MECON is engaged in providing services in the field of design, engineering and consultancy services predominantly in metal sector like iron and steel industry including setting up of the integrated steel plants. It has also diversified in other sectors like oil & gas, power, infrastructure etc. The company also undertakes project execution on EPC basis with total responsibility from concept to commissioning.

3. Production / Operational Profile

The service range of the company comprises of Engineering & Consultancy / EPC & Turnkey Projects under four segments namely Metals, Power, Infrastructure and Oil & Gas with a business share of 75%, 17%, 4% and 4% respectively during 2006-07.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	373.58	257.75	173.86	44.94
Cost of Production	372.64	276.16	206.98	34.94
Net Profit/ Loss(-)	20.38	16.12	10.73	26.43
Net Worth	-107.91	-178.84	-206.04	-39.66
Paid up Capital	40.14	2.42	2.42	1,558.68
Share of Central Govt.	40.14	2.42	2.42	1,558.68

5. Key Performance Factors

The increase in turnover is attributed to higher volume of business handled and that of profitability to improve overall operation of the company in terms of increased efficiency due to better planning and coordination, off-loading low end engineering activities, standardization, extensive use of modern design softwares/aids, etc.

The company has met or exceeded the MOU targets in respect of all the major parameters during the FY 2006 07. Also, there has been a quantum jump in the financial performance of the company since FY 2004 05 and both the turnover as well as profit have recorded about 100% growth during las 2-3 years. The company expects to perform even better during the current FY 2007-08.

In order to improve performance, endeavour was made to increase revenue from consultancy & supply projects and also to cut costs. MECON is an ISO-9001 accredited company.

As on 31.03.2007, Rs.10.50 crore were outstanding dues out of which Rs. 9.17 crores were on account of salary and wages and Rs. 1.33 crore statutory dues.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 50.8 as against Rs. 44.39 in the previous year.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1631 regular employees (executives 1419 & non-executives 212) as on 31.3.2007. About 64.87% of the employees were having professional qualifications. Around 44% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 32 employees retired during the year and 23 left on other grounds. However, 176 new employees joined the company during the year.

During the year 3 employees availed of VRS and an amount of Rs.0.27 crore was spent in this regard. Since the introduction of VRS a total of 1304 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 3 were part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

Restructuring Plan

During the year restructuring / revival scheme has been approved by the Government of India as per recommendations of BRPSE with a total budgetary support of Rs.100.72 crores (in the form of Equity Share of Rs.37.72 crores and Non-Cumulative Redeemable Preference Share of Rs.63.00 Crores). 50% Interest Subsidy on VRS Loan and waiver of Guarantee Fee on VRS Loan have also been granted by Government of India.

The company has formed 4 SBUs namely Metals (Iron & Steel), Oil & Gas, Power and Infrastructure and shared services divisions as a part of business restructuring.

Project Implementation

Since Steel Industry is prone to cyclic upheavals in terms of prices and consumption, the company diversified its activities in various areas such as power plants, oil and gas, port and material handling, roads and bridges and development of residential townships, etc.

Research & Development (R&D)

R & D was formally set up within MECON during 1985-86. Initially thrust was given on setting up of laboratories in order to provide infrastructural facilities to research and development work.The R & D Division of the company is recognized by the Department of Scientific and Industrial Research, Govt. of India on 25th June, 1986, as an in-house R & D unit and is subsequently getting renewal of recognition after every three years.

In the last few years, R & D concentrated mostly on sponsored research from different Government bodies like SDF, DRDO, DST and MoEF. R & D Division has to its credit - more than 105 International & National Publications, 32 patents and claims on commercialization on two products developed for defence. Many prestigious projects are also in progress, of which some are on the verge of completion. The R&D expenditure of the company constitutes 0.08% of turnover.

The company has developed a number of technologies. It is taking initiatives for acquiring new technologies by entering into MOUs or agreements on technologies with reputed foreign companies in various areas of its operations. In addition, the company is also resorting to consortium working philisophy with leading foreign and Indian companies by way of entering into strategic alliances with them.

Environmental initiatives

MECON Limited, being a consultancy organisation, does not operate or manufacture any large scale plant or machinery themselves which call for exclusive efforts on Energy Conservation, Pollution Control and Waste management. However, efforts are made by MECON for its clients who address these important issues.

Environmental engineering division in MECON is a multi-disciplinary group of engineers, specialists and scientists in the fields of environment and ecology. Over last three decades the division has been consistently providing quality services to Indian Industry in the areas of Environmental Impact Assessment for various industrial projects, environmental baseline data generation, carrying capacity based sustainable development studies, environmental standard development and all other kinds of project specific environmental studies.

In the area of global warming, the department constantly upgrades and readies itself for new emerging projects. Clean development mechanism (CDM) is a new thrust area where MECON has entered in a big way.

Order Book Position

The year ended with in hand Order Booking of around Rs. 810.40 Crores.

National Informatics Centre Services Incorporated (NICSI)

1. Company Profile

NICSI was incorporated in 1995 as a Section 25 company under the Companies Act. 1956 with the main objective of providing total IT solutions to the Government organizations. NICSI is an un-categorised CPSE in Industrial Development and Technical Consultancy services sector under the administrative control of M/o Communication and Information Technology, D/o Information Technology with 100% shareholding by the Government of India. The Registered and Corporate offices of the company are at New Delhi.

2. Industrial / Business activities

NICSI is engaged in promoting economic, scientific, technological, social and cultural development of India by promoting the utilization of Information Technology, Computer-Communication Networks, Informatics etc. by a spin off of the services, technologies, infrastructure and expertise developed by the NIC and developing and promoting value added computer and computer-communications services over the basic infrastructure and services developed by NIC including NICNET. It has been providing products and services to organizations in the Central Government, State Governments and PSUs which include hardware, systems software, application software, software development, intra-networking, wide area networking, videoconferencing, customized software, IT training, consultancy and implementation support and data/ membership services.

3. Production / Operational Profile

The service range of the company comprises of five major segments namely Hardware, System software, Application Soft ware, security products, and consultancy and professional services.The performance details of purchases and sales of the company are as follows:

Particulars	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Purchases:					
Software	Nos.	23582	62113	NA	-
Routers/ Switches	Nos.	3766	1699	NA	-
Sales:					
Software	Nos.	2376	1963	NA	-
Routers	Nos.	121	144	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	99.84	60.75	0.00	64.35
Cost of Production	110.56	67.04	0.00	64.92
Net Profit/ Loss(-)	37.73	24.08	0.00	56.69
Net Worth	144.61	106.87	0.00	35.31
Paid up Capital	2.00	2.00	0.00	0.00
Share of Central Govt.	2.00	2.00	0.00	0.00

5. Key Performance Factors

All the clients of the corporation are Government Departments / organizations. The increase in turnover and profitability is attributed to higher sale of software and routers.

The company has huge cash and bank balances amounting to Rs. 391.02 crore and reserves amounting to Rs. 142 crore as on 31.3.2007. The Earning Per Share (EPS) of the company during 2006-07 was Rs. 1887 as against Rs.1204 in the previous year.

NICSI being a section 25 company is exempted from paying dividend.

6. Human Resource Development (HRD)

The enterprise employed 37 regular employees (executives 26 and non-executives 11) as on 31.3.2007 as against 40 employees as on 31.3.2006. About 86% of the employees were having professional qualifications. All the employees come under the age bracket of 36 and 50 years.

The total number of Directors in the company as on 31.3.2007 was 10 and all were Government / official Directors.

7. Strategic Issues

NICSI has entered into an agreement with M/s CISCO Systems Inc. for "Connected Government-SWAN program" to support the development of successful SWAN based e-governance initiatives at the village, district, state and national levels.

Project Implementation

The company implemented 10 projects and undertook 24 other projects on computer hardware / software and supply of other IT products.

National Research Development Corporation (NRDC)

1. Company Profile

NRDC was incorporated on 31st December, 1953 by the Government of India, under Section 25 of the company Act, 1956, the primary objective of the company is to act as a catalyst to promote, develop and commercialize the technologies / know-how / inventions / patents / processes emanating from various national R& D institutions. NRDC is a Schedule `C' CPSE under Industrial Development and Technical Consultancy Services group, under the administrative control of Ministry of Science & Technology, Department of Scientific & Industrial Research with 100% shareholding by the Government of India. The Corporation's Registered and Corporate offices are at New Delhi and one Regional Office at Bangalore.

2. Industrial / Business Activities

NRDC is engaged in providing technical, commercial and financial measures needed for closing gaps in the "innovation chain" through which an idea, invention or process is converted into a product in the market such as licensing indigenous technologies, intellectual property rights (IPR) consultancy, etc. Besides meeting its primary objectives, the company facilitates trade and business in science and technology in India and abroad, encourages advancement of research, propagate inventions and innovations enabling the growth of Indian technologies and provides business benefits to the techno-entrepreneurs through its IPR assistance. It endeavours to leverage technology and narrow the technology divide between rural and urban India.

3. Production / Operational Profile

The service range of the company comprises of Licensing, consultancy and other technical services. The performance details of major services of the company are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Royalty from Licensing	Rs. in Crors	3.13	2.44	2.33	2.63
Lumpsum Premia	Rs. in Crors	0.99	1.36	0.93	1.09
Other Income	Rs. in Crors	1.23	1.21	0.87	1.10
Total	Rs. in Crors	5.35	5.01	4.13	4.83
License Agreements	Nos.	44	39	48	44

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4.27	3.93	3.40	8.65
Cost of Production	5.01	4.75	4.01	5.47
Net Profit/ Loss(-)	0.11	0.13	0.07	-15.38
Net Worth	9.64	9.41	9.16	2.44
Paid up Capital	4.42	4.42	4.42	0.00
Share of Central Govt.	4.42	4.42	4.42	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in the royalty collection, consultancy and technical fees and also due to various other economy measures adopted to curtail the expenditure.

During the year, 39 new processes were assigned to the Corporation for commercialization from various R&D laboratories and universities during 2006-07 as compared to 30 in 2005-06.

During the year 44 new license agreements were signed as compared to 39 in 2005-06.

The Corporation is currently engaged in setting up of demonstration centre for propagation of Indian Technologies at Ivory Coast and simultaneously is in negotiation with various West African countries such as Sierra Leone and Nigeria for setting up similar Demonstration Centres in their countries.

The Company scored 'Excellent' MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 98 regular employees (executives 40 & non-executives 58) as on 31.3.2007 as against 99 employees as on 31.3.2006. About 24.49% of the employees were having professional qualifications. Around 38% of employees come under the age bracket of 51 years and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. One skilled employee left the company during the year. Since the introduction of VRS, a total of 14 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which 6 were part time Non-official Directors / professionals and one Government / official Director.

7. Strategic Issues

The company consolidated upon the range of services provided by it, which will enhance its competitiveness and provide an edge to its operations. The role of NSIC has undergone change, from a direct operator to a facilitator by shifting emphasis from finance to non-finance services.

Project Implementation

During the year company entered into two new infrastructure projects at Delhi and Hyderabad for providing adequate infrastructure facilities to micro, small and medium enterprises at economical rates.

Research & Development (R&D)

The restructuring plan of company seeks technology up-gradation, quality assurance etc. However, the R&D expenditure of the company constituted 0.05% of the turnover.

National Small Industries Corp. Ltd. (NSIC)

1. Company Profile

NSIC was incorporated in the year 1955 with an objective to aid, promote and foster the growth of small scale industries. The company is aimed at to be a premier organization in the country fostering the growth of small enterprises including tiny enterprises through enhancing their competitiveness by providing integrated support services under marketing, technology and finance.

NSIC is a Schedule-'B' / CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Micro, Small and Medium Enterprises with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NSIC is engaged in promotional and commercial activities and rendering assistance/support in the field of marketing, credit, technology, info-mediary services, international cooperation and consultancy services etc. for small industries through its 7 Zonal Offices and 36 Branch Offices along with certain sub-offices, technical service centres, extension centres spread across the country.

3. Production / Operational Profile

The service range of the company comprises of three segments namely Marketing, Raw Material Distribution and Financing. The brief details of these services are as follows:

Major Products / Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Marketing	Rs. crore	24.62	NA	NA	NA
Promotional	Rs. crore	33.99	NA	NA	NA
Raw Material Distribution	Rs. crore	319.20	NA	NA	NA
Financing	Rs. crore	5.47	NA	NA	NA
Other Services	Rs. crore	9.42	NA	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	326.45	264.17	355.63	23.58
Cost of Production	391.12	319.32	408.78	22.49
Net Profit/ Loss(-)	2.84	1.25	-11.48	127.20
Dividend declared (as % of PBT)	11.70	0.00	0.00	1170.43
Net Worth	85.80	63.76	54.94	34.57
Paid up Capital	217.99	217.99	187.99	0.00
Share of Central Govt.	217.99	217.99	187.99	0.00

5. Key Performance Factors

The increase in turnover by 24% during 2006-07 compared to previous year is attributed to generating additional business and revenue from non-financing activities like distribution of raw material, marketing of products of small scale enterprises, Government purchase registration, income from STP and exhibitions, infomediary services, godown operations etc. The increase in profit by about 127% was due to increase in turnover, scaling down of expenditures, redeployment of underutilized manpower after imparting training in new offices etc.

Business per employee moved up from Rs. 1.73 crore to Rs. 2.56 crore which shows higher productivity.

The company has availed of a Government Guarantee of Rs. 111.02 crore as on 31.3.2007.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1.31

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 860 regular employees (executives 148 & non-executives 712) as on 31.3.2007. About 22% of the employees were having professional qualifications. Around 27% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 3 employees retired under superannuation and 4 skilled employees left on other ground. 10 new employees joined the company during the year.

During the year, 7 employees retired under VRS and an amount of Rs. 0.25 crore was spent in this regard. Since the introduction of VRS a total of 767 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 5 were part time Non-official Directors / professionals.

7. Strategic Issues

The company consolidated upon the range of services provided by it which will enhance its competitiveness and provide an edge to its operations. The role of NSIC undergone change from a direct operator to a facilitator by shifting emphasis from finance to non-finance services.

Project Implementation

During the year, the company entered into two new infrastructure projects at Delhi and Hyderabad for providing adequate infrastructure facilities to micro, small and medium enterprises at economical rates.

Research & Development (R&D)

The restructuring plan of the company seeks technology up-gradation, quality assurance etc. The R&D expenditure of the company constituted 0.05% of its turnover.

RITES Ltd. (RITES)

1. Company Profile

RITES was incorporated on 26.4.1974 under the Companies Act, 1956 with an objective to enhance the technological image of the country and earn foreign exchange through export of consultancy and supply / operation and maintenance of Railway Systems and other transport related services and equipments and to provide foreign and local clients with innovative, responsive, reliable, qualitative and cost effective services and solutions aimed at maintaining highest standard of client confidence and satisfaction.

RITES is a Schedule-'B' / Miniratna CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Railways, with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at Gurgaon, Haryana.

2. Industrial / Business Activities

RITES is engaged in providing consultancy, engineering and project management services in the field of transportation, infrastructure and related technologies in India and abroad. The company has one subsidiary namely RITES (AFRIKA) Proprietary Limited and three financial joint ventures for concessioning of Rail Network at Colombia, Austria and Mozambique with an equity share of 5%, 13% and 26% respectively.

3. Production / Operational Profile

The service range of the company comprises of consultancy, export, inspection, lease etc, the details of which are as follows:

Major Products / Services	Unit	Value of Services provide			Average of three years
		2006-07	2005-06	2004-05	
Consultancy	**Rs. Crore**	219.92	253.98	163.69	212.53
Export Sales	**Rs. Crore**	252.79	96.09	18.26	122.38
Inspection	**Rs. Crore**	48.14	34.82	30.37	37.78
Lease Services	**Rs. Crore**	12.74	9.48	9.64	10.62
Other	**Rs. Crore**	32.73	32.04	18.34	27.70

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	534	394	222	35
Cost of services	349	338	170	3
Net Profit/ Loss(-)	118	99	41	19
Dividend declared (as% of PBT)	23	15	17	57
Net worth	460	387	311	19
Paid up capital	4	4	4	0
Share of Central Govt.	4	4	4	0

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher productivity and efficiency.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.2954 as against Rs. 2479 in the previous year.

Company scored 'Execellent ' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2140 regular employees (executives 1602 & non-executives 538) as on 31.3.2007. About 53.88% of the employees were having professional qualifications. Around 18.60% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 15 employees retired during the year. Further, 8 skilled and one unskilled employee also left the company. However, 86 new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 9 out of which 3 were part time Non-official Director / professional and 3 Government/Official Directors.

7. Strategic Issues

Project Implementation

Tanzania Railway Concession project was awarded to the company during the year 2005-06. For the implementation of the project, RITES & Government of Tanzania have signed the Shareholders agreement and the concession company by the name Tanzania Railway Limited has been incorporated on 25th May, 2007 to take over the Project.

Research & Development (R&D)

RITES is basically a consultancy organization and as such there is very little inputs of Capital / Equipments. The technical skills of experts are regularly updated to keep them abreast of latest state of art technologies in their respective fields.

Environment Initiatives

In Concessioning projects due, care is taken for environmental aspects.

Telecommunications Consultants India Ltd. (TCIL)

1. Company Profile

TCIL was incorporated on 10.3.1978 under the Companies Act, 1956 with the main objective of becoming a leading engineering and consultancy enterprise in telecom globally and to provide an array of consultancy and turnkey project implementation services in the field of telecommunications, information technology and multi-media, postal consultancy, e-governance and architectural and civil engineering. TCIL is a Schedule-'A' Mini-ratna PSE in Industrial Development and Technical consultancy services sector under the administrative control of M/o Communications and Information Technology, D/o Telecom-munications with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

TCIL is engaged in providing communication solutions in telecommunication and information technology services in India and abroad specially in network projects, telecom software, switching and transmission systems, cellular services, rural telecommunication and optical fibre based backbone transmission systems, IT & networking solutions, e-governance, civil and architectural consultancy for cyber cities, telecom complexes etc. It has diversified into road construction also. The company operates through its 3 regional offices and 12 foreign based offices / branches. The company also has 7 financial Joint Ventures namely Intelligent Communication System Ltd., Tamilnadu Telecommunications Ltd., TCIL Saudi Ltd., TCIL Bell South Ltd., USA, Telecommunication Consultants Nigeria Ltd., Bharti Hexacom India Ltd., Canada and United Telecom Ltd., Nepal, with a share in equity.

3. Operational Profile

The sector-wise sales / turnover of the company is as follows:

Major Services	Unit	Value of services during			Average of three years
		2006-07	2005-06	2004-05	
Telecom	**Rs. in crore**	285.55	395.69	402.51	361.25
Roads	**Rs. in crore**	125.06	87.81	46.63	86.50

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	382.59	453.49	418.49	-15.63
Cost of Production	404.67	466.10	435.46	-13.18
Net Profit/ Loss(-)	1.22	32.80	32.93	-96.28
Dividend declared (as % of PBT)	0.00	0.00	157.89	0.00
Net Worth	397.87	396.65	395.85	0.31
Paid up Capital	28.80	28.80	28.80	0.00
Share of Central Govt.	28.80	28.80	28.80	0.00

5. Key Performance Factors

About 66% revenue of the company comes from turnkey projects followed by trading 18% and consultancy and services 16%. While the sales/ turnover of the company has been constantly decreasing in the core sector of telecom, it is increasing in the same way from road construction etc.

The profitability of TCIL affected adversely because of delay in clearance of Pan-Africa Project, short closure of Ghana project, slow progress of DGLL project due to client not agreeing to cost escalation being demanded by civil contractor, delay of availability of sites by NHAI in road construction project and fierce competition and low margins.

The company scroed 'Good' MOU rating during the year 2006-07.

6. Human Resource Development

The enterprise employed 931 regular employees (executives 428 and non-executives 503) as on 31.3.2007. About 37.92% of the employees were having professional qualifications. Around 20.62% employees come under the age bracket of 51 and above years. The retirement age in the company is 60 years. The company is following IDA 1997/CDA1996 patterns of remuneration. A total of 13 employees retired and 67 skilled employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 3 were full time Functional Directors and 2 Government/Official Directors..

7. Strategic issues

The company adopted world-class communication and IT technologies for catering to the local needs of countries mainly in developing world. The company secures business by participating in international competitive biding.

TCIL is constantly reviewing its costs and diversified in hi tech area i.e. wireless, fibre to the home, ship to shore communications, airport terminal communication, e-governance, OPGW on power transmission lines, civil projects for road construction, cyber park and cyber city.

Water & Power Consultancy Services (India) Ltd. (WAPCOS)

1. Company Profile

WAPCOS was incorporated on 26.6.1969 under the Companies Act, 1956 with an objective to provide consultancy services in a diverse range of engineering in water resources, power, infrastructure development and allied sectors in India and abroad. WAPCOS is a Schedule-

'C' / Miniratna CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Water Resources with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate office at Gurgaon, Haryana.

2. Industrial / Business Activities

WAPCOS is engaged in providing consultancy services mainly in the field of irrigation and drainage, flood control and land reclamation, river management, dams, reservoir engineering and barrages, integrated agriculture development, watershed management, hydro and thermal power generation, power transmission and distribution, rural electrification, ground water and other related projects covering all aspects from concept to commissioning and operation and maintenance etc. It operates through 19 regional / field offices spreading across the country and 6 offices abroad (in Afghanistan, Bhutan and Cambodia).

3. Production / Operational Profile

WAPCOS' spectrum of services covers a wide range of activities e.g. pre-feasibility studies, feasibility studies, simulation studies, diagnostic studies, socio-economic studies, master plans and regional development plans, field investigations, detailed engineering including designs, detailed specifications, tendering process, contract and construction management, commissioning and testing, operation & maintenance, quality assurance & management, software development and human resource development. The segment-wise revenue generated by the company was as follows:

(Rs. in crore)

Particulars	Performance during			Average of three years
	2006-07	2005-06	2004-05	
Consultancy and Engineering Projects	61.76	58.38	NA	NA
Lump sum Turnkey Projects	66.34	52.81	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	128.10	111.19	86.58	15.21
Cost of Production	116.63	96.11	79.49	21.35
Net Profit/ Loss(-)	11.87	9.61	5.08	23.52
Dividend declared (as % of PBT)	13.50	12.22	13.76	10.50
Net Worth	57.55	48.41	41.00	18.88
Paid up Capital	2.00	2.00	2.00	0.00
Share of Central Govt.	2.00	2.00	2.00	0.00

5. Key Performance Factors

The increase in profitability is attributed to higher turnover. About 63% of the turnover of the company comes from abroad while about 64% profit is earned from India. With regard to segment-wise performance, larger part of the turnover comes from the Lump sum Turnkey projects and the Consultancy and Engineering projects contribute substantially in profit.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.594 as against Rs. 480 in the previous year.

The Company scored ‘Excellent’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 479 regular employees (executives 324 & non-executives 155) as on 31.3.2007. About 41.54% of the employees were having professional qualifications. Around 20% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 11 employees retired during the year. Further, one skilled employee also left the company in attrition. However, 21 new employees joined during the year.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were part time Non-official Directors / professionals and 2 were Government / official Directors.

7. Strategic Issues

WAPCOS has been venturing into newer fields such as Software Development, Financial Management System, Technical Education, Quality Control and Construction Supervision, Roads & Bridges, apart from turnkey assignments in Hydro-Power Projects and Water Harvesting Structures.

WAPCOS has taken up studies in new fields like Economical Design of Road in Hilly areas, Rural electrification as a means of Economic upliftment of Society, City Development Plan, Success of Capacity Building Programme to Motivate the company to take up O&M scheme and Drainage System for Heritage Buildings. The company amended its Articles of Association to provide concept to commissioning services for developmental projects in India and Abroad. The company also devised a scheme on Knowledge Management for the benefits of new entrants.

WAPCOS has identified new thrust areas for focused attention under various heads like Regions, Countries, Fields of Services, Market Penetration and Institutions. Some of the new fields of services identified are Rural Electrification, Water Harvesting, Low Cost Sanitation, Lakes & Wetlands, Roads, Information, Education and Communication, Capacity Building, Institutional Strengthening, Water Quality Monitoring, City Development Plans, Tribal Areas Development, Storm Water Drainage and Rural Development.

For initial introduction and to get foothold in new areas the company entered into Joint Ventures with national & international consultancy organizations.

Project Implementation

In order to provide state of the art technology for Consultancy Services in India, WAPCOS associated with Danish Hydraulics Institute, Denmark and Hydro Tasmania, Australia for submission of proposals under International Competitive Bidding. Similarly, for projects a broad WAPCOS entered into Strategic Alliances with Consultants already having base in other countries. The efforts are bearing fruits and WAPCOS has secured/likely to secure some prestigious projects in Cambodia, Bhutan, Ethiopia, Sudan, Laos, Myanmar, Mozambique, Lesotho, Ghana, Afghanistan, Royal Kingdom of Saudi Arabia.

Research & Development (R&D)

R&D in Consultancy organization is dependent on new policies, initiatives of Government and funding agencies. The company keeps track of such non conventional fields and continues R&D efforts in new fields. The company also carries out R&D as part of its projects implementation.

Order Book Position

The year ended with in hand Order Booking of around Rs.199.68 Crores.

19 TELECOMMUNICATION SERVICES & INFORMATION TECH. SERVICES

As on 31.3.2007, there were 4 Central public sector enterprises in the Telecommunication Services & Information Tech. Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Mahanagar Telephone Nigam Ltd.	1986
2.	Bharat Sanchar Nigam Ltd.	2000
3.	Millennium Telecom Ltd.	2000
4.	Railtel Corporation India Ltd.	2000

2. The enterprises falling in this group are mainly engaged in rendering Telecommunication and Internet Services.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	Turnover 2005-06
1.	Mahanagar Telephone Nigam Ltd.	4909.32	5560.98
2.	Bharat Sanchar Nigam Ltd.	34616.21	36138.94
3.	Millennium Telecom Ltd.	0.00	0.00
4.	Railtel Corpn. India Ltd.	112.96	56.12
	Total	**39638.49**	**41756.04**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	Net Profit/Loss 2005-06
1.	Mahanagar Telephone Nigam Ltd.	681.74	580.29
2.	Bharat Sanchar Nigam Ltd.	7805.87	8939.69
3.	Millennium Telecom Ltd.	0.03	0.06
4.	Railtel Corpn. India Ltd.	40.85	-10.27
	Total	**8528.49**	**9509.77**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	Social Overheads & Township 2005-06
1.	No. of employees	369356	378274
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	0.00	0.00
	b. Medical facilities	0.00	0.00
	c. Others	0.00	0.00
3.	Capital cost of township *(Rupees in crore)*	0.00	0.00
4.	No. of houses constructed	0	0

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterpriese for three years, are given in Volume-III.

TELECOMMUNICATION SERVICES
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	1940000	1940000	1940000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	567531	1308877	1308878
OTHERS	777851	27851	27851
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	8544979	7886572	7063104
TOTAL (A)+(B)+(C)	**9890361**	**9223300**	**8399833**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	14700	9200	2000
(B) UNSECURED LOANS	566870	740895	837091
TOTAL (A)+(B)	**581570**	**750095**	**839091**
(1.3) DEFERRED TAX LIABILITY	186650	231563	361802
TOTAL (1.1)+(1.2)+(1.3)	**10658581**	**10204958**	**9600726**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	13461650	12738302	11920484
(B) LESS DEPRECIATION	6968310	5986412	5016304
(C) NET BLOCK (A-B)	6493340	6751890	6904180
(D) CAPITAL WORK IN PROGRESS	339685	453014	531496
TOTAL (C)+(D)	**6833025**	**7204904**	**7435676**
(2.2) INVESTMENT	46140	61876	59747
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	265066	292795	243236
(B) SUNDRY DEBTORS	735732	772292	840471
(C) CASH & BANK BALANCES	3939578	3267836	2448675
(D) OTHER CURRENT ASSETS	125194	73129	23643
(E) LOAN & ADVANCES	1749050	1983790	1861745
TOTAL (A)+(B)+(C)+(D)+(E)	**6814620**	**6389842**	**5417770**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	2121574	2068970	2009634
(B) PROVISIONS	1059498	1398816	1306554
TOTAL (A+B)	**3181072**	**3467786**	**3316188**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**3633548**	**2922056**	**2101582**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	145265	11435	60
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	603	4687	3661
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**10658581**	**10204958**	**9600726**

TELECOMMUNICATION SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	3963849	4175604	3907610
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	3963849	4175604	3907610
(D) OTHER INCOME / RECEIPTS	577401	457221	313228
(E) ACCRETION / DEPLETION IN STOCKS	0	0	0
(I) TOTAL INCOME (C+D+E)	**4541250**	**4632825**	**4220838**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	0	0	0
(B) STORE & SPARES	0	0	0
(C) POWER & FUEL	168482	151475	136055
(D) MANUFACTURING / DIRECT / OPERATING EXP.	707600	889178	759677
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	913387	933529	1026037
(F) OTHER EXPENSES	640373	476718	440162
(G) PROVISIONS	139112	170614	38709
(II) TOTAL EXPENDITURE (A TO G)	**2568954**	**2621514**	**2400640**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	1972296	2011311	1820198
(4) DEPRECIATION	983762	1005433	1024119
(5) DRE. / PREL. EXP. WRITTEN OFF	0	50	41
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	988534	1005828	796038
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	75976	106333	0
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	4264	7010	8227
(D) LESS INTEREST CAPITALISED	458	643	733
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	79782	112700	7494
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**908752**	**893128**	**788544**
(9) TAX PROVISIONS	67482	-39874	-199592
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	841270	933002	988136
(11) NET EXTRA -ORD. ITEMS	-11579	-17975	-122207
(12) NET PROFIT / LOSS (10-11)	**852849**	**950977**	**1110343**
(13) DIVIDEND DECLARED	142700	142700	145850
(14) DIVIDEND TAX	22205	20013	20216
(15) RETAINED PROFIT (12-13-14)	**687944**	**788264**	**944277**

TELECOMMUNICATION SERVICES
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1899748	2074323	2160820
(ii) CAPITAL EMPLOYED	10126888	9673946	9005762
(iii) NET WORTH	9744493	9207178	8396112
(iv) COST OF PRODUCTION	3632498	3739697	3432294
(v) COST OF SALES	3632498	3739697	3432294
(vi) VALUE ADDED	3795367	4024129	3771555
(vii) R & D EXPENDITURE	0	0	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	369356	378274	394431
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	20608	20566	21678
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.06	0.08	0.10
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	3.21	3.09	2.70
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	5.34	5.32	4.61
(iv) SUNDRY DEBTORS : SALES (No. of days)	67.75	67.51	78.51
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	24.41	25.59	22.72
(ii) SEMI / FINISHED GOODS : SALES	1.57	1.62	1.96
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	-2.14	2.49	7.48
		(%)	
(vii) SALES : CAPITAL EMPLOYED	39.14	43.16	43.39
(viii) PBDITEP : CAPITAL EMPLOYED	19.48	20.79	20.21
(ix) PBITEP : CAPITAL EMPLOYED	9.76	10.40	8.84
(x) COST OF SALE : SALES	91.64	89.56	87.84
(xi) MATERIAL COST : SALES	0.00	0.00	0.00
(xii) SALARY & WAGES : SALES	23.04	22.36	26.26
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	24.94	24.09	20.37
(xv) PBTEP : NET WORTH	9.33	9.70	9.39
(xvi) NET PROFIT : NET WORTH	8.75	10.33	13.22
(xvii) GROSS MARGIN : GROSS BLOCK	14.65	15.79	15.27

Bharat Sanchar Nigam Ltd. (BSNL)

1. Company Profile

BSNL was incorporated on 15.9.2000 under the Companies Act, 1956 with the objective to take over the business of providing telecom services and network of the erstwhile D/o Telecommunications along with all assets and liabilities, contractual rights and obligations w.e.f. 1.10.2000.

BSNL is a Schedule-'A' / Miniratna CPSE in Telecommunication and IT Services sector under the administrative control of M/o Communication and Information Technology, D/o Telecommunications with 100% shareholding by the Government of India. Its Registered and corporate offices are at New Delhi.

2. Industrial / Business Activities

BSNL is engaged in providing all types of Telecommunication services in 26 telecom circles from its 47 offices and 37808 telephone exchange's spread all over India, other than cities of Delhi and Mumbai. The company also has 7 in-house manufacturing units / telecom factories located at Kolkata, Gopalpur, Kharagpur, Jabalpur, Richhai, Bhilai & Mumbai. These units are currently engaged in production of GSM Tower, SIM card, Pay phones, Mini Pillar, MPJ Box etc.

3. Production / Operational Profile

The average capacity utilization for all services of the company taken together was 82% during 2006-07. The performance details of major services provided are as follows:

Major Products / Services	Unit	Working connection during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Basic Telephone connections	Nos. in Lakhs	372.95 (71)	508 (73.93)	1093 (75.25)	658 (73)
Cellular Mobile connections	Nos. in Lakhs	274.29 (102)	77.16 (88.69)	41.93 (99.53)	131 (97)
Internet connections	Nos. in Lakhs.	33.20 (91)	8.03 (60.70)	7.85 (79.15)	16 (77)
Broadband connections	Nos. in Lakhs.	9.77 (91)	5.52 (83.24)	0.34 (NA)	5 (NA)
Total	Nos. in Lakhs.	690.21 (82)	598.71 (77.18)	1204.18 (79.19)	831.03 (79)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	34616	36139	33450	-4
Cost of Services	31466	31907	29402	-1
Net Profit/ Loss(-)	7806	8940	10183	-13
Dividend declared (as% of PBT)	14	14	18	0
Net worth	85717	80757	72779	6
Paid up capital	12500	12500	12500	0
Share of Central Govt.	12500	12500	12500	0

5. Key Performance Factors

While the fixed telephone connections decreased by 37.63% during 2006-07 compared to previous year, the Cellular Mobile, Broadband and internet connections increased tremendously by about 250%. This shows that the customer preferences have changed with time from land line to improved modern telecom services. However, the total turnover and profitability of the company recorded reverse trend due to the change in customer preferences.

The Earning Per Share of the Company has decreased to Rs. 14.03 in 2006-07 from Rs.15.28 in the year 2005-06.

The Company scored 'Very Good' MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 3,20,506 regular employees (executives 59642 & non-executives 260864) as on 31.3.2007.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 8223 employees retired during the year on supernnuation and 1906 employees left due to other reasons.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were Government / official Directors.

7. Strategic Issues

The company is taking steps to increase

competitiveness of the products / services to cope with the challenges of competition from the private service providers. So far as tariff is concerned, BSNL has introduced many plans under Fixed and Cellular services considering the need of customers and prevailing market conditions from time to time. The tariffs offered by BSNL are either cheaper or comparable to the tariff offered by the private service providers. Moreover, the tariffs offered are affordable to the customers.

BSNL Board has approved a proposal to invest upto 49% in the equity share capital of M/s Millennium Telecom Limited (MTL), a subsidiary company of MTNL, with a view to jointly take up the project for laying of a submarine cable.

Project Implementation

The tender for procurement of 63.5 million lines of GSM equipment was delayed as one of the bidders, namely, M/s Motorola had approached the Court and case has now been withdrawn, in April, 2007.

Expansion of MLLN, KU Band, VSAT and SSTP networks are under progress.

During 2006-07, BSNL entered into several agreements with international long distance providers. With a view to increase the business in ILDO segment, the company upgraded 1 TAXs ti ILD capability. IPCL LIM in the system has been introduced.

The company has plans to offer (a) International Calling Card; and (b) Seamless MPLS VPN to International customers.

Research & Development (R&D)

During the year the company has taken IT initiatives related to customer care, billing system, E-procurement etc.

Mahanagar Telephone Nigam Ltd. (MTNL)

1. Company Profile

MTNL was incorporated in the year 1986 under the Companies Act, 1956 with the objective of taking over the management, control and operation of Telecom Network at Mumbai and Delhi with a view to raise necessary financial resources for development needs of area of operations and to up-grade the same. MTNL is a Schedule-'A' / Navaratna PSE in Telecommunications and Information Technology Services sector under the administrative control of M/o Communication and Information Technology, D/o Telecommunications with 56.25% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

MTNL is engaged in providing all types of Telecommunication services including Basic Telephone services, Cellular (GSM and CDMA), Mobile services, internet and value added services in Delhi and Mumbai through its 529 exchanges and other network. It has two wholly owned subsidiaries namely Millennium Telecom Ltd. and Mahanagar Telephone Mauritius Ltd. The company has two financial Joint Ventures namely United Telecom Ltd. with a share of 26.68% along with VSNL, TCIL and NVPL (Local Partner in Nepal) to provide CDMA based basic service in Nepal and MTNL STPI Services Ltd. with STPI, a Society under D/o Information Technology with 50:50 partnership.

3. Operational Profile

Major Services	Unit	Income from services during			Average of three years
		2006-07	2005-06	2004-05	
Basic and other services	Rs. in crore	4203.52	5062.75	5315.31	4860.53
Cellular	Rs. in crore	774.14	594.29	277.07	548.50

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4909	5561	5592	-12
Cost of Services	4790	5420	4868	-12
Net Profit/ Loss(-)	682	580	939	17
Dividend declared (as% of PBT)	32	38	23	-15
Net worth	11407	11123	10944	3
Paid up capital	630	630	630	0
Share of Central Govt.	354	354	354	0

5. Key Performance Factors

MTNL exploited the opportunity for tremendous increase in the Cellular subscriber base by successfully consolidating its position in Broad Band services under the Brand name 'TRI BAND'. It continued to provide a sustained push to mobile services through an expanding network and a large range of services. But the business in basic services declined by 16.97% during 2006-07, compared to previous year.

Although the income from services declined , the company could increase its profitability by 17.48%, mainly due to increase in other income on account of income tax refund, decrease in staff cost etc. The company achieved 6.6% growth in terms of number of connections during 2006-07, as more than half the cellular connections in Delhi and Mumbai are being provided by the MTNL.

In the past 20 years, the company has taken rapid strides to emerge as India's leading and one of Asia's largest telecom operating companies.

Besides cellular phones, the company's focus has been on broad band and other value added services as the demand for MTNL's Broad Band service is getting popularity among the customers of Delhi and Mumbai, resulting in huge demand for new connections.

The company Scored 'Very Good' MOU rating during the year 2006-07.

The Market price of the company's shares was between Rs.122 to Rs.228 during the year 2006-07 as against Rs. 108 to Rs.170.05 during 2005-06.

6. Human Resource Development

The company employed 48529 persons as on 31.3.2007.

There were 7 Directors on the Board of MTNL as on 31.3.2007, out of which 3 were full time Functional Directors and two each part time non-official Directors/Professionals and Government Official Directors.

MTNL has a ISO : 9001 : 2000, Certified Centre of Excellence which continued with its effort to provide world class training facility at affordable cost to employees of MTNL and simultaneously acting as a profit centre by generating revenue through conducting training programmes for other public and private sector undertakings.

7. Strategic Issues

The reduction of tariff and the ADC cut are costing MTNL dearly. Further, there is intense competition from other mobile operators and the basic service operators resulting in increased pressure on the margins.

The high level license fee is a big strain on the finances of the company, which is paid over and above all other taxes and duties levied on all other businesses. The Government is considering to grant spectrum for 3G services at additional fee. This will have adverse impact on the cost of services and the prices of MTNL.

The staff cost of MTNL is about 34.26% of the revenue generated while it is about 7% for other operators. This is major risk the company is facing.

The company has started IPTV services w.e.f. 2006. It also started Multi Protocol Level System Virtual Pvt. Network service (MPLSPNS) w.e.f. July, 2007.

Millennium Telecom Ltd. (MTL)

1. Company Profile

MTL was incorporated on 22.11.2000 under the Companies Act, 1956 with an objective to provide Internet/Intranet and Information Technology enabled services in India and abroad. MTL is an uncategorised PSE in Telecommunication and Information Technology Services sector under the administrative control of M/o Communication and Information Technology, D/o Tele-communications having its Registered and Corporate offices at Mumbai, Maharashtra. MTL is a wholly owned subsidiary of MTNL.

2. Industrial/Business Activities

MTL is engaged in providing services in the field of Internet and related services (ISDN, Multimedia, Paging etc.) and other value added services. It has entered into a joint venture agreement with BSNL (who have agreed to invest 49% in the paid up capital of the company). MTL is handling project for laying Submarine cable from India to South East Asia and Middle East with ultimate intent to extend eventually to USA and Europe. By investing in this project, MTNL (Holding Company) and BSNL will get international Bandwidth to support its own network demand as well as lease it to others at very competitive rates. This will remove dependence of MTNL and BSNL on other operators for international bandwidth.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	0.00	1.29	0.00
Cost of Services	0.17	0.17	0.61	0.00
Net Profit/ Loss(-)	0.03	0.06	0.66	-50.00
Net Worth	5.03	5.22	5.06	-3.64
Paid up Capital	2.88	2.88	2.88	0.00
Share of Holding Co.	2.88	2.88	2.88	0.00

4. Key Performance Factors

During 2006-07, there was no income from the operations of the company. The other income was from interest on fixed deposits with bank .

The company received bid security amount from M/s Axicom amounting to US$ 90,000 in connection with the project for laying International Submarine Cable connecting India to South East Asia and Middle East.

MTL refunded the bid security amount of Rs. 5,15,781/- to M/s Datawave Limited and Rs. 5,02,810/- to M/s Axicom to prepare business plan for laying the submarine cable. It has made a payment of Rs. 32,21,000/- towards consultant for work under Phase-I of MTL's International Submarine Cable Project.

The Earning Per Share of the company was Rs. 0.10 as on 31.3.2007.

RailTel Corporation of India Ltd. (ReilTel)

1. Company Profile

RailTel was incorporated on 26.09.2000 under the Companies Act, 1956 with the objective of expeditiously modernizing Railways' train control, operational safety systems & networks, creating a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, internet and IT enable value added services, and generating revenue for implementing Railways' develop-mental projects, safety enhancement and asset replacement programme. RailTel is a Schedule 'A' CPSE in Telecommunications and Information Technology Services sector under the administrative control of M/o Railways having 100% Government holding. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

RailTel is engaged in the business of providing bandwidth, Co-location services, VPN and internet services by laying Optic Fibre Cable network on the side of railway track along with leasing of bandwidth, ISP and other services.

3. Production / Operational Profile

RailTel is a service provider to service providers and has so far provided 15 Gbps capacity as its OFC backbone to facilitate reach of telecom in rural and remote areas of the country. The performance details of major services are as follows:

Major Products / Services	Unit	Value of Services provide up to			Average of three years
		2006-07	2005-06	2004-05	
Network Leased	E1s	7696 (15 Gbps)	2432 (5 Gbps)	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	112.96	56.12	32.38	101.28
Cost of Services	68.98	70.11	52.36	-1.61
Net Profit/ Loss(-)	40.85	-10.27	-19.50	-497.76
Net Worth	314.91	187.53	233.12	67.93
Paid up Capital	320.94	234.40	234.41	36.92
Share of Central Govt.	320.94	234.40	234.41	36.92

5. Key Performance Factors

Total revenue of the company was higher by 31% during 2006-07 than last year. The turnover increased tremendously by 89.15% and profitability by 497.76% during the year. This is attributed to progress in building its network infrastructure and sales and marketing activities. The company has since wiped off its accumulated losses.

RailTel has obtained Infrastructure Provider-I (IP-I), IP-II and Internet Service Provider (ISP) licenses in 2002 and obtained NLD license in July, 2006. Since the company has mandate to lease telecom infrastructure, lease / sell bandwidth and providing internet service, it can lease bandwidth to all telecom operators, ISPs and enterprise customers.

The Company generally follows the standards set forth by Indian Railways and Department of Telecommunications for procurement and deployment of network and equipments.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1.58.

RailTel scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 321 regular employees (executives 275 and non-executives 46) as on 31.3.2007 as against 193 employees as on 31.3.2006. About 30.53% of the employees were having professional qualifications 15% employees come under the age bracket of 51 and above years. The retirement age in the company is 60 years.

The total number of Directors in the company, as on 31.3.2007 was 11 out of which 5 were part time Non-official Directors / professionals, 4 full time Functional Directors and 2 Government/ official Directors.

7. Strategic Issues

RailTel has plans to complete the network spanning 45000 Route Kms (RKms) by March 2010. It has signed an MOU with all Telecos for using RailTel's OFC infrastructure at Railway stations for providing rural telephony and continuous coverage of their Cell One mobile phones along with the track.

Project Implementation

Railway Board has taken a policy decision that all telecom works in connection with major IT applications will be done by Rail Tel. Rail Tel has also plans to enter into switched voice NLD segment and to cover 45 cities by FY 2009.

Research & Development (R&D)

RailTel has provided cyber café at 18 Railway stations during the year. Further, RailTel is also providing Wi-Fi, internet services at 50 Railway Stations. 20 Railway stations are expected to become operational with Wi-Fi in 2007-08 and another 3- in the year 2008-09.

20 Tourist Services

As on 31.3.2007, there were 9 Central public sector enterprises in the Tourist Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	India Tourism Dev. Corpn. Ltd.	1966
2.	Hotel Corpn. of India Ltd.	1971
3.	Ranchi Ashok Bihar Hotel Corpn. Ltd.	1983
4.	Utkal Ashok Hotel Corpn. Ltd.	1983
5.	Assam Ashok Hotel Corpn. Ltd.	1985
6.	Donyi Polo Ashok Hotel Ltd.	1985
7.	Madhya Pradesh Ashok Hotel Corpn. Ltd.	1985
8.	Pondicherry Ashok Hotel Corpn. Ltd.	1986
9.	Indian Railway Catering & Tourism Corpn. Ltd.	1999

2. The enterprises falling in this group are mainly engaged in Construction and Management of Hotels, Restaurants, Tourist Bunglows, Duty Free Trade etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	India Tourism Dev. Corpn. Ltd.	534.92	351.30
2.	Hotel Corpn. of India Ltd.	60.79	50.95
3.	Ranchi Ashok Bihar Hotel Corpn. Ltd.	2.35	1.83
4.	Utkal Ashok Hotel Corpn. Ltd.	0.00	0.01
5.	Assam Ashok Hotel Corpn. Ltd.	10.96	4.00
6.	Donyi Polo Ashok Hotel Ltd.	1.49	1.37
7.	Madhya Pradesh Ashok Hotel Corpn. Ltd.	2.71	2.38
8.	Pondicherry Ashok Hotel Corpn. Ltd.	2.01	1.40
9.	Indian Railway Catering & Tourism Corpn. Ltd.	418.64	258.21
	Total	**1033.87**	**671.45**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	India Tourism Dev. Corpn. Ltd.	75.22	45.79
2.	Hotel Corpn. of India Ltd.	-12.71	-3.04
3.	Ranchi Ashok Bihar Hotel Corpn. Ltd.	0.30	0.02
4.	Utkal Ashok Hotel Corpn. Ltd.	-1.17	-1.16
5.	Assam Ashok Hotel Corpn. Ltd.	0.04	0.23
6.	Donyi Polo Ashok Hotel Ltd.	0.23	0.19
7.	Madhya Pradesh Ashok Hotel Corpn. Ltd.	0.24	-0.18
8.	Pondicherry Ashok Hotel Corpn. Ltd.	0.26	0.21
9.	Indian Railway Catering & Tourism Corpn. Ltd.	20.23	19.78
	Total	**82.64**	**61.84**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	10077	10482
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	0.13	0.21
	b. Medical facilities	0.77	0.27
	c. Others	0.29	0.10
3.	Capital cost of township *(Rupees in crore)*	0.00	0.00
4.	No. of houses constructed	0	0

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TOURIST SERVICES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	18020	18020	18020
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	8157	8075	8126
OTHERS	5627	5709	5658
(B) SHARE APPLICATION MONEY	15	0	0
(C) RESERVES & SURPLUS	21371	21042	15221
TOTAL (A)+(B)+(C)	**35170**	**34826**	**29005**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1292	510	483
(B) UNSECURED LOANS	1796	1257	7059
TOTAL (A)+(B)	**3088**	**1767**	**7542**
(1.3) DEFERRED TAX LIABILITY	203	248	58
TOTAL (1.1)+(1.2)+(1.3)	**38461**	**36841**	**36605**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	23696	22463	21457
(B) LESS DEPRECIATION	13891	12798	12025
(C) NET BLOCK (A-B)	9805	9665	9432
(D) CAPITAL WORK IN PROGRESS	378	310	295
TOTAL (C)+(D)	**10183**	**9975**	**9727**
(2.2) INVESTMENT	817	817	12316
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	4936	5211	3926
(B) SUNDRY DEBTORS	18289	13786	6530
(C) CASH & BANK BALANCES	31323	28696	19437
(D) OTHER CURRENT ASSETS	1739	783	462
(E) LOAN & ADVANCES	20462	20370	11923
TOTAL (A)+(B)+(C)+(D)+(E)	**76749**	**68846**	**42278**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	45533	39035	25980
(B) PROVISIONS	6587	7475	4964
TOTAL (A+B)	**52120**	**46510**	**30944**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**24629**	**22336**	**11334**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1	582	913
(2.7) DEFFRED TAX ASSETS	0	714	-13
(2.8) PROFIT & LOSS ACCOUNT (Dr)	2831	2417	2328
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**38461**	**36841**	**36605**

TOURIST SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	103657	67145	51524
(B) EXCISE DUTY	288	0	236
(C) NET SALES (A-B)	103369	67145	51288
(D) OTHER INCOME / RECEIPTS	4430	4012	3711
(E) ACCRETION / DEPLETION IN STOCKS	-23	227	122
(I) TOTAL INCOME (C+D+E)	**107776**	**71384**	**55121**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	40036	18887	19858
(B) STORE & SPARES	4044	4133	3256
(C) POWER & FUEL	3663	3314	2990
(D) MANUFACTURING / DIRECT / OPERATING EXP.	13846	2459	510
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	20527	15646	11961
(F) OTHER EXPENSES	14441	16946	11625
(G) PROVISIONS	221	347	6
(II) TOTAL EXPENDITURE (A TO G)	**96778**	**61732**	**50206**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	10998	9652	4915
(4) DEPRECIATION	1150	883	879
(5) DRE. / PREL. EXP. WRITTEN OFF	360	416	112
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	9488	8353	3924
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	117	328	713
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	117	328	713
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**9371**	**8025**	**3211**
(9) TAX PROVISIONS	1103	1781	1750
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	8268	6244	1461
(11) NET EXTRA -ORD. ITEMS	4	60	181
(12) NET PROFIT / LOSS (10-11)	**8264**	**6184**	**1280**
(13) DIVIDEND DECLARED	420	418	100
(14) DIVIDEND TAX	61	56	13
(15) RETAINED PROFIT (12-13-14)	**7783**	**5710**	**1167**

TOURIST SERVICES

MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	14870	14634	18945
(ii) CAPITAL EMPLOYED	34434	32001	20766
(iii) NET WORTH	32338	31827	25764
(iv) COST OF PRODUCTION	98405	63359	51910
(v) COST OF SALES	98428	63132	51788
(vi) VALUE ADDED	55603	41038	25306
(vii) R & D EXPENDITURE	1	0	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	10077	10482	6983
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	16975	12439	14274
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.09	0.05	0.26
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.69	1.76	1.63
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	1.09	0.92	0.70
(iv) SUNDRY DEBTORS : SALES (No. of days)	64.58	74.94	46.47
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	17.43	28.33	27.94
(ii) SEMI / FINISHED GOODS : SALES	1.56	1.20	0.75
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.07	0.70	0.23
		(%)	
(vii) SALES : CAPITAL EMPLOYED	300.19	209.82	246.98
(viii) PBDITEP : CAPITAL EMPLOYED	31.94	30.16	23.67
(ix) PBITEP : CAPITAL EMPLOYED	27.55	26.10	18.90
(x) COST OF SALE : SALES	95.22	94.02	100.97
(xi) MATERIAL COST : SALES	38.73	28.13	38.72
(xii) SALARY & WAGES : SALES	19.86	23.30	23.32
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	9.18	12.44	7.65
(xv) PBTEP : NET WORTH	28.98	25.21	12.46
(xvi) NET PROFIT : NET WORTH	25.56	19.43	4.97
(xvii) GROSS MARGIN : GROSS BLOCK	46.41	42.97	22.91

Assam Ashok Hotel Corpn. Ltd. (AAHCL)

1. Company Profile

AAHCL was incorporated on 7.1.1982 under the Companies Act, 1956 and commenced its business in June, 1987 as a joint venture of India Tourism Development Corporation Limited and Government of Assam with the objective to promote domestic tourism and to have a close coordination between the Center and the State efforts to disperse benefits of tourism. AAHCL is an uncategorised CPSE in Tourist Services Sector under the administrative control of M/o Tourism. Its Registered and Corporate offices are at Guwahati, Assam. AAHCL is a subsidiary of ITDC Ltd. which holds 51% of its equity.

2. Industrial / Business Activities

AAHCL is engaged in providing services in the field of Hotel Business through its 41 Room hotel (Hotel Brahmaputra Ashok) at Guwahati, Assam.

3. Production / Operational Profile

The details of room occupancy of the company are as follows:

Major Products / Services	Unit	Services provide during			Average of three years
		2006-07	2005-06	2004-05	
Room Occupancy	%	48	47	44	46

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	10.96	4.00	2.89	174.00
Cost of Services	10.49	3.68	3.38	185.05
Net Profit/ Loss(-)	0.04	0.23	-0.09	-82.61
Net Worth	-1.03	-1.07	-1.31	-3.74
Paid up Capital	1.00	1.00	1.00	0.00
Share of Holding Co.	0.51	0.51	0.51	0.00

5. Key Performance Factors

The company recorded tremendous increase in turnover and operating profit during the year due to awarding of catering services to it for 33rd National Games 2007 organised in Guwahati. However, the overall net profit declined tremendously because of high tax liability as compared to previous year.

The company has been given assurance by the State Govt. for granting exemption from service tax for catering service provided for the National Games events. If the assurance is fulfilled the profits of the company may increase by Rs.42 lakhs.

The Earning Per Share of the company declined from Rs. 231 in 2005-06 to Rs. 43 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 78 regular employees (executives 4 & non-executives 74) as on 31.3.2007 as against 84 employees as on 31.3.2006. About 1.28% of the employees were having professional qualifications. Around 4% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. One employee retired during the year.

7. Strategic Issues

The company aims at positioning Hotel Brahmaputra Ashok as the first 5 star property of North East.

Donyi Polo Ashok Hotel Ltd. (DPAHL)

1. Company Profile

DPAHL was incorporated on 10.08.1987 under the Companies Act, 1956 as a joint venture of India Tourism Development Corporation Limited(ITDC) and Arunachal Pradesh Industrial Development and Financial Corporation Limited (APIDFC) with an objective to promote tourism and to have a closure coordination between the Center and the State efforts to disperse benefits of tourism. DPAHCL is an uncategorised CPSE in Tourist Services sector under the administrative control of M/o Tourism. Its Registered and Corporate offices are at Itanagar, Arunachal Pradesh. DPAHl is a subsidiary of ITDC Ltd. which holds 51% share in its equity.

2. Industrial / Business Activities

DPAHL is providing services in the field of Hotel Business, Boarding and Lodging, through its single hotel (Hotel Donyi Polo Ashok) at Itanagar, Arunachal Pradesh.

3. Production / Operational Profile

The company operates Hotel Donyi Polo Ashok in Itanagar. The details of room occupancy of the company are as follows:

Major Products / Services	Unit	Performance during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Room days sold	Nos.	4993 (76)	3540 (54)	3255 (50)	3929 (60)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1.49	1.37	1.38	8.76
Cost of Services	1.18	1.13	1.14	4.42
Net Profit/ Loss(-)	0.23	0.19	0.15	21.05
Dividend declared (as % of PBT)	55.56	64.29	0.00	-13.58
Net Worth	1.16	1.16	1.16	0.00
Paid up Capital	1.00	1.00	1.00	0.00
Share of Holding Co.	0.51	0.51	0.51	0.00

5. Key Performance Factors

The company has submitted provisional information for its operation. The increase in turnover and profitability is attributed to higher occupancy.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 23.62 as against Rs. 21.75 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 41 regular employees (executives 5 and non-executives 36) as on 31.3.2007, as against 27 employees as on 31.3.2006. About 2% of the employees come under the age bracket of 51 and above years. The company is following CDA 1996 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 7 and all were Government / official Directors.

Hotel Corporation of India Ltd. (HCI)

1. Company Profile

HCI was incorporated on 1971 under the Companies Act, 1956 as a wholly owned subsidiary of Air India Ltd. with an objective to carry on the business of Hotels and Flight Catering Services. HCI is a Schedule-'C' / PSE in Tourist Services sector under the administrative control of M/o Civil Aviation having its Registered office at Mumbai, Maharashstra.

2. Industrial / Business Activities

HCI is engaged in providing services in the field of hotel and on board air catering through its 2 Hotels at Delhi and Srinagar. The company is also running two flight catering units at Delhi and Mumbai by the name of Chefair.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	60.79	50.95	40.70	19.31
Cost of Services	78.70	61.63	55.95	27.70
Net Profit/ Loss(-)	-12.71	-3.04	-7.76	318.09
Net Worth	91.91	108.45	111.49	-15.25
Paid up Capital	40.60	40.60	40.60	0.00
Share of Holding Co.	40.60	40.60	40.60	0.00

4. Key Performance Factors

Due to disinvestment of the two major units viz. Centaur Hotel Juhu Beach and Centaur Hotel Mumbai Airport, there was a substantial reduction in the revenue of the company in the previous years. However, during the last three years there has been an improvement in the revenue from Hotels and Flight kitchen income.

Despite increase in turnover, the loss of the company was also increased during 2006-07 as compared to previous year.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 31.

5. Human Resource Development (HRD)

The enterprise employed 1664 regular employees (executives 328 and non-executives 1336) as on 31.3.2007 as against 1695 employees as on 31.3.2006. About 0.24% of the employees were having professional qualifications. 11% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 15 employees retired during the year under superannuation, 10 skilled and 62 unskilled employees left the company on other grounds and one employee availed of VRS during the year. Since the introduction of VRS, a total of 289 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which one each was part time Non-official Director / professional and full time Functional Director and 2 Government / official Directors.

6. Strategic Issues

The Company is at on advanced stage of disinvestment. Its two hotels have also been put up for disinvestment and expression of interest was carried out for disposal of hotels along with Chefair catering service. A view on calling of financial bids for disinvestment is pending with the Government.

The M/o Civil Aviation initiated a proposal for disposal of Centaur Lake View Hotel, Srinagar, to the State Government of Jammu & Kashmir, which had shown its willingness to take over the property of the hotel including its employees.

India Tourism Dev. Corpn. Ltd. (ITDC)

1. Company Profile

ITDC was incorporated in the year 1966 under the Companies Act, 1956 with the main objective to construct, take over and manage market hotels, beach resorts, travellers lodges/ restaurants and to provide transport, entertainment, Duty free trade and consultancy services. ITDC is a Schedule-'B' / Mini-ratna CPSE in Tourist Services sector, under the administrative control of M/o Tourism with 89.97% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

ITDC is engaged in providing services in the field of hotel management through its network of 8 Ashok Group of Hotels, 6 joint venture hotels/restaurants including one airport restaurant, 12 transport units, one tourist service station and duty free shops at international as well as domestic customs airports etc. It has 6 joint venture subsidiaries at Guwahati, Ranchi, Puri, Pondicherry, Bhopal and Itanagar namely Assam Ashok Hotel, Ranchi Ashok Bihar Hotel, Utkal Ashok Hotel, Pondicherry Ashok Hotel, M.P. Ashok Hotel and Donyi Polo Ashok Hotel respectively.

3. Production / Operational Profile

The performance details of major services are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Occupancy	**%**	NA	NA	58	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	534.92	351.30	341.13	52.27
Cost of Services	482.70	321.45	331.39	50.16
Net Profit/ Loss(-)	75.22	45.79	16.69	64.27
Net Worth	182.47	176.25	127.11	3.53
Paid up Capital	67.52	67.52	67.52	0.00
Share of Central Govt.	60.75	60.75	60.75	0.00

5. Key Performance

The company has provided only provisional financial information for the year 2006-07.

The shares of the company are listed in the Stock Exchange but are not traded.

6. Human Resource Development (HRD)

The enterprise employed 2854 regular employees (executives 713 and non-executives 2141) as on 31.3.2007 as against 3027 employees as on 31.3.2006. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 3 were Government / official Directors and 2 full time Functional Directors..

7. Strategic Issues

Efforts are being made to increase occupancy.

Indian Railway Catering and Tourism Corpn. Ltd. (IRCTC)

1. Company Profile

IRCTC was incorporated on 27.9.1999 under the Companies Act, 1956 with an objective to strengthen railways marketing and service capabilities in the areas of rail catering, tourism and passengers amenities. IRCTC is a Schedule-'B' / CPSE in Tourist Services sector under the administrative control of M/o Railways with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

IRCTC is mainly involved in enhancement of customer services and facilitation in catering, passenger ticketing, hospitality, travel and tourism with best industry practices. The company operates through its two operating Railneer bottling plants at Delhi and Danapur (Bihar), 5 Zonal offices and one Internet Ticketing Office(New Delhi).

3. Production / Operational Profile

The service range of the company comprises of five segments namely Licensee Catering, Packaged Drinking Water, Internet Ticketing, Package Tours and Departmental Catering. The performance details of major products / services are as follows:

Major Products / Services	Unit	Production / Services during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Packaged drinking water	000 Bottles of 1000 ml.	35112 (73.89)	33211 (69.89)	28844 (60.70)	32389 (68.16)
Departmental catering	Rs. Crore	156.18	112.59	48.66	105.81
Internet ticketing	Rs. Crore	23.44	11.37	5.85	13.55
Licensee catering	Rs. Crore	219.44	118.93	50.91	129.76
Package tourism	Rs. Crore	11.36	6.26	6.57	8.06

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	418.46	258.21	121.42	62.06
Cost of Services	403.31	238.63	120.39	69.01
Net Profit/ Loss(-)	20.23	19.78	5.21	2.28
Dividend declared (as % of PBT)	13.33	12.65	12.61	5.43
Net Worth	62.96	47.22	31.79	33.33
Paid up Capital	20.00	20.00	20.00	0.00
Share of Central Govt.	20.00	20.00	20.00	0.00

5. Key Performance Factors

Despite 61.78% increase in turnover during 2006-07 due to increased emphasis on promoting tourism, the profitability remained almost constant because of imposition of Haulage cost by the Ministry of Railways. Three out of five segments, namely Departmental Catering, Package Tours and Packaged Drinking Water incurred losses during 2006-07.

During the year, the corporation awarded 104 contracts for on Board Catering Services, 485 contracts for Automated Vending Machines for sale of hot and cold beverages, made 5 food plaza operational taking the total operational food plazas to 41 and awarded licenses for 20 food plazas at various Railway Stations.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.10.11 as against Rs.9.89 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 5256 regular employees (executives 1166 and non-executives 4090) as on 31.3.2007 as against 5616 employees as on 31.3.2006. About 0.68% of the employees were having professional qualifications. Around 48% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 234 skilled employees left the company during the year and 18 new skilled and 2 un-skilled employees joined.

The total number of Directors in the company, as on 31.3.2007, was 7, out of which 2 each were part time Non-official Directors / professionals and Government / official Directors and 3 full time Functional Directors.

7. Strategic Issues

The corporation aims at to upgrade, professionalise and manage catering and hospitality services at stations, on train and other locations and to promote domestic and international tourism through development of hotels through public / private partnership. Measures such as identification of alternative raw materials and vendors, enabling faster commercialization, improved quality, managing supplies and cost reduction are being taken to improve performance.

Project Implementation

IRCTC had been given mandate by M/o Railways to set up "Rail Ratna" Brand of Budget Hotels on 100 Railway Stations across the country on Public Private Partnership basis. During the year, IRCTC had invited tenders for 20 Budgeted Hotel sites.

The company has a plan of launching luxury tourist trains, strategic tie-up for promoting tourism and catering business, focussed inputs for manpower deployment, procurement processes and standardization of services, setting up packaged drinking plants at Mumbai and Tamilnadu etc.

Research & Development (R&D)

The company carried out R&D in specific areas such as improvement in quality, identification of alternative raw materials and vendors, development of test method and application techniques essential for product development, process control and customer services etc. The R&D expenditure of the company was 1.90% of the total turnover during 2006-07 as compared to 1.74% in the previous year.

M.P. Ashok Hotel Corpn. Ltd. (MAHCL)

1. Company Profile

MAHCL was incorporated on 30.01.1985 under the Companies Act, 1956 as a joint venture of ITDC and Government of Madhya Pradesh through M.P. State Tourism Development Corp. with an objective to develop tourism in the state of Madhya Pradesh. MAHCL is an uncategorised PSE in Tourist Services sector under the administrative control of the M/o Tourism having its Registered and Corporate office at Bhopal, Madhya Pradesh. MAHCL is a subsidiary of ITDC Ltd. which holds 51% of its equity.

2. Industrial / Business Activities

MAHCL is engaged in providing services in the field of lodging and boarding through its one hotel at Bhopal, Madhya Pradesh.

3. Production / Operational Profile

The company operates Hotel Lake View Ashok. The revenue generation through sales, services rendered etc. was as follows:

(Rs. in crore)

Particulars	Performance during			Average of three years
	2006-07	2005-06	2004-05	
Sales less returns	1.09	0.74	NA	NA
Services rendered	1.62	1.30	NA	NA
Interest on deposits	0.02	0.01	NA	NA
Other income	0.26	0.33	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.71	2.38	2.31	13.87
Cost of Services	2.75	2.56	2.52	7.42
Net Profit/ Loss(-)	0.24	-0.18	-0.21	-233.33
Net Worth	-2.57	-2.82	-2.64	-8.87
Paid up Capital	1.60	1.60	1.60	0.00
Share of Holding Co.	0.82	0.82	0.82	0.00

5. Key Performance Factors

The company has shown continuous improvement in turnover and profitability during last three years. The company earned cash profit of Rs. 0.33 crore during 2006-07. The accumulated losses were, however, more than its networth by Rs. 2.56 crore.

While value of inventories increased by about 9%, the sundry debtors increased tremendously by 88.86% during 2006-07 compared to previous year.

Earning Per Share of the company during 2006-07 was Rs. 149.18.

6. Human Resource Development (HRD)

The enterprise employed 63 regular employees (executives 2 & non-executives 61) as on 31.3.2007. About 3.17% of the employees were having professional qualifications. As on 31.3.2007 all the employees were below 51 years of age.

The company was having 7 functional Directors including CMD as on 31.3.2007.

7. Strategic issues

The company lacks working capital as the net current assets were negative by Rs. 9.58 lakhs.

Pondicherry Ashok Hotel Corpn. Ltd. (PAHCL)

1. Company Profile

PAHCL was incorporated on 16.6.1986 under the Companies Act, 1956 as a Joint Venture of ITDC Ltd. and PIPDTC, a Pondicherry Government Undertaking with an objective to promote and develop tourism in Pondicherry. PAHCL is an uncategorised PSE in Tourist Services sector under the administrative control of M/o Tourism with its Registered and Corporate offices at Union Territory of Pondicherry. PAHCL is a subsidiary of ITDC Ltd. where in ITDC holds 51% equity.

2. Industrial / Business Activities

PAHCL is involved in providing services in the field of lodging and boarding through its single beach resort hotel namely Hotel Pondicherry Ashok.

3. Production / Operational Profile

Company operates Hotel Pondicherry Ashok.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.01	1.40	1.14	43.57
Cost of Services	1.67	1.38	1.22	21.01
Net Profit/ Loss(-)	0.26	0.21	-0.09	23.81
Net Worth	0.10	-0.10	-0.32	-200.00
Paid up Capital	0.60	0.60	0.60	0.00
Share of Holding Co.	0.31	0.31	0.31	0.00

5. Key Performance Factors

The company is a non-industrial sick enterprise whose networth had eroded completely in 2001-02. However, the company has shown improvement in turnover and profit during last two years.

6. Human Resource Development (HRD)

The enterprise employed 20 regular employees (executives 5 and non-executives 15) as on 31.3.2007 as against 24 employees as on 31.3.2006. About 5% of the employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 5 were part time Non-official Director / professional and one Government / official Director.

Ranchi Ashok Bihar Hotel Corpn. Ltd. (RABHCL)

1. Company Profile

RABHCL was incorporated in the year 1983 under the Companies Act, 1956 as a joint venture of ITDC Ltd. and Bihar State Tourism Development Corp. Ltd. with the objective of promoting tourism, particularly in the state of Jharkhand. RABHCL is an uncategorized PSE in Tourist Services sector under the administrative control of M/o Tourism. Its Registered office is at Patna and corporate office at Ranchi, Jharkhand. RABHCL is a subsidiary of ITDC Ltd. which holds 51% of its equity.

2. Industrial / Business Activities

RABHCL is engaged in providing services in the field of Hotel Business through its one 30 Rooms hotel (Hotel Ranchi Ashok) at Ranchi, Jharkhand.

3. Production / Operational Profile

The company operates Hotel Ranchi Ashok at Ranchi. The room occupancy details of the company are as follows:

Major Products / Services	Unit	Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Room Occupancy	%	100	100	97	99

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2.35	1.83	1.83	28.42
Cost of Services	2.08	1.95	1.95	6.67
Net Profit/ Loss(-)	0.30	0.02	-0.02	1,400.00
Net Worth	-2.60	-2.90	-2.89	-10.34
Paid up Capital	0.72	0.72	0.72	0.00
Share of Holding Co.	0.37	0.72	0.72	-48.61

5. Key Performance Factors

The accumulated losses of the company at the end of 2006-07 were more than its net worth, however, during the year the company did not incur any cash loss. The increase in turnover and profitability is attributed to higher sales as a result of part renovation of rooms. Further, profitability also increased due to fall in interest expenses.

6. Human Resource Development (HRD)

The enterprise employed 48 regular employees (executives 7 and non-executives 41) as on 31.3.2007. All the employees come under the age brackets of below 50 years.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 5 and all were Government / official Directors.

7. Strategic Issues

The competition is going up due to entry of new hotels.

Utkal Ashok Hotel Corpn. Ltd. (UAHCL)

1. Company Profile

UAHCL was incorporated in the year 1983 under the Companies Act, 1956 with an objective to promote domestic tourism and to have closure coordination between the Center and the State efforts to disperse benefits of tourism and to relieve the direct strains on budgetary resources of the center and states by eliminating duplicate efforts. UAHCL is an uncategorised sick CPSE in Tourist Services Sector under the administrative control of M/o Tourism. Its Registered and Corporate offices are at Puri, Orissa. UAHCL is a subsidiary of ITDC Ltd. which holds 51% of its equity.

2. Industrial / Business Activities

UAHCL was providing services in the field of Hotel business (accommodation and catering) through its one hotel namely Hotel Nilachal Ashok at Puri, Orissa. However, since 31.3.2004 the Hotel Nilachal Ashok has been closed.

3. Production / Operational Profile

The company's Hotel Nilanchal Ashok has been closed, hence there was no operational activities.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	0.00	0.01	0.08	-100.00
Cost of Services	1.17	1.18	1.16	-0.85
Net Profit/ Loss(-)	-1.17	-1.16	-1.08	0.86*
Net Worth	-9.02	-7.92	-6.75	13.89
Paid up Capital	4.80	4.80	4.80	0.00
Share of Holding Co.	4.69	4.69	4.69	0.00

*Negative growth

5. Key Performance Factors

The company has provided only provisional financial information for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 53 regular employees (executives 18 and non-executives 35) as on 31.3.2007. The company is following IDA 1997 pattern of remuneration.

7. Strategic Issues

The company has decided to lease out the Hotel property for 30 years.

21 Trading & Marketing Services

As on 31.3.2007, there were 18 Central public sector enterprises in the Trading & Marketing Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	State Trading Corpn. of India Ltd.	1956
2.	Central Warehousing Corpn.	1957
3.	Handicrafts & Handloom Exports Corp. of India Ltd.	1962
4.	M M T C Ltd.	1963
5.	M S T C Ltd.	1964
6.	Food Corpn. of India	1965
7.	Cotton Corpn. of India Ltd.	1970
8.	Jute Corpn. of India Ltd.	1971
9.	P E C Ltd.	1971
10.	HMT (International) Ltd.	1975
11.	Central Cottage Industries Corpn. of India Ltd.	1976
12.	India Trade Promotion Organisation	1976
13.	North Eastern Handicrafts & Handloom Dev. Corpn. Ltd.	1977
14.	STCL Ltd.	1982
15.	National Handloom Dev. Corpn. Ltd.	1983
16.	Karnataka Trade Promotion Organisation	2000
17.	Tamil Nadu Trade Promotion Organisation	2000
18.	NTPC Vidyut Vyapar Nigam Ltd.	2003

2. The enterprises falling in this group are mainly engaged in following activites:

(i) to regulate trade in certain sensitive products;

(ii) to control and eliminate to the extend possible speculative activity in the trade of certain products vital to the community;

(iii) to provide support prices to agricultural products of certain cash crops;

(iv) to ensure availablity of essential consumer products to all sections of the community;

(v) to arrange import of certain industries in the small sectors with or without high export potential;

(vi) to provide adequate scientific storage facilities for agricultural products etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Turnover 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	State Trading Corpn. of India Ltd.	14335.27	7125.24
2.	Central Warehousing Corpn.	632.32	568.83
3.	Handicrafts & Handloom Exports Corpn. of India Ltd.	71.74	1065.13
4.	M M T C Ltd.	23346.14	16393.39
5.	M S T C Ltd.	2998.93	4092.55
6.	Food Corpn. of India	44484.05	44646.78
7.	Cotton Corpn. of India Ltd.	1666.32	2158.20
8.	Jute Corpn. of India Ltd.	32.87	41.41
9.	P E C Ltd.	4517.90	3725.43
10.	HMT (International) Ltd.	31.45	14.89
11.	Central Cottage Industries Corpn. of India Ltd.	103.98	69.07
12.	India Trade Promotion Organisation	98.82	132.31
13.	North Eastern Handicrafts & Handloom Dev. Corpn. Ltd.	9.36	9.11

(1)	(2)	(3)	(4)
14.	STCL Ltd.	1009.04	470.78
15.	National Handloom Dev. Corpn. Ltd.	417.16	253.45
16.	Karnataka Trade Promotion Organisation	3.23	1.73
17.	Tamil Nadu Trade Promotion Organisation	11.80	8.52
18	NTPC Vidyut Vyapar Nigam Ltd.	861.35	434.46
	Total	**94631.73**	**81211.28**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
(1)	(2)	(3)	(4)
1.	State Trading Corpn. of India Ltd.	88.27	38.95
2.	Central Warehousing Corpn.	88.70	70.62
3.	Handicrafts & Handloom Exports Corpn. of India Ltd.	-2.67	0.64
4.	M M T C Ltd.	126.80	108.29
5.	M S T C Ltd.	59.00	54.68
6.	Food Corpn. of India	0.00	0.00
7.	Cotton Corpn. of India Ltd.	15.51	14.55
8.	Jute Corpn. of India Ltd.	-44.04	-17.77
9.	P E C Ltd.	27.55	13.25
10.	HMT (International) Ltd.	1.37	0.60
11.	Central Cottage Industries Corpn. of India Ltd.	1.92	0.69
12.	India Trade Promotion Organisation	47.63	65.19
13.	North Eastern Handicrafts & Handloom Dev. Corpn. Ltd.	-2.47	-2.63
14.	STCL Ltd.	12.00	5.98
1.5	National Handloom Development Corpn. Ltd.	1.04	0.50
16.	Karnataka Trade Promotion Organisation	0.98	-0.80
17.	Tamil Nadu Trade Promotion Organisation	4.39	1.74
18.	NTPC Vidyut Vyapar Nigam Ltd.	6.51	3.33
	Total	**432.49**	**357.81**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	55648	57079
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	7.05	18.82
	b. Medical facilities	35.67	21.11
	c. Others	4.49	9.77
3.	Capital cost of township *(Rupees in crore)*	32.01	32.64
4.	No. of houses constructed	762	1101

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TRADING & MARKETING

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	292500	292500	293500
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	267239	266021	263775
OTHERS	5683	5633	5607
(B) SHARE APPLICATION MONEY	995	995	0
(C) RESERVES & SURPLUS	348937	308222	267686
TOTAL (A)+(B)+(C)	**622854**	**580871**	**537068**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	5289746	4261143	3556615
(B) UNSECURED LOANS	158771	152684	190335
TOTAL (A)+(B)	**5448517**	**4413827**	**3746950**
(1.3) DEFERRED TAX LIABILITY	651	717	732
TOTAL (1.1)+(1.2)+(1.3)	**6072022**	**4995415**	**4284750**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	284604	256876	247217
(B) LESS DEPRECIATION	126228	118882	112320
(C) NET BLOCK (A-B)	158376	137994	134897
(D) CAPITAL WORK IN PROGRESS	9213	6650	4150
TOTAL (C)+(D)	**167589**	**144644**	**139047**
(2.2) INVESTMENT	1539100	43990	44617
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	1590063	1437644	1564575
(B) SUNDRY DEBTORS	3404280	3771065	2810976
(C) CASH & BANK BALANCES	405063	351736	1418787
(D) OTHER CURRENT ASSETS	143483	127564	132659
(E) LOAN & ADVANCES	150322	199479	158010
TOTAL (A)+(B)+(C)+(D)+(E)	**5693211**	**5887488**	**6085007**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1292567	1068248	1987785
(B) PROVISIONS	84642	67878	49735
TOTAL (A+B)	**1377209**	**1136126**	**2037520**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**4316002**	**4751362**	**4047487**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	24474	14569	38177
(2.7) DEFFRED TAX ASSETS	15935	9265	7125
(2.8) PROFIT & LOSS ACCOUNT (Dr)	8922	31585	8297
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**6072022**	**4995415**	**4284750**

TRADING & MARKETING
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	9463296	8121180	8556303
(B) EXCISE DUTY	123	52	151
(C) NET SALES (A-B)	9463173	8121128	8556152
(D) OTHER INCOME / RECEIPTS	89096	88678	151962
(E) ACCRETION / DEPLETION IN STOCKS	153252	-128144	177592
(I) TOTAL INCOME (C+D+E)	**9705521**	**8081662**	**8885706**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	8324574	6766852	7658108
(B) STORE & SPARES	110965	86350	89153
(C) POWER & FUEL	3043	4598	2632
(D) MANUFACTURING / DIRECT / OPERATING EXP.	77722	68628	40444
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	161379	155087	199005
(F) OTHER EXPENSES	565900	590664	549215
(G) PROVISIONS	12561	11776	7133
(II) TOTAL EXPENDITURE (A TO G)	**9256144**	**7683955**	**8545690**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	449377	397707	340016
(4) DEPRECIATION	8368	7559	8160
(5) DRE. / PREL. EXP. WRITTEN OFF	12632	12376	2281
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	428377	377772	329575
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	10	0	358
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	364001	325114	306102
(D) LESS INTEREST CAPITALISED	0	0	5
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	364011	325114	306455
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**64366**	**52658**	**23120**
(9) TAX PROVISIONS	20443	16933	15960
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	43923	35725	7160
(11) NET EXTRA -ORD. ITEMS	674	-56	-24855
(12) NET PROFIT / LOSS (10-11)	**43249**	**35781**	**32015**
(13) DIVIDEND DECLARED	9192	7676	6023
(14) DIVIDEND TAX	1492	1075	824
(15) RETAINED PROFIT (12-13-14)	**32565**	**27030**	**25168**

TRADING & MARKETING
MANAGEMENT RATIO

Particulars		2006-07	2005-06	2004-05
A. INDICATORS				
I. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	1138149	1143494	687698
(ii)	CAPITAL EMPLOYED	4474378	4889356	4182384
(iii)	NET WORTH	589458	534717	490594
(iv)	COST OF PRODUCTION	9641155	8029004	8862586
(v)	COST OF SALES	9487903	8157148	8684994
(vi)	VALUE ADDED	1177843	1135184	983851
(vii)	R & D EXPENDITURE	0	2	0
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	55648	57079	59168
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	24167	22642	28028
B. MANAGEMENT RATIO				
(i)	DEBT : EQUITY	8.75	7.60	6.98
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	4.40	5.51	3.06
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	8.08	6.97	5.75
(iv)	SUNDRY DEBTORS : SALES (No. of days)	131.31	169.49	119.91
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	61.33	64.61	66.74
	(ii) SEMI / FINISHED GOODS : SALES	4.16	4.87	7.70
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	-0.26	-0.95	1.15
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	211.50	166.10	204.58
(viii)	PBDITEP : CAPITAL EMPLOYED	10.04	8.13	8.13
(ix)	PBITEP : CAPITAL EMPLOYED	9.57	7.73	7.88
(x)	COST OF SALE : SALES	100.26	100.44	101.51
(xi)	MATERIAL COST : SALES	87.97	83.32	89.50
(xii)	SALARY & WAGES : SALES	1.71	1.91	2.33
(xiii)	R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv)	PBITEP : SALES	4.53	4.65	3.85
(xv)	PBTEP : NET WORTH	10.92	9.85	4.71
(xvi)	NET PROFIT : NET WORTH	7.34	6.69	6.53
(xvii)	GROSS MARGIN : GROSS BLOCK	157.90	154.82	137.54

Central Cottage Industries Corpn. of India (CCICI)

1. Company Profile

CCICI was incorporated on 4.2.1976 under the Companies Act, 1956 as a Central Public Sector Enterprise with the objective to promote, develop, aid, counsel and assist Cottage Industries by organizing their sale in India and abroad. CCICI is a Schedule-'C' CPSE in Trading and Marketing Services sector, under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

CCICI is engaged in trading of handicrafts and handlooms and other related services in India and abroad. The five operating units of the corporation are situated at Mumbai (Maharashtra), Kolkata (West Bengal), Bangalore (Karnataka), Chennai (Tamilnadu), and Delhi. It also has two Franchise Showrooms at Gurgaon (Haryana) and Jaipur (Rajasthan). The corporation has entered into a 50:50 joint venture with Handicraft and Handloom Exports Corp. of India (HHEC) for sale of 24 carat gold coins.

3. Production / Operational Profile

The performance details of major services of the company are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Trading (handicrafts & handlooms)	Rs. in crore	105.21	61.74	61.74	76.00

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
(1)	(2)	(3)	(4)	(5)
Turnover	103.98	69.07	61.22	50.54
Cost of Production	108.97	68.57	61.11	58.92
Net Profit/ Loss(-)	1.92	0.69	1.18	178.26
Dividend declared (as % of PBT)	152.00	3.92	19.20	3776.00
Net Worth	22.54	21.30	18.16	5.82
Paid up Capital	10.85	10.85	10.85	0.00
Share of Central Govt.	10.85	10.85	10.85	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to special order sales from Govt. Departments and new franchisee showroom at Jaipur, along with higher human productivity. Further, increase in rent provided for Mumbai Branch and 'A' Barracks Delhi also effected the profitability.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.17.67 as against Rs.6.32 in the previous year.

During the year, the company received a non-plan assistance of Rs.28 lakhs as grant and subsidy.

6. Human Resource Development (HRD)

The enterprise employed 369 regular employees (executives 131 and non-executives 238) as on 31.3.2007, as against 373 employees as on 31.3.2006. About 2.71% of the employees were having professional qualifications.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee retired during the year. Since the introduction of VRS, a total of 289 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 4 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

Steps were taken towards strengthening operations in emporia, improvement in merchandize, cost control, setting up of Showroom on franchise basis and booking of bulk / institutional orders.

Central Warehousing Corporation (CWC)

1. Company Profile

CWC was incorporated in 1957 under the Agricultural Produce (Development and Warehousing) Act, 1956. However this Act was repealed and re-enacted by the Parliament as the Warehousing Corporation Act, 1962. The objective of setting up the corporation was to provide scientific storage facilities for agricultural inputs and produce, and for other notified commodities. CWC is a Schedule-'B' / Mini-ratna PSE in Trading and Marketing Services sector under the administrative control of M/o Consumer Affairs, Food and Public Distribution, D/o Food and Public Distribution with 55.01% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

The CWC is engaged in providing services in the field of storage of agricultural produce and inputs and industrial trade through its 511 warehouses including 82 custom bonded warehouses. CWC also runs 3 Air Cargo complexes, 32 container freight stations / inland clearance depots and 3 temperature controlled warehouses. It has also subscribed to the share capital of 17 State Warehousing Corporations (SWCs). The company has one financial joint venture namely National Multi Commodity Exchange of India Ltd. (NMCE) with a shareholding of 26%.

3. Operational Profile

The details of major services provided by the CWC in terms of warehousing of commodities like foodgrains, fertilizers etc. are as follows:

Major Services	Unit	Warehousing Services (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Warehousing Facilities and allied services	Lakh Metric Tonnes	79.49 (77.78)	71.59 (71.32)	61.58 (63)	71.00 (71)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	632.32	568.83	485.22	11.16
Cost of Production	550.94	510.09	462.75	8.01
Net Profit/ Loss(-)	88.70	70.62	41.30	25.60
Dividend declared (as % of PBT)	13.53	13.03	13.56	3.79
Net Worth	1130.38	893.69	847.90	26.48
Paid up Capital	68.02	68.02	68.02	0.00
Share of Central Govt.	37.42	37.42	37.42	0.00

5. Key Performance Factors

The Corporation recorded highest ever turnover and profit before tax with a growth of 11% and 25% respectively during 2006-07, over previous year.

CWC has been paying dividend continuously for the past 41 years and during the year 2006-07 it paid a dividend of 27% amounting to Rs.18.33 Crores on the paid up capital of Rs. 68.02 crores, as compared to 21% during the year 2005-06.

During the year, 4 new warehousing units were opened thereby increasing the storage capacity by 1.82 lakh MT.

CWC is the first organization other than Railways (CONCOR) to start Container Train operation in EXIM trade.

CWC's Joint Venture namely NMCE is the first demutualised electronic multi-commodity exchange in the country

The corporation scored ‘Excellent’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 6192 regular employees (764 executives and 5428 non-executives) as on 31.3.2007. About 3% employees of the company were having professional qualifications. Around 44% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 /CDA 1996 pattern of remuneration. A total of 87 employees retired during the year under superannuation and 8 unskilled employees also left the company in attrition.

During the year, 94 employees availed of VRS and an amount of Rs. 4.78 crore was spent in this regard through own resources. Since the introduction of VRS a total of 2470 employees availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which one each was part time Non-official Director/ professional and full time Functional Director and 3 Government/ Official Directors.

7. Strategic Issues

CWC has signed an MOU with the Ministry of Railways for facilitating development and operation of Railside Warehouse Complexes at different locations through out the country. Keeping in view the potential of Container train operation business, CWC has initiated action for incorporating a subsidiary company namely "Central Railside Warehousing Company Ltd." Its offshore Warehousing facility at Montevideo Uruguay is in offing.

Research and Development

The R & D centre of CWC is working on formulating code of storage practices for new commodities as well as on improving the existing storages practices to maintain quality of stock. The corporation has undertaken trials of some new chemicals like Cyphenothrin (Gokilaht-SEC), Max Force IC Gel (Imidacloprid 2.15% gel) for pest control operations so as to evolve effective, less toxic and economical solutions to the pest problems. It is working on evolving non-chemical methods i.e. bio-pesticides (Neem Formulation) - "Azadirachtin" of pest control in association with Indian Grain Management and Research Institute, Hapur/Hyderabad and ITC Ltd. Guntur at selected warehouses of Lucknow and Hyderabad Regions.

Environment and Ecology

The CWC successfully implemented and maintained both ISO 9001:2000 and ISO 14001:2004 certification since 1999. As on 3.3.2007, 360 units were certified for ISO 9001:2000 and 50 units for ISO 14001:2004. The Corporation has geared up for introducing Occupational Health & Safety Management System (OHSAS 18001:1999).

Cotton Corpn. of India Ltd. (CCI)

1. Company Profile

CCI was incorporated in 1970 under the Companies Act, 1956 with an objective to act as a canalizing agency for import of cotton particularly for long and extra long staple varieties. Subsequently, the role of the corporation underwent changes on several occasions and currently the broad objectives are to ensure remunerative and competitive prices to the cotton farmers; to supply cotton to textile industry on reasonable prices; domestic sales operations at negligible margin in order to pass on larger benefit to cotton growers; increasing supplies of contamination free cotton to meet growing demand of textile mills etc. CCI is a Schedule-'B' Miniratna CPSE in Trading and Marketing Services sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

CCI is engaged in providing services in carrying out price support operations, whenever the market prices of kapas touch the support prices announced by the Government without any quantitative limit and commercial operations at the company's own risk; working as implementing agency for Mini Mission III and IV of Technology Mission on cotton; undertaking developmental activities related to productivity and quality of cotton through its 20 branch offices to cover 88 districts and 262 procurement centers in various cotton growing states.

3. Production / Operational Profile

The service segment of the company comprises of Sale and Purchase of Kapas. The performance details of domestic cotton processing during 2006-07 compared to last year were as follows:

Major Products / Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Purchases:					
F.P. bales	**Lakh bales**	15.68	16.31	27.17	19.72
LINT	**Lakh qntls**	26.45	27.12	NA	-
Seeds	**Lakh qntls**	50.47	51.39	NA	-
Sale :					
F.P. bales	**Lakh bales**	15.51	23.95	10.22	16.56
LINT	**Lakh bales**	26.49	27.32	NA	-
Seeds	**Lakh qntls**	51.80	55.71	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1666.32	2158.20	1414.08	-22.79
Cost of Production	1732.71	1601.38	2858.42	8.20
Net Profit/ Loss(-)	15.51	14.55	27.04	6.60
Dividend declared (as % of PBT)	20.42	21.87	14.13	-6.66
Net Worth	285.49	275.83	266.98	3.50
Paid up Capital	25.00	25.00	25.00	0.00
Share of Central Govt.	25.00	25.00	25.00	0.00

5. Key Performance Factors

Despite decrease in turnover the, profitability of the company increased marginally.

Steps being taken to reduce the cost and increase the competitiveness of the product / services and diversify the product / service range include introduction of Scheme for Godown Storage Facility (GSF), evolving norms for Ginning & Packing, bringing down cost of borrowing etc.

The Company scored ‘Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1099 regular employees (executives 138 & non-executives 961) as on 31.3.2007. About 3.91% of the employees were having professional qualifications. Around 39.95% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for board level and 58 years for below board level employees. The company is following IDA 1997 and CDA 1996 pattern of remuneration.

A total of 45 employees retired and 23 new employees were recruited during the year.

7. Strategic Issues

Project Implementation

As the implementing agency for Mini Mission III and IV of the Technology Mission on Cotton, out of 250 market yards sanctioned for development, 201 market yards have been taken up for development.

Similarly, to tackle the problems of impurities and very high level of contamination, the Corporation has initiated measures for augmenting infrastructure in the G&P factories engaged by it for processing of its kapas stocks as against target of modernization / upgradation of 1000 ginning and pressing factories, 725 factories have been taken up for modernization.

Research & Development (R&D)

Technology Mission on Cotton (TMC) is a joint effort of M/o Agriculture and the M/o Textile under which CCI is an implementing agency for improvement of marketing infrastructure and setting up of Farmer’s Information Centers. The corporation has also introduced a scheme for supply of cotton to mills at stable prices under Godown Storage Facility (GSF).

Food Corporation of India Ltd. (FCI)

1. Company Profile

FCI was established in 1965 as per Food Corporations Act, 1964 with the objective of acting as a main agency of the Central Government for procurement, movement, storage and distribution of foodgrains and to achieve the main objective of the food policy of Government, namely Price Support and Public Distribution System with maintaining of buffer stocks of foodgrains to ensure national food security. FCI is a Schedule-'A' PSE in Trading and Marketing Services sector under the administrative control of M/o Consumer Affairs, Food and Public Distribution, D/o Food and Public Distribution with 100% shareholding by the Government of India. Its Registered office is at New Delhi.

2. Industrial / Business Activities

FCI is engaged in providing services in the field of procurement and distribution of food grains, through its 171 district offices spread all over the country.

3. Production / Operational Profile

The performance details of major services are as follows:

Major Services (Procurement)	Unit	Total Movements during			Average of three years
		2006-07	2005-06	2004-05	
Foodgrains	Rs. in crore	NA	33588.68	35858.29	-
Sugar	Rs. in crore	NA	226.90	189.06	-
Gunnies	Rs. in crore	NA	827.62	869.53	-
Stores and spares	Rs. in crore	NA	8.81	15.51	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	44484	44647	45163	0
Cost of Production	45640	44147	46372	3
Net Profit/ Loss(-)	0	0	0	0
Net worth	2275.25	2174	2069	5
Paid up capital	2478	2466	2437	0
Share of Central Govt.	2478	2466	2437	0

5. Key Performance Factors

The Corporation runs on "no profit no loss" basis. For the year 2006-07, it has provided provisional financial information only. As such no information on performance factors has been given.

During the year it received a plan assistance of Rs. 12.91crores as equity support.

6. Human Resource Development (HRD)

The enterprise employed 41358 regular employees (executives 6149 and non-executives 35209) as on 31.3.2007 as against 54908 employees as on 31.3.2006. FCI is following IDA 1997 pattern of remuneration.

7. Strategic Issues

The procurement and issue price of food grains is fixed by the Government of India and the difference between the economic cost and rates realization is reimbursed by the Government as subsidy. From time to time, the Government of India provides budgetary support to the corporation for meeting capital expenditure such as construction of storage, godowns etc.

The corporation is contemplating to implement Integrated Information System on Foodgrains Management (IISFM) for which budgetary support has been sought from the Government of India.

Handicrafts & Handlooms Exports Corpn. India Ltd. (HHEC)

1. Company Profile

HHEC was incorporated in the year 1958 under the Companies Act, 1956 with an objective to undertake exports of handicrafts, handlooms products, khadi and products of village industries from India. HHEC also undertakes special promotional measures in countries whose import potential for Indian handicrafts products, khadi and products of village industries has not been adequately tapped, thereby providing a marketing channel for Craftsmen and Artisans. HHEC is a Schedule-'B' CPSE in Trading and Marketing Services sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

HHEC is engaged in providing services in the field of export of handicrafts, handlooms, readymade garments, carpets, gold and silver jewellery and import of bullion, silk, timber and cotton. Company is also engaged in retail sale of handicrafts and handlooms goods. It is operating through its four regional offices situated at Delhi, Chennai (Tamilnadu), Mumbai (Maharashtra) and Kolkata (West Bengal). The company also has four branches at Bhudohi (U.P.), Srinagar (J&K), Ahmedabad (Gujart) and Jaipur (Rajasthan).

3. Production / Operational Profile

The performance details of major products/ services of the company are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Export (Direct & Indirect)	Rs. in Crores	55.32	58.63	77.07	64
Bullion	Rs. in Crores	9.35	980.52	1198.33	729

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	71.74	1065.13	1302.18	-93.26
Cost of Production	79.88	1077.74	1396.56	-92.59
Net Profit/ Loss(-)	-2.67	0.64	1.30	-517.19
Net Worth	21.74	24.39	24.43	-10.87
Paid up Capital	13.82	13.82	13.82	0.00
Share of Central Govt.	13.82	13.82	13.82	0.00

5. Key Performance Factors

The fall in turnover and profitability is attributed to decrease in margins especially in bullion segment. The other reasons for decline in performance are steep price spurt in international market, major buyers of USA shifting business to China and Pakistan due to competitive price, spot delivery being desired by local buyers wherein designated banks have an edge, reduction in Duty Draw Back Rates, lack of skilled and senior management manpower etc.

During the year, the company received a non-plan assistance of Rs. 0.64 crore as grant / subsidy.

As a part of innovation and development of craft clusters the corporation has undertaken the projects for development of Tie & Die Fabrics from Sonepur, Bhubneswar. Further, projects for development of hand decorated gift items of cane and bamboo, jewellery are under process.

The Company scored 'Fair' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 199 regular employees (executives 87 and non-executives 112) as on 31.3.2007 as against 209 employees as on 31.3.2006. About 3% of the employees were having professional qualifications. 38% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year for Board Level and 58 years for below board level. It is following IDA 1997 pattern of remuneration. A total of 8 employees retired during the year under superannuation and 3 skilled employees also left the company. However, 2 new employees joined during the year. Since the introduction of VRS a total of 124 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 3 out of which 2 were Government / official Directors.

7. Strategic Issues

Efforts are being made to close unviable foreign branches and consolidation of units to reduce cost as also to rein in new buyers from the existing markets as well as from untapped markets. Besides participation in major international and local fairs, the corporation has posed to organize "Stand Alone Exhibition" in ISA, Kuwait and Brussels and preparing to open warehouse & showroom on franchise basis.

Order Book Position

The year ended with an Order Booking of around Rs. 7.78 Crores.

HMT (International) Ltd. [HMT(I)]

1. Company Profile

HMT(I) was incorporated on 1.4.1975 under the Companies Act, 1956 as a wholly owned subsidiary of HMT Limited, with an objective to carry on the business in India and abroad as exporters, importers and consultants and to undertake project works and technical services abroad, sales of HMT products and other engineering products. HMT(I) is a Schedule-'B' / Mini-ratna CPSE in Trading and Marketing Services sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry. Its Registered and Corporate offices are at Bangalore, Karnataka.

2. Industrial / Business Activities

HMT(I) is involved in the export of HMT products, associate products, setting up projects, invisible exports in the form of technical services as well as import of components / parts for machines / watches for Group companies. The company has one financial joint venture namely Gulf Metal Foundry, Dubai having a share of Rs.29.66 lakhs in equity.

3. Production / Operational Profile

The operating results in terms of sales of the company are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
HMT Products	Rs. in cr.	10.21	8.17	-	-
Projects & Technical Services	Rs. in cr.	13.27	2.43	-	-
Sale of Imports	Rs. in cr.	6.51	3.46	-	-
Agency and others	Rs. in cr.	1.17	0.77	-	-
Trading	Rs. in cr.	0.29	0.06	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	31.45	14.89	28.17	111.22
Cost of Production	34.79	19.97	28.86	74.21
Net Profit/ Loss(-)	1.37	0.60	0.01	128.33
Dividend declared (as % of PBT)	98.63	0.00	0.00	9863.01
Net Worth	21.42	20.88	20.39	2.59
Paid up Capital	0.72	0.48	0.48	50.00
Share of Holding Co.	0.72	0.48	0.48	50.00

5. Key Performance Factors

HMT(I) posted a growth of 111% in sales, 114% in order booking and 66% in profits during 2006-07, as compared to previous year.

The machine tools business registered a growth of 30% during the year as compared to last year. However, 56% of the orders received by the company during the year were from Zimbabwe alone.

The exports constituted 44% and imports 27% of the turnover during 2006-07.

The increase in turnover and profitability is attributed to aggressive marketing efforts made by the company. It was able to reach in new markets of Egypt and Far East for machine tools.

During the year, there was no significant improvement in the export of Tractors and Watches due to problems in the availability of the products and the technology needed for meeting the requirements of specific export markets.

6. Human Resource Development (HRD)

The enterprise employed 65 regular employees (executives 45 and non-executives 20) as on 31.3.2007 as against 68 employees as on 31.3.2006. Retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 2 employees retired under superannuation and 2 more left the company on other grounds. Further, 2 employees availed of

VRS during the year and an amount of Rs. 12 lakhs was spent in this regard from internal resources. Since the introduction of VRS, a total of 43 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 each were part time Non-Official Directors and full time Functional Directors and one Government / official Director.

7. Strategic Issues

The company has engaged IIM, Bangalore to workout a revised business model to achieve the quantum jump in levels of operations.

The company is focusing on export of high value machines, project and services and exploring opportunities underlines of credit extended by GOI.

Project Implementation

The company is presently implementing the Small and Medium Enterprises(SME) Development Project, Zimbabwe, Information Technology Project in Kyrgyzstan and Indo-Mozambique Cashewnut Processing Centre Project in Mozambique.

It has identified projects & services as a major thrust area for the future growth in turnover. The company is undertaking a study in Sri Lanka, Belarus and Tajikistan etc. for setting up Vocational Training Centres in respective countries.

Order Book Position

The year ended with an Order Booking of around Rs. 22.12 crores as against Rs.12.90 crores during last year. An order for Rs.22.50 crore received from M/o External Affairs (MEA) for setting up of Small & Medium Enterprises (SME) at Zimbabwe was finalized during the year.

India Trade Promotion Organisation (ITPO)

1. Company Profile

The erstwhile Trade Fair Authority of India (TFAI) was incorporated under Section 25 of the Indian Companies Act, 1956 on 30th December, 1976 by amalgamating three organizations of the Government of India viz. India International Trade Fair Organization, Directorate of Exhibitions and Commercial Publicity and Indian Council of Trade Fairs and Exhibitions and commenced operations with effect from 1st March,1977. Consequent upon the decision of the Government of India, the Trade Development Authority (TDA), a registered society, under the administrative control of the Ministry of Commerce & Industry was also merged with TFAI with effect from 1st January,1992. Subsequently, the name of the "Trade Fair Authority of India" was changed to "India Trade Promotion Organization" (ITPO) with effect from 16th April,1992. The main objective of the organization is to promote, facilitate, encourage and coordinate various activities and programmes to enhance India's share of export through trade in goods.

ITPO, is a Schedule-'B' / CPSE in Trading and Marketing. Services group under the administrative control of M/o Commerce and Industry, D/o Commerce with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

ITPO is engaged in providing services in promotion/facilitation of trade through organizing/ participating in trade fairs in India and abroad thereby increasing India's exports. The company has two subsidiaries namely Karnataka Trade Promotion Organization and Tamil Nadu Trade Promotion Organisation and one financial Joint Venture namely National Center for Trade Information with an equity share participation of 50% with National Informatics Center. In addition, the company has four regional and five foreign offices.

3. Production / Operational Profile

The service range of the company comprises of letting out the exhibition halls and convention centre to organize exhibitions, trade fairs and trade development and promotion through specialized programmes such as Buyer-Seller Meets and coordination of business delegations etc. During 2006-07, ITPO organized 51 overseas events including 3 exclusive Indian exhibitions. Out of these, 51 overseas events, 9 fairs were organized in West Asia/ Africa Region, 14 each in Europe in South East Asia, 13 in America and 1 in CIS region. India was also Guest of Honor in De-Livre (Paris Book

Fair) and Partner country in Saitex, Johannesburg. In addition, ITPO organized 20 fairs both national and international in India. It also made available exhibition halls, conference facilities etc. to the trade and industry for organizing specialized and general trade fairs/ exhibitions. Total 83 such events were organized in the Pragati Maidan during 2006-07. During the year, 2 Buyer Seller Meets were organized viz. "17th India Home Furnishing Fair" and the "27th India Garment Fair" in Japan..

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	98.82	132.31	94.82	-25.31
Cost of Services	93.44	105.75	84.69	-11.64
Net Profit/ Loss(-)	47.63	65.19	55.22	-26.94
Net Worth	474.61	426.27	361.36	11.34
Paid up Capital	0.50	0.25	0.25	100.00
Share of Central Govt.	0.50	0.25	0.25	100.00

5. Key Performance Factors

The major share of the revenue generated by the company was from the trade promotion activities held in India.

The decrease in turnover and profitability as compared to the previous year may be attributed to cyclical nature of business.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

Earning Per Share of the company during 2006-07 was Rs. 19052.94 as compared to Rs. 26077.08 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1170 regular employees (executives 306 & non-executives 864) as on 31.3.2007 as against 1191 employees as on 31.3.2006. About 2.74% of the employees were having professional qualifications. Around 27% of employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 13 employees retired during the year. Further, 12 other employees also left the company and 4 new employees joined during the year. Since the introduction of VRS, a total of 50 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was six out of which four were Government / official Directors.

7. Strategic Issues

Cost reduction assumes great significance as the company is operating in a highly competitive field.

During 2007-08, ITPO have scheduled 85 exhibitions to be organized in Pragati Maidan.

Jute Corporation of India Ltd. (JCI)

1. Company Profile

JCI was incorporated in the year 1971 under the Companies Act, 1956 with an objective to ensure the reasonable price for jute growers for their produce by undertaking purchase of raw jute from the growers at the minimum support price. JCI is a Schedule-'C' PSE in Trading and Marketing Services sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial/Business Activities

JCI is engaged in conducting purchase operations to ensure maintenance of minimum support price (MSP) of raw jute, undertaking commercial operations in a judicious manner by procuring raw jute at price above the MSP and to procure and maintain a buffer stock as and when advised by the Government i.e. to serve as a stabilizing agency in the raw jute sector. The company is operating through its 16 Regional offices, 28 Sub-centres and 143 DPCs located in seven jute growing states namely Assam, Meghalaya, Tripura, Bihar, Orissa, Andhra Pradesh and West Bengal.

3. Operational Profile

Major Services	Unit	Procurement during			Average of three years
		2006-07	2005-06	2004-05	
Procurement	**Bale (180 Kg.)**	483800	140792	355628	326740

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	32.87	41.41	188.52	-20.62
Cost of Production	163.24	67.68	117.09	141.19
Net Profit/ Loss(-)	-44.04	-17.77	1.53	147.83
Net Worth	-37.24	6.80	24.57	-647.65
Paid up Capital	5.00	5.00	5.00	0.00
Share of Central Govt.	5.00	5.00	5.00	0.00

5. Key Performance factors

The volume of procurement of raw jute / turnover of the company solely depends on the market behavior as procurement is conducted when ruling price touches the Minimum Support Price (MSP) as declared by GOI.

The season started with carry-over stock of 7 lakh bales and estimated production of 100 lakh bales with an estimated import of 4 lakh bales. The availability of stock during 2006-07 could just match the Domestic & Industrial consumption. Therefore, the raw jute prices were above MSP since the start of the season.

JCI purchased 8.71 lakh quintals of raw jute under its MSP/Commercial operation, which helped the jute growers in getting a remunerative price for their produce during the harvesting months of Crop Year 2006-07. The MSP rates (TD5 basis) declared for the year 2006-07 was Rs. 1000/-(Assam).

The infrastructure of JCI is being utilized in other diversified activities for the benefit of jute growers as well as the industry. These include 'SONALI', Jute Technology Transmission (Mini Mission III), Development of market yards, construction of DPC premises and retting tanks and demonstration of ribbon retting technology to jute growers.

The corporation receives subsidy in reimbursement of losses on price support account.

6. Human Resource Development

The company has not furnished the information regarding employees.

7. Strategic Issues

JCI has taken the initiative to implement the scheme for Agriculture Finance to the Jute Growers through banks.

The company made an arrangement for distribution of certified seeds of NAFED in West Bengal and Assam and of BISCOMAUN for Bihar.

NAFED supplied 158.7 MT certified jute seeds for Bengal and Assam but due to some unforeseen circumstances like stricture in entry of jute seeds in Bangladesh, availability of huge quantity of uncertified jute seeds in the market and distribution of certified seeds by State Governments with subsidy upto 50% etc. affected the distribution of jute seeds during the year.

While approving the financial restructuring of JCI, the Government (Ministry of Textiles) on 2.6.2005 decided to provide subsidy to JCI on a continuous basis from the year 2003-04 to set-off losses on account of MSP operation by the company. The quantum of subsidy will include the difference between the purchase and sale prices of raw jute by JCI. While calculating the MSP losses, the reimbursement of overhead costs to JCI should not exceed 10% of the values of the purchases under MSP in a particular financial year. Following the said guidelines on computing subsidy, the corporation has no claim for subsidy in the review year. This will result in erosion of the networth.

Karnataka Trade Promotion Organisation (KTPO)

1. Company Profile

KTPO was incorporated on 6.12.2000 under the Companies Act, 1956 as a joint venture between India Trade Promotion Organization (ITPO) and Government of Karnataka with an objective to set up an exhibition complex at Bangalore, Karnataka. The company came into operation on 20.9.2004. It is an uncategorised CPSE in Trading & Marketing service group under the administrative control of M/o Commerce and Industry, D/o Commerce, having its Registered and Corporate offices at Bangalore. KTPO is a subsidiary of India Trade Promotion Organisation (ITPO) which holds 52% of its equity.

2. Industrial / Business Activities

KTPO is engaged in providing services in the field of trade promotion through organizing trade fairs and exhibitions as also to provide covered air-conditioned exhibition space on rental basis to exhibitors for organizing trade and industry related exhibitions / events.

3. Production / Operational Profile

The service range of the company comprises of letting out the exhibition halls and convention centre to organize Industrial Exhibitions, Trade fairs etc. The performance details are as follows:

Major Products / Services	Unit	Value of Services provided during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Renting of exhibition space	M^2 days/ annum	277657 (13.3)	102509 (4.9)	32226 (1.5)	137464 (6.57)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3.23	1.73	0.00	86.71
Cost of Production	2.47	2.53	0.41	-2.37
Net Profit/ Loss(-)	0.98	-0.80	-0.16	-222.50
Net Worth	10.47	9.45	0.23	10.79
Paid up Capital	0.50	0.50	0.50	0.00
Share of Holding Co.	0.26	0.26	0.26	0.00

5. Key Performance Factors

During the year 2006-07, KTPO organized in all 21 exhibitions/events including SAP Tech Ed 06, Thailand Exhibition, The Hindu Opportunity Fair, Garment Technology, Expo Fabrics & Accessories Trade Show, International Security, Safety & Fire Exhibitions, Info Security & Storage Expo, etc.

The increase in turnover and profitability is attributed to higher booking of events. The company has been exempted from payment of income tax under Section 12 (a) of the Income Tax Act, 1961.

6. Human Resource Development (HRD)

The enterprise employed 4 regular employees (executives 2 & non-executives 2) as on 31.3.2007. About 25% of the employees were having professional qualifications. Around 50% employees come under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 2 were full time Functional Directors and 8 Government / official Directors.

7. Strategic Issues

KPTO has possession of land from co-promoter KIADB where the exhibition complex is situated. The land is yet to be registered in favour of KTPO. The other 17 acres & 14 guntas of land is under litigation in the Supreme Court of India.

MMTC Ltd. (MMTC)

1. Company profile :

MMTC Limited (till 1993 known as The Minerals and Metals Trading Corporation of India Ltd.) was incorporated in the year 1963 under the Companies Act, 1956 with an objective to become a leading international trading house in India to render high quality services to all categories of customers specially to the medium and small scale sectors. The current objectives are to operate in the competitive global trading environment, with focus on bulk as core competency and to improve returns on capital employed as well as to render high quality of services to all categories of customers with professional and efficiency.

MMTC is a Schedule 'A' / Mini-Ratna CPSE in Trading and Marketing Services sector under the administrative control of Ministry of Commerce and Industry, Department of Commerce with 99.33% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities :

MMTC is engaged in the field of international trading of Minerals, Metals, Precious Metals, Coal, Fertilizers, Agro products and other general commodities. It has one wholly owned subsidiary namely MMTC Transnational Pte Ltd., based in Singapore. The company has promoted an iron and steel plant namely Neelachal Ispat Nigam Ltd. jointly with the Government of Orissa.

3. Production / Operational Profile :

Major Products / Services	Unit	Value of Services provided during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Renting of exhibition space	M^2 days/ annum	277657 (13.3)	102509 (4.9)	32226 (1.5)	137464 (6.57)

4. Major Financial Highlights :

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	23346	16393	15138	42
Cost of Services	23248	16526	15266	41
Net Profit/ Loss(-)	127	108	107	17
Dividend declared (as% of PBT)	13	15	13	-12
Net worth	881	829	745	6
Paid up capital	50	50	50	0
Share of Central Govt.	50	50	50	0

5. Key Performance Factors :

MMTC has achieved its highest ever business turnover during 2006-07, registering a growth of 42.41% over the previous year. The other trade related earnings contributed Rs. 44.51 crore. The net profit of the company increased by 17% which is also highest since inception.

The noteworthy performance was despite intense competitions both from local as well as international players, putting considerable pressure on margins. This could be possible through growth in core operations by competitive offerings of products, bundled with efficient services as also by successfully tapping new areas of business by innovative value addition, aggressive marketing efforts and better utilization of available resources.

During the year, the company invested in setting up of temporary jetty that will be developed into full-fledged iron ore loading berth at Ennore (TN) which will facilitate decongesting of Chennai port and efficient loading of iron ore vessels.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The share price of the company varied between Rs. 531.10 to Rs.2740 during the year 2006-07. The average share price during the year was Rs. 1635.55.

6. Human Resource Development (HRD)

The enterprise employed 1996 regular employees (609 executives & 1387 non-executives) as on 31.3.2007. About 14% employees were having professional qualifications. Around 30% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 year. It is following IDA 1997 pattern of remuneration. A total of 17 employees retired during the year. Further, 13 skilled employees also left the company in attrition. However, 19 new skilled employees joined during the year.

During the year, 7 employees retired under VRS and an amount of Rs. 0.35 crore was spent in this regard. Since the introduction of VRS, a total of 2058 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 7 out of which 2 were part time Non-official Director / professional.

Strategic issues :

MMTC has been pursuing prudent fund management strategies as well as ensuring compliance with diverse statutes and taking legitimate remedies wherever required.

The company has moved to a multilateral trading platform as a strategy in strengthening its position as premier trading house in India, by providing efficient infrastructural support in its role as a trade organizer and facilitator besides consolidating core areas of operations.

The company is expanding business by sale of its own 'Sanchi' brand of silverware through appointment of franchisees across the country. It has set up gold/silver medallion manufacturing units and assaying & hallmarking units.

The company is planning to set up iron ore pelletisation plant and has been allotted coal mine in Jharkhand, which will give leverage to integrate its existing business activities.

Environment and Ecology :

With the setting up of 15 MW Wind energy farm in Karnataka, the company has moved into the clean power sector that will be environment and eco-friendly.

MSTC LTD. (MSTC)

1. Company Profile

MSTC was incorporated on 9.9.1964 under the Companies Act, 1956 as Metal Scrap Trade Corp. Ltd. with an objective to undertake disposal of ferrous / non-ferrous scrap and other secondary arising from integrated steel plants and surplus from other PSUs / Departments of Government of India. MSTC is a Schedule-'C' / Mini-ratna CPSE in Trading and Marketing Services sector under the administrative control of M/o Steel with 90% shareholding by the Government of India and balance 10% by the members of Steel Furnace Association of India and Ispat Industries Limited. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business Activities

MSTC is providing services in the field of selling of ferrous / non-ferrous scrap and other secondary arising from integrated steel plants under SAIL, RINL etc. and for disposal of scrap and surplus stores from other PSUs and Government Departments including Ministry of Defence. It is also involved in marketing / import of steel melting scrap for the use of secondary steel industry and finished iron and steel items like HR Coils, Billets, Pig Iron, DR Pellets, Coke, Coal and other inputs and Petroleum products like Naphtha, Super Kerosene Oil, Furnace Oil etc. It functions through its four Regional Offices at Delhi, Mumbai, Kolkata and Chennai and six Branch Offices at Bangalore, Vishakhapatnam, Tiruchirapali, Bhopal, Vadodara and Surat. It has one subsidiary namely Ferro Scrap Nigam Ltd. (FSNL)

3. Production / Operational Profile

The performance details of services rendered by the company are as follows:

Major Products / Services	Unit	Value of services provided during			Average of three years
		2006-07	2005-06	2004-05	
Marketing	Rs. in Cr.		4504	4649	
Selling Agency Activities	Rs. in Cr.		3211	1077	
Exports	Rs. in Cr.		27.58	23.61	
Imports	Rs. in Cr.		3940	4496	

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2999	4093	4899	-27
Cost of Production	3068	4022	4817	-24
Net Profit/ Loss(-)	59	55	38	8
Dividend declared (as % of PBT)	13	13	12	2
Net Worth	200	155	112	29
Paid up Capital	2	2	2	0
Share of Central Govt.	2	2	2	0

5. Key Performance Factors

Despite decrease in turnover, the profitability has increased.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.268 as against Rs. 249 in the previous year.

Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 295 regular employees (executives 136 & non-executives 159) as on 31.3.2007. About 24.07% of the employees were having professional qualifications. Around 40.34% employees were under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 3 were part time Non-official Directors / professionals.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 4 employees retired during the year. Since the introduction of VRS, a total of 7 employees availed of the scheme.

7. Strategic Issues

The company plans to emerge as a diversified trading house with particular emphasis on bulk raw materials for steel industry, sourced both indigenously and internationally. The company has planned to gradually build up tie-ups with international trading houses, develop warehousing system and logistics etc.

National Handlooms Development Corpn. Ltd. (NHDCL)

1. Company Profile

NHDCL was incorporated on 22.2.1983 under the Companies Act, 1956 with an objective to serve as a national level agency for promotion and development of the Handloom sector. The Company is a Schedule-'C' CPSE in Textiles sector under the administrative control of M/o Textiles with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Lucknow, (U.P.)

2. Industrial / Business Activities

NHDCL is to ensure the availability of raw material like yarn, dyes and chemicals to handloom weavers and supply handloom fabrics to undertake developmental activities like technical, marketing, production and training to weavers / dyers and handloom personnel through its 8 regional offices situated all over India.

3. Production / Operational Profile

The company is involved in promotional and development activities relating to handloom.

During 2006-07, the company earned total revenue of Rs. 417.16 crore in different segments (comprising Rs. 398.34 crore from sale of yarn, Rs. 17.30 crore from Dyes and Chemicals and Rs. 1.52 crore from Fabrics).

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	417.16	253.45	241.72	64.59
Cost of Production	435.37	263.77	250.97	65.06
Net Profit/ Loss(-)	1.04	0.50	0.78	108.00
Dividend declared (as % of PBT)	14.00	12.64	12.12	10.73
Net Worth	27.49	26.84	26.56	2.42
Paid up Capital	19.00	19.00	19.00	0.00
Share of Central Govt.	19.00	19.00	19.00	0.00

5. Key Performance Factors

While the revenue increased in the transactions of yarn and dyes and chemicals during 2006-07 compared to last year, it declined in respect of fabrics significantly.

The grant-in-aid against reimbursement of expenditure under Mill gate price scheme declined tremendously from Rs.7.84 crore in 2005-06 to Rs. 1.78 crore during 2006-07.

The Earning Per Share (EPS) of the company during 2006-07 was Rs. 5.47 as against Rs.2.65 in the previous year.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 222 regular employees (executives 110 & non-executives 112) as on 31.3.2007. About 12.16 % of the employees were having professional qualifications. Around 20.72% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years for Board Level and 58 years for below board level employees. The company is following IDA 1997 pattern of remuneration.

During the year one employee retired under VRS and an amount of Rs. 3 lakhs was spent in this regard. Since the introduction of VRS, total 6 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2007 was 3, out of which two were Government Directors.

North Eastern Handicrafts and Handloom Development Corporation Ltd. (NEHHDC)

1. Company Profile

NEHHDC was incorporated on 31.3.1977 under the Companies Act, 1956 with an objective to promote and develop handicrafts and handlooms in the North-Eastern Region. NEHHDC is a Schedule 'C' CPSE in Trading and Marketing services sector under administrative control of Ministry of Development of North Eastern Region (DONER), with 100% shareholding by the Government of India. Its Registered office is at Shillong, Meghalaya and Corporate office at Guwahati, Assam.

2. Industrial / Business Activities

NEHHDC is providing services in the field of Marketing of handicrafts and handlooms products through its Regional office at Guwahati (Assam), Area office-cum-Crafts Development Centre at Silchar, 6 Emporia located at Kolkata, Channai, Bangalore, Guwahati, Shillong and New Delhi, Common Facility Centre and Central Warehouse at Guwahati and an office in New Delhi.

3. Production / Operational Profile

The performance details of major services of the company are as follows:

Major Services	Unit	Value of Services provide			Average of three years
		2006-07	2005-06	2004-05	
Purchases:					
Handicrafts	Rs. in Cr.	3.58	3.75	2.76	3.36
Handlooms	Rs. in Cr.	4.46	4.10	3.36	3.97
Yarn and others	Rs. in Cr.	0.02	-	-	-
Sales :					
Handicrafts	Rs. in Cr.	4.37	4.43	3.72	4.17
Handlooms	Rs. in Cr.	4.99	4.68	4.48	4.72

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	9.36	9.11	8.21	2.74
Cost of Production	12.41	11.91	10.41	4.20
Net Profit/ Loss(-)	-2.47	-2.63	-2.11	-6.08
Net Worth	-20.42	-17.92	-15.98	13.95
Paid up Capital	2.00	2.00	2.00	0.00
Share of Central Govt.	2.00	2.00	2.00	0.00

5. Key Performance Factors

The performance of the company in terms of turnover and profitability improved marginally. There was increase in expenditures on account of salary and wages, administrative overheads, rents etc. which affected the profitability.

6. Human Resource Development (HRD)

The enterprise employed 131 regular employees (executives 7 & non-executives 124) as on 31.3.2007 as against 144 employees as on 31.3.2006. About 1.53% of the employees were having professional qualifications. Around 15% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 5 employees retired during the year.

During the year, 4 employees were identified as surplus manpower. These employees have availed of VRS and an amount of Rs. 0.17 crore was spent in this regard.

There were six Directors in the company, as on 31.3.2007.

7. Strategic Issues

The performance of the company depends upon sales and procurement / seasonal condition of the region and law and order situation. It is expected that the company will be able to earn profit in the near future.

NTPC Vidyut Vyapar Nigam Ltd. (NVVN)

1. Company Profile

NVVN was incorporated on 1.11.2002 under the Companies Act, 1956 with an objective to cater and deal with the vast potential of power trading in the country.

NVVN is an un-categarised PSE in Trading and Marketing sector under the administrative control of M/o Power with its Registered and Corporate offices at New Delhi. NVVN is a 100% subsidiary of NTPC Ltd.

2. Industrial / Business activities

NVVN is actively involved in the business of purchase of all forms of electrical power from any source including import and to sell such power to any source including export i.e. trading in electricity. During 2005-06, the company diversified into the business of fly ash trading.

3. Production / Operational Profile

NVVN is actively involved in facilitating the development of a wholesale electricity market in India. The performance details of major service of power trading are as follows:

Major Products / Services	Unit	Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Power Trading	MUs	2664	1643	2616	2308

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	861.35	434.46	574.97	98.26
Cost of Production	871.18	439.07	565.88	98.41
Net-Profit/ Loss(-)	6.51	3.33	5.74	95.50
Dividend declared (as % of PBT)	41.41	39.45	21.93	4.97
Net Worth	27.36	25.90	24.85	5.64
Paid up Capital	20.00	20.00	20.00	0.00
Share of Holding Co.	20.00	20.00	20.00	0.00

5. Key Performance Factors

The turnover of the company increased by 98.25% and profit by 95.50% during 2006-07 compared to previous year. This is attributed mainly to increase in customer base. During the last three years NVVN has captured significant market share in the electricity trading ranging between 11 to 22%. It has a customer base of over 25 State Power Utilities in all the five Electricity Regions of the country.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.3.26 as against Rs. 1.66 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 40 regular employees (executives 39 & Non-executives 1) as on 31.3.2007. About 93 % employees are having professional qualifications. Around 23% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 2 employees retired during the year.

The total number of Directors in the company, as on 31.3.2007 was 6. All the directors were part time Non-official Director / professional.

7. Strategic Issues

The company visualizes to evolve itself as a facilitator for developing a flexible and competitive power market in India by paving way for improving capacity utilization of NTPC Limited and thereby reducing the overall cost of power.

NVVN is poised for a substantial growth in the power trading business and other business areas in the near future.

PEC Ltd. (PEC)

1. Company Profile

PEC was incorporated on 21.4.1971 under the Companies Act, 1956 with an objective to focus on export of engineering projects and equipments specially for small and medium enterprises and to trade in international as well as in domestic markets in commodities such as agricultural products, industrial raw materials, chemicals and bullion and to develop new products and new markets. PEC is a Schedule-'B' / Mini-ratna CPSE in Trading and Marketing Services sector under the administrative control of M/o Commerce and Industry, D/o Commerce with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

PEC is providing services in the field of export and import of bulk items viz. commodities, raw materials, bullion and domestic trade and export of engineering equipment, projects etc. through its 18 Branch and Regional Offices. Over the years, it has expanded its role to become an international business organizer and a provider of integrated trade facilitating services.

3. Production / Operational Profile

The product / service range of the company comprises of five segments. The performance details of major services provided (having more than 5% contribution in turnover) are as follows:

Major Services	Unit	Value of Services provided during		
		2006-07	2005-06	2004-05
Exports	Rs. Crore	356.77	382.63	NA
Imports	Rs. crore	3830.55	3184.43	NA
Domestic Sales	Rs. Crore	330.59	158.37	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4518	3725	5961	21
Cost of Production	4637	3664	6192	27
Net Profit/ Loss(-)	28	13	15	108
Dividend declared (as % of PBT)	14	15	16	-3
Net Worth	95	75	65	28
Paid up Capital	2	2	2	0
Share of Central Govt.	2	2	2	0

5. Key Performance Factors

While turnover increased by 21%, the profit increased by 50% during 2006-07, over the figures of previous year.

The increase in turnover is attributed to higher productivity and that of profitability due to increase in import and domestic sales and better margins.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1378 as against Rs.663 in the previous year.

The company declared dividend 60% of the paid up capital during 2006-07.

The Company scored 'Excellent' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 189 regular employees (executives 150 & non-executives 39) as on 31.3.2007. About 33% of the company employees are having professional qualifications. Around 61.38% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. A total of 3 employees retired during the year. Further 2 skilled employees also left the company.

The total number of Directors in the company, as on 31.3.2007 was 5 out of which 2 were Government / official Director.

7. Strategic Issues

The company intends to become capable of providing total service to the customers related to international trade.

New initiatives

The company is targeting thrust countries for export of turnkey projects, engineering equipment and manufactured goods in Africa, Asia, Latin America and Caribbeans.

The company has initiated steps for both backward and forward linkages for assured supply and sale of coal.

PEC is committed to technological improvement. Networking through computers within the organization has been undertaken to implement commercial and accounting automation and achieve efficiency in operations.

Order Book Position

The year ended with Order Booking of around Rs. 392.62 crores for 109 orders.

State Trading Corpn. of India Ltd. (STC)

1. Company Profile

STC was incorporated in 1956 under the Companies Act, 1956 with an objective to trade with East European countries and to supplement the efforts of private trade and industry in developing exports from the country. Presently the main objectives are to emerge as one of the largest global trading companies with international standards of excellence nurturing a blend of quality, business ethics and proactive enthusiasm to enhance stateholders value and to develop core competencies in selected areas of exports and exploit the market opportunities in these areas.

It is a Schedule-'A' / Mini-ratna PSE in Trading and Marketing Services sectors under the administrative control of M/o Commerce and Industry, D/o Commerce with 91.03% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

STC is involved in exports, imports and domestic trading activities in a large basket of items through its 11 branch offices, mostly located at major port towns of the country. It has one wholly owned subsidiary namely STCL Limited.

3. Production / Operational Profile

The service range of the STC comprises of exports, imports and domestic market operations. The exports of the company include agriculture products, chemicals & pharmaceuticals, light engineering goods, construction materials, consumer goods, sports goods, marine products, spices, textiles, garments, leatherware, steel raw materials, iron ore, gold jewellery etc., the imports include wheat, bullion, fertilizers, hydrocarbons, minerals, metals, edible oils, petrochemicals and pulses. The company arranges imports of crucial raw materials as and when needed by the Indian Industry. It also undertakes import of technical and security equipment on behalf of Forensic Science Laboratories, State Police and Intelligence Departments and Paramilitary Organizations. STC undertakes counter trade and offset operations against purchases by the Government of India as also third country trading. The segment-wise performance details are as follows:

Major Services	Unit	Trading during 2006-07	2005-06	2004-05	Average of three years
Imports	Rs. Cr.	10692	5493	8407	8197.33
Exports	Rs. Cr.	2927	1095	568	1530.00
Domestic sale	Rs. Cr.	716	537	547	599.67

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	14335.27	7125.24	9562.49	101.19
Cost of Services	14694.80	7294.15	9700.49	101.46
Net Profit/ Loss(-)	88.27	38.95	25.03	126.62
Dividend declared (as % of PBT)	14.57	25.51	19.29	-42.90
Net Worth	433.77	365.14	319.99	18.80
Paid up Capital	30.00	30.00	30.00	0.00
Share of Central Govt.	27.31	27.31	27.31	0.00

5. Key Performance factors

The performance of STC increased in terms of turnover by 101%, exports by 167% and profit by 127% during 2006-07 as compared to last year.

The increase in profitability was the outcome of increase in the total turnover, trading margins due to expansion of overseas steel operations to Bulgaria and higher volumes achieved from existing operations and wheat imports and improved customer delivery mechanism enabling the Corporation to negotiate better trading margins.

Earning Per Share of STC was Rs.29.43 during

2006-07, as compared to Rs. 12.98 in the previous year.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The market price of the company's shares during the year was between Rs.93 to Rs.211 as compared to Rs. 96 to Rs. 207 during the year 2005-06. The average share price during the year was Rs. 152.

6. Human Resource Development (HRD)

The enterprise employed 917 regular employees (464 executives & 453 non-executives) as on 31.3.2007. About 6.76% of the employees were having professional qualifications. Around 35.77% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. STC is following IDA 1997 pattern of remuneration. During the year 11 employees retired under VRS and an amount of Rs.1.07 crore was spent in this regard. During the year, 22 new regular employees were recruited.

The total number of Directors in the company as on 31.3.2007 was 7, out of which 5 were functional directors and 2 were Government/ Official Directors.

7. Strategic Issues/New Initiatives

STC made a beginning in the export of petro-chemicals and shipments. It has undertaken steel operations abroad and is supplying steel raw materials to Philippines and Bulgaria. The company participated in Watch & Jewelry Exhibition in Dubai, successfully revived exports of consumer goods and effected shipment, successfully imported wheat on Govt. instructions to meet the requirement of central pool stocks and controlling domestic prices of wheat.

STC has been appointed as a nodal agency by the Government of India to monitor implementation of off-set/counter trade obligations arising out of purchase of aircraft by India/Air India.

Order Book Position

The company has comfortable order book position of Rs. 3541 crore as on 31.3.2007.

STCL Ltd. (STCL)

1. Company Profile

STCL was incorporated on 23.10.1982 under the Companies Act, 1956 as 'Cardamon Trading Corp. Ltd.' , which was renamed as Spices Trading Corp. of India Ltd. in 1987 and further renamed as STCL Ltd. in 2004. The main objectives are to trade in domestic and international market of spices and agricultural products, to process and manufacture spice, agricultural spice and agricultural products of international standards and to carry on domestic and international trade in iron ore, bullion, precious metals, limestone, met-coke, other minerals, polymer, polyester yarn, cotton yarn and such other textile products, PVC resins, HMS scraps and other metal scrap.

STCL is a Schedule-'C' PSE in Trading and Marketing Services sector under the administrative control of M/o Commerce and Industry, D/o Commerce having its Registered and Corporate offices at Bangalore, Karnataka. STCL is a 100% subsidiary of STC Ltd.

2. Industrial/Business Activities

STCL is one of the subsidiary enterprises engaged in trading of spices, agricultural commodities and supply of agriculture inputs growers; to conduct Cardamom auctions; to import and export spices, agriculture commodities and other commodities and industrial inputs through its 9 branch offices situated at Bodinakanpur, Kochi, Madikeri, Tirupathi, New Delhi, Visakhapatnam, Chennai, Sakleshpur and Kumily. It also has 6 sub-collection centers of Kumily Branch in Kerala.

3. Operational Profile

STCL is only a trading company. The segment-wise revenue earning of the company is given below:

Particulars	Performance during			Average of three years
	2006-07	2005-06	2004-05	
Domestic Trading	386.41	321.47	NA	NA
Export Trading	590.02	130.58	NA	NA
Auction Sales	32.51	18.20	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	1009.04	470.78	431.96	114.33
Cost of Production	1031.13	462.23	432.87	123.08
Net Profit/ Loss(-)	12.00	5.98	3.58	100.67
Dividend declared (as % of PBT)	13.23	6.25	10.54	111.69
Net Worth	28.69	18.24	13.02	57.29
Paid up Capital	1.50	1.50	1.50	0.00
Share of Central Govt.	1.50	1.50	1.50	0.00

5. Key Performance Factors

The turnover of the company increased by 114% during 2006-07 as compared to previous year thereby surpassing all previous records and achieving a milestone in the history of the company. This was the result of the qualitative change in marketing strategies over the years. It continued thrust on new products. Export sales constituted major share of the total turnover followed by domestic sales.

While the profit before tax increased by 102% during 2006-07 over the figures of 2005-06, the profit after tax recorded a growth of 101% during this period.

Earning Per Share was Rs. 800 during 2006-07 as against Rs. 398 in the previous year.

6. Human Resource Development

The company employed 46 persons as on 31.3.2007 out of which 16 were executives, 24 skilled workers and 6 unskilled workers. Most of the employees were between 36 to 51 years age group. The retirement age is 60 years. 6 of the 46 employees were having professional qualifications. The company follows 1997 pattern of pay scales.

During the year one employee retired under VRS for which Rs. 7 lakhs were spent.

During 2006-07 the company recruited 12 persons including 2 executives, 9 supervisors and one worker.

There were two Directors on the Board out of which one was Government Official Director and another full time Functional Director.

7. Strategic Issues:

STCL received a budgetary support of Rs. 1.20 crore as grants during 2006-07.

The company has planned to achieve higher turnover and profitability by putting its efforts in diversifying and increasing competitiveness in the commodity trade globally.

The company has set up a Chilli Processing Plant at Byadagi in Karnataka at a cost of Rs. 3.63 crore. The Plant is ready for trial production. This will help to reach out globally in exporting value added products to food processing, oil and oleoresin industries thereby increasing competitiveness.

The company is also planning to set up a Pepper Processing Plant at Sadipura, Karnataka. This will help the growers to realize the higher prices for their produce due to value addition.

Tamil Nadu Trade Promotion Organisation (TNTPO)

1. Company Profile

TNTPO was incorporated on 17.11.2000 as a Joint venture between India Trade Promotion Organisation (ITPO) and Tamilnadu Government through Tamilnadu Industrial Development Corp. (TIDCO) under Section 25 of the Companies Act, 1956 with an objective to promote, organise and participate in industrial trade and other fairs and exhibitions in India and abroad and to take all measures for promotion of Indian Industry, trade and enhance its global competitiveness. TNTPO is an uncategorised PSE in Trading and Marketing services sector under the administrative control of M/o Commerce and Industry, D/o Commerce, having its Registered and Corporate offices at Chennai, Tami Nadu. The 49% shareholding of the company is with TIDCO and 51% with ITPO.

2. Industrial / Business Activities

TNTPO is engaged in enterprises, providing services in the field of promoting trade and industry by letting out exhibition halls and convention center to organise Industrial Exhibitions, Trade Fairs etc. and to invite wider participation in export promotion activities like buyer sellers meet, contact promotion programmes, India promotions with Departmental stores, etc.

3. Production / Operational Profile

The service range of the company comprises of letting out the exhibition halls and convention centre to organize Industrial Exhibitions, Trade fairs etc. The performance details of these activities are as follows:

Major Products / Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
No. of Exhibitions	No.	128	118	66	104

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	11.80	8.52	7.42	38.50
Cost of Services	7.46	5.70	4.36	30.88
Net Profit/ Loss(-)	4.39	1.74	3.48	152.30
Net Worth	17.23	18.42	17.33	-6.46
Paid up Capital	0.01	0.01	0.01	0.00
Share of Holding Co.	0.01	0.01	0.01	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to higher booking of events. Chennai Convention Center equipped with modern facilities was inaugurated on 1.11.2004 and the booking of events in the convention center was very encouraging.

The company has received the Income Tax Exemption for the assessment years from 2004-05 to 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 23 regular employees (executives 4 & non-executives 19) as on 31.3.2007. About 13% of the employees were having professional qualifications. Around 13% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration.

7. Strategic Issues

As per the MOU signed on 13.11.2000 between ITPO and TIDCO, TIDCO had to provide land and meet land development expenses and ITPO had to construct the Exhibition Center. TNTPO has to pay a lease rent of Rs. one crore per annum from 2001-02 to TIDCO for the land handed over to TNTPO on a long lease of thirty years. However, the terms and condition of lease were not accepted by the co-promoter ITPO, as such TNTPO did not make the payment of lease rent so far and also has not made any provision in this regard for the last four years.

The company has applied for the extension of the Income Tax Exemption for the assessment years from 2007-08, the approval of the competent authority for which was still awaited.

As the company is registered under Section 25 of the Companies Act, 1956, the accounting standard-20 "Earning per share" issued by ICAI is not applicable to the company.

22 Transportation Services

As on 31.3.2007, there were 12 Central public sector enterprises in the Transportation Services group. The names of these enterprises along with their year of incorporation in chronological order are given below:

Sl. No.	Enterprise	Year of Incorporation
1.	Air India Ltd.	1953
2.	Indian Airlines Ltd.	1953
3.	Shipping Corporation of India Limited	1961
4.	Air India Charters Ltd.	1972
5.	Dredging Corporation of India Limited	1977
6.	Airline Allied Services Ltd.	1983
7.	Pawan Hans Helicopters Ltd.	1985
8.	Container Corporation of India Limited	1988
9.	Airports Authority of India Limited	1996
10.	Ennore Port Ltd.	1999
11.	Air India Air Transport Services Ltd.	2003
12.	Fresh & Healthy Enterprises Limited	2006

2. The enterprises falling in this group are mainly engaged in providing transport by Air, Road and Sea, management of national as well s intgernational airports, creating and maintaing required depth in ports and rivers, providing helicopter services etc.

3. The consolidated financial position, the working results and the important management ratios of these enterprises are appended.

4. **Turnover :** The details of turnover of individual enterprises are given below:

(*Rs. in crore*)

Sl.	Enterprise	Turnover	
No.		2006-07	2005-06
1.	Air India Ltd.	8438.86	8833.71
2.	Indian Airlines Limited	5986.00	5766.01
3.	Shipping Corpn. of India Ltd.	3703.44	3531.02
4.	Air India Charters Ltd.	706.82	430.59
5.	Dredging Corpn. of India Ltd.	572.89	506.90
6.	Airline Allied Services Ltd.	336.07	515.68
7.	Pawan Hans Helicopters Ltd.	182.02	164.73
8.	Container Corpn. of India Ltd.	3048.08	2433.16
9.	Airports Authority of India Ltd.	2724.19	3247.09
10.	Ennore Port Ltd.	101.05	92.32
11.	Air India Air Transport Services Limited	19.61	6.56
12.	Fresh & Healthy Enterprises Ltd.	4.75	0.00
	Total	**25823.78**	**25527.77**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit or sustained net loss (–) are given below:

(*Rs. in crore*)

Sl. No.	Enterprise	Net Profit/Loss 2006-07	2005-06
1.	Air India Ltd.	-447.93	14.94
2.	Indian Airlines Ltd.	-240.00	49.50
3.	Shipping Corpn. of India Ltd.	1014.58	1042.20
4.	Air India Charters Ltd.	-70.53	1.35
5.	Dredging Corpn. of India Ltd.	188.73	176.46
6.	Airline Allied Services Ltd.	-85.36	-56.54
7.	Pawan Hans Helicopters Ltd.	9.53	47.39
8.	Container Corpn. of India Ltd.	703.82	525.80
9.	Airports Authority of India Ltd.	859.86	717.62
10.	Ennore Port Ltd.	30.64	9.07
11.	Air India Air Transport Services Ltd.	-0.23	0.01
12.	Fresh & Healthy Enterprises Ltd.	-0.19	0.00
	Total	**1962.92**	**2527.80**

6. **Social Overheads and Township**

The total number of persons employed and the expenditure incurred on social overheads and township are given below:

Sl. No.	Particulars	Social Overheads & Township 2006-07	2005-06
1.	No. of employees	64166	63753
2.	Social overheads : *(Rupees in crore)*		
	a. Educational	25.03	116.55
	b. Medical facilities	139.64	165.87
	c. Others	76.82	86.52
3.	Capital cost of township *(Rupees in crore)*	499.30	222.27
4.	No. of houses constructed	6736	6766

7. The detials in relation to Balance Sheet, Profit and Loss account and important Mangement Ratios for each of these enterprieses for three years, are given in Volume-III.

TRANSPORTATION SERVICES

BALANCE SHEET

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
AUTHORISED CAPITAL	325000	337000	333500
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	162805	161405	127106
OTHERS	27792	27791	21296
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	1362559	1171241	964095
TOTAL (A)+(B)+(C)	**1553156**	**1360437**	**1112497**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	437350	357324	240703
(B) UNSECURED LOANS	818917	282945	128583
TOTAL (A)+(B)	**1256267**	**640269**	**369286**
(1.3) DEFERRED TAX LIABILITY	35097	39171	40320
TOTAL (1.1)+(1.2)+(1.3)	**2844520**	**2039877**	**1522103**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	2976286	2900356	2788827
(B) LESS DEPRECIATION	1738807	1767926	1625988
(C) NET BLOCK (A-B)	1237479	1132430	1162839
(D) CAPITAL WORK IN PROGRESS	622899	296442	83380
TOTAL (C)+(D)	**1860378**	**1428872**	**1246219**
(2.2) INVESTMENT	151196	53113	34277
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	105454	73344	57663
(B) SUNDRY DEBTORS	369544	349680	281366
(C) CASH & BANK BALANCES	749991	584091	527745
(D) OTHER CURRENT ASSETS	60593	87667	57036
(E) LOAN & ADVANCES	610495	511870	332062
TOTAL (A)+(B)+(C)+(D)+(E)	**1896077**	**1606652**	**1255872**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	843490	815111	816591
(B) PROVISIONS	439569	380042	326550
TOTAL (A+B)	**1283059**	**1195153**	**1143141**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**613018**	**411499**	**112731**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	444	2280	2547
(2.7) DEFFRED TAX ASSETS	28695	18115	368
(2.8) PROFIT & LOSS ACCOUNT (Dr)	190789	125998	125961
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**2844520**	**2039877**	**1522103**

TRANSPORTATION SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2006-07	2005-06	2004-05
(1) INCOME			
(A) SALES / OPERATING INCOME	2582405	2552777	2257918
(B) EXCISE DUTY	0	0	5
(C) NET SALES (A-B)	2582405	2552777	2257913
(D) OTHER INCOME / RECEIPTS	350974	95628	63818
(E) ACCRETION / DEPLETION IN STOCKS	6	0	8
(I) TOTAL INCOME (C+D+E)	**2933385**	**2648405**	**2321739**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	96832	41906	56527
(B) STORE & SPARES	25757	66653	67692
(C) POWER & FUEL	727273	624600	451387
(D) MANUFACTURING / DIRECT / OPERATING EXP.	644106	494630	658816
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	415186	387597	367175
(F) OTHER EXPENSES	571909	530982	261741
(G) PROVISIONS	14002	7002	9527
(II) TOTAL EXPENDITURE (A TO G)	**2495065**	**2153370**	**1872865**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	438320	495035	448874
(4) DEPRECIATION	166175	159098	157344
(5) DRE. / PREL. EXP. WRITTEN OFF	107	166	1870
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	272038	335771	289660
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	54	2099	541
(B) ON FOREIGN LOANS	1889	5124	5674
(C) OTHERS	39188	16422	12371
(D) LESS INTEREST CAPITALISED	18	189	850
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	41113	23456	17736
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**230925**	**312315**	**271924**
(9) TAX PROVISIONS	97580	73759	64425
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	133345	238556	207499
(11) NET EXTRA -ORD. ITEMS	-62918	-14224	-39936
(12) NET PROFIT / LOSS (10-11)	**196263**	**252780**	**247435**
(13) DIVIDEND DECLARED	60604	56521	44690
(14) DIVIDEND TAX	9120	7995	5993
(15) RETAINED PROFIT (12-13-14)	**126539**	**188264**	**196752**

TRANSPORTATION SERVICES
MANAGEMENT RATIO

Particulars	2006-07	2005-06	2004-05
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1245509	795821	467777
(ii) CAPITAL EMPLOYED	1850497	1543929	1275570
(iii) NET WORTH	1361923	1232159	983989
(iv) COST OF PRODUCTION	2702460	2336090	2049815
(v) COST OF SALES	2702454	2336090	2049807
(vi) VALUE ADDED	1732549	1819618	1682315
(vii) R & D EXPENDITURE	16	148	282
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	64166	63753	64053
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	53921	50664	47770
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.81	0.47	0.33
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.25	1.97	1.54
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	6.83	7.76	7.01
(iv) SUNDRY DEBTORS : SALES (No. of days)	52.23	50.00	45.48
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	14.90	10.49	9.32
(ii) SEMI / FINISHED GOODS : SALES	2.28	1.35	0.29
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	10.35	0.91	0.39
		(%)	
(vii) SALES : CAPITAL EMPLOYED	139.55	165.34	177.01
(viii) PBDITEP : CAPITAL EMPLOYED	23.69	32.06	35.19
(ix) PBITEP : CAPITAL EMPLOYED	14.70	21.75	22.71
(x) COST OF SALE : SALES	104.65	91.51	90.78
(xi) MATERIAL COST : SALES	3.75	1.64	2.50
(xii) SALARY & WAGES : SALES	16.08	15.18	16.26
(xiii) R & D EXPENDITURE : SALES	0.00	0.01	0.01
(xiv) PBITEP : SALES	10.53	13.15	12.83
(xv) PBTEP : NET WORTH	16.96	25.35	27.63
(xvi) NET PROFIT : NET WORTH	14.41	20.52	25.15
(xvii) GROSS MARGIN : GROSS BLOCK	14.73	17.07	16.10

Air India Air Transport Services Ltd. (AIATS)

1. Company Profile

AIATS was incorporated on 9.6.2003 under the Companies Act, 1956 with the objective of carrying on the business of providing all types of services at airports. AIATS is an uncategorised CPSE in Transportation services sector under the administrative control of M/o Civil Aviation, having its Registered office at New Delhi and Corporate office at Mumbai, Maharashtra. AIATS is 100% subsidiary of Air India Ltd.

2. Industrial / Business Activities

AIATS is engaged in providing services at airports to any entities or persons engaged in transporting passengers, goods, mail and cargo by air.

3. Production / Operational Profile

The company is providing services at the airports. The segment-wise details of revenue earning are given below:

(Rs. in crore)

Particulars	Revenue earned during			Average of three years
	2006-07	2005-06	2004-05	
Passenger Handling	1327	4.07	NA	NA
Ramp Handling	1.53	1.17	NA	NA
Security Handling	3.25	0.72	NA	NA
Cargo Handling	1.56	0.60	NA	NA
Miscellaneous Income	0.16	0.06	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	19.61	6.56	0.53	198.93
Cost of Production	20.00	6.57	0.90	204.41
Net Profit/ Loss(-)	-0.23	0.01	-0.02	-2,400.00
Net Worth	-0.67	-0.52	-0.58	28.85*
Paid up Capital	0.05	0.05	0.05	0.00
Share of Holding Co.	0.05	0.05	0.05	0.00

*** Negitive Growth**

5. Key Performance Factors

The major income of the company was from passenger handling which accounted for 67.15% of the total revenue generated. The turnover of the company increased by about 199% during 2006-07 over the period of previous year.

The company turned to loss making from a profit making during 2006-07 because of tremendous increase in the personnel expenses by about 222% over the previous year.

6. Human Resources Development (HRD)

The enterprise had a workforce of 704 employees as on 31.3.2007.

7. Strategic issues

Office of the comptroller and Auditor General of India has named AIATS as one of the central Government companies which showed arrears in finalization of its accounts. CAG has pointed out that arrears in finalization of company account leads to non compliance with the provisions of the section 166 and 210 of the Companies Act, 1956.

Air India Charters Ltd. (AICL)

1. Company Profile

AICL was incorporated in the year 1972 under the Companies Act, 1956 with the objective of undertaking Chartered operations / Flights and overcoming the situation created by discounting of fares by Arab carriers and other non-scheduled operators. However, in 1988 through an amendment, the objective of the company changed to provide quality services to the client airlines. In 2004-05, the company saw metamorphosis in its role from merely a service provider of ground handling and security to the first international low cost, no frill, budget airline from India. AICL is an uncategorised CPSE in Transportation Services sector under the administrative control of M/o Civil Aviation, having its registered and corporate offices at Mumbai, Maharashtra. AICL is a 100% subsidiary of Air India Ltd.

2. Industrial / Business Activities

AICL is engaged in providing various ground handling services. The company took a new dimension with setting up a Low Cost Service namely 'Air India Express' under its management and launched on 29th April, 2005 a low cost airline service from Kerala to certain points in the Gulf which is considered to be a boon to the millions people working abroad especially in the Gulf, & Middle East and South East Asia.

3. Operational Profile

The details of revenue earned by the company are given below:

(Rs. in crore)

Particulars	Revenue earned during 2006-07	2005-06	2004-05	Average of three years
Traffic	685.71	409.02	NA	NA
Handling, Servicing and Incidental	21.11	21.57	NA	NA
Others	72.53	1.79	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	706.82	430.59	23.42	64.15
Cost of Production	779.96	427.54	28.42	82.43
Net Profit/ Loss(-)	-70.53	1.35	-3.06	-5324.44
Net Worth	-42.01	28.53	-2.77	-247.25
Paid up Capital	30.00	30.00	0.05	0.00
Share of Holding Co.	30.00	30.00	0.05	0.00

5. Key performance factors

The turnover of the company increased by 80.25% during 2006-07 as compared to previous year. However, the company turned to loss because of high provision for taxes including deferred tax and interest burden.

6. Human Resource Development

The company employed total 695 persons as on 31.3.2007.

7. Strategic issues

Office of the comptroller and Auditor General of India has named AICL as one of the central Government companies which showed arrears in finalization of its accounts. The CAG has pointed out that arrears in finalization of company account leads to non compliance with the provisions of Sections 166 and 210 of the Companies Act, 1956 as such Registrar of companies may initiate prosecution proceedings against the defaulting Government company.

Air India Ltd. (AI)

1. Company Profile

AI was incorporated on 15.10.1932 as Tata Airlines and renamed Air India in 1946. The company was nationalized in 1953 and splitted into two corporations namely Air India and Indian Airlines with the objective of operating as International carrier and domestic carrier respectively. The main objective of the nationalization was to provide safe, efficient, adequate, and economical and properly coordinated Air Services to the best advantage of the nation. In 1992, Air India Ltd. was incorporated under the companies Act, 1956 and as per Air Corporation (Transfer of Undertaking and Repeal) Ordinance 1994 undertaking of Air India was transferred to and vested in Air India Ltd. AI is a Schedule-'A' PSE in Transportation Services sector under the administrative control of M/o Civil Aviation with 100% shareholding by the Government of India. Its Registered office is at New Delhi and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

AI is engaged in providing services in the field of air transport and carry out all other forms of aerial works whether on charter terms or otherwise through its offices situated all over India and abroad. It has three subsidiaries namely Hotel Corporation of India Ltd., Air India Charters Ltd and Air India Air Transport Services Ltd. The enterprise had workforce of 15535 employees as on 31.3.2007.

3. Operational Profile

Major Services	Unit	Revenue earning during			Average of three years
		2006-07	2005-06	2004-05	
Traffic revenue	Rs. in crore	7157.04	7454.91	6686.92	7099.62
Handling, services and incidental revenue	Rs. in crore	1281.82	1378.80	901.25	1187.29

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	8438.86	8833.71	7588.17	-4.47
Cost of Production	10109.48	9317.18	7571.26	8.50
Net Profit/ Loss(-)	-447.93	14.94	96.36	-3098.19
Net Worth	-109.45	324.63	321.25	-133.72
Paid up Capital	153.84	153.84	153.84	0.00
Share of Central Govt.	153.84	153.84	153.84	0.00

5. Key Performance Factors

The major revenue-earning asset of the company is the aircraft fleet, which is flexibly deployed across its worldwide route network. About 70% revenue received from the Asia, Africa including Australasia routes followed by USA/Canada (about 19%) and UK/Europe (about 11%).

The performance of the company declined during 2006-07 compared to previous year. While the operational revenue declined by about 4.47%, the profitability declined by about 3098%.

The Earning Per Share was - Rs. 29.12 as on 31.3.2007 as compared to Rs. 0.94 as on 31.3.2006.

6. Strategic Issues

The company is planning rationalization of operations by reducing operations of the uneconomic B747-200 aircraft type and replacing them with the more economic A310-300 aircraft type, wherever possible. Dry lease of aircraft to increase frequencies to the existing stations and to operate services to new stations, pending the acquisition of new aircraft.

Restructuring

In view of consolidation of the global aviation environment, wherein critical/mass size is a key success factor, the Air India and Indian Airlines have been merged in a single company namely National Aviation Company of India Limited. The new company, which was registered on 30.3.20-07, obtained the certificate of commencement of business on 14.5.2007.The final order on merger was passed by the Ministry of Corporate Affairs on 22.8.2007 which effected the merger from the appointed date 1.4.2007. The merger will provide an opportunity to leverage combined assets and capital.

Airline Allied Services Limited(AASL)/(Alliance Air)

1. Company Profile

AASL was incorporated on 13.9.1983 under the Companies Act, 1956 as a 100% subsidiary of Indian Airlines Ltd. (IA) with the objective of creating a profit center under the subsidiary company structure for speedy and flexible decision-making and also to utilize the fleet effectively. The company was revitalized as scheduled airline in 1996. AASL is a Schedule ‘C’ PSE in Transportation Services sector under the administrative control of M/o Civil Aviation. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

AASL is engaged in providing services in the field of domestic Airline business through operation of B-737 aircraft and ATR-42-320 Air Cargo. There was no regular employee in the company as on 31.3.2006, but had 800 contract employees.

3. Operational Profile

Major Services	Unit	Services during (% capacity utilization)			Average of three years
		2006-07	2005-06	2004-05	
Revenue	**In million Tonne Km**	73.14 (67.26)	37.58 (65.78)	34.19 (63.95)	68.30 (65.66)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	336.07	515.68	613.74	-34.83
Cost of Services	464.30	611.22	683.15	-24.04
Net Profit/ Loss(-)	-85.36	-56.54	-29.68	50.97
Net Worth	-369.08	-283.42	-224.54	30.22
Paid up Capital	2.25	2.25	2.25	0.00
Share of Central Govt.	2.25	2.25	2.25	0.00

5. Key Performance Factors

The performance of the company has been declining constantly in all respect viz. in physical and financial parameters. This is because of lack of funds, high overhead/input cost etc.

6. Human Resource Development (HRD)

The enterprise employed 738 regular employees (212 executives and 526 non-executives) as on 31.3.2007.

7. Strategic issues

The holding company i.e. Indian Airlines has been merged alongwith Air India into a new company namely National Aviation Company of India Limited. The activities of the Alliance Air may also be affected due to this restructuring.

Airports Authority of India (AAI)

1. Company Profile

AAI was incorporated on 1.4.1995 through Airports Authority of India Act, 1994 (No.55 of 1994) with the objective of merging International Airports Authority of India and National Airports Authority in to one corporation and accelerating the integrated development, expansion and modernization of the airports in India upto the international standards. AAI is a Schedule-'A' CPSE in Transportation Services sector under the administrative control of M/o Civil Aviation with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

AAI is involved in planning, development and maintenance of airports, provision for Air Navigation Services infrastructure and providing Air Traffic services over the designated airspaces as also over the Arabian Sea, Bay of Bengal and Indian Ocean as per International Civil Aviation Organisation(ICAO) rules governing designation of airspace over high seas. It is responsible for creating adequate airport infrastructure to meet the existing and growing traffic needs. Currently AAI manages 127 airports in the country.

The corporation has four joint ventures (JV) namely Delhi International Airport Pvt. Ltd. and Mumbai International Airport Pvt. Ltd. with a equity participation of 26% each with GMR Infrastructure & Consortium and GVK Airport Holding Pvt. Ltd. Consortium respectively. The two other JVs are for Bangalore International Airport Ltd. with equity participation of 13% each with Siemens & Consortium and GMR Infrastructure & Consortium respectively.

3. Production / Operational Profile

The performance details of major services provided by the AAI are as follows:

Major Products / Services	Unit	Services provided during			Average of three years
		2006-07	2005-06	2004-05	
A/C Movements	000' Tonnes	1075	838	718	877
Cargo Handling	000' Tonnes	1553	1404	1280	1412
Passenger services	No. of passengers in crore	9.64	7.33	5.93	7.63

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	2724.19	3247.09	2794.17	-16.10
Cost of Services	2196.90	2281.85	2314.83	-3.72
Net Profit	859.86	717.62	325.38	19.82
Dividend declared (as % of PBT)	11.80	11.95	12.19	-1.28
Net Worth	4845.39	4169.86	3408.03	16.20
Paid up Capital	463.63	449.63	431.63	3.11
Share of Central Govt.	463.63	449.63	431.63	3.11

5. Key Performance Factors

AAI earned maximum revenue from Southern Region(Rs.1296 crore) followed by Western Region(Rs.1055 crore) out of total revenue of Rs. 3726 crore earned during the year 2006-07.

The variation in turnover and profitability is attributed to increase in aircraft movement and passenger movement due to traffic growth. During the year corporation had other income of Rs. 930.49 crore.

The AAI is getting continuous budgetary support from the Government of India. During the year it received a budgetary support of Rs.29 crore including Rs.14 crore as equity and Rs.15 crore as loan. It availed of a cumulative Government Guarantee of Rs. 44.65 crore as on 31.3.2007.

AAI scored 'Excellment' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 19754 regular employees (executives 5271 & non-executives 14483) as on 31.3.2007.

The retirement age in the corporation is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the AAI, as on 31.3.2007 was 9 out of which 4 were Government / official Directors.

7. Strategic Issues

Research & Development (R&D)

GPS and GEO Augmented Navigation (GAGAN) Project is being implemented jointly by AAI and ISRO to enhance accuracy and integrity of GPS signals to meet precision approach requirements in civil aviation.

The R&D expenditure of the company constitutes 0.01 % of its turnover.

Container Corporation of India Ltd. (CONCOR)

1. Company Profile

CONCOR was incorporated on 10th March, 1988 under the Companies Act, 1956, with an objective to serve as a catalyst for boosting India's EXIM and domestic trade and commerce by providing efficient and reliable multimodal logistic support and to ensure growing shareholders value. The current objectives are to focus on providing value for money to customers, to become performance driven, result oriented organisation, to maximise the productive utilisation of resources and to deliver high quality of services.

CONCOR is a schedule-A / Mini-ratna CPSE in Transportation Services sector under the administrative control of M/o Railways with 63.08% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

CONCOR is engaged in activities relating to freight, handling and transportation of containers. It has extended its network to a total of 61 terminals, of which 44 are export import container depots and 7 exclusive domestic container depots. 7 of the terminals are exclusively road fed, all the rest being connected by rail. As many as 26 terminals perform the combined role of domestic as well as international terminals.

The company has eight financial joint ventures namely Star Track Terminals Pvt. Ltd., Trident Terminals Pvt. Ltd., Albatross CFS Pvt. Ltd., Gateway Terminals India Pvt. Ltd., Himalayan Terminals Pvt. Ltd., CMA-CGM Logistic Park Pvt. Ltd., Integrated infra log Pvt. Ltd. and India gateway Terminal Pvt. Ltd. with a shareholding of 49%, 49%, 49%, 26%, 40%, 49%, 50%, and 15% respectively. All these JVs except Hamalayan Terminals Pvt. Ltd. which is located in Nepal, have been incorporated in India. CONCOR also has a wholly owned subsidiary namely Fresh & Healthy Enterprises Ltd.

3. Production / Operational Profile

The service range of the company comprises of container handling and multimodal transportation. The performance detail of major services are as follows:

(Rs. in crore)

Major Services	Unit	Services provided during			Average of three years
		2006-07	2005-06	2004-05	
International handling	000' TEUs	1716	1557	1377	1550
Domestic handling	000' TEUs	390	374	351	372
Through put	000' TEUs	2106	1931	1728	1922

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	3048.08	2433.16	2003.49	25.27
Cost of Services	2239.64	1819.03	1442.10	23.12
Net Profit/	703.82	525.80	428.60	33.86
Dividend declared (as % of PBT)	16.21	17.46	15.46	-7.16
Net Worth	2629.83	2091.17	1698.76	25.76
Paid up Capital	64.99	64.99	64.99	0.00
Share of Central Govt.	41.00	40.99	40.99	0.02

5. Key Performance Factors

Operating turnover of the company registered a growth of 25% during 2006-07 over the operating turnover of previous year. Total expenditure also increased by 23% during this period from Rs. 1819.03 crore to Rs. 2239.64 crore. The Profit Before Tax recorded a growth of 32%. Profit After Tax increased by 33.86% which is due to better operating margin and increase in amount of tax deduction availed by the company.

Between the two business segments i.e. EXIM and domestic, first one contributed major share of freight revenues. Construction of new terminals, upgradation of existion ones and successful induction and running of high speed wagons have been the main reasons for company's business growth.

The company's volume has increased without much increase in manpower, which directly indicates increase in efficiency. The employee cost has grown by 23% over FY 2005-06 on account of annual increments, revision of pay scale, provision for performance linked incentive (PLI), increase in dearness allowance etc.

The Units commissioned during the year are RCT (Rail Container Terminal) Dhappar and RCT (Rail Container Terminal) Sonipat.

Service tax has its impact on some major revenue generating services of the company. In addition service tax liability has also increased due to increase in the tax rate.

The Company scored 'Excellent' MOU rating during the year 2006-07.

The share price of the company varied between Rs. 1280 to Rs.2298 during the year 2006-07 as compared to Rs. 790 to Rs.1550 during the year 2005-06. The average share price during the year was Rs.1789.

Market capitalization increased to Rs. 12662 crore (with a share price of Rs. 1948.00) as on 31.3.2007 from Rs. 9395.40 crore(with share price of Rs. 1445.40) as on 31.3.2006.

The company recommended a dividend of 220% inclusive of Interim Dividend of 110% on the paid up share capital during the year 2006-07. The E.P.S. during the year 2006-07 was Rs.108.29 as against Rs.80.90 during 2005-06.

6. Human Resource Development (HRD)

The enterprise employed 1078 regular employees (executives 341 & non-executives 737) as on 31.3.2007. About 10.3% of the employees were having professional qualifications. Around 46.47% employees come under the age bracket of 51 and above years. The retirement age in the company is 60 year. It is following IDA 1997 pattern of remuneration.

During the year 28 skilled employees left and 79 new employees joined the company. The total number of Directors in the company, as on 31.3.2007 was 6 out of which 2 were part time Non-official Directors.

7. Strategic Issues

The fair competition with road transportation is expected to increase in the coming years. The entry of new operators into Container Train operations has thrown new challenges. Management has taken the competition as an opportunity to improve the productivity and efficiency. Besides evolving proactive strategies including dynamic pricing policies to meet the challenges of competition effectively, quality of service has been thought of one of the determinants.

Steps are being taken for entering in to JV's and other strategic tie-ups. The company adopts itself to any technological changes as and when required or felt necessary.

Dredging Corpn. of India Ltd. (DCI)

1. Company Profile

DCI was incorporated on 29.3.1976 under the Companies Act, 1956 with an objective to provide integrated dredging and related marine services for promoting the country's national and international maritime trade, beach nourishment, reclamation, inland dredging environmental protection and to become a global player in the field of dredging.

DCI is a Schedule-'B' / Mini-ratna CPSE in Transportation Services Sector under the administrative control of M/o Shipping, Road Transport & Highways, D/o Shipping, with 78.56% shareholding by the Government of India. Its Registered office is at Delhi and Corporate office at Visakhapatnam, Andhra Pradesh.

2. Industrial / Business Activities

DCI is engaged in providing services in the field of maintenance dredging, capital dredging, inland dredging, beach nourishment, reclamation and environmental protection through its 9 project offices, one each located in the States of Andhra Pradesh, Karnataka, Kerala, Maharashtra and Orissa and 2 each in Tamil Nadu and West Bengal.

3. Production / Operational Profile

The performance detail of major service provided by the company are as follows:

Major Products / Services	Unit	Value of Services provided during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Dredging	Lakhs Cubic Meters	764 (96)	728 (91)	723 (91)	738 (93)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	572.89	506.90	524.79	13.02
Cost of Services	419.81	362.76	382.83	15.73
Net Profit/ Loss(-)	188.73	176.46	113.29	6.95
Dividend declared (as % of PBT)	20.76	23.08	18.84	-10.04
Net Worth	1133.10	993.01	864.44	14.11
Paid up Capital	28.00	28.00	28.00	0.00
Share of Central Govt.	21.98	22.00	22.00	-0.09

5. Key Performance Factors

The increase in turnover and profitability is attributed to chartering of Dredgers for execution of Sethusamundram Ship Canal Project, increase in price realization etc. The increase in productivity is linked to regular feedback after surveying the dredging tracks with electronic position fixing systems such as DGPS and Hypack for optimum utilisation of dredging plant.

The domestic market share in maintenance dredging was 79% and in capital dredging 100% during 2006-07 compared to 63% and 38% respectively in the previous year.

Earning Per Share (basic) was Rs. 67.40 as on 31.3.2007 compared to Rs. 63.02 as on 31.3.2006.

The share price of the company varied between Rs.450 to Rs.689 during the year 2006-07 as compared to Rs.446 to Rs.749 in 2005-06. The average share price during the year was Rs.575.03.

The Company scored 'Very Good' MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 818 regular employees (executives 291 & non-executives 527) as on 31.3.2007. About 18.34% of the employees were having professional qualifications. Around 54.16% employees come under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2007 was 6 out of which one was part time Non-official Director / professional.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year 20 skilled and one unskilled employee left the company. However, 18 skilled employees also joined newly.

7. Strategic Issues

With the opening up of the dredging sector to foreign players the company aims at to progressively increase the share of the Indian capital / maintenance dredging market during the XIth Five Year Plan period through improvement in the human resources.

The efforts are on for acquisition of three Trailer Suction Dredgers of 5000 Cu. M. hopper capacity at an estimated cost of Rs.1087 crore.

Project Implementation

All the projects during the year have been successfully completed to the satisfaction of client without attracting any liquidated damages.

Environmental initiatives

The Sethusamundram Ship Canal Project is being monitored as per the international safety management code. Action is on hand for implementation of ISO-14001:2004 standards (Environmental Management System).

Ennore Port Ltd. (EPL)

1. Company Profile

EPL was incorporated on 11.10.1999 under the Companies Act, 1956 with an objective to provide world class port services. It is a Schedule- B / CPSE in Transportation Services sector under the administrative control of M/o Shipping, Road Transport & Highways, Department of Shipping with 66.67% shareholding by the Government of India. Its Registered and Corporate offices are at Chennai, Tamilnadu.

2. Industrial / Business Activities

EPL is engaged in providing port services by increasing its cargo handling capacity through undertaking new projects with private sector participation relating to Marine Liquid Terminal - 3 MTPA, Coal Terminal - 8 MTPA, Iron Ore Terminal - 12 MMTPA, Container Terminal - 18 MTPA and LNG Terminal - 5 MTPA. In order to support the development of these projects, the company initiated common infrastructure projects namely dredging for new berths, rail connectivity for coal and iron ore terminals, improvement of road connectivity to port etc.

3. Production / Operational Profile

The company is providing Port services the performance details of which are as follows:

Major Services	Unit	Services provide during (% Capacity Utilization)			Average of three years
		2006-07	2005-06	2004-05	
Coal, Iron Ore & POL (Cargo handling)	MT	10.713	9.196	9.479	9.796
Vessels	Nos.	201	173	NA	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	101.05	92.32	92.00	9.46
Cost of Services	75.89	88.49	80.39	-14.24
Net Profit/ Loss(-)	30.64	9.07	8.38	237.82
Net Worth	314.85	284.21	273.99	10.78
Paid up Capital	300.00	300.00	300.00	0.00
Share of Central Govt.	200.00	200.00	200.00	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in throughput. Ennore port is the first corporate port under which most of the port services are outsourced and the port discharges only certain statutory and regulatory functions. The company at present is operating at minimum manpower and operation cost. It is catering to the requirements of a single customer, namely, Tamil Nadu Electricity Board.

The company is exploring the possibility of swapping the relatively high cost debt (14% p.a.) obtained from Chennai Port Trust with low interest bearing debt.

The company has made an equity investment of Rs. 4.50 crore in Sethusamudram Corp. Ltd., Rs. 8.75 crore in Chennai-Ennore Ports Road Limited and Rs. 2.50 lakhs in Ennore SEZ Company Limited all pending allotment during 2006-07.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.1.02 as against Rs.0.30 in the previous year.

The Company scored ‘Very Good’ MOU rating during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 42 regular employees (executives 26 & non-executives 16) as on 31.3.2007.

The total number of Directors in the company, as on 31.3.2007 was 4 out of which 2 were Government / official Directors.

7. Strategic Issues

The company aims at to provide port services of international standards and to increase port cargo handling capacity from the present 12 MTPA to 60 MTPA in 2014-15 by undertaking the new projects through Private Sector Participation at BOT.

Fresh & Healthy Enterprises Ltd. (FHEL)

1. Company Profile

FHEL was incorporated on 1.2.2006 under the companies Act, 1956 as a wholly owned subsidiary of Container Corporation of India Ltd. with an objective to develop into a world class organization of cold chain infrastructure using state-of-the-art technologies and management systems for procurement, transportation, storage and marketing of fruits and vegetables in the country as also to develop long term linkages with farmers, agricultural institutes and Government agencies to improve quality of produce, yield, storability and shelf life of variety of fruits and vegetables to enable availability for longer durations and at reasonable rates. The company is an un-categorised CPSE in Trading & Marketing sector under the administrative control of M/o Railways having its Registered and Corporate offices at New Delhi.

2. Industrial / Business Activities

FHEL is engaged in the procurement, transportation, storage and distribution of fruits and vegetables through integrated controlled atmosphere storage, operation & logistical from its regional and works office at Shimla (H.P.) and Sonepat (Haryana) respectively.

3. Production / Operational Profile

The performance details of the company in purchases are as follows:

Major Products / Services	Unit	Purchase during			Average of three years
		2006-07	2005-06	2004-05	
Apples	**Boxes**	52838	N/A	N/A	N/A
CFB Cartons	**Nos.**	41580	N/A	N/A	N/A

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	4.75	0.00	0.00	475.00
Cost of Services	5.14	0.00	0.00	514.00
Net Profit/ Loss(-)	-0.19	0.00	0.00	-1,900.00
Net Worth	34.63	34.60	0.00	0.09
Paid up Capital	35.00	35.00	0.00	0.00
Share of Holding Co.	35.00	35.00	0.00	0.00

5. Key Performance Factors

The year 2006-07 was the first year of operation and company started its operations by procuring Apples from Shilma and Kinnaur districts of Himachal Pradesh. The apples were transported in the specially developed cartons through ordinary trucks/reefers.

The company has tied up Secured Term Loan and Working Capital Loan for Rs. 65 crore and Rs. 8 crore respectively with UTI Bank for the purpose of setting up of Cold Chain project and meeting the capital expenditure and working capital requirement.

6. Human Resource Development (HRD)

The enterprise employed 13 regular employees (executives 12 & non-executive 1) as on 31.3.2007. About 38.46% of the company employees were having professional qualifications and only one employee come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

The total number of Directors in the company, as on 31.3.2007 was 4 and all were part time Non-official Director / professional.

7. Strategic Issues

The company aims at to improve efficiencies and be recognized as setting standards for excellence, particularly quality of products and services. It expects to procure around 15000 tones of fruits and vegetable in 2007-08 and increase it to 75,000 tones by 2010.

In order to increase the shelf life of fruits and vegetables produced in the country, the company is setting up Controlled Atmosphere (CA) Store consisting of three units of 4000 MT capacity each at Rai, Sonepat.

Indian Airlines Ltd. (IA)

1. Company Profile

IA was incorporated under Air Corporations Act, 1953 along with Air India as Indian Airlines. In 1991 Indian Airlines Ltd. was incorporated under the Companies Act, 1956 with the objective of taking over all the assets and liabilities of IA after the repeal of Air Corporations Act, 1953 and providing safe, efficient, adequate, economical and properly coordinated air transport services. IA is a Schedule-'A' CPSE in Transportation Services sector under the administrative control of M/o Civil Aviation with 100% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial/Business Activities

IA is engaged in providing services in the field of Air transportation through its 3 A-300, 48 A-320(including 25 leased aircrafts), 6 A-319(including 5 leased aircrafts), 11 B-737(operating by Alliance Air, a wholly owned subsidiary of the company) and 2 DO-228 aircrafts as on 31.3.2007. The company formed another subsidiary namely IAL Airport Services Limited in August, 2003, which is yet to start its business. Vayudoot Ltd. continued to be a shell company with Indian Airlines (pending finalisation of various legal formalities for its merger).

3. Operational Profile

The production in terms of Available Tonne Kilometers(ATKms.) and utilization in terms of Revenue Tonne Kilometers(RTKms.) are given below:

Particulars	Performance during			Average of three years
	2006-07	2005-06	2004-05	
Available Tonne Kilometers	1692	1593	1472	1586
Revenue Tonne Kilometers	1236	1141	1017	1131
Load Factor (in %)	73.1	71.6	69.1	71.3
Seat Factor (in %)	68.8	66.8	65.5	67.0

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	5986	5766	5333	4
Cost of Production	7407	5714	5306	30
Net Profit/ Loss(-)	-240	50	66	-585
Net Worth	-197	431	-334	-554
Paid up Capital	432	432	107	0.00
Share of Central Govt.	432	432	107	0.00

5. Key Performance Factors

The Company recorded increase in physical performance as well as in turnover, but the profitability declined tremendously during 2006-07 as compared to previous year. The year was a difficult year for all domestic carriers as operating margins came under severe pressure due to increase in input costs across the board. Besides the price of ATF which continued to harden following the trend of the past years, the revenue front also continued to be hit by rapidly declining passenger revenue yields on account of intense competition and deployment of excess capacity in the market.

The Available Tonne Kilometers per employee was 96039 during 2006-07 as compared to 88526 in the previous year.

Earning Per Share of the company was (-) Rs. 5.56 as on 31.3.2007.

6. Human Resource Development

The company employed total workforce of 17982 as on 31.3.2007 as compared to 18219 as on 31.3.2006.

7. Strategic Issues

Restructuring

In view of consolidation of the global aviation environment, wherein critical/mass size is a key success factor, the Air India and Indian Airlines have been merged in a single company namely National Aviation Company of India Limited. The new company, which was registered on 30.3.20-07, obtained the certificate of commencement of business on 14.5.2007.The final order on merger was passed by the Ministry of Corporate Affairs on 22.8.2007 which effected the merger from the appointed date 1.4.2007. The merger will provide an opportunity to leverage combined assets and capital as well as various synergic benefits such as route rationalization, fuel procurement, engineering/MRO, handling of flights, employee productivity etc.

The company is in the process of acquiring new aircraft for which necessary agreement with M/s Airbus Industrie has been signed and long term financing arrangement have been put in place for acquisition of 22 new aircraft out of total 43 aircraft. 6 Aircraft comprising of 3 each A-319 and A-321 have already been delivered till October, 2007.

The company has withdrawn all USD fares for domestic sectors and made available rupee fare levels for sale in international markets. The company undertook various aggressive marketing initiatives during the year for the benefit of customers.

Pawan Hans Helicopters Ltd. (PHHL)

1. Company Profile

PHHL was incorporated on 15.10.1985 under the Companies Act 1956 with an objective to provide helicopter support services to meet the requirement of Petroleum sector, to connect remote and inaccessible areas and to operate tourist charters. PHHL is a Schedule-'B' CPSE in Transportation Services sector under the administrative control of M/o Civil Aviation with 78.46% shareholding by the Government of India. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

PHHL is engaged in providing Helicopter Support Services to PSUs and state Governments of North East, Andaman & Nicobar & Lakshadweep Islands, Governments of Punjab and Bihar through its fleet of 33 helicopters consisting of Dauphin / Bell / Mi-172.

3. Production / Operational Profile

The performance details of major services of the company are as follows:

Major Services	Unit	Services provide during			Average of three years
		2006-07	2005-06	2004-05	
Helicopter Fleet	% Utilization	70	80	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over previous year
	2006-07	2005-06	2004-05	
Turnover	182.02	164.73	209.56	10.50
Cost of Services	206.04	163.98	173.90	25.65
Net Profit/ Loss(-)	9.53	47.39	49.58	-79.89
Dividend declared (as % of PBT)	32.79	64.81	33.48	-49.41
Net Worth	279.79	280.64	259.29	-0.30
Paid up Capital	113.77	113.76	113.77	0.01
Share of Central Govt.	89.27	89.26	89.27	0.01

5. Key Performance Factors

Despite increase in turnover the profitability reduced due to decrease in margins and increase in domestic competition.

PHHL is the biggest helicopter operator in India and one of the largest in Asia. It is the only helicopter operator with ISO 9001:2000 certification in Asia for its entire gamut of business activities.

PHHL is an approved Maintenance Center to carry out servicing of Dauphin series helicopters and is the part of Eurocopter Network of Authorized Maintenance Centre (AMC) worldwide to carry out the above servicing in India and other South East Asian Countries.

The Earning Per Share (EPS) of the company during 2006-07 was Rs.837.

6. Human Resource Development (HRD)

The enterprise employed 531 regular employees (executives 152 & non-executives 379) as on 31.3.2007 as against 559 employees as on 31.3.2006.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 19 employees retired and 2 new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2007 was 8 out of which one each was part time Non-official Director / professional and full time Functional Director and 4 Government / official Directors.

7. Strategic Issues

ONGC Ltd., a Navratna CPSE, has taken over 21.5% shareholding of the company. The company aims at to enhance its fleet from 33 Helicopters at present to 55 Helicopters by the year 2012 and the market share upto 50% in oil sector and overall fleet serviceability to 80%.

The Shipping Corporation of India Ltd. (SCI)

1. Company Profile

The Shipping Corporation of India Ltd. (SCI) was incorporated on 02.10.1961 by amalgamation of Eastern Shipping Corporation and Western Shipping Corporation. Subsequently two more Shipping Companies viz. M/s Jayanti Shipping Company and M/s Mogul Line Ltd. were merged with the SCI in 1973 and 1986 respectively. The status of company SCI undergone change from Private Limited Company to Public Limited Company with effect from 18.09.1992. Its main objective is to serve India's overseas and costal seaborn trades as its primary flag carrier and be an important player in the field of global maritime transportation as also in diverse fields like offshore and other marine transport infrastructure.

SCI is a Schedule 'A' / Miniratna CPSE in Transportation services sector under the administrative control of M/o Shipping, Road Transport & Highways, D/o Shipping with 80.12% shareholding by the Government of India. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

SCI is involved in providing diversified services almost in all areas of ship transportation and management in India and abroad including Liner and Passenger Services, Bulk Carrier & Tanker Services, Technical & Offshore Services etc. SCI caters to movement of almost all types of dry & liquid bulk cargoes for India's export-import requirements as also in coastal movement which include steel, coal, iron ore, fertilizers, crude oil, petroleum products, phosphoric acid / chemicals LPG / LNG etc.

Besides its Head Office at Mumbai, it operates through its Regional offices at New Delhi, Kolkata, Chennai, London with Branch offices at Haldia and Port Blair and a Representative office at New Jersey, USA.The company has five joint ventures namely Irano Hind Shipping Co., India LNG Transport Company No. 1 & 2 Ltd., India LNG Transport Company No. 3 S.A. and Sethusamudram Corporation Ltd. with an equity participation of 49%, 29%, 29%, 26% and 23.5% respectively.

3. Production / Operational Profile

Sailing through for more than four and a half decades, the SCI has a significant presence on the global maritime map and has grown 25 times in terms of DWT in the last 45 years. The average capacity utilization was 94.16% during 2006-07. The performance details of major components of operating earnings are as follows:

Major Services	Unit	Value of Services provided during			Average of three years
		2006-07	2005-06	2004-05	
Freight	Rs. in crore	2515.53	2365.91	2089.51	2,323.65
Charter Hire	Rs. in crore	1054.09	1026.17	1212.52	1,097.59
Demurrage	Rs. in crore	89.36	98.80	54.85	81.00
Receipts towards managed vessels	Rs. in crore	44.46	40.14	39.26	41.29

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2006-07	2005-06	2004-05	% Change over previous year
Turnover	3703.44	3531.02	3396.14	4.88
Cost of Services	3100.33	2568.23	2514.57	20.72
Net Profit/ Loss(-)	1014.58	1042.20	1419.91	-2.65
Dividend declared (as % of PBT)	25.88	21.63	17.64	19.64
Net Worth	5099.73	4355.47	3575.68	17.09
Paid up Capital	282.30	282.30	282.30	0.00
Share of Central Govt.	226.19	226.19	226.19	0.00

5. Key Performance Factors

The company is operating under three major segments namely liner, bulk and other segments. The liner segment includes break-bulk and container transport and bulk segment includes tankers (both crude and product), dry bulk carriers, gas carriers and phosphoric acid carriers. Other includes offshore vessels, passenger vessels and services and ships managed on behalf of other organizations. About 78% of company's turnover comes from Bulk segment. During the year the liner segment has shown a loss of Rs.6.51 crore.

The Earning Per Share of the Company decreased to Rs. 35.94 in 2006-07 from Rs.36.92 in the year 2005-06.

The share price of the company varied between Rs.118.15 to Rs.215.95 during the year 2006-07 as compared to Rs. 136.10 to Rs. 171.50 in 2005-06.

The Company scored 'Excellent' MOU rating for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1004 regular shore employees (executives 699 & non-executives 305) as on 31.3.2007 as against 1035 employees as on 31.3.2006. In addition the company had 4953 floating personnel as on 31.3.2007 as against 5207 employees as on 31.3.2006.

About 16.83% of the shore employees were having professional qualifications. Around 40% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years for new recruits who joined the corporation after 1.1.2002 and for others it is 60 years. It is following IDA 1997 pattern of remuneration. 15 skilled employees left the company during the year and 33 new skilled employees joined.

The total number of Directors in the company, as on 31.3.2007 was 10 out of which 2 were part time Non-official Directors / professionals, 5 full time functional Directors and 3 Government / official Directors.

7. Strategic Issues

SCI has always gone for strategic acquisition of modern, state-of-the-art tonnage to meet the needs of the growing Indian trade. It remains committed in its endeavour to be the flag bearer of the nation and has embarked upon plans for expansion, modernisation and diversification of its fleet. It continues to explore possibilities of setting up Joint Venture Companies and forging strategic alliances in its existing lines of business, which will further consolidate its leading position in the maritime world.

Private shipping companies are expanding their fleet rapidly, thereby posing severe competition. The rising rupee (impacting export trade) and high cost of fuel (directly affecting the vessel operating cost) are causes of concern for the shipping lines.

Research & Development (R&D)

The company has taken steps to install the equipment / systems on board vessels towards technology absorption like Inmarsat Fleet 77 - for economic and speedy communication from ships to shore and vice versa on E-mail using high speed data / MPDS (Mobile Packet Data Service) / ISDN line, Incorporated ISDN Telephones / Video Telephones on new vessel, installation of Water ingress detection system to detect the presence of water in Cargo holds on all existing Bulk Carriers in line with requirement of IMO, installation of Ship - Security Alert system on applicable coastal and foreign going vessels as per ISPS code / DGS circulars etc.

Environmental initiatives

As a policy, the Company remained committed to environmental protection as per International Convention for the Prevention of Pollution from Ships. All engines being fitted on board are meeting requirement of NOx compliance. Necessary steps have been taken to minimise air pollution from ships. New designs of critical ship's systems have been adopted which further minimise / eliminate risk of oil pollution. Further, to minimise risk of oil pollution SCI has already completed conversion of its vessel Maharshi Karve to double hull tanker.

The company took various steps to conserve energy loss at sea through the exhaust of marine Diesel Engine / Boilers in addition to other forms of conservation e.g. use of fresh water generation, application of Tin-Free Self - Polishing paints, etc. Ballast Water Management and Silt Water Management are being introduced for the recent / New ships under construction. Vessels antifouling coating has also been changed to TBT free paints.