1 AGRO BASED INDUSTRIES

As on 31.3.2008, 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	National Seeds Corpn. Ltd.	221.62	153.26
2.	State Farms Corpn. of India Ltd.	107.81	73.24
3.	Andaman & Nicobar Isl. Forest & Plant. Dev. Corpn. Ltd.	3.37	3.92
4.	North Eastern Regional Agri. Mktg. Corpn. Ltd.	29.50	14.93
	Total	**362.30**	**245.35**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	National Seeds Corpn. Ltd.	22.73	13.05
2.	State Farms Corpn. of India Ltd.	12.29	0.3
3.	Andaman & Nicobar Isl. Forest & Plant. Dev. Corpn. Ltd.	-31.93	-13.4
4.	North Eastern Regional Agri. Mktg. Corpn. Ltd.	0.04	-1.53
	Total	**3.13**	**-1.58**

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 2007-08	Social Overheads & Township 2006-07
1.	No. of employees	4226	4350
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	0.27	0.21
	b. Medical facilities	0.00	0.00
	c. Others	0.58	0.51
3.	Capital cost of township *(Rs. in crore)*	0.00	0.00
4.	No. of houses constructed	677	677

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	18561	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	12123	7579	7538
TOTAL (A)+(B)+(C)	**17725**	**13181**	**13140**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1000	603	101
(B) UNSECURED LOANS	19497	17392	13618
TOTAL (A)+(B)	**20497**	**17995**	**13719**
(1.3) DEFERRED TAX LIABILITY	0	0	0
TOTAL (1.1)+(1.2)+{1.3)	**38222**	**31176**	**26859**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	10009	9213	8982
(B) LESS DEPRECIATION	5333	5089	4935
(C) NET BLOCK (A-B)	4676	4124	4047
(D) CAPITAL WORK IN PROGRESS	58	132	53
TOTAL (C)+(D)	**4734**	**4256**	**4100**
(2.2) INVESTMENT	907	907-	907
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	10400	7953	6650
(B) SUNDRY DEBTORS	7510	5179	3054
(C) CASH & BANK BALANCES	4550	5399	3292
(D) OTHER CURRENT ASSETS	135	203	140
(E) LOAN & ADVANCES	7098	3198	2557
TOTAL (A)+(B)+(C)+(D)+(E)	**29693**	**21932**	**15693**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	9673	8446	6775
(B) PROVISIONS	5893	4010	3152
TOTAL (A+B)	**15566**	**12456**	**9927**
(2.5) NET CURRENT ASSETS (2.3-2.4)	14127	9476	5766
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	172	102	123
(2.7) DEFFRED TAX ASSETS	184	1	610
(2.8) PROFIT & LOSS ACCOUNT (Dr)	18098	16434	15353
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**38222**	**31176**	**26859**

AGRO BASED INDUSTRIES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	36230	24535	17273
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	36230	24535	17273
(D) OTHER INCOME /RECEIPTS	1436	1282	876
(E) ACCRETION / DEPLETION IN STOCKS	2213	1185	-248
(I) TOTAL INCOME (C+D+E)	**39879**	**27002**	**17901**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	23695	14504	9254
(B) STORES SPARES	168	158	140
(C) POWER &FUEL	744	745	645
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	877	613	962
(E) SALARY, WAG ES & BENEFITS / EMPLOYEE EXP.	7476	6047	5679
(F) OTHER EXPENSES	2343	1905	1130
(G) PROVISIONS	1550	84	17
(II) TOTAL EXPENDITURE (A TO G)	**36853**	**24056**	**17827**
(3) PROFIT BEFORE DEPJNT..TAXES & EP (PBDITEP) (HI)	3026	2946	74
(4) DEPRECIATION	399	321	255
(5) ORE. / PREL. EXP. WRITTEN OFF	43	21	50
(6) PROFIT BEFORE INT., TAXES &EP (PBITEP) (3-4-5)	2584	2604	-231
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	707	1627	1374
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 44	62	143	
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	751	1689	1517
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1833**	**915**	**-1748**
(9) TAX PROVISIONS	1584	969	387
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	249	-54	-2135
(11) NET EXTRA -ORD. ITEMS	-64	104	-4
(12) NET PROFIT /LOSS (10-11)	**313**	**-158**	**-2131**
(13) DIVIDEND DECLARED	154	103	0
(14) DIVIDEND TAX	26	18	0
(15) RETAINED PROFIT (12-13-14)	**133**	**-279**	**-2131**

AGRO BASED INDUSTRIES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	18222	18149	7859
(ii) CAPITAL EMPLOYED	18803	13600	9813
(iii) NET WORTH	-545	-3355	-2336
(iv) COST OF PRODUCTION	38046	26087	19649
(v) COST OF SALES	35833	24902	19897
(vi) VALUE ADDED	13836	10313	6986
(vii) R & D EXPENDITURE	0	0	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	4226	4350	4514
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	14742	11584	10484
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	1.16	1.37	1.04
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.91	1.76	1.58
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	0.72	0.68	0.02
(iv) SUNDRY DEBTORS : SALES (No. of days)	75.66	77.05	64.53
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	104.78	118.31	140.52
(ii) SEMI / FINISHED GOODS : SALES	98.99	112.20	129.01
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.41	0.44	0.43
(vii) SALES : CAPITAL EMPLOYED	192.68	180.40	176.02
(viii) PBDITEP : CAPITAL EMPLOYED	16.09	21.66	0.75
(ix) PBITEP: CAPITAL EMPLOYED	13.74	19.15	-2.35
(x) COST OF SALE : SALES	98.90	101.50	115.19
(xi) MATERIAL COST : SALES	65.40	59.12	53.57
(xii) SALARY & WAGES : SALES	20.63	24.65	32.68
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	7.13	10.61	-1.34
(xv) PBTEP : NET WORTH	-336.33	-27.27	74.83
(xvi) NET PROFIT : NET WORTH	-57.43	4.71	91.22
(xvii) GROSS MARGIN : GROSS BLOCK	30.23	31.98	0.82

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

1. Company Profile

ANIFPDC was incorporated on 21st January, 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, Department of Forest with 100% shareholding by the Government of India. Its Registered and Corporate offices are 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.

3. Production / Operational Profile

The performance details of production of Crude Palm Oil and Rubber are mentioned below:

Sl. No.	Product	Unit	Production (% capacity utilization) 2007-08	2006-07	2005-06	Average for three years
1)	Crude Palm Oil	MT	671	1073	652	799
2)	Rubber	MT	145	138	170	151

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	3.37	3.92	2.15	-14.03
Cost of production	38.04	18.50	15.37	105.62
Net Profit/ Loss(-)	-31.93	-13.40	-12.15	(138.28)
Net worth	-52.71	-36.03	-22.62	-
Paid up capital	3.59	3.59	3.59	0.00
Share of Central Govt.	3.59	3.59	3.59	0.00

5. Key Performance Factors

The performance of the company during 2007-08 remained unsatisfactory on both the fronts, i.e. physical and financial.

6. Human Resource Development (HRD)

The enterprise employed 1549 regular employees (executives 26, non-unionized supervisors 5, unionized supervisors 362 and workmen 1156) as on 31.3.2008. 0.65% employees had professional qualifications. 44.22% employees belonged to the age group of 51 and above years. The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 patterns of pay scales. During 2007-08, 27 employees retired on attaining the age of superannuation and 2 skilled and 7 unskilled persons left the company in attrition.

7. Strategic Issues

ANIFPDC owns a gross area of 1593 hectares of Red Oil Palm estate at Little Andaman along with a processing unit with a capacity of 4 MT FFB per hour. The production capacity of Crude Palm Oil is around 1400 MT per annum. The gross area of Rubber estate at Katchal is 614 hectares . Expansion of these projects is constrained due to the restriction imposed under the National Forest Policy, 1988 on replacement of Natural Forest with monoculture man-made plantation.

The forestry operations at both the divisions of ANIFPDC have been completely stopped due to the ban imposed by the Supreme Court of India vide its order dated 10th October, 2001 on felling naturally grown trees from the forests of Andaman & Nicobar.

National Seeds Corporation Ltd. (NSC)

1. Company Profile

NSC was incorporated on 19.3.1963 under the Companies Act, 1956 with the objective to promote and develop seed industry in the country and to contribute to the prosperity of farmers through supply of quality seeds and other agro inputs/services as well as to 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 at New 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

Advent of NSC was a logical result of the revolution that was taking place in plant breeding and genetics. At the time, when the nation was facing acute shortage of food grains, NSC became harbinger of Green Revolution. As a result, India became a food grain surplus country from one depending on wheat grain shipments from USA under PL-480 Scheme. Starting with production of 30-40 tones of Maize Foundation Seed, NSC today produces more than 80000 tonnes of Certified / Quality seeds per year covering 800 varieties of 80 crops and Hybrids of cereals, millets, pulses, oilseeds, fodder, fiber and vegetables. The brief details of production of seeds are as follows:

Major Products	**Unit**	**Production during** (% Capacity Utilization)			**Average of three years**
		2007-08	2006-07	2005-06	
SEEDS	Quintals	771461 (111.95)	687349 (104.67)	462258 (80.29)	640356

4. Major Financial Highlights

(Rs. in crore)

Particulars	**Performance during**			**% change over 2006-07**
	2007-08	2006-07	2005-06	
Turnover	221.62	153.26	104.84	44.60
Cost of production	203.72	140.77	101.25	44.72
Net Profit / Loss(-)	22.73	13.05	4.33	74.18
Dividend declared (as % of PBT)	4.61	5.17	0.00	(10.77)
Net Worth	70.68	47.66	35.36	48.30
Paid up capital	20.62	20.62	20.62	0.00
Share of Central Govt.	20.62	20.62	20.62	0.00

5. Key Performance Factors

During the year 2007-08, turnover and net profit increased by 44.6% & 71.06% as compared to 2006-07

Increase in turnover and profitability of NSC is attributed to decrease in human resources' cost, increase in productivity (sale per employee), reduction in expenditure, technology change and ISO certification, etc.

The market share of the company was 6.19% during 2007-08 as compared to 5% in the previous year.

The earning per scheme (EPS) of the company, during 2007-08 was Rs. 1103 as against Rs. 633 in previous year.

6. Human Resource Development (HRD)

The enterprise employed 664 regular employees (executives 239 & non-executives 425) as on 31.3.2008 as against 712 employees as on 31.3.2007. About 5.42% employees were having professional qualifications and around 56% employees come under the age bracket of 51 and above years. Average age of the employees was 51 years.

Retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 45 employees retired during the year and two employees joined the company.

During the year, 203 employees were identified as surplus manpower. 37 employees availed of VRS and an amount of Rs. 0.65 crore was spent in this regard from internal resources. Since the introduction of VRS in 1992, total 925 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2008 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.

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). Besides Registered/Head Office, it has 5 Zonal Offices in Assam, Tripura, Meghalaya, Nagaland and Sikkim, 2 sales outlets at Guwahati and Agartala and one Franchise outlet at Guwahati.

3. Production / Operational Profile

The brief details of major products are as follows:

Product	Unit of Measure-ment	Production (% capacity utilization) 2007-08	2006-07	2005-06	Average for three years
Pineapple Juice Concentrate	MT	35.95 (0.85)	20.61 (0.50)	10.47 (0.25)	22.34
Cashewnut	MT	13.32 (9.00)	9.45 (6.30)	5.50 (3.70)	9.42

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	29.50	14.93	7.06	97.59
Cost of Production	30.45	16.71	8.59	82.23
Net Profit/ Loss(-)	0.04	-1.53	-1.10	-
Net worth	7.16	-0.04	7.40	-
Paid up capital	7.62	7.62	7.62	0.00
Share of Central Govt.	7.62	7.62	7.62	0.00

5. Key Performance Factors

NERAMAC improved the production of Pineapple by about 74% and that of Cashewnut by about 41% during 2007-08 as compared to last year.

The company turned to profit from loss in previous year & resulting in positive net worth during 2007-08, by improving its turnover by about 98% and profitability by 102 % over the figures of last year.

6. Human Resource Development (HRD)

The enterprise employed 120 regular employees (executives 7 & non-executives 113) as on 31.3.2008. Around 2.5% emplyees were having professional qualifications and around 33.33% employees were in the age bracket of 51 and above years. Average age of the employees in the company was 40 years.

The retirement age in the company is 60 years. It is following both the IDA 1997 and the CDA 1996 patterns of remuneration. One employee retired during the year on attaining the age of superannuation and 10 employees availed of VRS during the year. Since introduction of VRS in 1994 total 29 employees have availed of the scheme.

7. Strategic Issues

The corporation owns 1.64 bighas of lands under Kailashahar sub-division, Tripura, 4000 sq.m plot at Byrnihat, Meghalaya and 1.54 Bighas land under district Kamrup, Assam. These were allotted free of cost by the State Governments of Tripura, Maghalaya and Assam respectively. The value of these properties has been taken as 'nil' in the books of the company.

The company received plan assistance of Rs. 1.37 crore as loan during 2007-08.

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's Agriculture Farms in different states for production and distribution of quality seeds of different crops. SFCI is a Schedule 'C' CPSE 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 centre-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 hectares out of which cultivable land is 19616 hectares. Central Government owns 4 Farms at 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 Government.

3. Production/Operational Profile

The product range of the company comprises of 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
		2007-08	2006-07	2005-06	
Kharif crops	Qntls.	NA	64575	58077	-
Rabi crops	Qntls.	NA	160081	129975	-
Sugarcane	Qntls.	NA	97517	123874	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	107.81	73.24	58.68	47.20
Cost of Production	108.25	84.89	71.28	27.52
Net Profit/Loss(-)	12.29	0.30	-12.39	3996.67
Net Worth	-30.58	-45.14	-43.5	-
Paid up capital	24.19	24.19	24.19	-
Share of Central Govt.	24.19	24.19	24.19	-

5. Key Performance Factors

Turnover of the company increased by 47.20% during 2007-08 as compared to previous year. The company turned to profit making during 2006-07 from loss incurring in the earlier years.

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

6. Human Resource Development (HRD)

The enterprise employed 1965 regular employees (executives 293 & non-executives 1672) as on 31.3.2008 as against 1983 employees as on 31.3.2007. 1.27% employees were having professional qualifications and around 32.16% 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, 2 skilled employees also left the company in attrition. However, 6 new skilled employees joined.

During the year, 7 employees availed of VRS and an amount of Rs.0.19 crore was spent in this regard through internal resources.

The total number of Directors in the company as on 31.3.2008 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. It has also been assigned the job of popularizing new high yielding varieties of seeds for distributing the same among farmers. Growers Seed Production programme is being taken up in 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 comprising capital investment of Rs.37.63 crore and concessions like conversion of loan into equity and waiver of penal charges etc. The revival plan was approved by the Government of India on 3.1.2008, and is under implementation.

2 POWER GENREATION

As on 31.3.2008, there were 8 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 Corpon. 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 Corporation Limited	1988
7.	Narmada Hydroelectric Dev. Corpon. Ltd.	2000
8.	REC Power Distribution Co. Ltd.	2007

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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	National Hydroelectric Power Corpon. Ltd.	2243.73	1754.12
2.	NTPC Ltd.	37050.13	32595.27
3.	North Eastern Electric Power Corporation Ltd.	860.31	827.75
4.	Nuclear Power Corpn. of India Ltd.	3333.83	3592.10
5.	Satluj Jal Vidyut Nigam Ltd.	1504.26	1618.23
6.	Tehri Hydro Dev. Corporation Limited	1094.71	444.16
7.	Narmada Hydroelectric Dev. Corpon. Ltd.	681.10	748.54
8.	REC Power Distribution Co. Ltd.	3.55	0.00
	Total	**46771.62**	**41580.17**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	National Hydroelectric Power Corpon. Ltd.	997.88	924.80
2.	NTPC Ltd.	7414.81	6864.71
3.	North Eastern Electric Power Corporation Ltd.	258.31	218.64
4.	Nuclear Power Corpn. of India Ltd.	1078.49	1570.78
5.	Satluj Jal Vidyut Nigam Ltd.	267.13	732.71
6.	Tehri Hydro Dev. Corporation Limited	323.58	117.48
7.	Narmada Hydroelectric Dev. Corpon. Ltd.	329.61	454.31
8.	REC Power Distribution Co. Ltd.	1.78	0.00
	Total	**10671.59**	**10883.43**

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	
		2007-08	**2006-07**
1.	No. of employees	56654	56996
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	240.01	200.96
	b. Medical facilities	109.43	167.67
	c. Others	169.67	169.18
3.	Capital cost of township *(Rs. in crore)*	1834.68	1773.14
4.	No. of houses constructed	45587	46932

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	5502000	5500000	5500000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	3728373	3656905	3530839
OTHERS	477954	467949	461699
(B) SHARE APPLICATION MONEY	6575	20962	42947
(C) RESERVES & SURPLUS	6965361	6264815	5635350
TOTAL (A)+(B)+(C)	**11178263**	**10410631**	**9670835**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	3081284	2850312	2305018
(B) UNSECURED LOANS	2867413	2673085	2343696
TOTAL (A)+(B)	**5948697**	**5523397**	**4648714**
(1.3) DEFERRED TAX LIABILITY	96032	12	7644
TOTAL (1.1)+(1.2)+(1.3)	**17222992**	**15934040**	**14327193**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	11844657	10329091	8830440
(B) LESS DEPRECIATION	3942731	3581790	3193267
(C) NET BLOCK (A-B)	7901926	6747301	5637173
(D) CAPITAL WORK IN PROGRESS	4626734	4706006	4617785
TOTAL (C)+(D)	**12528660**	**11453307**	**10254958**
(2.2) INVESTMENT	2157443	2324171	2719734
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	390080	332191	314595
(B) SUNDRY DEBTORS	513944	328228	228563
(C) CASH & BANK BALANCES	2461885	2050428	1280737
(D) OTHER CURRENT ASSETS	1 74239	172498	149355
(E) LOAN & ADVANCES	614308	603097	417304
TOTAL (A)+(B)+(C)+(D)+(E)	**4154456**	**3486442**	**2390554**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	943909	850285	774335
(B) PROVISIONS	537736	418294	275981
TOTAL (A+B)	**1481645**	**1268579**	**1050316**
(2.5) NET CURRENT ASSETS (2.3-2.4)	2672811	2217863	1340238
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	-135922	-61301	4630
(2.7) DEFFRED TAX ASSETS	0	0	7633
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	0
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**17222992**	**15934040**	**14327193**

GENERATION

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars		2007-08	2006-07	2005-06
(1)	**INCOME**			
	(A) SALES /OPERATING INCOME	4677162	4158017	3463318
	(B) EXCISE DUTY	0	0	0
	(C) NET SALES (A-B)	4677162	4158017	3463318
	(D) OTHER INCOME /RECEIPTS	533735	403116	370963
	(E) ACCRETION /DEPLETION IN STOCKS	0	0	0
	(I) TOTAL INCOME (C+D+E)	**5210897**	**4561133**	**3834281**
(2)	**EXPENDITURE**			
	(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	108212	122446	112511
	(B) STORE & SPARES	8506	9061	9626
	(C) POWER &FUEL	2235217	1673380	1667096
	(D) MANUFACTURING /DIRECT/ OPERATING EXP.	175941	176271	152222
	(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	278653	190602	157007
	(F) OTHER EXPENSES	130134	421023	160183
	(G) PROVISIONS	8420	10048	5310
	(II) TOTAL EXPENDITURE (A TO G)	**2945083**	**2602831**	**2263955**
(3)	PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	2265814	1958302	1570326
(4)	DEPRECIATION	398832	378063	326799
(5)	DRE./PREL EXP. WRITTEN OFF	6314	982	1108
(6)	PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1860668	1579257 _	1242419
(7)	INTEREST			
	(A) ON CENTRAL GOVERNMENT LOANS	1126	689	982
	(B) ON FOREIGN LOANS	50471	48544	37277
	(C) OTHERS	358257	35461 1	227085
	(D) LESS INTEREST CAPITALISED	50893	117685	63829
	(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	358961	286159	201515
(8)	PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	1501707	1293098	1040904
(9)	TAX PROVISIONS	334564	211183	98902
(10)	NET PROFIT / LOSS(-) BEFORE EP (8-9)	1167143	1081915	942002
(11)	NET EXTRA -ORD. ITEMS	99984	-6428	34123
(12)	NET PROFIT /LOSS (10-11)	1067159	1088343	907879
(13)	DIVIDEND DECLARED	402734	379060	328675
(14)	DIVIDEND TAX	68444	57181	46201
(15)	RETAINED PROFIT (12-13-14)	595981	652102	533003

GENERATION

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	10157792	9669213	8579938
(ii) CAPITAL EMPLOYED	10574737	8965164	6977411
(iii) NET WORTH	11314185	10471932	9666205
(iv) COST OF PRODUCTION	3709190	3268035	2793377
(v) COST OF SALES	3709190	3268035	2793377
(vi) VALUE ADDED	2325227	2353130	1674085
(vii) R & D EXPENDITURE	1348	1269	1461
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	56654	56996	57311
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	40998	27868	22830
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.53	0.53	0.48
(ii) CURRENT RATIO	2.80	2.75	2.28
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	39.99	34.36	27.40
(iv) SUNDRY DEBTORS : SALES (No. of days)	40.11	28.81	24.09
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	30.44	29.16	33.16
(ii) SEMI / FINISHED GOODS : SALES	5.46	2.46	0.98
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (IGOR)	3.10	2.86	1.33
		(%)	
(vii) SALES : CAPITAL EMPLOYED	44.23	46.38	49.64
(viii) PBDITEP : CAPITAL EMPLOYED	21.43	21.84	22.51
(ix) PBITEP : CAPITAL EMPLOYED	17.60	17.62	17.81
(x) COST OF SALE : SALES	79.30	78.60	80.66
(xi) MATERIAL COST : SALES	2.31	2.94	3.25
(xii) SALARY & WAGES : SALES	5.96	4.58	4.53
(xiii) R & D EXPENDITURE : SALES	0.03	0.03	0.04
(xiv) PBITEP : SALES	39.78	37.98	35.87
(xv) PBTEP : NET WORTH	13.27	12.35	10.77
(xvi) NET PROFIT : NET WORTH	9.43	10.39	9.39
(xvii) GROSS MARGIN : GROSS BLOCK	19.13	18.96	17.78

Narmada Hydroelectric Development Corporation Ltd. (NHDC)

1. Company profile

NHDC was incorporated on 01.08.2000 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 uncategorized PSE in Power sector under the administrative control of Ministry of Power. 51% equity is held by its holding company namely NHPC Ltd. (National Hydro Electric Power Corporation Ltd). The balance 49% shareholding of the company is with State Govt. of Madhya Pradesh. Its Registered and Corporate Officers are at Bhopal, Madhya Pradesh.

2. Industrial/Business activities

NHDC is engaged in generation of Hydroelectricity. Currently it is running two power stations namely Indira Sagar Hydroelectric Power Station (8X125 MW) and Omkareshwar Hydroelectric Power Station (8X65 MW) in Madhya Pradesh.

3. Production/ Operational Profile

The performance details of the company in power generation are as follows:

Major products	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Power (electricity)	MUs	3431.87	2605.58	2573.36	2870.27

4. Major Financial Highlights (Rs. in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	681.10	748.54	335.98	-9.01
Cost of Production	369.46	248.69	224.54	48.56
Net profit	329.61	454.31	106.10	-27.45
Dividend declared (as % of PAT)	24.81	19.73	17.93	25.70
Net worth	3960.78	3595.42	3213.22	10.16
Paid up capital	1962.58	1962.58	1962.58	0.00
Share of holding Co.	1002.92	1002.42	1002.42	0.00

5. Key Performance Factors

The decrease in profitability is attributed to the higher financing charges which increased by about 12.64% during 2007-08 compared to previous year.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 167.95.

6. Human Resource Development (HRD)

The enterprise employed 569 regular employees (executives 240 & non-executives 329) as on 31.03.2008. 39.02% employees were having professional qualifications; 9.84% 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. A total of 4 employees retired during the year. Further, 12 skilled employees also left the company in attrition.

The total number of Directors in the company as on 31.03.2008 was 7, out of which 2 are whole time directors and 5 part time directors representing NHPC, GoMP & GOI.

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 Central Electricity Regulatory Commission.

National Hydroelectric Power Corp. Ltd. (NHPC)

1. Company Profile

NHPC was incorporated on 07.11.1975 under the Companies Act, 1956. The objective/mission of the Company is to become a world class, diversified and transnational organization for sustainable development of hydropower and water resources with strong environment conscience. NHPC is a schedule-'A' PSE 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 Faridabad, Haryana.

2. Industrial / Business Activities

NHPC is one of the pioneering enterprises engaged in generation of hydroelectric power with its 56 units / offices including 13 operating power stations at Baira Siul and Chamera (I&II) in Himachal Pradesh, Loktak in Manipur, Salal, Uri & Dulhasti in Jammu & Kashmir, Tanakpur and Dhauliganga in Uttarakhand, Rangit & Teesta-V in Sikkim and Indra Sagar & Omkareshwar in Madhya Pradesh. Besides, a number of projects are under execution in different parts of the country. The company is having one subsidiary joint venture namely Narmada Hydroelectirc Development Corp. Ltd. (NHDC) with 51% equity holding.

3. Production / Operational Profile

The company is involved in generation of power and in survey, investigation, construction, operation & maintenance of hydroelectric power projects. The performance details of power generation are as follows:

Major Products	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Generation of Electricity	MU	14662.69 (96.13)	13048.76 (94.13)	12567.15 (98.15)	13426.20

4. Major Financial Highlights

Particulars	Performance during (Rs. in crore) 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	2243.73	1754.12	1614.11	27.91
Cost of production	1994.36	1092.22	1155.11	82.60
Net Profit / Loss (-)	997.88	924.80	742.75	7.90
Dividend declared (as % to PBT)	25.84	25.38	27.24	1.79
Net Worth	18578.75	17794.27	16291.61	4.41
Paid up capital	11182.49	11198.21	10215.28	-0.14
Share of Central Govt.	11182.49	11198.21	10215.28	-0.14

5. Key Performance Factors

The increase in turnover by 27.91% during 2007-08 as compared to 2006-07 is attributed to commissioning of new power stations(Dulhasti and Teesta-V), increase in Unscheduled Interchange(UI), decrease in advance against depreciation, decrease in foreign exchange rate variation, decrease in MAT & FBT, recoverables etc.

Earning Per Share of the NHPC is Rs. 0.90 during 2007-08 (Equity shares of face value of Rs.10/- each) as against Rs.0.88 in the previous year (Equity shares of face value of Rs.10/ each).

The Bonds of NHPC are listed on the wholesale debt market segment of NSE.

Market share of NHPC in the hydel power sector is 13.35%.

Efforts were made to reduce the operation and maintenance expenditure also to conserve energy through energy audit of power stations to assess and optimize the performance.

6. Human Resource Development (HRD)

The enterprise employed 12341 regular employees (executives 3142 & non-executives 9199) as on 31.3.2008. 25.37% of the employees are having professional qualifications. 39.32% 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 patterns of remuneration. However, there was no employee under the CDA pattern as on 31.3.2008. While 109 employees retired, 47 newly recruits joined during the year.

During the year, 77 employees retired under VRS and an amount of Rs. 7.78 crore was spent in this regard. Since the introduction of VRS, total 1197 employees have retired under the scheme. 2 skilled employees left the company under attrition during the year.

Rs.1862.66 crore were outstanding liabilities as on 31.3.2008 out of which Rs.39.76 crore was on account of salary and wages, Rs.3.26 crore for statutory dues and Rs.1819.64 crore on other grounds. The company made payment of ex-gratia of Rs.7.76 crore during 2007-08.

The total number of Directors in the company, as on 31.3.2008 was 7, out of which 2 were Government/official Directors and 5 full time Functional Directors.

6. Strategic Issues

NHPC has entered into Rural Electrification Programme in Orissa, West Bengal, Bihar, Chhatisgarh and J&K under Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) and taken up the work of constructing rural roads under the Prime Minister Gramin Sarak Yojana (PMGSY) in Bihar.

The Corporation operates under the regulatory regime where the tariff is fixed by the Central Electricity Regulatory Commission (CERC). As Per the Tariff Policy dated 6.1.2006 notified by Ministry of Power, the same rate of Depreciation would be considered for the purpose of tariff as well as for accounting purpose.

During 2007-08, the company received Nil budgetary support as against Rs. 645.88 crore received during 2006-07. During the year 2007-08, Govt. sanction for conversion of IEDC in to Equity annuanity to Rs. 8.83 crore was issued as book adjustment without any cash outgo. As on 31.3.2008, outstanding loan raised through Government guarantee over the years was Rs. 3948.37 crore.

7. Research & Development (R&D)

A. *Clean Development Mechanism:*

NHPC has actively considered the Clean Development Mechanism (CDM), which is one of the three flexibility mechanisms under the Kyoto Protocol (KP), 1997, for its hydro power projects. Two Projects namely Nimoo Bazgo(3X15) and Chutak (4X11 MW) have been taken up for CDM benefits and likely Annual Green House Gas emission reduction will be of the order of 180074 tCO2 & 159889 tCO2 on commissioning of these two projects. Other hydropower projects which are under construction and at different stages of clearances, are being pursued for Carbon credits through CDM as well as VER (Voluntary Emission Reduction) route.

B. *Energy Audit of Power Stations*

Energy Audit of Baira Siul, Salal, Loktak & Tanakpur Power Stations has been completed. The recommendations made by CPRI to improve the energy saving measures are being implemented in phased manner. During the current financial year (2007-08) Energy Audit of Rangit & Chamera-I Power Stations has been planned. CPRI has completed the Energy Audit & submitted its report on 04.01.2008. The status of implementation of Energy Conservation measures recommended by CPRI are under compilation in consultation with concerned power stations.

C. *Projects under implementation*

(i) 3.75 MW Durgaduani Mini Tidal Power Project

In pursuance to the request made by the Ministry of New and Renewable Energy (MNRE), an MOU has been signed between NHPC and WBREDA for execution of Durgaduani Tidal Power Project. The project has been approved for execution by the SFC on 18.01.2008, at an estimated cost of Rs 48 crore (with navigational lock) excluding agency charges & applicable taxes. Techno-economic studies for selection of appropriate Turbine Generator Units has been completed and the report submitted to NHPC Management on 23.11.2007 as part of MOU target set for the FY 2007-08.

(ii) National R&D Project -Development of Silt Erosion Resistant Material for Turbines of Hydro Generators

NHPC is one of the participating agencies in conjunction with CPRI & SJVNL for this project, National Metallurgical Laboratories(NML), Jameshedpur being the lead implementing agency. The competent authority has approved NHPC's share of Rs. 100.00 Lakhs & Rs. 36 Lakhs as the initial contribution which was paid to CPRI, Bangalore during the FY 2005-06. Signing of the MOU between the participating organizations is under progress.

(iii) Solar Power as an alternative source

To promote environmental friendly use of solar energy, solar heating and solar lighting equipments are being considered for remote locations where grid power is either not available or has limitations. Nimmo Bazgo project was chosen as a Pilot project. With the active support of the Project, 25 kWp Solar Power Plant and stand-alone lighting system was commissioned successfully. Similarly solar and street lighting for NHPC colony at Faridabad is under active consideration.

(iv) Establishment of hydraulic laboratory for turbine and other models.

NHPC decided to establish CFD laboratory in corporate office & Material Testing laboratory and Hydraulic model testing laboratory at any of its Projects/Power stations. Technical specification of the CFD package has been prepared by R&D division in association with IT&C division and forwarded to PR division for procurement of the CFD package.

(v) Ecological Study of Teesta River:

Ecological Study of hydro reservoir has been taken up to assess the role of reservoir in GHG emission and its contribution to climate change. Phase-I Ecological study of Teesta river at Teesta Stage-V Hydroelectric Project has been got done by National Environmental Engineering Research Institute (NEERI), Nagpur and Phase-II ecological study is under review.

(vi) Co-operation/co-ordination between IRTCES, China & NHPC:

An MOU between IRTCES, China and NHPC was signed on November, 2006 for co-operation on various research areas. Specific research areas relevant to NHPC needs have been identified and interaction for separate agreements for different areas of research with IRTCES, China is under process.

(vii) Development of Geothermal Power

NHPC has been engaged as the nodal agency by Ministry of New and Renewable Energy (MNRE) for development of Geothermal Power in India. The ranking studies of the Indian Geothermal Fields was carried out during 2001-02 with cooperation of international consultant M/s Geothermal, Inc., USA. Six most promising geothermal sites have been identified for development in order of following ranking and are at various stages of implementation:

- Tattapani in Chhattisgarh
- Puga in J&K
- Cambay Graben in Gujarat
- Manikaran in HP
- Surajkund in Jharkhand
- Chhumathang in J&K

(viii) Preliminary study of downstream release of water of hydro power projects

To formulate the exact scope of this study relevant information/data (Environmental, Technical, Commercial, Legal and other data) has been collected from projects, related functional groups and other organizations (National / International) and report prepared & submitted to NHPC Management on dated 29.11.2007.

North Eastern Electric Power Corp. Ltd. (NEEPCO)

1. Company Profile

NEEPCO was incorporated on 2.4.1976 under the Companies Act, 1956 with the 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 in particular and also to harness the vast hydro & thermal power potential to produce pollution free and inexhaustible power through planned development of power generation projects. It will improve socio-economic conditions of the people of the region.

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 performance details are as follows:

Major products	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Power (electricity)	MUs	5475 (83.31)	4566 (69.48)	5260 (80.04)	5100

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turn Over	860.31	827.75	839.62	3.93
Cost of Production	740.66	741.31	677.25	-0.09
Net profit/Loss(-)	258.31	218.64	198.55	18.14
Dividend declared	34.91	32.16	23.41	8.52
Net worth	3975.11	3284.77	2741.01	21.02
Paid up capital	3178.93	2458.53	2197.60	29.30
Share of Central Government	3178.93	2458.53	2197.60	29.30

5. Key Performance Factors

The company generated 20% higher electricity during 2007-08 as compared to previous year. During 2007-08, it earned gross revenue of Rs. 962.68 crore and a profit before tax (PBT)Rs. 282 crore i.e 19.50% higher than previous year.

The profit margins increased because of growth in turnover, reduction in interest and finance charges due to repayment of loan, redemption of bonds, reduction in expenditure etc.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.0.95 as against Rs. 0.93 in the previous year. The face value of the shares was reduced from Rs1000/- to Rs.10/-.per share during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 3197 regular employees (992 executives, 544 non-unionised supervisors and 1661 workmen) as on 31.3.2008. 26.84% of the employees are having professional qualifications and 31.87% 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. However, there are two employees(one executive and one non-unionised supervisor) under the CDA pattern of remuneration. A total of 33 employees retired and 25 employees joined during the year.

The total number of Directors in the company, as on 31.3.2008 was 15, out of which 9 were Government / Official Directors and 3 each whole time Functional Directors and part time non-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 have been suspended from 16.6.2004. Necessary arrangements are being made to hand over the project to the State Government.

Environment and ecology

NEEPCO takes cognizance of the possible impact on environment and ecology by hydroelectric and thermal power projects and adopts suitable measures to negate any adverse affect on environment and ecology. It was the first CPSE under Ministry of Power to have been accredited with ISO 14001-1996 in the field of Environment Management System(EMS). The company engages leading consultants specialized in environmental fields for preparation of environment impact assessment and formulation of environment management plan in totality.

Clean Development Mechanism(CDM)

NEEPCO has initiated to explore feasibility of developing hydro projects under CDM for availing its benefits. In this regard, expression of interest has been invited for engagement of eligible/reputed CDM service provider.

NTPC Ltd. (NTPC)

1. Company Profile

NTPC was incorporated on 7.11.1975 under the Companies Act, 1956 with the objective of developing and providing reliable power, related products and services at competitive prices, integrating multiple energy sources with innovative and eco-friendly technologies and to contribute to society in meaningful and substantial ways. It is a schedule-'A' / Navratna CPSE in Generation (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, Hydel and Nuclear power and power through Non-Conventional / Renewable energy sources in India and abroad including planning, investigation, research, design and preparation of preliminary, feasibility and detailed project reports, construction, generation, operation & maintenance, renovation & modernization of power stations and projects, transmission, distribution, sale of power generated at stations in India and abroad 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 beneficiation etc.

NTPC has installed generating capacity of 29,894 MW (including JV capacity of 2044 MW) spread over 26 stations, consisting of 18 coal based and 8 gas / liquid gas fuel based power plants as on 30.9.2008. Geographically, NTPC's business extends throughout India in states like Delhi, U.P., Rajasthan, Haryana, Gujarat, Kerala, Himachal Pradesh, Chhattisgarh, Uttarakhand, Andhra Pradesh, Assam, Orissa, Madhya Pradesh, Maharashtra, Bihar and West Bengal.

It has six subsidiaries namely Pipavav Power Development Co. Ltd., NTPC Hydro Ltd., NTPC Vidyut Vyapar Nigam Ltd., NTPC Electric Supply Co. Ltd., Kanti Bijlee Utpadan Nigam Limited and Bhartiya Rail Bijlee Company Ltd. While first four are wholly owned subsidiaries, NTPC Ltd. has controlling stake of 74% and 51% respectively in the last two companies. The company also has 11 joint venture projects with a share holding of 50% in 8 JVs and 8% and 5.28%, 28.33% and 49% respectively in three JVs.

3. Production / Operational Profile

The principal service range of the company comprises of generation and supply of coal and gas/liquid fuel based power. The Average Plant Load Factor i.e. Capacity Utilization for coal based power plants was 92.24% and for Gas based power plants 68.14% during 2007-08. The performance details of electricity generation by the company are as follows:

Major products	Unit	Production during (% Capacity utilization) 2007-08	2006-07	2005-06	Average of three years
Generation of electricity	MUs	200863 (92.24)	188674 (89.43)	170880 (87.54)	186806

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	37050.13	32595.27	26904.91	13.67
Cost of Production	29488.24	26484.19	22657.54	11.34
Net Profit/ Loss(-)	7414.81	6864.71	5820.20	8.01
Dividend declared (as% of PBT)	27.41	29.66	33.67	-7.59
Net worth	54012.07	49253.40	45399.46	9.66
Paid up capital	8245.46	8245.46	8245.46	0.00
Share of Central Govt.	7379.63	7379.63	7379.63	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to better capacity utilization and improved efficiency parameters of coal-based stations as well as addition of new generation capacity.

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.

With 19.12% share of the country's total installed capacity as on 31.3.2008, NTPC contributed 28.51% of total electricity generated in the country during 2007-08. Projects in NTPC are implemented at optimum cost and time, and monitored for desired quality through integrated project management and control system.

The company has availed of a cumulative Government Guarantee of Rs.2959.50 crore as on 31.3.2008.

The Earning Per Share of the company during 2007-08 was Rs.9.06 as against Rs. 8.33 in the previous year.

The share price of the company ranged between Rs. 142.1 to Rs.291 during the year 2007-08 as compared to Rs.85.1 to Rs.157.9 in 2006-07. The average share price during the year was Rs. 216.55.

6. Human Resource Development (HRD)

The enterprise employed 24539 regular employees (executives 11493, Non-unionized Supervisors 1156 & Workmen 11890) as on 31.3.2008 as against 24122 employees as on 31.3.2007. 27% employees were having professional qualifications. 30% 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 251 employees retired during the year. In addition, 261 skilled employees left the company in attrition. 884 skilled and 7 un-skilled new employees joined the company during the year.

Since the introduction of VRS, total 1104 employees have retired under the scheme.

The total number of Directors in the company, as on 31.3.2008 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 company's target for capacity addition is 22430MW, out of which NTPC has already commissioned 2490MW. Projects with a total capacity of 16180MW are under implementation and ordering is in process for further projects with a total capacity of 4600MW.

Availability of fuel at an affordable price is a major challenge for which the company is adopting a strategy of backward integration and is entering into coal mining, coal washeries and the LNG value chain in India and abroad. Under its integrated approach towards overall development within the power value chain, it is also entering into power trading and power distribution.

Project Implementation

During 2007-08, 1740 MW of capacity was added which included 500 MW at Sipat II, 500 MW at Kahalgaon II and 740 MW at Block III of Ratnagiri Gas and Power Pvt. Ltd.

Research & Development (R&D)

NTPC established its first 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 is one of the thrust areas of the company and has multi-pronged approach in this regard. While on one hand the company focused its attention to application oriented R&D to meet the immediate generic and specific needs of power stations spread over the country, it has also taken a long term approach of developing technologies through the mode of direct fundamental research coupled with technology oriented applied research in association with agencies like BARC, CPRI, IITs at Kharagpur, Delhi and Mumbai etc. In addition, NTPC's R&D Wing also plans to provide comprehensive range of high-end scientific services to stations to enable them to operate and maintain the plants at high performance levels including high availability & reliability. To carry out these in a structured manner Indian Institute of Science, Bangalore has been appointed as consultant for up-gradation of R&D center.

NTPC has also set up an Energy Technology Centre(ET Centre) with the mandate of becoming a world class research institute, for which a state-of-the-art complex is coming up on 75 acres of land in Greater Noida. This will meet a long term need of such a research facility in the power sector in India. It will work in both fundamental and applied research with ultimate objective of developing new technologies both within and outside India. The Centre will develop technologies through collaborative research with the best of R&D and academic institutions in India. ET Centre has already networked with 8 research and academic institutes like National Chemical Laboratory, Pune, IITs Mumbai and Kharagpur among others for 12 research projects in the areas of efficiency and environment with respect to power generation.

NTPC has recently signed MOU with BARC, Mumbai and Heavy Water Board, Mumbai for developmental project and transfer of technology respectively.

Environment and ecology

As a result of environment initiatives taken by the company during 2007-08, all its operating stations are having valid consents and authorizations for operating within the norms and limits specified by the Ministry of Environment and Forests, CPCB and respective State Pollution Control Boards. During the year, about 23.7 million tones of ash (out of about 43 million tonnes 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.

Considerable measures are being taken for ambient air monitoring and for conservation of natural resources like water, land and fuel at all its power plants. Till 31.3.2008, about 18.37 million trees have been planted in and around the power stations. NTPC's Rajiv Gandhi Combined Cycle Power Project at Kayamkulam bagged the 'Excellence Award for Pollution Control' for 2007-08 from Kerala State Pollution Control Board.

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 the 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 from nuclear energy through seventeen Nuclear Power reactors with installed capacity of 4120 MW. The reactors are located at 6 cities namely Tarapur-Thane (Maharashtra), Rawatbhata-Kota (Rajasthan), Kalpakkam-Chennai (Tamilnadu), Narora-Bulandshahr (U.P.), Anumala-Surat (Gujarat) and Karwar-Uttar Kannada (Karnataka). Out of 17 nuclear power reactors, 2 are Boiling Water Reactors (BWR) and 15 Pressurised Heavy Water Reactors (PHWR). NPCIL is also generating electricity from wind mill with an installed capacity of 10MWe at Kudankulam site.

3. Production / Operational Profile

The performance details of electricity generation are as follows:

Major products	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Power (electricity)	MUs	16956 (54)	18801 (63)	17324 (74)	17694

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	3333.83	3592.10	3567.06	-7.19
Cost of Production	3063.25	2921.30	2389.08	4.86
Net profit/Loss	1078.49	1570.78	1712.97	-31.34
Dividend declared (as % of PAT)	26.89	36.30	28.63	-25.91
Net worth	22186.28	21435.97	20325.03	3.50
Paid up capital	10145.33	10145.33	10145.33	0.00
Share of Central Government	10145.33	10145.33	10145.33	0.00

5. Key Performance Factors

The company generates about 2.5% of the total electricity generated in the country.

Turnover and profitability have been affected because of operation of units at restricted/low power level to match input fuel supply.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.106 as against Rs.155 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 11924 regular employees (executives 3638 & non-executives 8286) as on 31.3.2008 as against 12155 employees as on 31.3.2007. The overall attrition rate, especially the attrition of key segments like trained and licensed manpower, has been a matter of concern. HR management strategies are being continuously evaluated and major initiatives have been taken to address the challenges.

29% of the employees were having professional qualifications. 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 31.3.2008 was 13, out of which 7 were part time Non-official Directors / Professionals, 4 whole 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 4120 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 constituted 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. NPCIL has launched an environment stewardship programme under which rare species are traced and protected.

REC Power Distribution Company Limited (RECPDCL)

1. Company Profile

RECPDCL was incorporated on July 12, 2007 as a wholly owned Subsidiary Company of REC Ltd. to promote, develop, construct, own and maintain the Electrification / Distribution Electric supply lines / distribution system and to take up consultancy / execution of works in the above areas for other agencies / Govt. bodies in India and abroad. RECPDCL is an uncategorized CPSE in Transmission under the administrative control M/o Power with 100% shareholding by REC Ltd. Its Registered and Corporate offices are at Delhi.

2. Industrial / Business Activities

RECPDCL is to promote, develop, construct, own and maintain (i) 66 KV and below voltage class Electrification / Distribution Electric supply lines / distribution system (ii) Decentralized Distributed Generation (DDG) and associated distribution system and to (iii) take up consultancy / execution of works in the above areas for other agencies / Govt. bodies in India and abroad

3. Production / Operational Profile

The company has signed agreements with the State power utilities of Jodhpur, Punjab and Ajmer during 2007-08 for third party quality monitoring, supervision and inspection and selection of developer through International Competitive Bidding etc.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3.55	NA	NA	NA
Cost of services	0.89	NA	NA	NA
Net Profit/Loss(-)	1.78	NA	NA	NA
Net Worth	1.71	NA	NA	NA
Paid up capital	0.05	NA	NA	NA
Share of Holding Co.	0.05	NA	NA	NA

NA : Note applicable

5. Key Performance Factors

RECPDCL in its very first year of operations has been able to generate an income of Rs.3.59 crore with Profit After Tax at Rs 1.78 crore. EPS of the company was Rs. 356.

The company has signed agreements with certain power distribution companies/ State power utilities the details of which are as follows:-

(i) Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) : for third party quality monitoring, supervision and inspection of the village electrification work awarded on turnkey basis in 7 districts under RGGVY. RECPDCL would get a Consultancy fee of 2% of the project cost from JdVVNL.

(ii) Punjab State Electricity Board (PSEB) : for consultancy services for selection of developer through International Competitive Bidding Process for supply of 1800 MW+ 10% power to PSEB on tariff based bidding under Case-I of MOP Guidelines. RECPDCL would get a Consultancy fee of Rs. 12.5 Crore from PSEB.

(iii) Ajmer Vidyut Vitran Nigam Limited (AVVNL) : for third party quality monitoring, supervision and inspection of party quality monitoring, supervision and inspection of the village electrification work awarded on turnkey basis by AVVNL under Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY) covering 4693 villages in 5 districts having project cost of Rs. 127.63 crore and Feeder Renovation Programme (FRP) works for 1783 feeders under execution and 651 completed feeders having project cost of Rs. 850.38 crore & Rs. 323.01 crore respectively. RECPDCL would get a Consultancy fee of 2% of the project cost for RGGVY & FRP (feeders under execution) works and 1% of the project cost for FRP (completed feeders) works from AVVNL.

6. Human Resource Development (HRD)

The company has employed only one person as on 31.3.2008

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 the objective to develop Hydro-electric power projects in 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 an integrated manner from concept to commissioning of Hydro Electric projects and tunnels for Railway projects for public and private sector organizations at both national and international level. 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.

3. Production / Operational Profile

The performance details of the company are as follows:

Major products/ services	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Hydro Power (electricity)	MUs	6448.977 (96.67)	6014.48 (92.37)	4104.422 (61.68)	5522.626

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2006-07	2005-06	2004-05	
Turnover	1504.26	1618.23	1371.50	(-)7.04
Cost of Production	709.58	877.68	830.25	(-)19.15
Net Profit/Loss(-)	267.13	732.71	498.22	(-)63.54
Dividend declared (as% of PBT)	21.66	29.82	28.39	(-)27.37
Net worth	5406.40	4925.29	4465.19	9.77
Paid up capital	4108.81	4108.81	4108.81	0.00
Share of Central Govt.	3081.61	3081.61	3081.61	0.00

5. Key Performance Factors

The SJVN started commercial generation in the year 2003-04 and since then it has been improving its capacity utilization. During the year 2007-08 the company achieved record generation of 6449MU with capacity utilization of 97%.

Company's tariff is quite competitive amongst various power producers and the same is fixed by CERC.

Earning Per Share was Rs. 186.07 during 2007-08 as compared to Rs. 178.33 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1728 regular employees (executives 565 and non-executives 1163) as on 31.3.2008 as against 1735 employees as on 31.3.2007. A total of 30 employees retired during the year and 54 employees left the company on other grounds.

The total number of Directors in the company, as on 31.3.2008 was 9, out of which 5 were full time Functional Directors and 4 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 tariff is reasonable to the beneficiaries and suited to the market.

Projects implementation

The company is in the process of execution of

412 MW Rampur HE Project, scheduled to be commissioned by September 2012.

Investigation and DPR preparation works are in progress for Luhri HE project (775 MW) and Dhaulasidh HEP (40 MW) in Himachal Pradesh, Devasari HE project (252 MW), Jakol Sankri HEP(45 MW) and Naitwar Mori HEP (56 MW) in Uttarakhand.

Projects taken up in the international arena include Arun III (402MW) in Nepal, and Kholangchu HEP (486MW), Wangchu HEP (900MW) in Bhutan.

Research & Development (R&D)

In order to reduce silt erosion to underwater parts of the turbine, several research projects in joint venture with research organizations have been concluded. Also an in-house HVOF (High Velocity Oxy Fuel) robotic arm facility has been established to hard coat the underwater parts.

Full fledged quality control department of the company carries out quality checks in civil engineering of cement aggregate, reinforcement, structural steel and concrete.

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. Further, SVJN has obtained ISO 9001-2000 certificate for quality management system for the construction of Tunnel & Power House works of Rampur HE project (412MW) which is under execution.

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 Uttarakhand.

2. Industrial / Business activities

THDC is involved in hydro power generation and implementation of power projects. All the four units of Tehri Power Station (4x250MW) were in operation and achieved the capacity index of 100%. The company is also implementing projects with total installed capacity of 1844 MW comprising 1,000 MW Tehri PSP, 444 MW Vishnugad Pipalkoti and 400MW Koteshwar HEP. Government of India has recently accorded approval for execution of 444 MW Vishnugad Pipalkoti HEP located on the Alaknanda River in district Chamoli, Uttarakhand.

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 stream 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/ services	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Hydro Power (electricity)	Kwh	2663.58 (89.08)	891.337	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1094.71	444.16	-	146.47
Cost of Production	725.46	314.96	-	130.33
Net Profit/Loss(-)	323.58	117.48	-	175.43
Dividend declared (as% of PBT)	26.10	-	-	-
Net worth	5020.75	4430.20	4226.53	13.33
Paid up capital	3239.62	3129.62	3050.32	3.51
Share of Central Govt.	2315.74	2305.74	2288.94	0.43

5. Key Performance Factors

Tehri Power Station(TPS) successfully completed the first full year of commercial operation and established its presence in the power sector as an entity committed to provide quality, peaking power to grid. TPS generated 2664 MU during 2007-08 as against generation target of 2649 MU, set in the MOU signed with the Ministry of Power.

The company achieved almost 100% revenue realization during 2007-08 i.e. Rs. 990.00 crore from the beneficiaries against the billing of Rs. 993.44 crore towards sale of energy, based on provisional tariff provided by the CERC.

THDC introduced an attractive scheme titled 'Rebate Scheme 2008-09' for the beneficiaries to encourage prompt payments against monthly energy billing. The scheme is yielding desired results.

The company paid a maiden interim dividend of Rs. 93.5 crore and proposed to pay a final dividend of Rs. 4 crore aggregating to 30.13% of the Profit After Tax for the year 2007-08.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 102.22 as against Rs. 38.05 in 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.

6. Human Resource Development (HRD)

The enterprise employed 2337 regular employees (executives 670, Non-unionized Supervisors 260 and Workmen 1407) as on 31.3.2008 as against 2331 employees as on 31.3.2007. 24.73% of the employees were having professional qualifications. 1.63% 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 28 employees retired during the year on superannuation and 3 skilled and 4 unskilled employees also left the company in attrition. However, 61 new skilled employees joined during the year.

The total number of Directors in the company, as on 31.3.2008 was 12, out of which 5 were Government / Official Directors, 4 Full Time Functional Directors and 3 Non-official Part Time Directors.

HR policies have been formulated to encourage employees for skill development by conducting house training programs and by providing opportunities to pursue Management Courses through distance learning mode from IMT Ghaziabad. In technical area qualification improvement programs are being organized in association with BITS, Pilani and University of Petroleum and Energy Studies, Dehradun.

7. Strategic Issues

The company aims at 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

THDC is implementing 3 projects namely Koteshwar Hydro Electric Project (400MW), Tehri Pumped Storage Plant (1000 MW), and Vishnugad Pipalkoti Hydro Electric Project (444 MW) at a total estimated cost of Rs. 6300 crore. These projects are scheduled for commissioning by 2010, 2013 and 2013 respectively.

There are another six projects in Uttarakhand, for which Survey & Investigation for preparation of Feasibility Report/Detailed Project Report has been taken up, after signing implementation agreement with Government of Uttarakhand.

THDC has signed MOU with Nuclear Power Corporation of India Limited(NPCIL) to jointly develop Pumped Storage Schemes(PSS) and other Hydro Electric Projects in India. The Government of Maharashtra has allotted two PSS viz. Malshej Ghat PSS – 600MW & Humbarli PSS – 400 MW to the joint venture of THDC and NPCIL for updation of DPRs for which the work has already been taken up.

Under India-Bhutan Cooperation in Hydro sector development, the Government of India has allotted another two projects namely Sankosh Multipurpose Project (4060MW) and Bunakha HEP (180MW) to THDC in Bhutan for updation of DPR, for which the work has already been taken up.

Forthcoming projects for THDC are Kishau Multi Purpose Project (600 MW) and Dhukwan Hydro Electric Project (30MW),

THDC has been entrusted the work of engineering consultancy by Govt. of Uttarakhand for stabilization of Varunavart Parvat after major disaster that took place four years ago in Uttarkashi.

The planned capacity addition in the various upcoming projects is proposed to be financed on Debt Equity Ratio of 70:30, the equity part will be financed from internal resources.

Environment and Ecology

The company is highly sensitive to the cause of environment. Tehri HPP is a good example of mitigation of almost all possible environmental concerns based on studies carried out by expert institutions like BSI, ZSI, NEERI etc.

Extensive studies are being done to assess the possible impact of the projects under implementation on the environment so that commensurate mitigation measures could be taken.

THDC is also exploring possibilities for harnessing Clean Development Mechanism (CDM) benefits for its Hydro projects.

3 POWER TRNASMISSION

As on 31.3.2008, 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 Ltd.	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)

SI. No.	Enterprise	Turnover	
		2007-08	**2006-07**
1.	Power Grid Corporation of India Ltd.	4614.82	3589.85
8.	NTPC Electric Supply Company Ltd.	31.10	17.95
	Total	**4645.92**	**3607.80**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss	
		2007-08	**2006-07**
1.	Power Grid Corporation of India Ltd.	1448.50	1229.37
2.	NTPC Electric Supply Company Ltd.	12.67	2.93
	Total	**1461.17**	**1232.30**

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	
		2007-08	**2006-07**
1.	No. of employees	7645	7427
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	55.50	0.00
	b. Medical facilities	21.65	0.00
	c. Others	8.23	0.00
3.	Capital cost of township *(Rs. in crore)*	411.91	0.00
4.	No. of houses constructed	4882	4832

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	1001000	1001000	501000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	363491	378741	358463
OTHERS	57401	8	8
(B) SHARE APPLICATION MONEY	0	3881	3881
(C) RESERVES & SURPLUS	955716	713988	637888
TOTAL (A)+(B)+(C)	**1376608**	**1096618**	**1000240**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1755213	1305330	1040662
(B) UNSECURED LOANS	471135	627220	461951
TOTAL (A)+(B)	**2226348**	**1932550**	**1502613**
(1.3) DEFERRED TAX LIABILITY	219087	162054	113174
TOTAL (1.1)+(1.2)+(1.3)	**3822043**	**3191222**	**2616027**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	3541801	2901484	2488832
(B) LESS DEPRECIATION	806218	719863	637203
(C) NET BLOCK (A-B)	2735583	2181621	1851629
(D) CAPITAL WORK IN PROGRESS	875809	944039	640086
TOTAL (C)+(D)	**3611392**	**3125660**	**2491715**
(2.2) INVESTMENT	173622	196700	213941
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	24822	18413	18024
(B) SUNDRY DEBTORS	110861	51216	34060
(C) CASH & BANK BALANCES	206020	1 32076	60620
(D) OTHER CURRENT ASSETS	39527	14712	15563
(E) LOAN & ADVANCES	178665	149172	147383
TOTAL (A)+(B)+(C)+(D)+(E)	**559895**	**365589**	**275650**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	387961	414645	299497
(B) PROVISIONS	135624	83368	67855
TOTAL (A+B)	**523585**	**498013**	**367352**
(2.5) NET CURRENT ASSETS (2.3-2.4)	36310	-132424	-91702
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	719	1286	2073
(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)	**3822043**	**3191222**	**2616027**

TRANSMISSION
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	464592	360780	315280
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	464592	360780	315280
(D) OTHER INCOME /RECEIPTS	47750	51003	41072
(E) ACCRETION /DEPLETION IN STOCKS	0	0	0
(I) TOTAL INCOME (C+D+E)	**512342**	**411783**	**356352**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	0	0	0
(B) STORES SPARES	3	1	1
(C) POWER &FUEL	4790	3487	3637
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	15039	14652	14680
(E) SALARY, WAG ES & BENEFITS / EMPLOYEE EXP.	53732	34993	26336
(F) OTHER EXPENSES	14728	13007	23126
(G) PROVISIONS	383	274	13277
(II) TOTAL EXPENDITURE (A TO G)	**88675**	**66414**	**81057**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	423667	345369	275295
(4) DEPRECIATION	95982	82763	74435
(5) ORE. / PREL. EXP. WRITTEN OFF	543	819	886
(6) PROFIT BEFORE INT., TAXES &EP (PBITEP) (3-4-5)	327142	261787 _	199974
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	346	828	938
(B) ON FOREIGN LOANS	44869	27991	21247
(C) OTHERS	135735	102661	71082
(D) LESS INTEREST CAPITALISED	46995	17438	17569
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	133955	114042	75698
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**193187**	**147745**	**124276**
(9) TAX PROVISIONS	28864	25443	16064
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	164323	122302	108212
(11) NET EXTRA -ORD. ITEMS	18206	-928	7274
(12) NET PROFIT / LOSS (10-11)	**146117**	**123230**	**100938**
(13) DIVIDEND DECLARED	50683	37057	30282
(14) DIVIDEND TAX	8614	5951	4246
(15) RETAINED PROFIT (12-13-14)	**86820**	**80222**	**66410**

TRANSMISSION

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2572240	2240180	1809965
(ii) CAPITAL EMPLOYED	2771893	2049197	1759927
(iii) NET WORTH	1375889	1095332	998167
(iv) COST OF PRODUCTION	319155	264038	232076
(v) COST OF SALES	319155	264038	232076
(vi) VALUE ADDED	459799	357292	311642
(vii) R & D EXPENDITURE	34	132	99
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	7645	7427	7101
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	58570	39263	30906
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	1.62	1.76	1.50
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.07	0.73	0.75
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	55.42	46.50	38.77
(iv) SUNDRY DEBTORS : SALES (No. of days)	87.10	51.82	39.43
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	19.50	18.63	20.87
(ii) SEMI / FINISHED GOODS : SALES	0.00	0.00	0.00
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	6.96	6.36	2.00
		(%)	
(vii) SALES : CAPITAL EMPLOYED	16.76	17.61	17.91
(viii) PBDITEP : CAPITAL EMPLOYED	15.28	16.85	15.64
(ix) PBITEP : CAPITAL EMPLOYED	11.80	12.78	11.36
(x) COST OF SALE : SALES	68.70	73.19	73.61
(xi) MATERIAL COST : SALES	0.00	0.00	0.00
(xii) SALARY & WAGES : SALES	11.57	9.70	8.35
(xiii) R & D EXPENDITURE : SALES	0.01	0.04	0.03
(xiv) PBITEP : SALES	70.41	72.56	63.43
(xv) PBTEP : NET WORTH	14.04	13.49	12.45
(xvi) NET PROFIT : NET WORTH	10.62	11.25	10.11
(xvii) GROSS MARGIN : GROSS BLOCK	11.96	11.90	11.06

NTPC Electric Supply Company Ltd.(NESCL)

1. Company Profile

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 the 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 Electric Distribution Management System.

2. Industrial /Business Activities

The Company is involved in distribution of electric energy & coordination with other companies to act as Consultant/Advisor in the areas related to power distribution. It 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
	2007-08	2006-07	2005-06	2006-07
Turnover	31.10	17.95	7.46	73.26
Cost of Production	22.64	15.95	8.18	41.94
Net-Profit/ Loss(-)	12.67	2.93	0.45	332.42
Dividend declared (as % of PBT)	9.09	37.00	13.59	-75.43
Net Worth	11.91	1.30	0.41	816.15
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) assigned to the company the work of implementation of rural electrification on turnkey basis in the states of Chhattisgarh, Jharkhand, Kerala, Madhya Pradesh, Orissa and West Bengal and the Union Territory of Lakshdweep covering around 40,000 villages in 40 districts. In addition, post award project monitoring and supervision of quality of work for the projects under execution by the state utility organisations under RGGVY scheme are being provided by the company in the states of Uttarakhand, Madhya Pradesh and Karnataka (as per quadripartite agreement signed earlier for Xth Plan projects.

During 2007-08, NESCL completed turnkey assignments of conversion and rerouting of three existing 66 kv overhead lines by underground cable for phase I & II of Rajiv Gandhi Technology Park at Kishangarh in Union Territory of Chandigarh.

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. It continued to undertake the activities during the year.

The company is also executing turnkey assignment of 3x10 MVA, 33/11kv substation and associated 33 kv line with allied equipment at Mega Sports Complex, Hotwar, Ranchi.

NESCL has been chosen for providing third party inspection services for stock material procurement by the Uttarakhand Power Corporation Limited, MP Poorv Kshetra Vidyut Vitaran Corporation Limited in their efforts to improve the quality of electrical instruments.

Efforts are going on to form a JVC with Kerala Industrial Infrastructure Development Corporation (KINFRA) for taking up retail distribution of electricity in various industrial parks being developed by the KINFRA in Kerala. The company is also discussing with prospective developers of SEZ and integrated mega township for captive power generation and retail distribution.

Power Grid Corporation of India Ltd. (PGCIL)

1. Company Profile

POWERGRID was incorporated on 23.10.1989 under the Companies Act, 1956 with the objective to address the need for creating a National Power Grid and the inadequacies in power transmission system by taking over the transmission assets and manpower from the power sector undertakings namely NTPC, NHPC, NEEPCO, NLC, NPC, THDC and CEA. It started commercial operations in 1992-93. POWERGRID is a Schedule-'A' / Navratna CPSE 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 alongwith 8 Regional Headquarters.

The Company 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 two operating Joint Ventures (JV) namely Torrent POWERGRID Ltd. with Torrent Power Ltd. (for 1100 MW generating project at Surat) and Jaypee POWERGRID Ltd. with Jaiprakash Hydro-Power Ltd. (for 1000MW Karcham-Wangtoo Hydro Project) with contribution in equity by 26% in both the projects. Further, another JV with M/s. IL&FS namely POWERGRID IL&FS Transmission Company Pvt. Ltd. has been formed to undertake project development of intra-State transmission and sub-transmission works for State power utilities.

3. Operational Profile

The Company's transmission system has a capacity of 66,800 circuit Kms and transformation capacity of 73,000 MVA with 111 substations at the end of FY 2007-08, which was only 22,220 circuit kms and 42 substations with transformation capacity of 12,200 MVA at the time of start of commercial business in 1992-93.

The performance details during 2007-08 compared to last two years are given below:

Major products / Service	Unit	Position during			Average of three years
		2007-08	2006-07	2005-06	
Transmission line	Circuit Kms	66807	59461	-	-
Transformation Capacity	MVA	73122	59417	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4614.82	3589.85	3145.34	28.55
Cost of Production	3168.91	2624.43	2312.58	20.75
Net Profit/Loss(-)	1448.50	1229.37	1008.93	17.82
Dividend declared (as % of PBT)	26.41	25.04	24.38	5.45
Net Worth	13746.98	10952.02	9981.26	25.52
Paid up capital	4208.84	3787.41	3584.63	11.13
Share of Central Govt.	3634.91	3787.41	3584.63	(4.03)

5. Key Performance Factors

Over a span of 16 years of operations, POWERGRID has emerged as one of the largest and best managed transmission utilities in the world and established itself as a mentor in power sector. The company's operations have been consistently growing over the years and about 40-45% of total power generated in the country is being transmitted through POWERGRID's gigantic transmission network.

The improvement in performance of the company is attributed to the addition of huge transmission network and growing productivity. Further, this has been achieved despite downward revision in tariff norms by CERC and with marginal addition of manpower. The profit per employee has gone up from Rs. 4.5 lakhs in 1992-93 to Rs. 18.58 Lakhs in 2007-08.

The Company achieved the distinction of being the first power utility in the country and second company in the world to get certified for Publicly Available Specification (PAS) 99:2006 integrating the requirement of ISO: 9001 (Quality), ISO: 14001 (Environment) and ISO: 18001 (Occupational Health & Safety Management System).

6. Human Resource Development (HRD)

The enterprise employed 7645 regular employees (executives 5036 & non-executives 2609) as on 31.3.2008 as against 7427 employees as on 31.3.2007. 41.44% employees were having professional qualifications and 26% employees come under the age bracket of 51 and above years. The average age of the employees in the company as on 31.3.2008 was 43 years. The company is following IDA 1997 pattern of remuneration.

The retirement age in the company is 60 years. A total of 84 employees retired during the year. Further 171 skilled employees left in attrition. 469 new skilled employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 9, out of which 2 were part time Government Directors, 4 non-official / professional Directors and 3 Full time Functional Directors.

Company has designed and executed business aligned management development, technical training and competency enhancement programmes on its own and also in collaboration with reputed management development institutes and technical training institutes. All round development of employees and upgradation of their skills is being nurtured at POWERGRID through in-house and sponsored training programmes. A dedicated team is looking after these areas with HRD Action planner for every year.

7. Strategic Issues

Government of India conferred the status of **"Navratna"** to POWERGRID w.e.f 1st May, 2008.

POWERGRID is extending assistance to Independent Power Producers (IPPs) for development of their dedicated transmission system. In this direction, POWERGRID signed MoUs with few private producers for formation of Joint Ventures for implementation of their dedicated transmission systems.

Project Implementation

The projects undertaken can be broadly classified as: (i) Generation Linked Projects, (ii) Grid Strengthening Projects, (iii) Inter-regional links (iv) Unified Load Despatch & Communication Schemes and (v) R&D schemes.

These projects are executed with adoption of advanced and effective Integrated Project Management and Control System (IPMCS) for total project review and monitoring. Using this efficient monitoring system, the company has been able to implement its projects with in stipulated time frame to drive maximum economic benefits.

During FY 2007-08, POWERGRID commissioned transmission projects worth about Rs. 6,000 Crore, thereby adding transmission network of 7,350 Circuit Kms, 9 EHV AC sub-stations and transformation capacity of more than 13,700 MVA. Major projects commissioned during the year includes, Kahalgaon –II (Phase-I) Transmission System (Rs. 2830 Crore), Vindhyachal –III Transmission System (Rs. 690 Crore), 400 kV D/C Bina – Nagda Transmission Line (Rs. 388 Crore), System Strengthening –III of Southern Region (Rs. 285 Crore). These additions have helped in improving power supply situation in various regional grids, facilitating enhancement of inter-regional power transfer capacity and reliability of the system.

Research and Development

POWERGRID continues to give major thrust to Research & Development (R&D) activities 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. Major objectives for induction of technologies have been conserving right-of-way, increasing power transfer capabilities of existing lines and cost effectiveness in evacuation of power of the future generation projects.

The Company has a 'Research & Development (R&D)' group, which co-ordinates various R&D activities in the company and with other organizations in power sector. POWERGRID is the first utility to introduce 765 kV EHV AC technology in the country.

Notable technological initiatives include:

- Upgradation and uprating of Existing Lines,
- Application of series compensation / Thyristor Controlled Series Capacitor (TCSC) on EHV lines,
- Phase-wise development of environment friendly high capacity transmission systems using tall & compact towers and high temperature (210ºC) endurance conductor,
- Automation & remote operation of substations,
- Gas Insulated Substation (GIS),
- Optimisation of bay width in substations for reduced land requirement,
- GPS/GIS based transmission line route survey,
- High Surge Impedance Loading Lines (HSIL), etc.

Environmental and Social Concern

In order to tackle environmental issues effectively, POWERGRID is following its unique Environmental and Social Policy & Procedures (ESPP) in every sphere of project implementation. The ESPP is based on the principals of Avoidance, Minimization and Mitigation. The ESPP outlines the Company's commitment to deal with environmental and social issues relating to its transmission projects, lays out management procedures and protocol to address them. Towards conservation of natural resources particularly forests, POWERGRID has achieved tremendous success after implementation of ESPP. The data shows that forest involvement which was about 6% of total 27,000 Ckt. Km. line till 1998 has come down to 2% with proactive and systematic approach in about 40,000 Ckt. Km. line constructed during last 10 years after implementation of ESPP and projects have been implemented without any rehabilitation and resettlement disputes. Further, the Company's concern towards environment can be gauged from the fact that the tower height in case of Tehri transmission project has been raised to 75 – 85 meters from usual 35 meters to minimize felling/ lopping of tree in Rajaji National Park and protection of wild life.

4

CHEMICALS AND PHARMACEUTICALS

As on 31.3.2008, 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	Hindustan Antibiotics Ltd.	106.91	49.22
2.	Hindustan Insecticides Ltd.	214.19	205.57
3.	Hindustan Salts Ltd.	13.30	8.45
4.	Bengal Chemicals & Pharmaceuticals Ltd.	43.46	52.81
5.	Hindustan Fluorocarbons Limited	11.30	19.28
6.	Bharat Immunologicals & Biologicals Corp. Ltd.	13.49	0.00
7.	Hindustan Organic Chemicals Ltd.	666.60	591.26
8.	Indian Drugs & Pharmaceuticals Ltd.	56.70	13.81
9.	Sambhar Salts Ltd.	15.17	10.76
10.	Projects & Development India Ltd.	46.89	40.96
11.	Indian Medicines & Pharmaceutical Corpn. Ltd.	10.65	8.97
12.	Karnataka Antibiotics & Pharmaceuticals Ltd.	196.45	131.12
13.	Orissa Drugs & Chemicals Ltd.	3.84	0.27
14.	Rajasthan Drugs & Pharmaceuticals Ltd.	94.33	47.38
	Total	**1493.28**	**1179.86**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Hindustan Antibiotics Ltd.	-19.68	197.08
2.	Hindustan Insecticides Ltd.	6.52	5.66
3.	Hindustan Salts Ltd.	0.03	-0.43
4.	Bengal Chemicals & Pharmaceuticals Ltd.	-10.69	-4.69
5.	Hindustan Fluorocarbons Limited	39.96	-9.31
6.	Bharat Immunologicals & Biologicals Corp. Ltd.	-4.00	-3.43
7.	Hindustan Organic Chemicals Ltd.	13.61	17.04
8.	Indian Drugs & Pharmaceuticals Ltd.	-298.24	-351.16
9.	Sambhar Salts Ltd.	0.75	-0.95
10.	Projects & Development India Ltd.	7.8	10.05
11.	Indian Medicines & Pharmaceutical Corpn. Ltd.	1.84	0.29
12.	Karnataka Antibiotics & Pharmaceuticals Ltd.	5.19	4.2
13.	Orissa Drugs & Chemicals Ltd.	-0.61	-0.71
14.	Rajasthan Drugs & Pharmaceuticals Ltd.	2.6	1.89
	Total	**-254.92**	**-134.47**

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 2007-08	2006-07
1.	No. of employees	7342	7475
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	2.15	6.45
	b. Medical facilities	5.14	5.26
	c. Others	2.52	4.35
3.	Capital cost of township *(Rs. in crore)*	11.22	13.09
4.	No. of houses constructed	3924	3848

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	88860	80260	49550
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	70742	37392	34480
OTHERS	7075	7085	7085
(B) SHARE APPLICATION MONEY	3005	29824	9129
(C) RESERVES & SURPLUS	35120	34641	25464
TOTAL (A)+(B)+(C)	**115942**	**108942**	**76158**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	145855	112655	141862
(B) UNSECURED LOANS	405198	342581	361506
TOTAL (A)+(B)	**551053**	**455236**	**503368**
(1.3) DEFERRED TAX LIABILITY	70	49	12
TOTAL (1.1)+(1.2)+(1.3)	**667065**	**564227**	**579538**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	138036	134591	132874
(B) LESS DEPRECIATION	95113	91361	87372
(C) NET BLOCK (A- B)	42923	43230	45502
(D) CAPITAL WORK IN PROGRESS	6497	5284	5821
TOTAL (C)+(D)	**49420**	**48514**	**51323**
(2.2) INVESTMENT	10751	5663	4662
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	20878	19261	19493
(B) SUNDRY DEBTORS	27430	20966	22095
(C) CASH & BANK BALANCES	46326	29775	16746
(D) OTHER CURRENT ASSETS	1533	1546	1202
(E) LOAN & ADVANCES	28472	28145	29700
TOTAL (A)+(B)+(C)+(D)+(E)	**124639**	**99693**	**89236**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	59636	67449	66986
(B) PROVISIONS	17052	12382	9445
TOTAL (A+B)	**76688**	**79831**	**76431**
(2.5) NET CURRENT ASSETS (2.3-2.4)	47951	19862	12805
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	703	761	587
(2.7) DEFFRED TAX ASSETS	559	353	138
(2.8) PROFIT & LOSS ACCOUNT (Dr)	557681	489074	510023
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**667065**	**564227**	**579538**

CHEMICALS & PHARMACEUTICALS
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	149328	117986	97495
(B) EXCISE DUTY	15485	14523	11850
(C) NET SALES (A-B)	133843	103463	85645
(D) OTHER INCOME / RECEIPTS	11026	9935	13434
(E) ACCRETION /DEPLETION IN STOCKS	32	634	-910
(I) TOTAL INCOME (C+D+E)	**144901**	**114032**	**98169**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	77877	57085	47406
(B) STORES SPARES	1804	1450	1592
(C) POWER &FUEL	10845	10085	9093
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	7066	5401	4604
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	23664	23281	19838
(F) OTHER EXPENSES	9150	8224	8194
(G) PROVISIONS	283	1055	3172
(II) TOTAL EXPENDITURE (A TO G)	**130689**	**106581**	**93899**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP(PBDITEP)(I-II)	14212	7451	4270
(4) DEPRECIATION	4618	4770	6926
(5) ORE. /PREL EXP. WRITTEN OFF	205	69	224
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	9389	2612 _	-2880
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	26639	24896	26054
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	7381	13639	14240
(D) LESS INTEREST CAPITALISED	26	10	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	33994	38525	40294
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	-24605	-35913	-43174
(9) TAX PROVISIONS	858	484	484
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	-25463	-36397	-43658
(11) NET EXTRA -ORD. ITEMS	29	-22950	16
(12) NET PROFIT /LOSS (10-11)	-25492	-13447	-43674
(13) DIVIDEND DECLARED	237	53	53
(14) DIVIDEND TAX	31	9	7
(15) RETAINED PROFIT (12-13-14)	-25760	-13509	-43734

CHEMICALS AND PHARMACEUTICALS

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	497172	410885	433010
(ii) CAPITAL EMPLOYED	90874	63092	58307
(iii) NET WORTH	-442442	-380893	-434452
(iv) COST OF PRODUCTION	169506	149945	141343
(v) COST OF SALES	169474	149311	142253
(vi) VALUE ADDED	43349	35477	26644
(vii) R & D EXPENDITURE	239	179	127
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	7342	7475	79894514
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	26859	25954	20693
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	4.75	4.18	6.61
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.63	1.25	1.17
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	1.94	1.00	0.53
(iv) SUNDRY DEBTORS : SALES (No. of days)	74.80	73.96	94.16
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	56.94	67.95	83.07
(ii) SEMI / FINISHED GOODS : SALES	30.94	40.53	42.85
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.93	0.25	-4.41
		(%)	
(vii) SALES : CAPITAL EMPLOYED	147.28	163.99	146.89
(viii) PBDITEP : CAPITAL EMPLOYED	15.64	11.81	7.32
(ix) PBITEP: CAPITAL EMPLOYED	10.33	4.14	-4.94
(x) COST OF SALE : SALES	126.62	144.31	166.10
(xi) MATERIAL COST : SALES	58.19	55.17	55.35
(xii) SALARY & WAGES : SALES	17.68	22.50	23.16
(xiii) R & D EXPENDITURE : SALES	0.18	0.17	0.15
(xiv) PBITEP : SALES	7.01	2.52	-3.36
(xv) PBTEP : NET WORTH	5.56	9.43	9.94
(xvi) NET PROFIT : NET WORTH	5.76	3.53	10.05
(xvii) GROSS MARGIN : GROSS BLOCK	10.30	5.54	3.21

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 Centre, 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 Pharmaceuticals 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 under Chemical Division, life saving injectables like snake venom antiserum, spirituous & non-spirituous preparations, analgesic, antibiotic, anti-microbial and non-steroid anti-inflammatory drugs, systemic alkaliser, enzymes etc. under pharmaceutical formulations Division, Cantharidine hair oil, pheneol(disinfectant fluid), toilet disinfectant fluid and napthalene under cosmetics & home products Division. The company 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 9 Sales Depots and 2 C&F Agents in different parts of the country.

3. Production / Operational Profile

Major Products/Services	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Alumina Ferric	MT	3099 (39)	1948 (24)	1650 (21)	2232
Spirituous	KL	294 (98)	196 (65)	42 (21)	177
Non-Spirituous	KL	159 (79)	135 (68)	42 (21)	112
Capsules	No. in Lacs	266 (54)	490 (98)	171 (34)	309
Tablets	Nos. in crore	18 (123)	29 (191)	12 (82)	20
Ointment	MT	57 (96)	80 (133)	66 (110)	68
Hair Oil	KL	450 (56)	349 (44)	629 (79)	476
Pheneol	KL	2804 (93)	2510 (84)	2751 (92)	2688
Naphthalene	MT	126 (87)	178 (123)	195 (135)	166
Lysol/Antiseptic Preparation	KL	523 (44)	531 (44)	522 (44)	525
Injectables	KL	13 (131)	11 (111)	1 (3)	8
Surgical Cotton	MT	75 (75)	2 (2)	0 (0)	26

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	36.58	45.63	44.85	-19.83
Cost of Production	62.78	61.36	55.96	2.31
Net-Profit/ Loss(-)	-10.69	-4.69	-8.45	(127.93)
Net Worth	38.66	9.72	-10.14	297.74
Paid Up Capital	76.96	13.96	13.96	451.29
Share of Central Govt	76.96	13.96	13.96	451.29

5. Key Performance Factors

While the production of Tablets, Capsules and Ointment recorded negative growth during 2007-08 as compared to last year, other products recorded positive growth during this period. Decrease in turnover by 19.83% and profitability by 127.93% is attributed to higher cost of raw and packing material, higher cost of salaries and wages, and non-availability of production facilities.

The paid up capital of the company increased by 451% during 2007-08 as compared to last year in the process of implementation of revival scheme.

During 2007-08, the company received budgetary support of Rs. 137.19 crore comprising Rs. 44.70 crore as non-Plan assistance for salary and wages(Rs. 24.70 crore) and for VRS (Rs. 20.00 crore) and Plan assistance Rs. 82.49 crore as equity (Rs. 55.00 crore) and loan (Rs. 37.49 crore).

6. Human Resource Development(HRD)

The company employed total 767 persons, including 114 executives, 55 Unionized Supervisors and 598 Workmen as on 31.3.2008 as compared to 803 employees as on 31.3.2007. 2.26% employees have professional qualifications. 23.81% employees were in the age group of 51 years and above. The retirement age in the company is 60 years for Board level and 58 years for below Board level employees. The company is following 1997 pattern of pay scales. During 2007-08, 30 employees retired on attaining the age of superannuation and 24 employees left the company under VRS scheme. Till 2007-08 total 735 employees have availed of VRS since its inception in 1986-87.

Total number of Directors on the Board as on 31.3.2008 was 5, out of which 2 each were full time Functional Directors and Government/ Official Directors and One Part-Time Non-Official Director.

7. Strategic Issues

Restructuring/Revival

The Government approved revival plan on 21.12.2006 comprising of 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 interest including penal interest 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 entered into the 'Real Estate' business to generate continuous income.

The company developed some parties for job work under loan licence to cater the demand of tablets/ capsules. Other items are under execution.

BCPL has plan for modernisation and expansion of liquid orals (bonded & non-bonded), small volume parenterals, external preparations, quality control laboratory, anti snake venom serum, beta lactum and cephalosporin, self-contained facilities and control store at Maniktala Plant, non beta lactum tablets, capsules, oral rehydration salt, liquid orals, external preparations, hair oil, central store at Kanpur plant and production facilities for pheneol, alum, White Pheneol, Quality Control Laboratory and other infrastructures at Panihati.

The company received orders worth Rs. 61.85 crore during 2007-08 including orders worth Rs. 15.90 crore received due to Purchase Preference Policy of the Government. The total orders in hand as on 31.3.2008 were amounting to Rs. 9.20 crore.

Research and Development

All formulations are developed in-house in BCPL. Assistance of Jadavpur University, Kolkata and Central Research Institute, Kasauli is being taken for development of production process, serum, vaccines, etc.

Environment and ecology

Under the concept of GMP/modernization, air ventilation of different segments of the same section is kept entirely separate to prevent the contamination.

Bharat Immunological and Biologicals Corp. Ltd. (BIBCOL)

1. Company Profile

BIBCOL was incorporated on 10.3.1989 under the Companies Act, 1956 with the 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 Chemicals 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) through its single operating unit at Bulandshahar, Uttar Pradesh.

3. Production / Operational Profile

The brief production details of the company are given below:

Major Products /Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Oral Polio Vaccine	Million doses	12.6 (2.1)	0	67 (11.17)	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	13.09	0.00	30.53	1309.00
Cost of Production	19.73	6.37	30.05	209.73
Net Profit/Loss(-)	(-)4.00	(-)3.43	0.88	(16.62)
Net Worth	32.44	36.44	39.87	-10.98
Paid up capital	43.18	43.18	43.18	0.00
Share of Central Govt.	25.59	25.59	25.59	0.00

5. Key Performance Factors

The production was resumed in 2007-08 after up-gradation of plant in 2006-07. During the year, the company received Rs.4.5 lakhs as grant for Papaya Ring Spot Virus (PRSV) project.

Non-supply of orders from the Ministry of Health & Family Welfare affected the performance during 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 131 regular employees (executives 25 & non-executives 106) as on 31.3.2008. About 65.65% employees were having professional qualifications and around 27.48% 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 31.3.2008 was 8.

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.

The company also plans to implement WHO standards.

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 network of Government hospitals. The Company has diversified into production of agriculture & veterinary products. HAL is a Schedule-'C' / BIFR referred CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Pharmaceuticals 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 life saving drugs 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, of which last two have been closed. The company has one financial joint venture namely Hindustan Max-G.B. Ltd. with 50% equity participation.

3. Production / Operational Profile

The total number of products being manufactured by the company are 78. These are distributed in three segments namely Bulk, Formulation and others. The details of main products are given below:

Major Products	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Benzathine Penivilin	MMU	23.21 (193.42)	3.91 (32.58)	6.12 (17.00)	11.08
Vials	No. in Lakhs	301.41 (84.82)	300.65 (56.13)	353.80 (47.37)	318.62
Tablets	No. in Lakhs	1942.91 (80.95)	1215.47 (50.64)	732.21 (30.51)	1296.86
Capsules	No. in Lakhs	1482.38 (59.30)	574.87 (22.99)	333.14 (13.33)	796.80
IV Fluids	No. in Lakhs	105.81 (88.18)	82.36 (68.63)	59.61 (49.68)	82.59

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	95.10	43.74	43.99	117.42
Cost of Production	130.93	116.40	93.82	12.48
Net Loss(-)	- 19.68	197.08	-43.20	-109.99
Net Worth	-36.13	-16.46	-243.81	(119.50)
Share of Central Govt.	44.41	44.41	48.84	0.00
Paid up capital	44.41	44.41	48.84	0.00

5. Key Performance Factors

The company is a loss making one and its losses are fluctuating from year to year.

The dismal performance of the HAL is attributed to shortage of working capital and low product price which is controlled by DPCO.

6. Human Resource Development (HRD)

HAL employed 1261 employees as on 31.3.2008 out of which 263 were executives and 998 non-executives. 44.65% employees had professional qualifications and 16.81% employees covered under the age group of 51years and above.

The company follows IDA 1997 and CDA 1996 patterns of pay scales. The retirement age is 60 years. During 2007-08, 15 persons retired on superannuation and 62 persons left in attrition. During the year 16 new employees were recruited.

The company identified 41 employees as surplus during the year including 8 executives and 33 non-executives. During the year 2007-08, 33 employees availed of VRS and an amount of Rs. 1.64 crore was spent in this regard through budgetary support.

The total number of Directors in the company as on 31.3.2008 was 4, 2 each being full time Functional Directors and Government / official Directors.

7. Strategic Issues

Despite three capital restructuring schemes in 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 the year 2007-08, the company received plan assistance of Rs.20.17 crore in the form of refundable loan.

The Company spent 3.71% of its turnover on R&D activities during 2007-08.

Hindustan Fluorocarbons Ltd. (HFCL)

1. Company Profile

HFCL was incorporated on 14.7.1983 under the Companies Act, 1956 as a joint venture company between Hindustan Organic Chemicals Ltd.(HOSL) a CPSE and Andhra Pradesh Industrial Development Corp. (APIDC) with the objective to manufacture various grades of Polytetra Fluorethylene (PTFE) as import substitution and to save foreign exchange. 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 engaged in production and marketing of Poly Tetra Fluoro Ethylene (PTFE) through its single operating unit at Medak, Andhra Pradesh.

3. Production / Operational Profile

The performance details of major product are as follows:

Major Products/ Services	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
1	2	3	4	5	6
PTFE	MT	114 (22)	245 (49)	228 (46)	196

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	10.16	16.57	18.04	-38.68
Cost of Production	15.03	24.73	26.07	-39.22
Net-Profit/ Loss(-)	39.96	-9.31	-10.05	-
Net Worth	-33.01	-72.97	-63.67	-
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, dumping of imported material particularly from China, and shortage of working capital. Despite decrease in the turnover the company could get turnaround due to better realization and stringent cost control measures taken by it. The cost of production declined by about 39% during 2007-08 as compared to last year.

The Earning Per Share (EPS) of the company was Rs. 20.38 during 2007-08 as against Rs. (-) 4.74 during 2006-07.

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 193 regular employees (executives 58 and workmen 135) as on 31.3.2008 as against 203 employees as on 31.3.2007. 23.83% employees were having professional qualifications. 15.03% 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. 2 employees retired after attaining the age of superannuation.

The total number of Directors in the company, as on 31.3.2008 was 3, one each being part time Non-official Director / professional, full time Functional Director and Government / official Director respectively.

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 effect of anti dumping duty is 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.The company is committed to reduce green house gases.

Order Book Position

HFCL booked orders worth Rs. 6.09 crore during 2007-08. The year ended with an Order Booking of around Rs.44 lakhs for 12 orders.

Hindustan Insecticides Ltd. (HIL)

1. Company Profile

HIL was incorporated in the year 1954 under the Companies Act, 1956 with the objective to manufacture DDT and formulations for meeting 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 CPSE 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, Alwaye (Ernakulam) in Kerala and Rasayani (Raigad) in Maharashtra along with 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 comprises of 10 products. During 2007-08, average capacity utilization for all products / services taken together was 59%. The performance details of major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
DDT Technical	MT	3441 (54)	4495 (70.85)	4429 (69.81)	4122
DDT Formulation	MT	6002 (47)	6826 (53.79)	8563 (67.48)	7130
Endosulfan Technical	MT	1567 (98)	1213 (75.81)	266 (16.62)	1015
Endosulfan Formulation	MT	1138 (60)	1134 (59.37)	852 (44.60)	1041
Malathion Technical	MT	1367 (76)	1301 (72.27)	953 (52.94)	1207
Malathion Formulation	MT	2733 (85)	2256 (70.50)	2122 (66.31)	2370

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	189.84	177.65	149.35	6.86
Cost of Production	190.70	190.18	217.05	0.27
Net Profit/Loss(-)	6.52	5.66	21.41	15.19
Net Worth	76.52	69.73	61.35	9.74
Share of Central Government	91.33	91.33	59.78	0.00
Paid up capital	91.33	91.33	59.78	0.00

5. Key Performance Factors

The production of the two DDT products declined heavily (DDT Tech. 23.45% and DDT Formulation 12.07%) during 2007-08 as compared to last year, while the production of other three products improved marginally. However, the company continued to be the sole supplier of DDT for the National Vector Bome Disease Control Programme of the Ministry of Health.

Despite severe competition from Indian and multinational companies in the domestic market and adverse agricultural climatic conditions, HIL has been able to increase its market share of products as well as formulations in respects of agro chemicals.

The company could also improve its turnover, which resulted in higher profitability during the year.

6. Human Resource Development (HRD)

The enterprise employed 1534 regular employees (286 executives & 1248 non-executives) as on 31.3.2008. 5% of the employees were having professional qualifications and 47.72% 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. 82 employees retired and 14 new employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 5.

7. Strategic Issues

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

Expanding the social commitment perspective beyond the national boundaries, HIL decided to focus in Africa where malaria kills children at an alarmingly high rate.

HIL is actively pursuing other avenues of growth including unlocking of various land assets available with the company e.g. by grant of development rights for HIL's land in New Delhi.

Restructuring /Revival

The revival scheme sanctioned by the Government is under implementation. During the year, the company received a non-plan support of Rs.2.5 crore and plan assistance of Rs.7.00 crore in the form of loan. GOI guarantee for raising loans will be taken in a phased manner in future, based on the requirement of funds. As per revival Plan , the Company is to get grant of relief from CBDT u/s 41(1) of Income Tax Act, 1961, for which decision is awaited.

Hindustan Organic Chemicals Ltd. (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 referred 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 is at Mumbai, Maharashtra.

2. Industrial / Business Activities

HOCL is involved in production of organic chemicals and chemical fertilizers and 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

The company achieved overall capacity utilization of 60% during 2007-08. The production achievements are given below:

Major Products	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Phenol	TPA	41908	40733 (101.83)	28754 (71.89)	37132
Acetone	TPA	26136	25463 (103.34)	18253 (74.08)	23284
Aniline	TPA	6210	7100 (28.28)	12355 (49.22)	8555
Formaldehyde	TPA	38547	22626 (68.56)	30373 (92.04)	30515
Nitro-products	TPA	10373	12552 (22.64)	22034 (39.75)	14986
Hydro. Peroxide	TPA	5889	4411 (84.42)	3666 (70.16)	4655
Cumene	TPA	57837	54329 (100.61)	40546 (75.09)	50904

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	574.49	505.97	386.13	13.54
Cost of Production	563.51	517.14	458.30	8.97
Net Profit/Loss(-)	13.61	17.04	-56.61	-20.13
Net Worth	172.26	158.67	-123.46	8.56
Paid up capital	337.17	67.27	67.27	401.22
Share of Central Govt.	309.48	39.48	39.48	683.89

5. Key Performance Factors

In spite of substantial growth in sales turnover, the profit margins eroded due to steep increase in costs of inputs as well as energy. High labour cost and high incidence cost on closed plants at Rasayani unit were the major concerns of the company.

The total production of main products was 242013 MT during 2007-08 as compared to 207110 MT in the previous year.

During the year 2007-08, Kochi unit scaled good performance with a profit of Rs. 74.95 crore.

HOCL completed the measures contemplated in the restructuring proposal and continued to take cost control steps. The interest cost was reduced by Rs.2.96 crores during the year due to retirement of high cost matured bonds as planned. Only 1.19% such bonds have left out.

As a marketing strategy, the company focused on domestic customers during 2007-08. It could not export bulk parcels of Phenol due to un-remunerative prices of these products in the export market.

The market price of the company's shares on BSE was between Rs.30.15 to Rs.103.80 during the year 2007-08, as compared to Rs. 20.25 to Rs. 60.60 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1371 regular employees (450 executives & 921 non-executives) as on 31.3.2008. About 13.79% employees were having professional qualifications. Around 32.09% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. A total of 21 employees retired during the year. It is following IDA 1997 pattern of remuneration. 17 employees retired under VRS and an amount of Rs. 1.10 crore was spent in this regard. Since the introduction of VRS, a total of 768 employees have retired under the scheme.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 5 were part time Non-official Directors / professionals.

7. Strategic Issues

The financial restructuring package approved by the Government is under various stages of Implementation, which includes restart of Caustic Soda Plant; settling down and paid off 98.81% outstanding dues of Bond holders; putting up power plant based on Furnace Oil/Natural Gas; and formation of joint ventures.

The project implementation activities for revival of caustic soda project at Rasayani unit have already been initiated.

Research & Development

R&D division has focused its activities on the development of eco-friendly catalyst and process improvements for the production of organic chemicals of interest to HOC. Company is also collaborating for making re-use of spent aniline and formaldehyde catalysts which will result in substantial savings and disposal of the hazardous wastes in an eco-friendly way. It has also developed a specific fuel for ISRO.

Revenue expenditure on R&D during the year 2007-08 was Rs.0.86 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.

Hindustan Salts Ltd. (HSL)

1. Company Profile

HSL was incorporated on 12.4.1958 under the Companies Act, 1956 with the 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 three 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	Unit	Production during (% capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Common Salt	MT	-	16332	2383	6238
Bromine	MT	338 (38.63)	299 (66.44)	302 (67.11)	313
Rock Salt	MT	1150	1714	1871	1578

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	12.72	8.11	6.38	56.84
Cost of production	14.81	10.17	8.56	45.62
Net Profit / Loss(-)	0.03	-0.43	-0.59	-
Net Worth	17.62	16.64	17.35	5.89
Paid up capital	19.45	18.95	18.95	2.64
Share of Central Govt.	19.45	18.95	18.95	2.64

5. Key Performance Factors

While the production of Bromine increased by 39% during 2007-08 compared to 2006-07, the production of other two products has decreased.

With a view to improve the performance, the company initiated action to increase the capacity of the Bromine plant which has already been installed. The second plant of 450 tonnes per year capacity is being installed. For utilization of land at Kharaghoda, the company has given 3600 acre of land on license fee to private salt producer.

During the year, the company received Non-Plan loan for Rs. 1.00 crore for payment of pension to the ex-employees of Salt Department.

6. Human Resource Development (HRD)

The enterprise employed 120 regular employees (executives 11 & non-executives 109) as on 31.3.2008 as against 122 employees as on 31.3.2007. About 2% of the employees were having professional qualifications and 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 1992 and CDA 1996 patterns of remuneration.

The total number of Directors in the company as on 31.3.2008 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. The salt demanded by the industry and manufactured by the salt producers suffered 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. The feasibility of forming a joint venture company for the management of salt factory is also being considered by the Department of Heavy Industry. The Government has also 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 the 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 is being made from sub soil brine. After recovery of salt, 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. The problem of sulfate deficiency, which leads to higher impurities in the salt, 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 constituted 0.14 % 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. Company has taken ISO 9001, ISO 14001 and OHSAS: 18001 certification.

Order Book Position

The year ended with in hand Order Booking of around Rs.26.58 crores.

Indian Drugs and Pharmaceuticals Ltd. (IDPL)

1. Company Profile

IDPL was incorporated on 5.4.1961 under the Companies Act, 1956 with the 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 CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Pharmaceuticals 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 Uttarakhand, 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. (BDOCL)

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
	2007-08	2006-07	2005-06	2006-07
Turnover	56.70	13.81	8.40	310.57
Cost of production	357.24	364.11	367.23	-1.89
Net Profit/Loss(-)	-298.24	-351.16	-353.91	-
Net Worth	-4816.65	-4121.68	-4121.68	(16.86)
Paid up capital	116.88	116.88	116.88	0.00
Share of Central Government	116.88	116.88	116.88	0.00

5. Key Performance Factors

The company lacks manpower and working capital for carrying out its operations / business. The position regarding its two subsidiaries namely BDOCL & IDPL (TN) are also more or less the same.

6. Human Resource Development (HRD)

The enterprise employed 291 regular employees as on 31.3.2008 as against 320 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 upto the year 2002-03 only. It has taken time bound initiative to update the accounts and prepared the Annual Report for 2003-04 & 2004-05 which have been approved by the Board. However, the company is facing lack of manpower. Several regional / field offices of the company have been closed 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 Chemical and Fertilizer has constituted an expert committee to conduct Techno Economic feasibility for rehabilitation of IDPL. The report of the committee is awaited.

Indian Medicines Pharmaceutical Corp. Ltd. (IMPCL)

1. Company Profile

IMPCL was incorporated on 12.7.1978 under the Companies Act, 1956 with the 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 the 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 327 Ayurvedic and 321 Unani Medicines through its single operating unit at Mohan (Almora), Uttarakhand. The Company has one financial Joint Venture with KMVN Ltd. (a Uttarakhand State Public Sector Undertaking).

3. Production / Operational Profile

During the year 2007-08, production was undertaken for 176 Ayurvedic medicines and 85 Unani medicines and achieved capacity utilization of 53.82% and 26.48% respectively. The performance details of these products are as follows:

Major Products	Unit	Production during			Average of three years
		2007-08	2006-07	2005-06	
Ayurvedic and Medicines	KG / Ltr in lakhs	NA	2.97	2.73	Unani
Total Items	Nos.	261	257	244	254

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	10.60	8.83	8.41	20.05
Cost of production	9.61	8.57	7.47	12.14
Net Profit/Loss(-)	1.84	0.29	0.71	534.48
Net Worth	12.64	10.81	8.03	16.93
Paid up capital	7.00	7.00	5.00	0.00
Share of Central Govt.	6.02	6.02	4.02	0.00

5. Key Performance Factors

IMPCL has provided provisional information for the year 2007-08. The company is earning profit since 1986-87. It 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.

During the year, the company received plan support of Rs.7crore in the form of equity.

6. Human Resource Development (HRD)

The enterprise employed 127 regular employees (10 executives, 4 non-unionized supervisors & 113 workmen) as on 31.3.2008 as against 124 employees as on 31.3.2007. The average age of the employees in the company is 46 years and the retirement age is 60 years. One employee retired during the year. It is following CDA 1996 & IDA 1997 pattern of remuneration.

The total number of Directors in the company as on 31.3.2008 was 3, out of which 2 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

The company has set a target turnover of Rs.30 crore by the year 2009-10. Steps are being taken for second phase modernization which include new construction and procurement of new machineries etc.

The company has taken initiative for obtaining ISO certification.

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 Corporation Ltd., under the Companies Act, 1956 with the objective to achieve corporate excellence in the field of quality drugs and healthcare at globally competitive prices. KAPL is a Schedule-'D' Minirata PSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Pharmaceuticals. Its Registered and Corporate Offices are 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 single operating unit at Bangalore, Karnataka. The company manufactures injections, capsules, tablets, syrups and suspensions.

3. Production / Operational Profile

The average capacity utilization for all products of the company taken together was 111% during 2007-08 as against 88% 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) 2007-08	2006-07	2005-06	Average of three years
1	2	3	4	5	6
Dry Powder Vials	No. in Lacs	460 (75)	469 (76)	548 (89)	492
Tablets	No. in Lacs	2082 (154)	1568 (116)	829 (61)	1493
Liquid Parenterals #	No. in Lacs	275 (69)	189 (112)	157 (114)	207
Capsules	No. in Lacs	229 (61)	182 (48)	185 (49)	199
Dry Syrup & Suspension	No. in Lacs	22 (73)	21 (70)	23 (77)	22

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 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	185.56	121.58	82.30	52.62
Cost of Production	183.25	117.64	78.58	55.77
Net-Profit/Loss(-) after Tax	5.19	4.20	3.43	23.57
Dividend declared (as % of PBT)	4.97	5.43	6.67	-8.61
Net Worth	34.85	32.47	28.71	7.33
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 company had reserves and surplus 22 times of its paid up capital and networth Rs.34.85 crore against a paid up capital Rs.1.49 crore.

The production increased by 46% during 2007-08 compared to previous year. During the year, the average production value per factory employee per annum was Rs.101 Lakhs, as compared to Rs.71 Lakhs last year.

The increase in turnover was above 50% 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.

During the year, the company made an export sale of Rs. 6.16 crore only. Competition from China and the demand for separate manufacturing facility for Cephalosporin products resulted in lower export sales.

The Earning Per Share of the company during 2007-08 was Rs.34.83 as against Rs.28.19 in the previous year on a face value of Rs.10. The book value of the company share increased from Rs 2179 as on 31.03.2007 to Rs.2275 as on 31.3.2008.

6. Human Resource Development [HRD]

The enterprise employed 655 regular employees (executives 202 & non- executives 453) as on 31.3.2008. 9 % 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, 134 new skilled employees joined the company.

The total number of Directors in the company, as on 31.3.08 was 7, out of which 6 were Government /Official Directors and one full time Functional Director.

7. Strategic Issues

The Company was basically set up to cater to institutional requirements. However, it is also expanding its presence in retail trade segment and exports in order to ensure sustainable growth. As such the company aims at 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 manufacturing facility with respect to non-parenteral products has been upgraded and non-Betalactum injectables are under upgradation to meet international requirements. The funding for projects is arranged through internal resources.

Research & Development [R&D]

During the year, the Company has taken initiative to develop 6 new Formulations and also to improve the manufacturing process for two Dry Powder Parenteral Products.

Environmental initiatives

The company makes continuous efforts towards becoming an environment 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.11 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 the objective to manufacture and supply quality life saving drugs to the State Government of Orissa and adjoining states at reasonable price. The company started its commercial production in 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 Pharmaceuticals. 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/ Services	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
1	2	3	4	5	6
Tablets	No. in Lacs	458 (31)	295 (20)	64 (4)	272
Capsules	No. in Lacs	130 (54)	51 (21)	11 (4)	64
Ampoules	No. in Lacs	15 (30)	9 (18)	2 (3)	7

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	3.82	0.26	1.51	1369.23
Cost of Production	4.53	1.84	2.85	146.20
Net-Profit/Loss(-)	-0.61	-0.71	-1.34	-
Net Worth	-13.93	-13.84	-10.80	(0.65)
Paid Up Capital	1.32	1.32	1.32	0.00
Share of Central Govt.	0.67	0.67	0.67	0.00

5. Key Performance Factors

The performance of the company was affected due to shortage of working capital and lack of sufficient orders. However, optimization of resources has been undertaken for performance improvement. The turnover increased by 1369% during 2007-08 as compared to previous year.

6. Human Resource Development (HRD)

The enterprise employed 79 regular employees (executives 4, non-unionized supervisors 11 and workmen 64) as on 31.3.2008. 2.53% of the employees were having professional qualifications and 58% 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 patterns of remuneration. Three employees retired during the year and 13 employees availed of VRS.

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's plant is GMP compliant. IDPL has submitted a Project report in the High Court of Orissa, Cuttack to revive the unit which is yet to be decided.

Research & Development (R&D)

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

Projects and Development India Ltd. (PDIL)

1. Company Profile

PDIL was incorporated on 1.4.1978, under the Companies Act, 1956 with the objective to develop expertise and act as store house of technical knowledge so as to achieve self sufficiency in the project management relating to fertilizer and allied chemical industry. Over the years, PDIL diversified its technology base in other industrial sectors and now provides services for projects in the field of Fertilizer, Chemicals, Oil & Gas, Refinery, Power, Petrochemical and Infrastructure. Its present Mission is to achieve excellence in Project Management and Engineering Consultancy, to upgrade / improve the Catalyst Manufacturing process, and to service all Customers commensurate with the desired quality of service so as to provide value for money.

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. design, engineering, procurement assistance, supervision of construction / commissioning of fertilizer, allied & other plants and production of catalyst. PDIL's Design Engineering Centers at NOIDA and Baroda are equipped with state-of-the-art computers and software facilities such as Plant Design System (PDS) from Intergraph Corp., U.S.A., Aspen Plus from Aspen Tech., U.S.A. PV Elite, CAESER II, STAAD Pro, INTOOLS, ETAP, Primavera and large no. of state of the art, work specific software for carrying out design engineering work. PDIL is member of Heat Transfer Research INC., U.S.A. giving it right to use Xchanger Suite of Software.

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 major services are as follows:

Major product/ Services	Unit	Production /Value of Services provided (Capacity utilization)			Average of Three
		2007-08	2006-07	2005-06	Years
Catalyst	MT	105 (8.33)	220 (17.46)	59 (4.68)	128
Engineering and Inspection Business	Rs. in crore	42.06	34.02	36.83	37.64

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	46.39	39.98	39.71	16.03
Cost of Production	41.30	29.00	31.40	43.41
Net-Profit/Loss(-)	7. 80	10.05	10.64	-22.39
Divided declared (as % of PBT)	13.43	0.00	0.00	100.00
Net Worth	80.85	75.04	68.48	7.74
Paid Up Capital	17.30	17.30	17.30	0.00
Share of Central Govt.	17.30	17.30	17.30	0.00

5. Key Performance Factors

The PDIL continued to improve its performance during 2007-08. The turnover increased by 16.03% during 2007-08 compared to previous year.

Although the company earned higher profit before tax during 2007-08 compared to previous year, its net profit declined due to higher tax burden.

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

The company declared 14.11% dividend during the year.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.4.51 as against Rs.5.81 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 425 regular employees (executives 369 & non-executives 56) as on 31.3.2008. 58.59% of the employees were having professional qualifications and 43.29% 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. 109 new 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 31.3.2008 was 4, two each being Government / official Directors and full time Functional Directors.

7. Strategic Issues

The company aims at to achieve excellence in

Project Management and Engineering Consultancy and Up-gradation / improvement in the Catalyst Manufacturing process.

Project implementation

Fertilizers

PDIL has recently provided detailed engineering and other associated consultancy services for world's largest single stream gas based 2200 MTPD Ammonia Plant in Karratha, Australia by M/s Burrup Fertilizer Pvt. Ltd. The Project has been commissioned and is running successfully.

It is providing engineering services for Revamp / Modernisation / Energy Saving Schemes for its esteemed clients like NFL Vijaipur, TCL Babrala, NFCL Kakinada, GNFC Bharuch, IFFCO Aonla and Phulpur, Chambal Fertilizer Gadepan, IFFCO Paradeep, RCF Trombay, etc.

Oil & Gas and Refinery

PDIL has recently bagged orders for providing detailed engineering services for 3 large Hydrogen Plants for ESSAR Engineering Centre for their Refinery expansion Project at Vadinar; PMC job for the Hydrogen project of IOCL Barauni; and PMC Services assignment for Skid Mounted Mini Refinery-II of ONGC at Tatipaka.

Chemical

PDIL has undertaken many projects in Chemical sector such as Methanol Plant, Hydrogen Plant, Methyl Amines, Sulphuric Acid, Phosphoric Acid, Nitric Acid, Sodium Nitrite/Nitrate, Ammonium Nitrate, Ammonium Bi-Carbonate. It is currently providing consultancy services to GAIL for GSU and GPU modification job at Pata Petrochemical Plant.

Restructuring Plan

The company had been 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 dues on account of salary and statutory dues. The company has been discharged from BIFR since 25.4.2006 on its networth becoming positive.

Non-performing assets

The company was having non-performing assets such as plant & machinery/equipments valuing Rs. 7.23 crore since 1.10.2003, which are to be disposed off, pending Government of India approval.

Order Book Position

The year ended with in hand order booking of Rs 39.42 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 the objective to supply life saving and other essential drugs to the State Government Medical Health Departments. RDPL is a Schedule-'D' Miniratna CPSE in Chemicals and Pharmaceuticals sector under the administrative control of M/o Chemicals and Fertilizers, D/o Pharmaceuticals. Its Registered and Corporate offices are 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 taken together was

107% during 2007-08. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)* 2007-08	2006-07	2005-06	Average of three years
Tablets	Million	520.87 (108.51)	602.20 (125.46)	641.43 (213.81)	588.17
Capsules	Million	147.82 (211.17)	122.29 (174.70)	35.17 (78.15)	101.76
Liquid Orals	K.L.	256.79 (64.20)	356.32 (89.08)	332.44 (83.11)	315.18
Powder	M.T.	197.00 (98.50)	235.16 (117.58)	116.64 (116.64)	182.93
Vials/Ampules	No. in lacs	8.00 (53.33)	7.59 (50.06)	3.18 (21.12)	6.26

*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 since 2006-07.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	88.21	41.74	29.03	111.33
Cost of Production	86 .42	40.22	26.17	114.87
Net Profit / Loss(-)	2.60	1.89	1.61	37.57
Dividend Declared (as % of PBT)	5.53	5.14	5.52	7.42
Net Worth	11.61	9.25	7.55	25.51
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 received from the State Government; announcement of sector specific Purchase Preference Policy by the Government of India; increased production facilities as well as formulations manufactured from outside on loan license.

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

6. Human Resource Development (HRD)

The enterprise employed 148 regular employees (executives 62 & non-executives 86) as on 31.3.2008 as against 145 employees as on 31.3.2007. 10.14% employees were having professional qualifications and 33% employees come under the age bracket of 51 and above years. The average age of the employees was 37 years as on 31.3.2008.

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. 2 new employees were recruited during the year.

The total number of Directors in the company, as on 31.3.2008 was 8, out of which 7 were part time Non-official Directors / professionals and one full time Functional Director.

7. Strategic Issues

On 7th August, 2006, the Government of India formulated an exclusive policy for Pharmaceutical Central Public Sector Enterprises for having a purchase preference for 102 medicines for supply to Government / Government Departments / Agencies / CPSEs for a period of 5 years w.e.f. 7.8.2006. The issuance of the new policy has paved the way for constant flow of orders. During the year the company executed orders worth Rs.40 crore under this policy.

The company is further expecting to achieve additional turnover through loan licensing arrangements for rendering 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 BIFR referred. RDPL has requested IDPL and the Government to transfer the equity holding of 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 the objective to manage Sambhar salt source. It 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. Its Registered and Corporate offices are 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 two products. The performance details of major products are as follows:

Major Products / Services	Unit	Production during (%capacity utilization) 2007-08	2006-07	2005-06	Average of three years
Common Salt	MT	210045	192553	190596	197,731
Processed Salt	MT	32395 (33.14)	35640 (36.46)	3352 (27.36)	23,796

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	15.17	10.76	7.82	40.99
Cost of production	15.22	11.72	9.92	29.86
Net Profit / Loss(-)	0.75	-0.95	-1.27	-
Net Worth	-2.15	-2.75	-2.3	-
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

The manufacturing of salt is seasonal and its output depends on natural factors. In spite of increase in salary and wages & cost of production, the Company has been able to earn net profit of Rs. 75.07 lakh due to better 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 2007-08 was Rs. 7.50.

6. Human Resource Development (HRD)

The enterprise employed 122 regular employees (executives 9 & non-executives 113) as on 31.3.2008 as against 133 employees as on 31.3.2007. Around 47% employees come under the age bracket of 51 and above years.

The retirement age in the company is 58 years. During the year, 5 employees retired after attaining the age of suppuration. The company is following IDA 1992 and CDA 1996 patterns of remuneration.

The total number of Directors in the company as on 31.3.2008 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 the 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 still prefer 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 the membrane cells.

The mercury cell plants located preferentially at Rajasthan Salt Source are also not using Rajasthan salt in full but trying a mix with 80% from Gujarat salt. Their apprehension is that contamination by heavy metals results in hydrogen evolution in the electrolytic cells.

As the company has become sick in terms of SICA, it was referred to BIFR, which declined to register it due to lesser investment in plant and machinery than the prescribed amount.

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 SSL. The penal interest, which was not accounted for in earlier years due as on 31.3.2005 has also been waived by the holding company.

Project Implementation

As the transportation cost of salt from Gujarat sector to northern parts of India is very high, the company has proposed to set up a salt refinery project of one lakh MT capacity at a cost of Rs.4.90 crore. The work of refinery is expected to be completed shortly.

Research & Development (R&D)

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 reduction in production cost.

The R&D expenditure of the company constituted 0.23% of its turnover during 2007-08.

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, was entrusted the work for conducting energy audit at Sambhar Unit, which has submitted its 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.12.38 crores.

5 CONSUMER GOODS

As on 31.3.2008, 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. Corpn. 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	Nepa Ltd.	111.27	83.52
2.	Hindustan Photo Films Manufacturing Co. Ltd.	17.17	14.59
3.	Cement Corpn. of India Ltd.	342.63	325.72
4.	Hindustan Latex Ltd.	317.09	241.15
5.	Hindustan Paper Corporation Ltd.	842.03	786.43
6.	Nagaland Pulp & Paper Company Ltd.	0.00	0.00
7.	Artificial Limbs Mfg. Corpn. of India	42.14	48.88
8.	Hooghly Printing Company Ltd.	4.12	4.08
9.	Hindustan Newsprint Ltd.	300.65	315.33
10.	Hindustan Vegetable Oils Corpn. Ltd.	0.00	0.00
11.	Tyre Corporation of India Ltd.	39.70	36.44
12.	Security Printing & Minting Corpn. India Ltd.	2004.17	1274.73
	Total	**4020.97**	**3133.49**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	Nepa Ltd.	-37.67	-44.47
2.	Hindustan Photo Films Manufacturing Co. Ltd.	-789.48	-653.06
3.	Cement Corpn. of India Ltd.	40.89	166.61
4.	Hindustan Latex Ltd.	23.82	17.47
5.	Hindustan Paper Corporation Ltd.	91.84	81.01
6.	Nagaland Pulp & Paper Company Ltd.	129.90	-14.36
7.	Artificial Limbs Mfg. Corpn. of India	1.70	4.30
8.	Hooghly Printing Company Ltd.	0.03	0.12
9.	Hindustan Newsprint Ltd.	20.89	31.92
10.	Hindustan Vegetable Oils Corpn. Ltd.	-21.09	-22.91
11.	Tyre Corporation of India Ltd.	-48.88	-47.93
12.	Security Printing & Minting Corpn. India Ltd.	199.70	268.38
	Total	**-388.35**	**-212.92**

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 2007-08	Social Overheads & Township 2006-07
1.	No. of employees	27890	28629
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	9.68	14.45
	b. Medical facilities	13.07	10.26
	c. Others	12.47	19.85
3.	Capital cost of township *(Rs. in crore)*	111.11	140.16
4.	No. of houses constructed	9947	14247

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	2007-08	2006-7	2005-6
AUTHORISED CAPITAL	472073	485573	465373
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	183874	137562	153947
OTHERS	24280	71747	22535
(B) SHARE APPLICATION MONEY	10567	4275	1854
(C) RESERVES & SURPLUS	394421	368948	33020
TOTAL (A)+(B)+(C)	**613142**	**582532**	**211356**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	414285	351643	305394
(B) UNSECURED LOANS	363742	361652	753115
TOTAL (A)+(B)	**778027**	**713295**	**1058509**
(1.3) DEFERRED TAX LIABILITY	6971	8244	8464
TOTAL (1.1)+(1.2)+(1.3)	**1398140**	**1304071**	**1278329**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	478472	469398	462476
(B) LESS DEPRECIATION	300368	284889	267695
(C) NET BLOCK (A-B)	178104	184509	194781
(D) CAPITAL WORK IN PROGRESS	16624	11816	6875
TOTAL (C)+(D)	**194728**	**196325**	**201656**
(2.2) INVESTMENT	25904	33863	32110
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	133220	146897	135583
(B) SUNDRY DEBTORS	120496	149951	152067
(C) CASH & BANK BALANCES	247125	152832	138520
(D) OTHER CURRENT ASSETS	6483	14100	379
(E) LOAN & ADVANCES	70541	47371	34294
TOTAL (A)+(B)+(C)+(D)+(E)	**577865**	**511151**	**460843**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	104912	102374	93872
(B) PROVISIONS	82890	42611	20745
TOTAL (A+B)	**187802**	**144985**	**114617**
(2.5) NET CURRENT ASSETS (2.3-2.4)	390063	366166	346226
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	1734	1962	2102
(2.7) DEFFRED TAX ASSETS	7816	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	777895	705755	696235
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1398140**	**1304071**	**1278329**

CONSUMER GOODS

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES / OPERATING INCOME	402097	313349	165963
(B) EXCISE DUTY	11042	9429	8162
(C) NET SALES (A-B)	391055	303920	157801
(D) OTHER INCOME /RECEIPTS	38822	55762	101047
(E) ACCRETION / DEPLETION IN STOCKS	-19773	1810	917
(I) TOTAL INCOME (C+D+E)	**410104**	**361492**	**259765**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	125560	109202	43113
(B) STORE & SPARES	14558	9868	13187
(C) POWER &FUEL	32895	30264	26056
(D) MANUFACTURING / DIRECT / OPERATING EXP.	22487	19752	15618
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	92274	61791	28197
(F) OTHER EXPENSES	34819	26369	26704
(G) PROVISIONS	3141	4335	2421
(II) TOTAL EXPENDITURE (A TO G)	**325734**	**261581**	**155296**
(3) PROFIT BEFORE DEP..INT..TAXES & EP (PBDITEP) (l-ll)	84370	99911	104469
(4) DEPRECIATION	17626	18012	9571
(5) DRE./PREL EXP. WRITTEN OFF	334	192	937
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	66410	81707^	93961
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	20549	20732	21017
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 66233	58722	48203	
(D) LESS INTEREST CAPITALISED	12	6	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	86770	79448	69220
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	-20360	2259	24741
(9) TAX PROVISIONS	18057	21790	5219
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	-38417	-19531	19522
(11) NET EXTRA -ORD. ITEMS	418	1761	5207
(12) NET PROFIT /LOSS (10-11)	-38835	-21292	14315
(13) DIVIDEND DECLARED	1966	3177	2722
(14) DIVIDEND TAX	250	535	550
(15) RETAINED PROFIT (12-13-14)	-41051	-25004	11043

CONSUMER GOODS
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	667317	632932	793264
(ii) CAPITAL EMPLOYED	568167	550675	541007
(iii) NET WORTH	-166487	-125185	-486981
(iv) COST OF PRODUCTION	430464	359233	235024
(v) COST OF SALES	450237	357423	234107
(vi) VALUE ADDED	198269	156396	76362
(vii) R & D EXPENDITURE	467	709	212
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	27890	28629	11008
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	27571	17986	21346
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	1.27	1.22	5.01
(ii) CURRENT RATIO	3.08	3.53	4.02
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.03	3.49	9.49
(iv) SUNDRY DEBTORS : SALES (No. of days)	112.47	180.09	351.74
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	124.34	176.42	313.61
(ii) SEMI / FINISHED GOODS : SALES	49.42	82.35	120.63
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.27	0.07	15.03
		(%)	
(vii) SALES : CAPITAL EMPLOYED	68.83	55.19	29.17
(viii) PBDITEP : CAPITAL EMPLOYED	14.85	18.14	19.31
(ix) PBITEP: CAPITAL EMPLOYED	11.69	14.84	17.37
(x) COST OF SALE : SALES	115.13	117.60	148.36
(xi) MATERIAL COST : SALES	32.11	35.93	27.32
(xii) SALARY & WAGES : SALES	23.60	20.33	17.87
(xiii) R & D EXPENDITURE : SALES	0.12	0.23	0.13
(xiv) PBITEP : SALES	16.98	26.88	59.54
(xv) PBTEP : NET WORTH	12.23	-1.80	-5.08
(xvi) NET PROFIT : NET WORTH	23.33	17.01	-2.94
(xvii) GROSS MARGIN : GROSS BLOCK	17.63	21.28	22.59

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 through manufacture 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 one of the pioneering enterprises engaged in the manufacturing of artificial limbs, components and rehabilitation aids and appliances for disabled persons. 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 performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products/ Services	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Aids and Appliances	No. in lakhs	13.08	15.07	17.78	15.31
Orthotic Lower	No. in lakhs	3.88	4.01	5.18	4.36
Tricycles	No.	64441	77485	81794	74573
Crutches	No.	80158	61693	60719	67523
Wheel Chairs	No.	24831	26854	34754	28846
Hearing Aids	No.	20243	27960	37111	28438

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	42.14	48.88	53.33	-13.79
Cost of Production	49.17	52.56	56.85	-6.45
Net-Profit/Loss(-)	1.70	4.30	4.87	-60.47
Net Worth	9.87	7.08	1.51	39.41
Paid Up Capital	1.97	1.97	1.97	0.00
Share of Central Govt.	1.97	1.97	1.97	0.00

5. Key Performance Factors

ALIMCO is an ISO 9001 : 2000 company. During 2007-08, ALIMCO successfully developed five products namely Active Prosthetic Leg, Tetran Cloth Canopy in Multi Utility Tricycle, Hand Propelled Tricycle (Child Size), Plastic Moulded Foot rest for Wheel Chair, and Wheel Chair Tubular Folding (Size II, based on Dr. Rory A. Cooper Design).

Low sale of Aids & Appliances due to release of lesser amount of ADIP and ADIP SSA grant and discontinuation of handling/clearance of lesser amount of bilateral cargo were the main reasons for decrease in turnover of the company during 2007-08 as compared to last year. Galloping increase in the prices of raw material stores, spares and consumables and low sales volumes were the reasons for decrease in margins.

Modernization of plant and machinery, better capacity utilization and good industrial relations helped the company to maintain its performance.

6. Human Resource Development (HRD)

The enterprise employed 223 regular employees (executives 43, non-unionized supervisors 26 & workmen 154) as on 31.3.2008.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. 16 employees retired on attaining the age of superannuation, 4 expired and 3 resigned during the year.

The total number of Directors in the company, as on 31.3.2008 was 3, out of which 2 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

ALIMCO exported products amounting to Rs. 10.07 lakhs to Nepal, Sri Lanka and Sudan during 2007-08.

In spite of increase in raw material input cost, there was no upward revision in the product price during the last three years.

Project Implementation

To expand the manufacturing base, the establishment of Auxilary Production Center in Chanalon Punjab is in progress. The civil work has already been done and order for supply of machine/tools has been placed and the delivery of the same has started. Further, a Warehouse and Assembly unit is proposed to be established in North Eastern Region with a major thrust on rehabilitation of PwDs of the region.

Research & Development (R&D)

During the year, the company as its R&D activities, initiated development of Modular Above Knee Prosthesis with Four Bar Linkage Knee Joint; Active Prosthetic Leg; New Child Size Tricycle and Multi Utility Battery Operated Tricycle. The R&D expenditure of the company constituted 0.02% of its turnover during the year.

Environment and Ecology

The company is maintaining greeneries in the form of lawns, parks and orchids. It is also maintaining an Effluent Treatment Plant for industrial discharge and an Oxidation Pond for disposal of company's waste.

Order Book Position

During the year, ALIMCO booked 867 orders worth Rs. 6.75 crore out of which 14 were the export orders amounting to Rs. 0.10 crore. The year ended with an order booking of 521 orders amounting to Rs.0.73 crores.

Cement Corporation of India Ltd. (CCI)

1. Company Profile

CCI was incorporated on 18.1.1965 under the Companies Act, 1956 with the objective to explore 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, District Karbi Anglong in Assam, Rajban, District Sirmaur in Himachal Pradesh, and Tandur, District Rangareddy in Andhra Pradesh. Units at Adilabad(5.11.1998) in Andhra Prades, Mandhar(6.6.1996), District Raipur and Akaltara(9.12.1996), District Champa Janjgir in Chattisgargh, Nayagaon and Nayagaon Expansion(30.6.1997), District Neemuch in Madhya Pradesh, Kurkunta(1.11.1998), District Gulbarga in Karnataka, Charkhi Dadri(14.8.1996), District Bhiwani in Haryana and Delhi(8.2.1999) and Bhatinda(not commissioned) Grinding units are non-operative/ closed since the dates mentioned in brackets.

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
		2007-08	2006-07	2005-06	
Cement	000' MT	909 (24)	1023 (27)	942 (24)	958

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	342.63	325.72	230.03	5.19
Cost of production	272.54	270.51	304.09	0.75
Net Profit / Loss(-)	40.89	166.61	831.84	-75.46
Net Worth	-319.04	-363.42	-889.94	-
Paid up capital	764.34	764.34	429.28	0.00
Share of Central Govt.	764.34	764.34	429.28	0.00

5. Key Performance Factors

The increase in turnover and profitability (without considering the interest withdrawal as envisaged in the sanctioned scheme) is attributed to increase in realization and higher productivity.

During the year the company received a budgetary support of Rs. 10.65 crore (equity Rs.5.32 crore and loan Rs.5.33 crore).

6. Human Resource Development (HRD)

The enterprise employed 1460 regular employees (executives 150, unionized supervisors 17 and workmen 1293) as on 31.3.2008 as against 1523 employees as on 31.3.2007. 5.41% employees were having professional qualifications. 51% employees come under the age bracket of 51 and above years.

Retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. A total of 63 employees retired during the year. In addition, 26 skilled and 19 unskilled employees also left the company in attrition. Since the introduction of VRS, total 3542 employees have retired under the scheme.

Total number of Directors in the company as on 31.3.2008 was 5, out of which 3 were 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 comprised of cash assistance Rs.184.29 crore and non-cash assistance Rs.1267.95 crore. 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. However, under no circumstances salaries and wages would exceed the amount estimated in the proposal approved by the BRPSE.

Hindustan Latex Limited (HLL)

1. Company Profile

Hindustan Latex Ltd., (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 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 of India. 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 five production units - two at Thiruvananthapuram, and one each at Kochi, Belgaum and Manesar. In addition, the company has ventured into the business of Pregnancy Test Kits, Diagnostic Services and also the business of procuring, installing, operating and maintaining various equipments required by Hospitals. It offers Consultancy Services also.

3. Production/ Operational Profile

Major Products	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Condoms	M. Pcs.	1047.62 (80)	1088.52 (105)	990.00 (99)	1042.05
Steroidal Oral Contraceptive Pills	M. Cycles	58.26 (59)	57.58 (58)	54.90 (56)	56.91
Blood Bags	M. Pcs.	6.04 (121)	5.51 (110)	4.62 (92)	5.39
Copper T	M. Pcs.	2.78 (50)	2.78 (51)	3.41 (62)	2.99
Non-Steroidal Oral Contraceptive Pills	M. Tablets	24.20 (81)	18.19 (61)	19.42 (65)	20.60
Pregnancy Test Kits	M. Pcs.	21.75 (84)	NA	NA	NA

4. Major Financial Highlights

Particulars	Performance during (Rs. in Crore)			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	317.09	241.15	212.61	31.49
Cost of prod.	302.75	261.64	192.48	15.48
Net Profit/Loss (-)	23.82	17.47	20.64	36.35
Dividend declared (as % of PBT)	4.20	15.06	9.47	-72.12
Net worth	122.42	106.99	97.28	14.42
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

Production of Blood Bags increased by 10% and Sutures increased by 22% as compared to the previous year. Newly commissioned unit at Manesar produced 21.75 M Pcs of Pregnancy Test Kits within first 4 months of operation;

The company achieved a sales turnover of Rs.316 crore with a growth of 31% over the previous year. Domestic sales excluding sales to Government touched Rs.145.50 crore with a growth of 28% over the previous year's sales. This represents 46% of total turnover of the company.

During the year, the direct marketing segment sold 274.77 M Pcs of Condoms. The flagship brand 'Moods' achieved a compounded annual growth rate of 10.76% during last 3 years.

6. Human Resource Development

The enterprise employed 1879 regular employees (executive 257 & non-executive 1622) as on 31.3.2008. The 13.68% of the employees were having professional qualifications and around 34.81% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 45 years.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 pattern of remuneration. 58 employees retired during the year and 5 skilled employees left the company in attrition. However, 72 new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2008 was 9, out of which three were part time Non-official Director/professionals and two were Government/official Directors.

7. Strategic Issues

The Contraceptive Division has received further recognition in the form of new projects in the state of Bihar, Orissa, Jharkand and Uttar Pradesh.

Under the proposed business model HLL is focusing on two product-categories in the Hospital Product Division viz. sutures and blood bags. Some of the critical success factors identified for the Division include continuous innovation and technology upgradation; tie up with leading manufacturers to enhance the product offerings and portfolio with strong ethical marketing team to market the products.

HLL has also entered into technical alliances/ arrangements with technology leader(s) in the segment of Blood Bags to help innovation of new products.

HLL has initiated steps to tap the huge potential in the service sector by providing 'end-to-end' specialised solutions to the life sciences sector. It has been focusing upon becoming a 'preferred service' provider for the sector and health sciences industry.

As part of the new growth agenda, the company has formed a Vaccine Division for which the human vaccines will be the focus segment. The human vaccine is among the fastest growing segments globally.

To tap the opportunities in the pharmaceutical industry, HLL has been focusing on the women's health pharma segment. Moreover, the Company proposes to foray into formulations in the ATM (AIDS, TB, & Malaria) segment.

HLL will focus on phytopharmaceuticals and neutraceuticals as the core business area for the Natural Products Division.

R & D initiatives

During 2007-08, the Company carried out Research & Development activities in the specific Areas of condom range; latex formulation with safer accelerator systems that scientifically reduces the concern regarding type IV allergy and nitrosamine; formulation with low zinc (using active grade of zinc oxide) that reduces environmental pollution; low modulus latex formulation with liquid accelerator system; new formulations which are complying with stability study; formulations for UNFPA requirement which are complying Bio equivalence study; 11 ARV formulations; Surgical Suture variants (PDS, PGLA and Monofilament PGA)

Ongoing R&D projects

(i) Application of Nanotechnology to develop new intra uterine devices, antibacterial surgical sutures;

(ii) Development of new formulation for blood bags;

(iii) Development of rubber bag device for the radiation treatment of cervical cancer;

(iv) Development of latex formulation with thyrotrophic effect for better distribution of the latex film;

(v) Introduction of third dip process in the production line to reduce the rejection and to improve the properties;

(vi) Introduce condom with duel lubricant on either surface;

(vii) Development of new generation Iron and Calcium formulations;

(viii) Development of second generation ARV drugs;

(ix) New process route for centchroman in collaboration with CDRI;

(x) Plan for developing Rapid HIV Test Kits – Radial Flow & Lateral Flow kits;

(xi) Technology Development of Rubber Moulds For Explosive Treatment;

(xii) Development of bone filling materials for biomedical application; and

(xiii) Development of new formulation for PVC blood bags without plasticizers (collaboration with IIT, KGP)

Environment and Ecology

The company is maintaining excellent environmental, health, and safety management systems that meet the requirements of ISO 14001 & OHSAS 18001.

The company 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 vision of the company is to operate large capacity Newsprint / Paper Mills on sound commercial principles and to continuously upgrade and upscale production output and enhance market share. HNL is a Schedule-'B' / Mini-ratna CPSE in Consumer Goods sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry. Its

Registered and Corporate offices are 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 and pulp. The performance details of major products are as follows:

Major Products/ Services	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Newsprint, Writing & Printing Paper incl. Wrapper	TMT	116 (116)	113 (113)	113 (113)	114
Chemi-mechanical Pulp	MT	50846 (85)	48131 (80)	49225 (82)	23864
Chemical Pulp	MT	16478 (60)	16760 (61)	15960 (58)	20253
De-inked Pulp	MT	34805 (105)	34120 (103)	33313 (101)	2866

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	300.65	315.33	303.04	(-)4.66
Cost of Production	275.71	273.25	278.13	0.90
Net-Profit	20.89	31.92	15.68	-34.56
Dividend declared (as % of PBT)	18.12	27.40	32.44	-33.85
Net Worth	238.83	215.69	197.62	10.73
Paid Up Capital	99.99	82.54	82.54	21.14
Share of Holding Co.	99.99	82.54	82.54	21.14

5. Key Performance Factors

During 2007-08, the company improved its production of newsprint by achieving slightly higher capacity utilization i.e. 116% as compared to 113% in the previous year.

Sales of the company, however, decreased by 5.26% and gross margin decreased by 48.25% during 2007-08 as compared to last year due to lower net sales realization per unit.

The company could retain 'Nil' stock position for the fifth year in succession despite the newsprint market remaining subdued during first three quarters wherein the prices declined heavily.

The company paid 5% dividend of the Paid-up Capital during the year 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 1083 regular employees (executives 193 & non-executives 890) as on 31.3.2008. 8.57% employees were having professional qualifications. 65.18% 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 31.3.2008 was 5, out of which 2 each were part time Non-official Directors / professionals and Government Directors and one full time Functional Director.

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 2007-08 compared to last year.

During 2007-08, the company conducted 29 in-house training programmes comprising of 295 workmen days and 400 officers/supervisors days. In addition, the company sponsored 194 officers/ supervisors and 102 workmen to 52 external customized technical and management programmes.

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 implementation activities are at various stages.

Application submitted to the Government of Kerala for development of a Special Economic Zone in pulp and paper industry during 2007-08 is yet to be decided upon.

HNL, besides fulfilling the mandate of procuring fibrous raw materials, is also carrying out activities such as raising captive plantations, extracting material from plantations, purchase at gate schemes, waste paper collection and recovery.

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

In order to maximize production of high-yielding, disease-resistant clonal plantlets, HNL has established two mist chambers with production capacity of 6 lakh plantlets per annum; expanded the facilities like hardening units, open nursery and clonal multiplication area to cater to the increased need of mist chambers, and operationalized 3 more mist chambers of temporary nature to overcome frequent power failure.

The company has conducted a number of field trials for application of various levels of manure to increase productivity.

Environment and Ecology

ISO 14001 Environmental Management System is in place. The Company focuses on continual improvement in pollution abatement measures 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 Corporation Ltd (HPC)

1. Company Profile

HPC was incorporated on 29.05.1970 under the Companies Act, 1956 with the objective of establishing pulp and paper / newsprint mills in the Country to make paper available for mass communication. HPC is a schedule 'A' CPSE in 'Consumer Goods' sector under the administrative control of M/o Heavy Industry and Public Enterprises, D/o Heavy Industry with 100 % share holding 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 throughout the Country. It has two units in Assam namely Nagaon Paper Mill and Cachar Paper Mill, each having an installed production capacity of 1,00,000 tonnes per annum (tpa). It has three subsidiary companies namely Hindustan Newsprint Limited (HNL) in Kottayam, Kerala, Nagaland Pulp and Paper Co. Ltd (NPPC) in Mokokchung., Nagaland and Jagdishpur Paper Mills Ltd (JPML), Sultanpur, Uttar Pradesh.

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 Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Newsprint, Writing & Printing Paper incl. Wrapper	MT	211746 (105.87)	208315 (104.16)	207068 (103.53)	209043
Caustic Soda	MT	24061 (66.28)	22806 (62.83)	24725 (68.11)	23864
Chlorine Gas (Liquified)	MT	21216 (116.89)	20071 (110.58)	19473 (107.29)	20253
Hydrochloric Acid	MT	2952 (44.73)	2903 (43.98)	2743 (41.56)	2866
Calcium Hypochlorite	MT	7172 (50.12)	7957 (55.60)	7374 (51.53)	7501
Chlorine Dioxide	MT	1021 (93.67)	1024 (93.94)	987 (90.55)	1011

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	842.03	786.43	742.35	7.07
Cost of Production	676.79	639.95	645.35	5.76
Net Profit/Loss (-)	91.84	81.01	58.72	13.37
Dividend declared (as % of PBT)	9.55	12.46	17.20	-23.38
Net Worth	879.81	776.71	713.75	13.27

Paid up Capital	670.38	700.38	700.38	- 4.28
Share of Central Govt.	670.38	700.38	700.38	-4.28
Preference Shares	0.00	136.68	0.00	100.00

5. Key Performance Factors

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

Earning Per Share of the company was Rs.1.37 during 2007-08 as compared to Rs. 1.16 in the previous year.

Government of India approved revival of Nagaland Pulp & 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 Cr. against HPC's loan and interest dues to Government of India. BIFR sanctioned the Revival Scheme vide order dated June 27, 2007. The scheme is under implementation.

6. Human Resource Development (HRD)

The enterprise employed 2708 regular employees (executives 530 & non-executives 2178) as on 31.03.2008. 9.75% employees are having professional qualifications. 38.52% 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 patterns of remuneration. During the year, 50 skilled and 28 unskilled employees left the company.

The total number of Directors in the company, as on 31.03.2008 was 8, out of which 3 each were part time Non-official Directors and full time Functional Directors and 2 Government 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

Project implementation

The proposal for the UP Paper Mill Project was approved by Government on 26th November, 2007 with an estimated capital outlay of Rs.2742 crore. The project is to be implemented through its recently formed subsidiary namely Jagdishpur Paper Mills Ltd. which will have an Authorized Equity share capital of Rs.500 crore, out of which 51 % will be held by HPC and balance 49 % to be raised from capital market at an appropriate premium through Initial Public Offer (IPO). An amount of Rs. 1507 crore will be raised by commercial borrowings. For major plant facilities, land has been identified at UPSIDC Industrial area, Utelwa. The launching of project activities are held up due to delay in taking possession of land from UPSIDC.

Host Country Approval obtained from Designated National Authority (DNA) for identified 4 CDM projects under Kyoto Protocol. 2 projects are under review by UNFCCC on the issue of prior CDM consideration by project proponent and other two projects are under validation process by Designated Operational Entity (DOE).

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. The expenditure on R & D constituted 0.22% of the turnover.

Environment and Ecology

Pro-active steps are taken for combating environmental degradation. The manufacturing units have Environmental Management Systems to treat the effluents / emissions released during the production processes for complying with statutory regulations.

Action has also been taken for modernization & technological upgradation including 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 the 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. HPF 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 (three 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 is decreasing over the years. The performance details of major products are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Cine Films	M.Sq.m	0.01 (0.06)	0.05 (0.31)	0.06 (0.37)	0.04
X-ray Films	M.Sq.m	0.37 (3.01)	0.42 (3.43)	0.56 (4.57)	0.45
Graphics Arts	MRM	0.13 (5.56)	0.15 (6.53)	0.08 (3.47)	0.12
Processing Chemicals	Tonnes	34.97 (8.74)	71.32 (17.87)	102.36 (25.59)	69.55
Average Capacity Utilization	%	(1.62)	(1.93)	(2.12)	

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	17.17	14.59	14.61	17.68
Cost of production	806.33	671.27	585.20	20.12
Net Profit/Loss(-)	-789.48	-653.06	-560.90	(20.89)
Net Worth	-4930.94	-4144.43	-3491.39	(18.98)
Paid up capital	200.87	199.87	199.87	0.50
Share of Central Govt.	181.68	180.68	180.68	0.55

5. Key Performance Factors

Although the turnover has increased, the company has shown higher losses during 2007-08 as compared last year.

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 developing technological 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.

During the year, HPF received a non-plan assistance of Rs. 9.94 crores for payment of wages and salaries and Rs. 17.30 crore for VRS / VSS totaling Rs.27.24 crore. In addition, a plan assistance of Rs.3 crore was also given (Rs.1.5 crore as equity and 1.5 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 Kolkata Stock Exchanges. Delhi Stock Exchange has already given its permission for de-listing.

6. Human Resource Development (HRD)

The enterprise employed 859 regular employees (executives 63, Non-unionized supervisors 46 & workmen 750) as on 31.3.2008 as against 1066 employees as on 31.3.2007. 8.27% employees were having professional qualifications and 32% 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 6 employees retired during the year under superannuation and one skilled employee left the company on other grounds.

During the year, 200 employees availed of VRS. Since the introduction of VRS a total of 2603 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2008 was 3, out of which one each was part time Non-official Director / professional, Government Director and full time Functional Director.

7. Strategic Issues

Restructuring Plan

HPF was registered with BIFR in 1995. It was 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.

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.

Presently a Report on revival plan for HPF has been submitted by a firm of Consultants M/s Ernst & Young and the same is under consideration of BRPSE / the Government of India.

Hindustan Vegetable Oils Corp. Ltd. (HVOCL)

1. Company Profile

HVOCL was incorporated in the year 1984 under the Companies Act, 1956 by merger of two nationalized companies namely M/s Ganesh Floors Mills and M/s Amritsar Oil Works with the objective of promoting edible oil supply to the consumers at competitive price. It 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 are as follows:

Major Products / Services	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Breakfast foods	MT	NA	398 (44)	425 (47)	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.00	0.00	0.00
Cost of Production	23.75	25.62	37.62	-7.30
Net Profit / Loss(-)	-21.09	-22.91	-34.33	-
Net Worth	-102.04	-84.49	-135.87	(20.77)
Paid up capital	7.71	7.71	7.71	0.00
Share of Central Govt.	7.71	7.71	7.71	0.00

5. Key Performance Factors

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

6. Human Resource Development (HRD)

The enterprise employed 121 regular employees (executives 41 & non-executives 80) as on 31.3.2008. 8% employees come under the age bracket of 51 and above years.

The retirement age in the company is 60 years. It 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, which 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 for 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 03.01.1922 under the Companies Act, 1913 and became a Government Company on 10.05.1979 . It was incorporated with an objective to cater to the printing and stationery requirements of Andrew Yule Group of Companies. The Company is an uncategorised CPSE in Consumer Goods sector under the administrative control of Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry. Its Registered and Corporate Offices are at Kolkata, West Bengal. HPCL is a 100% Subsidiary of Andrew Yule & Co. Ltd.

2. Industrial/Business Activities

HPCL is one of the taken over subsidiary enterprises engaged in printing of paper/paper board through its Press at Kolkata.

3. Production/Operational Profile

The Company prints material for its customers as per their requirement. During the year 2007-08 total 263 Jobs including Periodicals, Books and Miscellaneous printing materials were completed as compared to 389 Jobs in the previous year.

4. Major Financial Highlights

Particulars	Performance during (Rs. in crores)			% change over
	2007-08	2006-07	2005-06	2006-07
Turnover	4.12	4.08	5.08	0.98
Cost of Production	4.19	3.93	4.73	6.62
Net Profit / Loss(-)	0.03	0.12	0.24	(-) 75.00
Net worth	2.92	2.90	2.83	0.69
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 turnover of the Company increased by 0.98% during 2007-08 as compared to last year.

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

The earning per share was Rs. 0.29 as on 31.3.2008.

6. Human Resource Development (HRD)

The enterprise employed 59 regular employees (executives 6, non-unionised supervisors 7 & workmen 46) as on 31.3.2008. 1.72% employees were having professional qualifications. 43.10% employees come under the age bracket of 51 and above years.

HPCL is following IDA 1997 pattern of pay scales. The retirement age in the company is 58 years. During 2007-08, 2 employees retired on attaining the age of superannuation and another 2 availed of VRS. Till 31.03.2008, 60 employees have availed of VRS.

7. Strategic Issues

During the year 2007-08 the company purchased one Imported PM-74 Four Colour Heidelberg Offset Printing Machine (computer controlled) so as to meet the exacting needs of the printing industry. It is expected that with this state-of-art printing machine, services to the customers will vastly improve and the company will also be able to book high value-adding quality jobs leading to the better operating results. The Company is Board Managed and there is no post for full time functional CMD/MD/Director

Technology upgradation /Research & Development

Till 1991 HPCL was basically a Letter Press Printing Company.In 1991 “Letter Press” form of printing was upgraded to “Offset” procedure of printing. In 1998-99 the company upgraded the procedure of printing from Bi-colour to Four-colour Offset. Now the Company has upgraded to a high speed computer-controlled imported Offset Printing Machine along with balancing equipments.

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 Tuli, district 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. Production / Operational Highlights

No production figures have been made available by the company.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.00	0.00	0.00
Cost of Production	6.14	14.36	14.14	-57.24
Net-Profit/ Loss(-)	129.90	-14.36	-14.02	-
Net Worth	-13.95	-143.85	-129.47	-
Paid Up Capital	120.20	120.20	120.20	0.00
Share of Holding Co.	113.92	113.92	113.92	0.00

5. 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.

During 2007-08 the company had other income in the form of provisions no longer required. Hence, it accounted net profit of Rs. 129.90 crore during the year as compared to a loss of Rs. 14.36 crore during 2006-07. Its accumulated losses decreased from Rs. 264.20 crore as on 31.3.2007 to Rs. 134.30 crore as on 31.3.2008.

6. Human Resource Development (HRD)

There were 302 employees in the company as on 31.3.2008, out of which 23 were in the managerial category, 19 non-unionised Supervisors and 260 workmen. 1.99% employees were having professional qualifications and 40.07% employees come under the age bracket of 51 years and above. The average age of the employees was 49 years. During the year, 5 employees retired on superannuation. Till 31.3.2008, total 729 employees availed of VRS.

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 BIFR sanctioned revival scheme on 29.5.2007 envisaging a cash assistance of Rs. 302.95 crore comprising of Rs. 261.26 crore as equity, Rs. 38.19 crorre as preferential shares and Rs. 3.50 crore for VRS and non-cash assistance of Rs. 378.97 crore comprising of Rs. 125.98 crore as waiver of loan, interest etc. and Rs. 252.99 crore as Government guarantee.

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 taken over by the Central Province and Berar (Now Madhya Pradesh) in October, 1949. The Central Government acquired controlling interest in 1959. The name of the company was changed to Nepa Limited in 1989. 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 and sale of newsprint and writing and printing paper through its only operating unit at Nepanagar, Madhya Pradesh and 3 marketing offices at Delhi, Mumbai and Bhopal and a Plantation Unit at Hempur (Uttranchal).

3. Production / Operational Profile

The details of production of the company are as follows:

Major Products/ Services	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Newsprint	MT	51425 (58.44)	42110 (47.85)	30955 (35.18)	41497

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	111.27	83.52	57.68	33.23
Cost of Production	156.91	129.83	105.32	20.86
Net-Profit/ Loss(-)	-37.67	-44.47	-51.93	-
Net Worth	-319.73	-283.06	-241.69	(12.95)
Paid Up Capital	106.01	106.01	106.01	0.00
Share of Central Govt.	103.62	103.62	103.62	0.00

5. Key Performance Factors

Nepa Limited has recorded all round improvement in production, sales / turnover and in other key areas. The improvement in production and sales / turnover was 22% and 33% respectively during the year as compared to last year. The company could reduce its losses by about 15% during this period. The turnover was entirely from domestic sales. The increase in production is attributed to improvement in employees productivity vis a vis better capacity utilization.

Availability of raw material in the market was the main constraint. Further, due to collapse of Cooling Tower no. 3 and 4, Paper Machine No. II remained shut in June-July, 2007.

During 2007-08, the company received a budgetary support of Rs. 12.97 crore as non-plan and Rs. 2.00 crore (Rs. one crore each as equity and loan) as plan assistance.

Nepa Limited is focusing on further improvement in productivity and quality of product to minimize wastages and reducing cost. It has signed MOU with the Ministry of Heavy Industries and Public Enterprises first time after a gap of 15 years.

6. Human Resource Development (HRD)

The enterprise employed 1293 regular employees (executives 121, Unionized Supervisors 119, Non-unionized Supervisors 3 & Workmen 1050) as on 31.3.2008. 1.28% of the employees were having professional qualifications. 28.01% 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 2007-08, total 14 persons retired on superannuation. Since inception of VRS Scheme in 1993, total 2340 employees availed of the Scheme till 8.10.2002.

The total number of Directors in the company as on 31.3.2008 was 5, out of which 4 were 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 regard. The said Bill was introduced in Parliament on 22.11.2007, which has been referred to the Department related Parliamentary Standing Committee on Industry for detailed examination.

Research & Development (R&D)

The R&D Centre of the company, which is equipped with modern facilities, is registered with DSIR. Raw material mix for economy and standard quality newsprint has undergone change on account of R&D results.

The trained persons of the company have strict check on incoming raw material and their proper specifications, thereby ensuring good quality/ furnish mix for manufacture of newsprint.

Environment and ecology

Nepa Ltd. has eco-friendly technology for newsprint manufacturing by recycling waste paper, thus protecting the environment and reducing cost of production. The effluent generated by Nepa Ltd. is treated in its Effluent Treatment Plant and partly recycled. The balance released in river is well within the norms of Pollution Control Board.

Extensive tree plantation is carried out in and around township to maintain healthy environment.

Order Book Position

During the year Nepa Limited booked orders worth Rs. 106.69 crore and almost all these orders received from the private sector except orders worth Rs. 76 lakhs received from Government Departments/organizations. The year ended with in hand Order Booking of around Rs. 2.00 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 fully meet the requirements of Central Government and

State Governments regarding security products, and currency and coin indents of RBI. The Company is schedule 'A' CPSE in Consumer Goods sector under the administrative control of M/o Finance, D/o Economic Affairs 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 Government of India departments, 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, stamp paper, currency and mint. The performance details of major activities of the company are as follows:

Major Products/Unit Services		Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Bank/ Currency Note	Million Pieces	5100	4669	NA	-
Coins	Million Pieces	2378	733	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2004.17	1274.73	0.00	57.22
Cost of Production	1635.05	1160.93	0.00	40.84
Net-Profit/Loss(-)	199.70	268.38	0.00	-25.59
Net Worth	3455.09	3296.99	32.38	4.80
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 profitability of the company declined despite increase in turnover because of provision of Rs. 229.88 crore made for payout under sixth pay commission Report.

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

Earning Per Share of the company was Rs. 39941 as on 31.3.2008 as compared to Rs. 53675 as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 17877 regular employees (executives 387, Non-unionized supervisors 190, unionized supervisors 3050 and workmen 14250) as on 31.3.2008 as against 17690 employees as on 31.3.2007. About 0.10% employees were having professional qualifications. Around 28.58% employees come under the age bracket of 51 and above years. All Government employees are on deemed deputation and the process of their permanent absorption on the roll of the company is being finalized after due process of deliberations with the representative unions and Central Trade Union Organization.

The retirement age in the company is 60 years. It is following CDA 1996 pattern of remuneration. A total of 625 employees retired during the year on superannuation and 10 skilled and 152 unskilled employees also left the company in attrition. However, 10 skilled and 3 un-skilled employees joined during the year.

During the year, 30 employees availed of VRS and an amount of Rs.0.66 crore was spent in this regard through budgetary support.

The total number of Directors in the company, as on 31.3.2008 was 7, out of which 4 were full time Functional Directors 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 focus areas for improvement.

Research & Development

BNP, Dewas has indigenized the production of quickset intaglio ink and saved Rs. one crore by producing approximate 85 MT ink. It has introduced an in-house developed bi-fluorescent ink for Indian Passport to be used by India Security Press, Nashik. A unit, India Security Press, has successfully designed and produced the first batch of E-Passport for M/o External Affairs.

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

SPMCIL's officials visited renowned currency paper manufacturing firms abroad during CWBN Paper inspection etc. and gained knowledge of modern technologies in banknote paper manufacturing used internationally.

Order Book Position

CNP, Nashik has succeeded in receiving order for printing of 50 million pieces of bank notes of the denomination of '10' of Nepal Rashtra Bank(NRB) through competitive global tender.

RBI has projected currency requirement of 6000 million pieces of different denominations for the year 2008-09. Further, RBI has given the projections for requirements of bank notes and coins for next four years. As per these projections, the company is likely to have considerable quantum of assured orders.

Environment and Ecology

One unit of SPMCIL CNP, Nashik has received Certification of ISO 14001:2004 in Environment Management System and BNP, Dewas has got renewal of its ISO 14001 for their Eco-friendly operations.

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 nationalized by an ordinance dated 14.2.1984 with the 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' / taken over / BIFR/ BRPSE referred CPSE in 'Consumer Goods' sector under the administrative control of M/o Heavy Industry 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.

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) 2007-08	2006-07	2005-06	Average of three years
Automotive Tyres	MT	17754 (76)	15623 (67)	15557 (67)	16311

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	39.70	36.44	37.64	9.01
Cost of Production	95.31	88.48	86.71	7.72
Net Profit/Loss(-)	-48.88	-47.93	-47.69	(1.98)
Net Worth	-688.12	-638.96	-591.38	(7.69)
Paid up capital	93.45	93.45	93.10	-
Share of Central Govt.	93.45	93.45	93.10	-

5. Key Performance Factors

The company has shown operating profit, however, due to high interest payment on Central Government loans it is still incurring net loss. In the absence of working capital support from banking system, the company compelled to switch to jobbing work. From April, 2002 it is doing 100% jobbing work for private tyre majors like M/s. JK Tyre & Industries Ltd., M/s. Ceat Ltd. & M/s. Birla Tyres Ltd.

The Company has dismantled all marketing set up and released most employees under VRS by 2003-04. Presently production activities are maintained mainly through contract labour.

TCIL is making operating profit (PBDIT) since F.Y. 2002-03 (excluding 2004-05) and no GOI support have been drawn for payment of salary and wages after November, 2001. The other performance factors are :

(a) Production of tyres was reduced due to increase in material cost and higher consumption of Coal without matching increase in recovery of conversion charges.

(b) Introduction of Volume discount to ensure order booking position.

(c) Fire disaster took place on 13th January, 2008 in Banburry section (Mixing dept.) and all the three machines were damaged and plant reached to a grinding halt almost for 2 months.

(d) An alternative arrangement could be made with M/s. Birla Tyres to supply mix compound from their plant at Orissa instead of supplying Raw Materials. Thus company manufactured 33,953 Nos. i.e. 1637 MT of tyres but contribution from above was quite low since conversion charges were reduced by prevailing mastication charges leading to much lower net rate.

6. Human Resource Development (HRD)

The enterprise employed 229 regular employees (executives 63 & non-executives 166) as on 31.3.2008 as against 252 employees as on 31.3.2007. 2.62% employees were having professional qualifications. 64% employees come under the age bracket of 51 and above years. The average age of the employees in the company is 50 years.

The retirement age in the company is 60 years at Board Level and 58 years at below board level and the company is following IDA 1987 pattern of remuneration. A total of 23 employees retired from the company during the year. Since the introduction of VRS total 2214 employees availed of the scheme.

7. Strategic Issues

The company aims at for a turnaround from a loss making to profit making company through financial restructuring and strategic alliance. It is planning for diversification of its product range for manufacturing Off The Road Tyre (OTR) for which demand is increasing. Coal India Ltd. (CIL) is one of the major customers of OTR and TCIL is contemplating for signing MOU with CIL in this respect.

Restructuring Plan

BRPSE has recommended for financial restructuring with the condition of locating joint venture participation that will bring new technology and increase profitability and market share. Parliament had approved the Tyre Corporation of India Ltd. (Disinvestment of Ownership) Bill 2007 for changing the Public Sector Enterprise Character of the Company. The Gazette Notification for Disinvestment has been made on 13th December, 2007. Financial Restructuring proposal for cleaning the Balance Sheet and to bring the Net Worth positive is under progress.

6

FERTILIZERS

As on 31.3.2008, there were 7 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.	Fertilizer Corpn. of India Ltd.	1961
3.	Madras Fertilizers Ltd.	1966
4.	National Fertilizers Ltd.	1974
5.	Hindustan Fertilizer Corpn. Ltd.	1978
6.	Rashtriya Chemicals and Fertilizers Ltd.	1978
7.	Brahmaputra Valley Fertilizers Corpn. Ltd.	2002

2. The enterprises falling in this group are mainly engaged in producing and selling of cemicals and fertilizers like Urea, hosphates, 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Fertilizers & Chemicals (Travancore) Ltd.	5228.97	3559.62
2.	Fertilizer Corpn. of India Ltd.	0.00	0.00
3.	Madras Fertilizers Ltd.	1140.06	1210.66
4.	National Fertilizers Ltd.	4158.10	3880.94
5.	Hindustan Fertilizer Corpn. Ltd.	0.00	0.00
6.	Rashtriya Chemicals and Fertilizers Ltd.	5228.97	3559.62
7.	Brahmaputra Valley Fertilizers Corpn. Ltd.	253.79	284.79
	Total	**11661.88**	**10452.48**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Fertilizers & Chemicals (Travancore) Ltd.	8.97	-124.73
2.	Fertilizer Corpn. of India Ltd.	-1504.83	-1432.59
3.	Madras Fertilizers Ltd.	-134.85	-114.78
4.	National Fertilizers Ltd.	108.65	176.10
5.	Hindustan Fertilizer Corpn. Ltd.	-1101.98	-1065.14
6.	Rashtriya Chemicals and Fertilizers Ltd.	158.15	148.74
7.	Brahmaputra Valley Fertilizers Corpn. Ltd.	-105.84	-62.37
	Total	**-2571.73**	**-2474.77**

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	
		2007-08	**2006-07**
1.	No. of employees	15278	15216
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	55.40	57.46
	b. Medical facilities	22.73	20.21
	c. Others	44.99	40.53
3.	Capital cost of township *(Rs. in crore)*	121.07	126.03
4.	No. of houses constructed	11095	27789

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	2007-08	2006-7	2005-6
AUTHORISED CAPITAL	517500	527500	477500
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	323392	332932	329631
OTHERS	12855	12855	12855
(B) SHARE APPLICATION MONEY	29230	29230	29445
(C) RESERVES & SURPLUS	191880	179331	159482
TOTAL (A)+(B)+(C)	**557357**	**554348**	**531413**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	225644	154156	149902
(B) UNSECURED LOANS	2832268	2652511	2323695
TOTAL (A)+(B)	**3057912**	**2806667**	**2473597**
(1.3) DEFERRED TAX LIABILITY	31586	36348	35963
TOTAL (1.1)+(1.2)+(1.3)	**3646855**	**3397363**	**3040973**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	1049407	1044470	1021823
(B) LESS DEPRECIATION	701390	681584	651139
(C) NET BLOCK (A-B)	348017	362886	370684
(D) CAPITAL WORK IN PROGRESS	27861	29829	38031
TOTAL (C)+(D)	**375878**	**392715**	**408715**
(2.2) INVESTMENT	99397	111	112
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	180733	170269	132876
(B) SUNDRY DEBTORS	204385	234327	174510
(C) CASH & BANK BALANCES	51529	52069	30662
(D) OTHER CURRENT ASSETS	2138	1698	596
(E) LOAN & ADVANCES	73861	69055	93713
TOTAL (A)+(B)+(C)+(D)+(E)	**512646**	**527418**	**432357**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	248821	245431	249598
(B) PROVISIONS	52358	40740	34137
TOTAL (A+B)	301179	286171	283735
(2.5) NET CURRENT ASSETS (2.3-2.4)	211467	241247	148622
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	469	2070	2266
(2.7) DEFFRED TAX ASSETS	0	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	2959644	2761220	2481258
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**3646855**	**3397363**	**3040973**

FERTILIZERS

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	1166188	1045248	936439
(B) EXCISE DUTY	12058	13420	11697
(C) NET SALES (A-B)	1154130	1031828	924742
(D) OTHER INCOME /RECEIPTS	24368	17275	19116
(E) ACCRETION /DEPLETION IN STOCKS	-110	38297	-5435
(I) TOTAL INCOME (C+D+E)	**1178388**	**1087400**	**938423**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	624121	568118	476725
(B) STORE & SPARES	12164	11891	19652
(C) POWER &FUEL	272217	259696	223995
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	107063	83682	73934
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	72219	57031	51682
(F) OTHER EXPENSES	29575	27852	38679
(G) PROVISIONS	5617	4228	7019
(II) TOTAL EXPENDITURE (A TO G)	**1122976**	**1012498**	**891686**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (HI)	55412	74902	46737
(4) DEPRECIATION	29303	33125	32464
(5) ORE. / PREL. EXP. WRITTEN OFF	17	1289	1787
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	26092	40488	12486
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	269180	251131	217900
(B) ON FOREIGN LOANS	762	572	0
(C) OTHERS 19422	17340	14626	
(D) LESS INTEREST CAPITALISED	61	343	17
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	289303	268700	232509
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	-263211	-228212	-220023
(9) TAX PROVISIONS	13723	18252	13228
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	-276934	-246464	-233251
(11) NET EXTRA -ORD. ITEMS	-19761	1013	-34240
(12) NET PROFIT /LOSS (10-11)	-257173	-247477	-199011
(13) DIVIDEND DECLARED	8777	10800	9591
(14) DIVIDEND TAX	1492	1836	1345
(15) RETAINED PROFIT (12-13-14)	-267442	-260113	-209947

FERTILIZERS

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1712538	1927794	1506498
(ii) CAPITAL EMPLOYED	559484	604133	519306
(iii) NET WORTH	-2402756	-2208942	-1952111
(iv) COST OF PRODUCTION	1441599	1315612	1158446
(v) COST OF SALES	1441709	1277315	1163881
(vi) VALUE ADDED	245518	230420	198935
(vii) R & D EXPENDITURE	151	113	148
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	15278	15232	15688
(ix) AVG. MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	39392	31201	27453
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	5.49	5.06	4.65
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.70	1.84	1.52
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.63	4.92	2.98
(iv) SUNDRY DEBTORS : SALES (No. of days)	64.64	82.89	68.88
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	57.16	60.23	52.45
(ii) SEMI / FINISHED GOODS : SALES	24.57	28.42	16.57
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	-0.53	0.56	1.30
		(%)	
(vii) SALES : CAPITAL EMPLOYED	206.28	170.79	178.07
(viii) PBDITEP : CAPITAL EMPLOYED	9.90	12.40	9.00
(ix) PBITEP: CAPITAL EMPLOYED	4.66	6.70	2.40
(x) COST OF SALE : SALES	124.92	123.79	125.86
(xi) MATERIAL COST : SALES	54.08	55.06	51.55
(xii) SALARY & WAGES : SALES	6.26	5.53	5.59
(xiii) R & D EXPENDITURE : SALES	0.01	0.01	0.02
(xiv) PBITEP : SALES	2.26	3.92	1.35
(xv) PBTEP : NET WORTH	10.95	10.33	11.27
(xvi) NET PROFIT : NET WORTH	10.70	11.20	10.19
(xvii) GROSS MARGIN : GROSS BLOCK	5.28	7.17	4.57

Brahmaputra Valley Fertilizer Corp. 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 Chemicals 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, Dibrugarh district of Assam.

3. Production / Operational Profile

The average capacity utilization of the company was 84.61% during 2007-08. The performance of major product of the company is as follows:

Major Products	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Urea	000'MT	333 (84.61)	308 (60.45)	235 (46.00)	292

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	253.79	284.79	134.20	(-)10.89
Cost of Production	365.41	352.35	235.28	3.71
Net Profit/Loss(-)	-105.84	-62.37	-99.78	(69.70)
Net worth	44.15	149.98	181.10	(-) 70.56
Paid up capital	365.83	365.83	332.82	0.00
Share of Central govt. Govt.	365.83	365.83	332.82	0.00

5. Key Performance Factors

The production of Urea increased by about 8.12% during 2007-08 as compared to last year despite Namrup –II plant being operated at 50% load due to shortage of raw material i.e. natural gas.

The turnover of the company decreased by about 10.89% as compared to the turnover of 2006-07 despite increase in sales and efficiency. This is because of taking into account the subsidy of about Rs. 40.40 crore received by the company last year. The efficiency increased due to reduction in expenditure on account of cost cutting measures, lower energy consumption and higher productivity. The domestic market share of Urea produced by BVFCL was 1.66%.

During the year, the company received non-plan budgetary support of Rs. 20.96 crore as subsidy related to administered prices and plan budgetary support of Rs. 7.47 crore in the form of loan.

6. Human Resource Development (HRD)

The enterprise employed 1248 regular employees (executives 384 & workmen 864) as on 31.3.2008. 6.73% employees were having professional qualifications. 45.59% 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 68 employees retired on attaining the age of superannuation and 22 skilled employees left the company in attrition. Further, 9 employees availed of VRS during the year on which Rs. 49 lakhs were spent from the internal resources. One new employee joined the company during the year.

Since the introduction of VRS a total of 65 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2008 was 5, out of which 2 were Government / official Directors and 3 full time Functional 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 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.

Energy conservation

The Energy Research Institute (M/s TERI), New Delhi has been engaged to carry out energy audit of Namrup III Plants. They have submitted report where energy conservation measures were recommended and the same are being implemented.

Environment and Ecology

During the year, the company did water and air monitoring at the plants.

Fertilizer Corporation of India Ltd. (FCIL)

1. Company Profile

FCIL was incorporated in the year 1961 under the Companies Act, 1956 with the objective of carrying 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 and there are no operational activities.

3. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	0.00	0.00	0.00	-
Cost of Production	1515.14	1433.54	1315.70	5.69
Net Profit/Loss(-)	-1504.83	-1432.59	-1294.00	(5.04)
Net worth	-14927.07	-13422.24	-11989.65	(11.21)
Paid up capital	750.92	750.92	750.92	0.00
Share of Central govt. Govt.	750.92	750.92	750.92	0.00

4. Key Performance Factors

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

The company's income other than sales was Rs. 10.81 crore during 2007-08 as against Rs. 11000/- in the previous year. The loss of the company arose during the year due to charging interest of Rs. 1506.06 crore including penal interest on Government of India loans amounting to Rs. 15028.13 crore and providing for depreciation of Rs. 0.29 crore.

5. Human Resource Development

Majority of the employees have already been released under VSS except 52 persons(executives 22, non-unionised supervisors 25 and skilled workers 5) who have been retained to look after the safety and security of the properties of the corporation and discharge statutory obligations. 2 persons retired under VRS during the year. Retirement age in the company is 60 years for Board level and 58 years for below the Board level employees.The company is following IDA 1987 pattern of pay scales. There were total 4 Directors on the Board, out of which 2 each were Full time Functional Directors and Government Directors.

6. Strategic issues

FCIL was referred to BIFR on 20.4.1992. After a series of hearings, BIFR recommended for its winding up vide orders dated 17.05.2004 and forwarded the same to Registrar, Delhi High Court for taking further action as per Companies Act, 1956. The Hon'ble Delhi High Court took cognizance of the same and registered it as CP-183 of 2004. The High Court issued notice to all parties and vide orders dated 04.05.2006 granted time to examine its revival and present a scheme of revival within three months.

In compliance to the above, FCIL appointed M/s PDIL to prepare a Techno-Economic Revival Proposal for all of its units. PDIL prepared techno-economic feasibility study that were filed in the High Court (HC). The High Court on 11.08.2006 directed the company to deposit Rs. 5.00 crore with Official Liquidator (OL) to settle the outstanding dues of Unsecured Creditors.

Further, the company submitted a detailed plan for revival to BRPSE, which after examining, recommended the same. Based on the recommendations of the BRPSE, the Government approved 'in principle' the revival of the company. The HC vide its order dated 14.05.2007 granted liberty to the company to move appropriate application before BIFR for getting order (dt. 17.05.2004) reviewed.

Further, favourable response from PSUs and Co-Operative Societies engaged in fertilizer manufacturing business has been received. M/s NFL has expressed its willingness for revival of Ramagundam Unit. Likewise M/s KRIBHCO showed keen interest in revival of Gorakhpur Unit and M/s RCF for the Talcher Unit. There are three vital issues to be addressed/are being addressed for revival of the company which include:

(i) Availability/ Connectivity of gas at reasonable price

(ii) Attractive Investment Policy

(iii) Mobilization of Financial Resources

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. 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 shareholder value.

FACT is a schedule-'A' / Mini-ratna PSE in Fertilizer sector under the administrative control of M/o Chemicals and Fertilizers, D/o Fertilizers with 97.38% shareholding by the Government of India. Its Registered and Corporate offices are at Eloor, Udyogamandal, 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 3 production units at Udyogamandal, Cochin and Ambalamedu and 2 Consultancy / Engineering / Fabrication units at Udyogamandal and Kochi in Kerala.

3. Production / Operational Profile

The production performance of various products during last three years is given below:

Major Products	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Factamfos 20:20	000'MT	426 (48.41)	721 (82)	746 (77)	631
Ammonia Sulphate	MT	30478 (13.55)	183490 (114)	172986 (118)	128985
Caprolactam	MT	6759 (13.52)	41327 (83)	38666 (77)	28917
N	MT	91384 (28.17)	182039 (56.11)	184816 (56.96)	152746
P2O5	MT	85106 (64.52)	144240 (109.36)	149180 (113.10)	126175

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	880.96	1516.47	1440.03	(-)41.91
Cost of Production	919.00	1691.13	1526.62	(-)45.66
Net Profit/Loss(-)	8.97	-124.73	235.66	-
Net worth	252.71	252.51	375.79	0.08
Paid up capital	354.77	354.77	354.77	0.00
Share of Central Govt.	345.47	345.47	345.47	0.00

5. Key Performance Factors

The overall performance of FACT was affected by the unprecedented increase in the prices and acute shortage of raw material, which resulted in operation of Factamfos plants at restricted loads as well as periodic shut down particularly the Ammonia and Caprolactam plants for a period of more than 8 months.

Due to lower production, the sales turnover also decreased tremendously.

During 2007-08, the company exported 3502 MT of Caprolatam as against 11543 MT in 2006-07. The export was mainly made to China.

The company received a budgetary support in the form of grants amounting to Rs. 200 crore from GOI, which eased the working capital problem and enabled the company to restart the shutdown plants by the end of March, 2008.

The availability of raw material is still a constraint for the continuous full load operation of the plants. Another factor affecting the performance is the power cut by the Kerala State Electricity Board.

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

The market price of company's shares during 2007-08 was between Rs. 20.40 to Rs.57.86 as compared to Rs.20.55 to Rs.34.00 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 4030 regular employees (704 executives & 3326 Workmen) as on 31.3.2008. 8.54% employees were having professional qualifications. 29.40% 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. A total of 152 employees retired during the year. In addition, 59 skilled and 93 unskilled employees left the company in attrition.

Since the introduction of VRS on 8.2.1989, total 1755 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 5, out of which 3 were full time Functional Directors and 2 were Government/ official Directors.

During the year, the Training Centre of the company achieved a significant milestone of recognition from the Government of Kerala for conducting three week long statutory training to the supervisors. Training Centre has also embarked upon a new venture of skill development.

7. Strategic Issues

The implementation of new pricing policy by the GOI based on the recommendations of the Tariff Commission effective from 1.4.2008 will fulfill the long pending demand of the company to consider the sulpher as a nutrient for subsidy. Similarly, subsidy on Ammonium Sulphate was also restored.

Since availability of raw material is a constraint for continuous full load operation of the plants, FACT has entered into an MOU with Indian Potash Limited for supply of raw materials viz. Sulpher, Rockphosphate, Phosphoric acid and ammonia, to sustain production at optimum level.

FACT along with Rashtriya Chemicals and Fertilizers Limited (RCF) has formed a joint venture company – 'FACT-RCF Building Products Limited on 2.5.2008 for the manufacture of load bearing panels and other value added products using phosphor gypsum. The company has signed memorandum with Cochin Shipyard Limited, Indian Oil Corporation Limited and Container Corporation of India Limited to form another joint venture. In order to exploit the potential of application of gypsum as an agriculture input and increase sales through dealer network, bagged gypsum under the brand ‘FCT Gypsum’ was launched on 19.4.2008.

The company is in the process of phased implementation of the recommendations of M/s Deloitte Touche Tohmatsu India Pvt. Limited made in its study on revival of FACT.

Research & Development (R&D)

The R&D Centre of the Company functions with the aim of carrying out in-depth research, to provide specialized services to other divisions of the organization, and is also involved in the production of environment friendly bio-fertilizers. It has been producing three kinds of Biofertilizers viz. Rhizobium, Azospirillum and Bacillus Megatherium. After meeting all the production norms and regulations as stipulated in the Fertilizer (Control) Order 1985 as amended first time in 2006, the R&D Centre has resumed production of all the three bio-fertilizers. The other areas of research study were quality control, Zincated Factamfos, effect of particle size of carrier material in shelf life of Bio-fertilizers etc.

The benefits derived form the efforts of R&D Centre include :

(i) Production of 3 MT Bio-fertilizers as per the FCO specifications;

(ii) To reduce the P2O5 loss due to nutrient content in Factamfos 20:20:13; and

(iii) To ensure the production of Bio-fertilizers with change of carrier materials as per FCO specifications to meet the marketing requirement.

R&D Centre is planning to complete study on the effect of Phosphorus solublising bacteria (PSB) on Rock Phosphate and study on the incorporation of zinc in NP fertilizers 16:20:0:13 grade; to ensure quality control cell activities covering the entire marketing network; and to enhance the production of bio-fertilizers in accordance with the demand.

The R&D expenditure of the company was Rs. 0.28 crores, which constituted 0.03% 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.

To minimize SO2 emission in Sulphuric Acid plants in Udyogmandal Division, start up Alkali Scrubber has been installed during 2007-08.

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, the Government decided to close the company in 2002. However, the Government reconsidered the matter and decided on 24.4.2007 in principle to revive 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 five 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	0	0	0	-
Cost of Production	1116.30	1074.64	970.67	3.88
Net Profit/Loss(-)	-1101.98	-1065.14	-964.61	(3.46)
Net worth	-11865.32	-10775.00	-9698.20	(10.12)
Paid up capital	686.54	686.54	686.54	0.00
Share of Central Govt.	686.54	686.54	686.54	0.00

5. Key Performance Factors

Due to the closure decision, all operational activities of the units have been stopped. The company has provided provisional information for the year 2007-08.

6. Human Resource Development (HRD)

Almost all the employees have opted for the VRS. Only 39 employees were on the roll of the company as on 31.3.2008 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 like GAIL, NFL has 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.

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, Iran (NIOC) joined MFL. In 1985 AMOCO disinvested its shareholding which was 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 Ammonia, Urea and NPK 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Urea	000'MT	440 (90.50)	473 (97.25)	369 (75.71)	427
Ammonia	000'MT	265 (76.51)	281 (81.19)	227 (65.53)	258
NPK Complex	MT	35165 (4.19)	57130 (6.80)	208193 (24.78)	100163
Bio-fertilizer	MT	388 (97.00)	228 (57.00)	235 (58.75)	284

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1140.06	1210.66	1084.22	-5.83
Cost of Production	1301.21	1299.03	1210.70	0.17
Net Profit/Loss(-)	-134.85	-114.78	-131.74	(17.49)
Net worth	-477.08	-345.04	-233.62	(38.27)
Paid up capital	162.14	162.14	162.14	0.00
Share of Central Govt.	95.85	95.85	95.85	0.00

5. Key Performance factors

The sales/turnover decreased by about 5.83% during 2007-08 as compared to last year. Out of total sales of Rs. 1140.06 crore, Urea sales accounts for Rs. 862.94 crore. Urea sales was lower during 2007-08 as compared to 2006-07 due to lower production.

NPK production and sales was at lower level (4%) during 2007-08 due to non-availability of the required raw materials and liquidity crisis.

Since the products are sold at the prices fixed by the Government, the realization was the same in both the years.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.

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 earlier benefit for Urea in Stage III of NPS from 1.10.2006, the margin on Urea has declined. The margin on Complex fertilizers was 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. Due to annual turnaround from 29.3.2007 to 3.5.2007, the plants were under shutdown.

6. Human Resource Development

The company employed 906 employees as on 31.3.2008 comprising of 36 executives, 468 Non-unionized Supervisors and 402 Workmen. 29.69% employees were having professional qualifications. 24.39% employees were within the age group of 51 and above years. The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration.

During 2007-08, 10 employees retired on reaching the age of superannuation, 2 skilled persons left the company in attrition and 15 employees availed of VRS. 13 skilled persons joined the company during the year. Total 538 employees have taken VRS till 31.3.2008.

As on 31.3.2008, the company had 3 Directors on its Board, of which one was full time functional Director and 2 were Government/Official Directors.

7. Strategic Issues

MFL is striving to develop and maintain an organizational environment that motivates the employees, encourages personal initiative, innovation and creativity.

The company had entrusted a study to M/s. Deloitte Touche Tohmatsu (DTT) to go into all the financial, physical, operational and other relevant aspects for its revival. Based on the final report, the company has submitted a revised restructuring/revival proposal to the Government of India which envisaged:

- waiver of existing GOI loan of Rs. 280.83 crore and corresponding interest payment of Rs. 98.78 crore and also FIs interest of Rs. 68.03 crore;
- additional equity of Rs. 134.43 crore to meet capital expenditure over next three years to improve operating efficiency and conversion to gas feed stock;
- issue of preference capital for Rs. 150.60 crore for repayment of outstanding FI payments and statutory dues; and
- revenue grant of Rs. 190 crore for repayment of bank overdraft facilities.

Environment and Ecology

MFL received ISO 14001 - 2004 accreditation 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 details of major products are as follows:

Major Products	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Urea	Lakh MT	32.68 (101.1)	33.51 (103.7)	33.44 (103.5)	33.21
Methanol	Lakh MT	0.04 (19.86)	0.15 (68.18)	0.10 (45.45)	0.10
Bio-fertilizers	MT	203 (203)	124 (124)	175 (175)	167
Sulphur	Lakh MT	0.12 (50.5)	0.14 (58.3)	0.12 (50.0)	0.13
Argon Gas	NM3	797225 (83.88)	883640 (92.98)	1003912 (105.63)	894926

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	4158.10	3880.94	3603.85	7.14
Cost of Production	4063.38	3631.30	3426.59	11.90
Net Profit/Loss(-)	108.65	176.10	116.40	-38.30
Dividend declared (as% of PBT)	20.95	19.99	22.74	4.79
Net worth	1407.67	1370.74	1249.64	2.69
Paid up capital	490.58	490.58	490.58	0.0
Share of Central Govt.	479.00	479.00	479.00	0.0

5. Key Performance Factors

The company registered a record sales turnover of 4141 crore during 2007-08 against previous best of Rs. 3865 crore in 2006-07 – with a growth of 7.11%. However, in quantative terms, the company sold 32.38 lakh tones of Urea in 2007-08 as compared to 33.54 lakh tones in 2006-07. The shortfall was primarily due to maintenance of buffer stocks as per the GOI guidelines and limitation in availability of railway wagons at Vijaipur unit.

Profitability of the NFL decreased due to provision towards wage revision due w.e.f. 1.1.2007, provision of employees benefits under AS-15 & diminution in value of bonds.

The company achieved ever best industrial products sale of around Rs. 125 crore during 2007-08.

The value added per employee increased from Rs.

18.59 lakhs during 2006-07 to Rs. 19.40 lakhs in 2007-08.

6. Human Resource Development

NFL employed 4786 persons (executives 1814 and non-executives 2972) as on 31.3.2008. 13.8% employees were having professional qualifications, 30.9% 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 remuneration. During 2007-08, one board level director retired under superannuation and 31 skilled and 2 unskilled employees left the company in attrition.

There were total 9 Directors on the Board of the company, out of which 4 were full time Functional Directors, one Government Official Director and 4 Part Time Non-official Directors (Independent Directors).

7. Strategic Issues

The company has undertaken a large scale modernization and expansion plan with an indicative cost of Rs. 6000 crore during the Eleventh Five Year Plan period (2007-2012).

NFL has undertaken revamp of its three Fuel Oil based plants for change over feedstock from FO/ LSHS to NG/RLNG, initiated action for capacity enhancement of Urea Plants at Vijaipur-I & II plants along with a Carbon dioxide recovery plant (CDR), and to revamp Vijaipur-I plant for energy saving project. There are various issues in pursuing these projects like escalation in project costs due to rise in unprecedented metal prices, uncertainty with regard to availability of Natural Gas & awaited investment policy of GOI with regard to conversion of feedstock from FO/LSHS to NG//RLNG Issue of fertilizer bonds in lieu of cash subsidy by GOI is also affecting the requirement of working capital and its profitability.

NFL with M/s KRIBHCO & RCF has registered a joint venture(JVC) company named as "Uravarak Videsh Limited" to explore investment opportunities abroad and within the country in Nitrogenous, Phosphatic & Potassic sectors and to render consultancy services for setting up projects in India and abroad.

The company is also exploring marketing/ manufacturing of Complex Fertilizers including SSP (Single Super Phosphate).

NFL has developed new value added products like Zincated Urea and Research & Development trials are being undertaken to establish its efficacy. It has taken initiative to make available other agro inputs like quality seeds, insecticides and bio-pesticides by collaboration with other reputed organizations. R&D trials are also planned for testing the efficacy of bio-pesticides in collaboration with Agriculture Institutes.

The revival of two closed urea plants of HFCL (Barauni unit) and FCIL (Ramagundam unit) have been earmarked for NFL under the 'in-principle' decision taken by the GOI for revival of closed units of HFCL and FCIL. The pre-project activities for revival of these units have been initiated.

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 re-organisation of the erstwhile Fertilizer Corporation of India Ltd. with an objective to carry on business relating to production and marketing of fertilizers, industrial chemicals and derivatives. RCF is a schedule- 'A' / Mini-ratna CPSE in Fertilizers sector under the administrative control of M/o Chemicals & Fertilizers, Department of 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 engaged in production of Nitrogenous, Phosphatic and Pottassic Fertilizers and Industrial Chemicals 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 states 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Urea	000'MT	1832 (107)	1853 (109)	1685 (99)	1790
Suphala (Trombay)	000'MT	4682 (156)	4828 (161)	4305 (144)	4605
ANP (20:20:0) Trombay)*	MT	0 (0)	35225 (10)	222820 (62)	-
Methanol	MT	62623 (127)	60250 (122)	56085 (113)	59527
Conc. Nitric Acid	MT	22048 (110)	16898 (84)	23148 (116)	20698

*Shutdown for revamp

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	5228.97	3559.62	3102.09	46.90
Cost of Production	5135.55	3674.13	2898.90	39.78
Net Profit/Loss(-)	158.15	148.74	147.96	6.33
Devidend declared (% to PBT)	23.18	22.86	25.65	1.38
Net Worth	1537.38	1447.30	1361.50	6.22
Paid Up Capital	551.69	551.69	551.69	0.00
Share of Central Govt.	510.31	510.31	510.31	0.00

5. Key Performance Factors

The operating profit maintained pace with the growth in turnover despite increased cost of Naphtha and other input costs. The operations of the company were severely affected due to constraint in gas availability. Further, the Urea and Ammonia I Plant at Trombay are currently not in operation due to feed stock limitations.

The market share of RCF is about 12% for Urea and about 75% for complex fertilizer. The overall market share is about 9% of the total fertilizer sold in the country.

Sales of industrial production increased by 33.6% despite fierce competition both from domestic and international players.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 2.87 as against Rs. 2.70 in the previous year.

The share price of company varied between Rs. 34.05 to Rs. 150.35 during 2007-08 as against Rs. 27.90 to Rs. 72.30 during the year 2006-07

6. Human Resource Development (HRD)

RCF employed 4217 regular employees (executives 770, unionized supervisors 1370, non-unionised supervisors 749 & workmen 1328) as on 31.3.2008. 21.27% employees were having professional qualifications. 34.98% employees come under the age bracket of 51 and above years.

The total number of Directors in the company, as on 31.3.2008 was 9, out of which 4 were full time Functional Directors, 3 part time Non-official Directors / professionals and 2 Government/ Official Directors.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. During the year, total 80 employees retired, 63 skilled and 2 unskilled employees left the company on other grounds. 190 skilled employees newly joined.

Since the introduction of VRS in 1998, total 562 employees have availed of the scheme.

7. Strategic Issues

RCF is contemplating to set up a joint venture plant for manufacturing of DAP with Rajasthan State Mines and Minerals Limited.

It also has plans to set up additional Ammonia, Urea complex at Thal with a projected cost of Rs. 4300 crore. The project comprises of 1 x 2200 MTPD ammonia plant and 1 x 3500 MTPD Urea plant along with power generation, offsite, utilities and product handling facilities.

The manufacturing units of the company have the advantage of proximity to major seaports, as the raw materials for manufacturing the fertilizers are imported. With the recent gas finds, additional gas is likely to be available by January, 2009.

RCF has taken up revamp of its Methanol plant at a cost of Rs. 135 crore, expected to be commissioned by July, 2009.

ANP modification : Objective is multifold i.e. to reduce cost of production by modifying the process as well as facilitating manufacture of other grades and converting to granulation route. The estimated cost is Rs. 92 crore.

The company is entering in the field of manufacturing and selling unique and innovative building material called "Rapidwall" by using by-product Gypsum. Product range includes wall panels, wall plaster and wall putty. Plant shall be commissioned by December, 2008.

RCF has formed a joint venture company with FACT Cochin namely FRBL to set up Rapidwall Plant at Cochin.

Availability of adequate quantity of feed stock / fuel for ammonia plant is critical for starting up the closed plants.

RCF has surplus stores of Rs. 9.32 crore as on 31.3.2008. Necessary provision has been made in the accounts for any probable loss on disposal thereof.

Research & Development (R&D)

R & D activities are carried out in the areas of Agriculture and Chemicals.

Agriculture Division : Micronutrients, Biofertilizers and 100% soluble fertilizers have been successfully developed with reference to soil and crop requirement and products have been commercialized. Work is in hand on development of Tablet Fertilizer in various grades; undertaking trials for coffee plants in Karnataka and various other crops in Maharashtra ; undertaking developmental work on Biopesticides using Karanj and Nilgudi; developing tissue culture for banana and zerbera; and undertaking work on development of customized fertilizer for region/ site & crop specific drip grades.

Chemical Division : The trouble shooting activity pertaining to plants requirements have been attended and solved from time to time to improve upon either the plant efficiency, quality improvement or pollution control. Further activities in hand are development of 100% Water Soluble fertilizer MAP (12:61:0) in house R&D; instasllation of 10 MT/Day plant based on generated data from bench scale plant by April, 2009.

Water soluble Calcium Nitrate (40%) suspension fertilizer has been prepared in R&D laboratory, as value addition to the by-product Chalk. Further agronomical studies on efficacy and mode of application has been carried out in Konkan Krishi Vidyapeeth, Dapoli & Mahatma Phule Krishi Vidyapeeth, Rahuri for certain crops and vegetables. The results are encouraging and the reports are being studied to estimate market potential.

Chickton : In the field of Poultry, R&D has developed Liquid Feed Acidifier which helps in reducing mortality and improves weight gain in chickens. The product is also evaluated at CARI, a national Institute for poultry. The results are encouraging and the product is currently under market trial.

Environment & Ecology

The company protects the environment and minimizes the harmful effects of emissions, atmospheric discharges and effluents by conforming to and also improving upon 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. The company is in the process of installing De N20 catalyst in both Nitric Acid Plants at Trombay.

RCF's both units at Trombay and Thal are ISO 14001-2004, ISO 9001-2000 and OHSAS 18001-1999 certified.

7

HEAVY ENGINEERING

As on 31.3.2008, there were 9 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 & Eingg. Co. Ltd.	1978
9.	Bharat Bhari Udyog Nigam Ltd.	1986

2. The enterprises falling in this group are mainly engaged in producing and selling of capital goods required by Steel, Fertilizers, Petroleum, Chemicals, Miining, 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Heavy Engineering Corpn. Ltd.	416.62	308.79
2.	Tungabhadra Steel Products Ltd.	3.38	5.11
3.	Bharat Heavy Electricals Ltd.	21401.01	18738.95
4.	Triveni Structurals Ltd.	4.77	1.82
5.	Bharat Heavy Plate & Vessels Ltd.	180.30	180.36
6.	Braithwaite & Co. Ltd.	51.20	54.71
7.	Burn Standard Co. Ltd.	150.99	137.34
8.	Bharat Wagon & Engg. Co. Ltd.	10.76	22.42
9.	Bharat Bhari Udyog Nigam Ltd.	10.90	3.15
	Total	**22229.93**	**19452.65**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Heavy Engineering Corpn. Ltd.	7.01	2.86
2.	Tungabhadra Steel Products Ltd.	-20.45	-37.50
3.	Bharat Heavy Electricals Ltd.	2859.34	2414.70
4.	Triveni Structurals Ltd.	-50.80	-46.85
5.	Bharat Heavy Plate & Vessels Ltd.	-26.73	-34.70
6.	Braithwaite & Co. Ltd.	0.54	0.57
7.	Burn Standard Co. Ltd.	-151.29	-151.86
8.	Bharat Wagon & Engg. Co. Ltd.	-13.62	-24.14
9.	Bharat Bhari Udyog Nigam Ltd.	0.26	0.25
	Total	**2604.26**	**2123.33**

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	
		2007-08	2006-07
1.	No. of employees	51334	50387
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	203.87	369.20
	b. Medical facilities	209.29	390.28
	c. Others	115.86	108.18
3.	Capital cost of township *(Rs. in crore)*	238.65	244.32
4.	No. of houses constructed	44198	45113

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	316310	168310	168310
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	115158	115150	112754
OTHERS	34806	29607	29782
(B) SHARE APPLICATION MONEY	11068	14261	14137
(C) RESERVES & SURPLUS	1040807	866357	710870
TOTAL (A)+(B)+(C)	**1201839**	**1025375**	**867543**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	42094	39238	99168
(B) UNSECURED LOANS	380157	463662	412432
TOTAL (A)+(B)	**422251**	**502900**	**511600**
(1.3) DEFERRED TAX LIABILITY	0	0	0
TOTAL (1.1)+(1.2)+(1.3)	**1624090**	**1528275**	**1379143**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	508481	476281	444166
(B) LESS DEPRECIATION	396326	363658	331957
(C) NET BLOCK (A-B)	112155	112623	112209
(D) CAPITAL WORK IN PROGRESS	70507	33700	21445
TOTAL (C)+(D)	**182662**	**146323**	**133654**
(2.2) INVESTMENT	25528	113860	301416
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	597482	444364	394471
(B) SUNDRY DEBTORS	1231981	996476	742048
(C) CASH & BANK BALANCES	844432	589283	430156
(D) OTHER CURRENT ASSETS	51384	28522	16803
(E) LOAN & ADVANCES	307327	335006	142726
TOTAL (A)+(B)+(C)+(D)+(E)	**3032606**	**2393651**	**1726204**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1798998	1331552	1034188
(B) PROVISIONS	339427	267163	167494
TOTAL (A+B)	**2138425**	**1598715**	**1201682**
(2.5) NET CURRENT ASSETS (2.3-2.4)	894181	794936	524522
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	3260	3851	5551
(2.7) DEFFRED TAX ASSETS	133793	93516	67372
(2.8) PROFIT & LOSS ACCOUNT (Dr)	384666	375789	346628
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1624090**	**1528275**	**1379143**

HEAVY ENGINEERING

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	2222993	1945381	1503764
(B) EXCISE DUTY	216820	156039	119192
(C) NET SALES (A-B)	2006173	1789342	1384572
(D) OTHER INCOME /RECEIPTS	164518	100898	73906
(E) ACCRETION /DEPLETION IN STOCKS	84548	17917	38175
(I) TOTAL INCOME (C+D+E)	**2255239**	**1908157**	**1496653**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	1036837	844973	705991
(B) STORE & SPARES	41047	39645	27611
(C) POWER &FUEL	34311	32814	28999
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	58885	66827	41072
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	277516	253407	201631
(F) OTHER EXPENSES	230414	228122	162597
(G) PROVISIONS	81220	19522	34076
(II) TOTAL EXPENDITURE (A TO G)	**1760230**	**1485310**	**1201977**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (l-ll)	495009	422847	294676
(4) DEPRECIATION	30875	28461	25795
(5) DRE./PREL EXP. WRITTEN OFF	948	819	8867
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	463186	393567 _	260014
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	23925	26953	20848
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 22470	21173	21328	
(D) LESS INTEREST CAPITALISED	44	27	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	46351	48099	42176
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	416835	345468	217838
(9) TAX PROVISIONS	157134	132187	88532
(1 0) NET PROFIT / LOSS(-) BEFORE EP (8-9)	259701	213281	129306
(11) NET EXTRA -ORD. ITEMS	-725	947	31650
(12) NET PROFIT /LOSS (10-11)	260426	212334	97656
(13) DIVIDEND DECLARED	74662	59987	35495
(14) DIVIDEND TAX	12689	9286	4979
(15) RETAINED PROFIT (12-13-14)	173075	143061	57182

HEAVY ENGINEERING
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	532335	613957	483049
(ii) CAPITAL EMPLOYED	1006336	907559	636731
(iii) NET WORTH	813913	645735	515364
(iv) COST OF PRODUCTION	1838404	1562689	1278815
(v) COST OF SALES	1753856	1544772	1240640
(vi) VALUE ADDED	978526	889827	660146
(vii) R & D EXPENDITURE	46464	12840	11682
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	51334	50421	51254
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	45051	41882	32783
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.35	0.49	0.59
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.42	1.50	1.44
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	9.64	8.39	5.75
(iv) SUNDRY DEBTORS : SALES (No. of days)	224.14	203.27	195.62
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	108.70	90.64	103.99
(ii) SEMI / FINISHED GOODS : SALES	58.64	48.57	58.13
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.35	0.70	0.21
(vii) SALES : CAPITAL EMPLOYED	199.35	197.16	217.45
(viii) PBDITEP : CAPITAL EMPLOYED	49.19	46.59	46.28
(ix) PBITEP : CAPITAL EMPLOYED	46.03	43.37	40.84
(x) COST OF SALE : SALES	87.42	86.33	89.60
(xi) MATERIAL COST : SALES	51.68	47.22	50.99
(xii) SALARY & WAGES : SALES	13.83	14.16	14.56
(xiii) R & D EXPENDITURE : SALES	2.32	0.72	0.84
(xiv) PBITEP : SALES	23.09	22.00	18.78
(xv) PBTEP : NET WORTH	51.21	53.50	42.27
(xvi) NET PROFIT : NET WORTH	32.00	32.88	18.95
(xvii) GROSS MARGIN : GROSS BLOCK	97.35	88.78	66.34

Bharat Bhari Udyog Nigam Ltd. (BBUNL)

1. Company Profile

BBUNL was incorporated in September, 1986 under the Companies Act, 1956 with the objective of functioning as a 'Holding Company' of several major engineering Central Public Sector Enterprises (CPSEs) so as to coordinate the activities of the subsidiary companies and monitor their performance, provide need based, time bound services and expertise aimed at establishing principles and practices of sound corporate management & governance, ensuring cohesive working of the group companies and eliminating cross-competition among subsidiaries. It also functions as an arm of Department of Heavy Industry to monitor and implementation of government policies, guidelines, directives, rules & regulations, Acts etc by the subsidiaries. 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

The services rendered by BBUNL broadly include framing of overall policy guidelines; target setting, budgeting and performance evaluation; monitoring of performance; commercial coordination and marketing activities for common products like Railway Wagons; financing of investment and project appraisals; corporate planning and MIS activities, human resource development etc. BBUNL being the holding company has no operating units of its own, but has 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). Other subsidiaries namely Bharat Process and Mechanical Engineers Ltd. (BPMEL) and its subsidiary Weighbird (India) Ltd. (WIL), 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, steel castings like bogies and couplers for wagons, various refractory items mainly for steel plants, fabrication and erection of steel bridges, civil and marine construction, structural fabrication, ash handling plants and other capital goods items, turnkey project jobs etc. The company is currently executing various domestic / export orders in wagons, civil structure/ construction etc. after getting the same manufactured through subsidiary companies and others.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	10.90	3.15	5.19	246.03
Cost of Production	168.01	157.61	127.52	6.60
Net-Profit/ Loss(-)	0.26	0.25	0.06	4.00
Dividend declared (as % of PBT)	27.03	52.50	33.33	(-) 48.52
Net Worth	444.35	440.61	434.94	0.85
Paid Up Capital	345.56	345.56	344.42	0.00
Share of Central Govt.	345.56	345.56	344.42	0.00

5. Key Performance Factors

The turnover of BBUNL increased from Rs.3.15 crores in 06-07 to Rs.10.90 crore in 2007-08. It was mainly due to good performance in domestic (civil) sales as well as in exports.

BBUNL purchased 2 flat wagons for Rs. 0.13

crore, while it sold 28 flat wagons for Rs. 3.97 crore during 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 32 regular employees (18 executives, 7 non-unionised supervisors and 7 workmen) as on 31.3.2008. About 31.25% employees were having professional qualifications. Around 31.25% employees come under the age bracket of 51 and above years. The average age of employees was 47 years.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration.

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 31.3.2008 was 7, out of which 4 were part time Non-official Directors / professionals, 2 Government /Official Directors and one Functional Director..

7. Strategic Issues

New initiatives

BBUNL ventured into the following areas during 2007-08 and received orders worth Rs. 58.99 crore from domestic market:

- Rs. 5.19 crore for construction of Inter State Truck Terminus project in Tripura; and
- Rs. 53.80 crore for supply and installation of storage tank, compressed air, OXY-acetylene system, fire fighting system, industrial water system including civil work & electrical facilities etc. for ship repairing complex at Paradip from M/s BCC Shipping & Ship Building Limited.

Bharat Heavy Electricals Ltd. (BHEL)

1. Company Profile

BHEL was incorporated on 13.11.1964 under the Companies Act 1956. Its Mission 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 engaged in the engineering, manufacturing & supply of 180 products under 30 product groups and specialized systems / services catering to the core sectors of the economy viz. Power Generation and Transmission, Industry, Transportation, Renewable Energy, Defence, etc. BHEL's operations are organized around three business sectors, namely Power, Industry - including Transmission, Transportation, Telecommunication & Renewable Energy – and Overseas Business**.**

BHEL has 14 manufacturing units, 4 power sector regions, 8 service centers and regional offices in 15 cities, besides project sites spread all over India and abroad. The 14 manufacturing units are located at Bhopal (1 unit) in Madhya Pradesh, Haridwar (2 units) & Rudrapur (1 unit) in Uttaranchal, Tiruchirappalli (2 units) & Ranipet (1 unit) in Tamil Nadu, Hyderabad (1 unit) in Andhra Pradesh, Bangalore (3 units) in Karnataka, Goindwal (1 unit) in Punjab, and Jhansi (1 unit) & Jagdishpur (1 unit) in Uttar Pradesh. Additionally, two manufacturing units at Jagdishpur are being set-up by the company.

BHEL has two joint ventures namely, "BHEL-GE Gas Turbine Services Ltd." with GE Pacific (Mauritius) and "Power Plant Performance Improvement Ltd." with Siemens AG of Germany with 50% less 1 share equity participation in each. During 2007-08, BHEL and NTPC signed an agreement to form a joint venture company incorporated in India as "NTPC BHEL Power

Projects Pvt. Ltd." with 50% equity held by 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Boilers, Valves & Boiler Auxiliaries	MT	464525 (188)	392711 (171)	320773 (190)	392670 (183)
Power Transformers	MVA	20388 (117)	18783 (107)	14847 (93)	18006 (106)
Traction Machines	Nos.	2920 (102)	2556 (90)	2608 (92)	2695 (95)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	21401.01	18738.95	14425.49	14.21
Cost of Production	17145.35	14506.72	11746.13	18.19
Net Profit / Loss(-)	2859.34	2414.70	1679.16	18.41
Dividend Declared (as % of PBT)	16.85	16.05	13.86	4.94
Net Worth	10774.21	8788.26	7301.38	22.60
Paid up capital	489.52	244.76	244.76	100.00
Share of Central Govt.	331.51	244.76	244.76	99.99

5. Key Performance Factors

BHEL recorded overall performance improvement during the year 2007-08, which was mainly due to increase in capital and labour productivity ensuring improvement in efficiency. BHEL's growth has close linkage with growth in the industrial & capital goods sectors of the economy. Its products being capital goods in nature and custom designed serving the infrastructure & core sectors of the economy and the demand is investment driven, it will pave the way for general economic growth of the country.

BHEL has attained ISO 9001 certification for quality management. All the manufacturing units/ divisions have been upgraded to the latest ISO-9001:2000 version and also have been awarded ISO-14001 certification for Environmental Management Systems and OHSAS-18001 certification for Occupational Health and Safety Management Systems.

BHEL has built, over the years, a robust domestic market position by becoming the largest supplier of power plant equipment in India as also for developing strong market presence in select segments of the Industrial sector. It became the only company in the world to have integrated facilities to manufacture power project equipment. It has not only grown substantially in operations, but has also been continuously making profits since 1971-72 and has been paying dividend every year since 1976-77.

BHEL has, over the years, spawned a culture of creativity and efficiency. It has come up with various engineering solutions to meet the specific needs of its clients.

The company has allotted bonus shares on 6th June, 2007 to its existing shareholders in the ratio of 1:1 i.e. one Bonus Share of Rs. 10/- each for every one fully paid-up Equity Share of Rs. 10/- each held by them as on Record Date i.e.1st June, 2007.

6. Human Resource Development (HRD)

The enterprise employed 43636 regular employees (executives 18682 & non-executives 24954) as on 31.3.2008. About 20.06 % employees were having professional qualifi-cations and around 52.12% employees come under the age bracket of 51 and above years. However, the average age of the employees in the company is 48 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 1723 employees retired during the year on attaining the age of superannuation. Further, 242 skilled and 2 unskilled employees also left the company on account of attrition. However, 3695 new skilled employees joined the company during the year. Since the introduction of VRS a total of 15438 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 13, out of which 6 were part time Non-official Directors / professionals and 2 were Government / official Directors. The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of shareholders.

7. Strategic Issues

The following are the major initiatives being pursued by the company:-

Building Capacities: BHEL enhanced its power generating equipment manufacturing capacity from 6,000 MW p.a. to 10,000 MW p.a. by December, 2007 and is further augmenting it to 15,000 MW per annum to meet the emerging requirement of the country. These enhancements are in the nature of brown-field expansion and funded entirely through internal resources. This capacity & capability building includes introduction/adoption of new manufacturing technologies in key processes aimed at productivity and quality improvement and reduction in manufacturing cycle time & costs.

Technological tie-ups: Technology and R&D are of strategic importance to BHEL. The company has been upgrading its technological capabilities through in-house R&D as well as selective acquisition and adaptation of latest technologies from world's leading companies. In this regard, BHEL has tied up for necessary technology transfer agreements for super-critical technology with Siemens/Germany (for Steam-Turbine-Generator) and Alstom/France (for Boilers), who are amongst the world leaders in their respective sectors. BHEL has also tied up technology for Advance-class Gas Turbines with General Electric/USA. Further, the company is actively pursuing opportunities to tie up technologies for higher capacity nuclear sets. BHEL's investment in R&D is amongst the largest in the corporate sector in India.

Operational improvements: BHEL has put in place integrated operations management initiatives like Design to cost, Purchase Supply Management, Lean Manufacturing etc. The company has taken further steps like multiple shift operation of its critical machine tools, outsourcing of low technology manufacturing, shift in focus from product to project and implementation of effective project management systems etc.

Supporting existing customer base: BHEL has been taking proactive steps in taking up annual & capital overhauls and also making available timely supply of spares in view of the fact that it has supplied nearly 64% of India's total installed power generating capacity in the utility sector.

Enhancement of human skills: BHEL plans to add around 18,000 - 20,000 employees during the five year period 2007-12 to enhance its manpower strength from 42,000 to 50,000. BHEL inducted 3,695 personnel in different cadre during the year 2007-08.

Mergers & Acquisitions: BHEL is also actively pursuing M&A within the Navratna guidelines, if such opportunities are going to give benefits in terms of technology, expertise and market access to the company.

Bharat Heavy Plate & Vessels Ltd. (BHPV)

1. Company Profile

BHPV was incorporated in the year 1966 under the Companies Act, 1956 with the objective to supply cost effective international quality products and related services for process and other industries through latest 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. Its Registered and Corporate offices are at Visakhapatnam, Andhra Pradesh. BHPV is a 100% subsidiary of Bharat Heavy Electricals Ltd. after taken over by BHEL w.e.f. 10.5.2008).

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 50.78% during 2007-08. The product-wise capacity utilization was as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Process Plants	%	14.18	6.28	7.65	9.37
Cryogenics	%	12.53	11.64	5.63	9.93
Combustion System	%	24.07	20.38	6.73	17.06

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	180.30	180.36	119.68	-0.03
Cost of Production	205.95	199.82	163.89	3.07
Net-Profit/ Loss(-)	-26.73	-34.70	-71.38	-
Net Worth	-547.43	-526.72	-498.19	-
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

Although the company achieved sales turnover almost of same level of 2006-07, its gross margin declined mainly on account of increased input costs as a result of the product mix during 2007-08. However, it recorded decline in losses by 22.97% as compared to last year.

The company could contribute to the Government Exchequer, an amount of Rs. 26.23 crore through taxes and duties. It paid salaries and wages from its internal resources.

6. Human Resource Development (HRD)

The enterprise employed 1458 regular employees (286 executives & 1172 non-executives) as on 31.3.2008. 20% of the employees were having professional qualifications. 50% 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 37 employees retired during the year.

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 31.3.2008 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. As per the recommendation of the BRPSE, the Government decided on financial restructuring and revival of the organization in view of its vast infrastructure, experience and skills of employees as also contribution to the process plant industry. As a result of revival plan approved by the Government, the company has become fully owned subsidiary of the BHEL w.e.f. 10.5.2008.

Research & Development (R&D)

The in-house R&D Department of the company continued its efforts for designing and commercialization of new products after development and testing of prototypes. During 2007-08 following were the achievements :

* 46 Compact Heat Exchangers worth Rs. 5.2 crore were fabricated, tested successfully and delivered to the customers.
* Successfully designed, developed, fabricated, tested and supplied 6 Pre coller units worth Rs. 84.60 lakhs for Tejas aircraft to ADA, Bangalore.
* Supplied aluminium Plate-fin Compact Heat Exchangers (worth Rs. 25 lakhs) to Indira Gandhi Centre for Atomic Research, Kalpakkam after successfully completing design, development and testing.

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 will be taken up after the company comes out from BIFR.

Environment and Ecology

Consent of the AP Pollution Control Boards has been obtained to operate the plant to discharge the effluents. Tree plantation is undertaken every year.

Order Book Position

The year ended with an Order Booking of around Rs.130.88 crores.

Bharat Wagon & Engineering Co.Ltd. (BWEL)

1. Company Profile

BWEL was incorporated on 4.12.1978 with the objective of taking over the assets and interests of the erstwhile Arthur Butter & Co., Muzaffarpur and Britanica Engg. Works, Mokameh. 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 the Regional Office is 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 for Railways, sugar mill machinery & fabrications, miscellaneous project equipment, turnkey projects, steel fabrication and fuel storage tanks through its two operating units at Mokama and Muzaffarpur in Bihar. One unit at Muzaffarpur which was manufacturing cylinder, fuel storage and tanks is not in operation.

3. Production / Operational Profile

The performance details of the products being manufactured by the BWEL are as follows:

Major Products	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Railway Wagons	VU	281 (28.1%)	453 (51.48%)	395 (44.89%)	376

4. Major Financial Highlights

(Rs. in Crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	10.76	22.42	15.44	-52.01
Cost of Production	20.70	41.91	35.89	-50.61
Net-Profit/ Loss(-)	-13.62	-24.14	-24.88	-
Net Worth	11.44	-143.05	-123.71	-
Paid Up Capital	2.24	9.99	9.99	-77.58
Share of Holding Co.	2.24	9.99	9.99	-77.58

5. Key Performance Factors

The overall performance of the company was dismal because of non-availability of working capital support, inability to get bogies, couplers and air brakes, low wagon prices, inadequate and delayed release of work orders from Railways, old plant and machinery, shortage of skilled and trained manpower, over dependence on single customer i.e. Railways, low morale of employees etc.

During the year the company received non-plan assistance of Rs.7.60 croes for wages and salary and plan assistance of Rs. 0.67 crore as equity and loan.

6. Human Resource Development (HRD)

The enterprise employed 914 regular employees (executives 39, non-unionised supervisors 70 & workmen 805) as on 31.3.2008 as against 930 employees as on 31.3.2007. 3.98% of the employees were having professional qualifications. 33.98% 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 31.3.2008 was 5 out of which 2 were part time Non-official Directors / professionals, 2 Government / official Directors and one full time Functional Director.

7. Strategic Issues

The company intends to enter into the new technology area especially through collaboration with reputed global players or through suitable technology tie-up for technology up-gradation and diversification of business in the area of wagon and infrastructure development.

In the state of Bihar, the company is making efforts to procure some orders for fabrication and structural items.

Restructuring Plan

The company was referred to BIFR in the year 2000. Government approved revival plan for BWEL on 3.7.2008 which comprises non-plan cash assistance of Rs. 26.83 crore for discharging employees related dues upto 31.3.2008 and outside liabilities (in the form of equity) and subsequent reduction of equity by Rs. 26.83 crore against accumulated losses; conversion of plan and non-plan loan of Government of India(GOI) and BBUNL amounting to Rs. 79.81 crore into equity and subsequently to reduce the equity by Rs. 79.81 crore with corresponding reduction in accumulated losses; waiver of normal and penal interest of Rs. 45.95 crore as on 31.3.2007 on GOI loans and further no interest will be levied beyond the cut off date 31.3.2007 till the date of approval; allow reduction of existing equity capital of Rs. 9.50 crore with corresponding reduction in accumulated losses; providing plan equity and loan of Rs. 6.83 crore each by the Ministry of Railways(MOR) for capital investment; engage the existing employees or to provide non-plan loan of Rs. 10.00 crore by MOR for meeting expenses towards VRS of 200 employees; conversion of plan loan of Rs. 6.83 crore (towards capital expenditure) into equity and subsequent reduction of equity of Rs. 6.83 crore with corresponding reduction in accumulated losses; to assist to raise working capital of Rs. 5.00 crore by MOR; and to allow moratorium of repayment of loan and interest holiday for 5 years by MOR.

After taking over, the MOR will be empowered to appoint Chairman, Managing Director of BWEL and to fill the Board level posts. Group 'A' and 'B' posts of officers and technical Group 'C' posts will be exempted from the 'rule of immediate absorption' for a period of five years for filling up the vacant posts on deputation basis.

Order Book Position

Orders of 394 (VUs) Railway Wagons amounting to Rs. 38.12 crore were in hand as on 31.3.2008.

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 (India) Limited (Acquisition and Transfer of Undertakings) 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 focus; to diversify gainfully in the areas of core competence, both in the country and abroad to establish itself as a premier engineering organization; and to be pioneer in wagon and crane business with a brand image within the country and abroad.

BCL is a Schedule-'B' / BIFR referred, sick taken over PSE in Heavy Engineering sector under the administrative control of M/o Heavy Industry 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 viz. Freight Wagons, Bogies, etc 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 and Structural and LPG Bullets.

3. Production / Operational Profile

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Wagon	Vus	595 (49.6)	631 (52.6)	514 (42.8)	580
Couplers	Nos.	286 (28.6)	173 (17.3)	72 (7.2)	177
Bogies	Nos.	1130 (62.8)	1154 (64.1)	998 (55.4)	1094
Castings	Nos.	1953 (55.8)	2268 (64.8)	1640 (46.9)	1954
Structural	MT	35 (1.2)	222 (7.4)	809 (27.0)	355

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	51.20	54.71	44.93	-6.42
Cost of Production	49.45	52.02	41.54	4.94
Net-Profit/ Loss(-)	0.54	0.57	2.21	-5.26
Net Worth	6.72	3.28	0.05	104.88
Paid Up Capital	16.75	16.75	16.75	0.00
Share of Holding Co.	16.75	16.75	16.75	0.00

5. Key Performance Factors

The performance of BCL deteriorated during 2007-08 as compared to last year both in physical and financial terms. This was due to old un-remunerative wagon orders, increase in input cost and fuel cost and lower sales realization.

Entire revenue generated by the company was from domestic orders.

6. Human Resource Development (HRD)

The enterprise employed 495 regular employees (74 executives, 27 Non-unionized Supervisors & 394 Workmen) as on 31.3.2008. 8.48% of the employees were having professional qualifications. 45.86% 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 33 employees retired during the year.

Since the introduction of VRS, a total of 819 employees have retired under the scheme.

The total number of Directors in the company as on 31.3.2008 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 a 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.

The company is trying to strengthen its operations in the areas of core competence; and to develop/ refurbish existing infrastructure for manufacture of stainless steel wagons for Railways at all its manufacturing units as also wagons for private sector and overseas customers. BCL has plans for re-entry in Crane business.

Order Book Position

The year ended with an Order Booking of around Rs.37.34 crores.

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 segments namely Engineering, Ceramic and Projects. The brief details of major products (having more than 5% contribution in turnover) are as follows

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Rolling Stock	FWUs	2688 (51.19)	2712 (51.67)	1982 (37.76)	2461
Basic Bricks	Tonne	10850 (69.55)	9452 (60.59)	12100 (77.56)	10801
DBM/ROK Sinter	Tonne	38594 (177.92)	60360 (278.26)	44479 205.05)	47811
Calcined Magnesite	Tonne	11714 (48.81)	9399 (39.16)	9122 (38.01)	10078
Couplers	Nos.	1108 (46.17)	1444 (60.17)	894 (37.25)	1149
Bogies	Nos.	790 (32.92)	1254 (52.25)	946 (39.42)	997
Mag Carb Bricks	Tonne	6229	2441	3226	3965
Crude Magnesite	Tonne	128665	99756	102895	110439
Dunite	Tonne	29421	37634	23753	30269

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	150.99	137.34	137.27	9.94
Cost of Production	316.73	267.29	282.03	18.50
Net-Profit/ Loss(-)	-151.29	-151.86	-442.74	-
Net Worth	-1337.15	-1188.39	-1042.13	(12.52)
Paid Up Capital	128.82	128.82	128.82	0.00
Share of Holding Co.	128.82	128.82	128.82	0.00

5. Key Performance Factors

While turnover of BSCL increased by 18.16% during 2007-08 as compared to the previous year, the level remained the same. The loss is mainly on account of high interest burden of about Rs. 161.87 crore which was Rs. 133.82 crore in the previous year. However, the company gained Rs. 9.13 crore due to exchange rate variation as on 31.3.2008 in respect of Mil liability. The other reasons that affected the performance adversely were non-availability of continued orders, abnormal price hike of bought-out components due to steep rise in steel prices, change in types of wagons required, delay in free supply items like bogies and couplers etc.

During the year the company availed of Government Guarantee for raising a loan of Rs. 55.50 crore.

6. Human Resource Development (HRD)

The enterprise employed 1494 regular employees (executives 129, Unionized Supervisors 167 and Workmen 1198) as on 31.3.2008. 5.96% of the employees were having professional qualifications. 22.09% 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 18 employees retired during the year after attaining the age of superannuation and 19 employees left the company in attrition. Total 6736 employees availed of VRS since its introduction.

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

7. Strategic Issues

As the domestic requirement from integrated Steel Plants is less, concerted efforts have been made by the company to secure export orders.

The company has non-performing assets amounting to Rs. 24.50 crore including land valuing Rs. 3.77 crore and building valuing Rs. 5.94 crore. These assets relate to closed and non-operative Refractory units at Jellingham since 31.12.2000.

Restructuring Plan

The company is registered with BIFR and also referred to BRPSE. The last revival scheme sanctioned by the BIFR was declared as failed and the case has been reopened. The Modified Draft Revival Scheme(MDRS), prepared based on the views of consultant engaged for the purpose, was discussed by BIFR, Operating Agency and the administrative Ministry(DHI) on 27.2.2008 and 30.6.2008. The BIFR allowed 3 months time for finalization of MDRS after incorporating views of all concerned.

Research & Development (R&D)

BSCL is trying to strengthen its core competency areas of operation. Salem Works is endeavouring to develop low cost Mag. Carbon Bricks and high Alumina Mag. Carbon Bricks for ladles impact zone, low cost Mag. Chrome Bricks for different applications and Mag. Chrome Laddle Bricks, in collaboration with CGRS and develop better quality of MCB Bricks in collaboration with RDCIS, Ranchi; develop/refurbish existing infrastructure for manufacture of stainless steel wagons for Railways at Howrah and Burdwan Works and wagons for private sector and overseas customers.

Order Booking

The company booked orders worth Rs. 378.14 crores during 2007-08 including orders worth Rs. 330.45 crore from Government Departments/ organizations etc. The value of orders in hand as on 31.3.2008 was Rs. 362.44 crore.

Heavy Engineering Corporation Ltd. (HEC)

1. Company Profile

HEC was incorporated on 13.12.1958 under the Companies Act, 1956 (commenced business in 1964-65), with the 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 19.87% during 2007-08. The performance details are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
5 Cum Rope Shovel	Tons	4234 (69.2)	3354 (54.8)	2127 (34.8)	3238
Steel Plant Spares	Tons	793.5 (116.7)	843.0 (124.0)	919.0 (135.1)	851.8
Mining Spares	Tons	271 (39.9)	364 (53.5)	475 (69.9)	370
Steel Castings (Medium & Heavy)	Tons	3558 (12.2)	3316 (11.4)	3171 (10.9)	3348
Forging & Forged Rolls	Tons	3153 (32.8)	3120 (32.5)	2851 (29.7)	3041
Crank Shaft	Tons	91.5 (47.7)	121.0 (62.8)	126.0 (65.4)	112.8
Machine Tools and Accessories	Tons	410 (12.8)	538 (16.8)	579 (18.1)	509
EOT Cranes	Tons	1260 (37.1)	827 (24.3)	- -	- -
Crushing and Grinding Machine	Tons	471 (27.7)	- -	- -	- -

5. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	416.62	308.39	180.71	34.92
Cost of Production	392.43	304.48	304.12	28.91
Net-Profit/ Loss(-)	7.01	2.86	-86.89	145.10
Net Worth	-515.67	-516.95	-587.81	-
Paid Up Capital	453.23	453.23	432.15	0.00
Share of Central Govt.	453.23	453.23	432.15	0.00

6. Key Performance Factors

Although the company achieved high capacity utilization in production of Steel Plants Spares, the major contribution in production and sales was from 5 Cum Rope Shovels, but the former recorded positive growth while the later recorded negative growth in production. The company recorded increasing trend in sales of almost all the products except forging and forged rolls.

HEC was having 100% share in domestic market followed by Crushing and Grinding Machine (80%). The other products were having 30% or less share in domestic market.

Increase in turnover by about 53% was due to higher price realization and decrease in domestic market competition. Increase in human productivity, reduction in power consumption and generation from long term Lease of Residential Buildings, recovery of LD deducted and excess provision written back contributed in profitability of the company.

7. Human Resource Development (HRD)

The enterprise employed 2993 regular employees (executives 1298, Non-unionized Supervisors 376 & Workmen 1319) as on 31.3.2008. 12.13% of the employees were having professional qualifications. 74.94% 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 345 employees retired during the year. In addition, 36 skilled and 29 unskilled employees also left the company in attrition. One unskilled employee joined the company 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 31.3.2008 was 5, out of which 1 was part time Non-official Director / professional and 2 each were full time Functional Directors and Government/Official Directors.

8. Strategic Issues

Restructuring Plan

A Revival Plan for HEC, as recommended by the BRPSE, has been approved by the Government in December, 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 signed MOU with the administrative Ministry. The Government while approving the revival plan had directed to firm up a strong Business Plan for the company, with guidelines for professional management and adoption of the latest technology within three months.

The company is registered with BIFR since 1992 and the Board had passed order for its windingup. The proposal of the Government 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)

Research & Product Development wing of Machine Tools Division of the company successfully designed machine tools with latest technology and CNC system through in-house R&D activities which included (i) Heavy Duty Centre Lathe model: LC125 HD for MSF, Ishapore, (ii) CNC Deep Hole Boring Machine model : BDH 140N/12M for MSF, Ishapore, and (iii) CNC Double Column Vertical Turning and Boaring machine model : BV40/50NM for VSSC Trivendrum. The company is taking help of M/s. Hegenscheidt MFD, Germany for having latest design features in Special Purpose Railway Machine Tools.

Research and Product Development wing of Heavy Machine Building Plant of the company successfully developed detailed design and drawing for following items:

a. Auxiliary Equipment of Basic Oxygen Furnace (BOF) Shop for NINL on the basis of basic information and engineering provided by NINL:

- 120 Ton Hot Metal Charging Ladle having conical shape with charging spout having flat bottom dished end,
- 110T Steel teeming Ladle in conical shape having flat bottom dished end and equipped with slide Gate & IPV Porous plug for gas agitations from ladle bottom.
- 20M^3 fabricated Scrap Box to be used for charging Scrap into converter.

b. Cranes of various capacity suiting to the customers' need and specification provided by Customers :

6000T Wagon Pusher machine for handling 58 loaded railway wagons for BSL, Bokaro. For the first time, 6000T capacity wagon pusher having features like negotiation on curved rail track and rail clamping device for parking of wagon pusher designed.

Environment & Ecology

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

The year ended with an Order Booking of

Rs.396.42 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 under the Companies' Act 1956 as a Joint venture with Voest-Alpine of Austria with an objective to meet the demand of fabricated structures; to encourage ancillary units for developing skills in the line of production; and to provide employment opportunities. However the JV was terminated in 1990. 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.

2. Industrial / Business Activities

TSL is engaged in manufacturing of sophisticated steel structures such as building structures, steel towers for power transmission, TV Towers, hydraulic structures, etc. The performance details for 2007-08 have not been furnished.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4.77	1.82	0.11	162.09
Cost of Production	57.80	51.34	49.28	12.58
Net Profit/Loss(-)	-50.80	-46.85	-48.91	-
Net Worth	-456.63	-405.84	-359.23	-
Share of Central Govt.	21.27	21.02	21.02	1.19
Paid up capital	21.27	21.02	21.02	1.19

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 203 regular employees (55 Executives & 148 Non-executives) as on 31.3.2008 as against 308 employees as on 31.3.2007.

As on 31.3.2008 there was one full time functional Director and one Government Director.

Tungabhadra Steel Products Limited (TSPL)

1. Company Profile

TSPL was incorporated on 20.02.1960 under the Companies Act. 1956 as a Joint Venture Project of Governments 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 the technology and skills developed in manufacturing of these Hydro Mechanical equipment in a commercial way. The Company was converted to CPSE in 1967 when Government of India subscribed 50.5% of its paid up capital. TSPL became a subsidiary of Bharat Yantra Nigam Ltd (BYNL) in 1987. TSPL is a Schedule 'C' / BRPSE / BIFR referred PSE under the Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry, having its Registered and Corporate offices at Tungabhadra Dam, Bellary District, Karnataka.

2. Industrial / Business Activities

TSPL is engaged in designing, fabrication, supply and erection of Hydro mechanical equipment for irrigation, power and other core sectors. The company is also generating power at Malaprabha Mini Hydel Plant.

3. Production / Operational Profile

The product range of the company comprises of radial gates, stoplog gates, penstock pipes, EOT cranes and other products required for Hydro Mechanical equipments. The performance details of major products are as follows;

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Hydro Mech. equipment	MT	123 (1.50%)	91 (1.11%)	104 (1.27%)	106
Power Generation Unit	Lakh	58.18 (116.15%)	32.81 (65.50%)	44.36 (88.56%)	45.12

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3.38	5.11	7.20	(-)33.86
Cost of Production	27.56	43.91	36.01	(-)37.24
Net Profit/ Loss (-)	(-)20.45	(-)37.50	(-)30.08	-
Net Worth	(-)240.73	(-)220.28	(-)182.77	-
Paid up capital	8.44	8.44	8.44	0.00
Share of Central Holding Co.	6.69	6.69	6.69	0.00

5. Key Performance Factors

The decrease in turnover and profitability is attributed to increase in competition, increase in interest burden on Government loans and funding problems.

All sales of the company were made to Government Departments / organisations / agencies.

During the year, the company received a non-plan assistance of Rs.1.59 crore for payment of wages & salary to employees. The cumulative Government guarantee was Rs.5.00 crore as on 31.03.2008.

6. Human Resource Development (HRD)

The company employed 102 regular employees (Executives 18, Supervisors 18 and workmen 76) as on 31.03.2008. 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.

Since the introduction of VRS, a total of 932 employees have separated under the same.

The total number of Directors in the company as on 31.3.2008 was five, 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. An inter-Ministerial Group has been constituted to finalize Joint Venture Process for the Company.

8 MEDIUM & LIGHT ENGINEERING

As on 31.3.2008, there were 22 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.	ITI Ltd.	1950
4.	HMT Ltd.	1953
5.	Bharat Electronics Ltd.	1954
6.	Instrumentation Ltd.	1964
7.	Electronics Corpn. of India Ltd.	1967
8.	Bharat Pumps & Compressors Ltd.	1970
9.	Bharat Dynamics Ltd.	1970
10.	Hindustan Cables Ltd.	1972
11.	Richardson & Cruddas(1972) Ltd.	1972
12.	Central Electronics Ltd.	1974
13.	Andrew Yule & Company Ltd.	1979
14.	Rajasthan Electronics and Instruments Ltd.	1981
15.	HMT Bearings Ltd.	1981
16.	Vignyan Industries Ltd.	1984
17.	BEL Optoronics Devices Ltd.	1990
18.	Antrix Corporation Ltd.	1993
19.	IDPL (Tamilnadu) Ltd.	1994
20.	HMT Watches Ltd.	1999
21.	HMT Machine Tools Ltd.	1999
22.	HMT Chinar 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	Biecco Lawrie & Co. Ltd.	58.43	52.60
2.	Balmer Lawrie & Co. Ltd.	1530.39	1356.33
3.	ITI Ltd.	1210.04	1818.33
4.	HMT Ltd.	174.86	227.29
5.	Bharat Electronics Ltd.	4102.54	3952.70
6.	Instrumentation Ltd.	247.23	228.73
7.	Electronics Corpn. of India Ltd.	1001.65	1005.90
8.	Bharat Pumps & Compressors Ltd.	194.59	143.72
9.	Bharat Dynamics Ltd.	454.38	433.51
10.	Hindustan Cables Ltd.	2.08	2.23
11.	Richardson & Cruddas Ltd.	65.56	52.57
12.	Central Electronics Ltd.	161.33	128.28
13.	Andrew Yule & Company Ltd.	182.71	144.95
14.	Rajasthan Electronics and Instruments Ltd.	80.64	71.36
15.	HMT Bearings Ltd.	15.29	30.00
16.	Vignyan Industries Ltd.	33.29	24.51
17.	BEL Optoronics Devices Ltd.	44.02	60.49
18.	Antrix Corporation Ltd.	837.98	605.46
19.	IDPL (Tamilnadu)	3.74	1.68
20.	HMT Watches Ltd.	17.16	36.88
21.	HMT Machine Tools Ltd.	265.21	256.55
22.	HMT Chinar Watches Ltd.	1.52	2.84
	Total	**10684.64**	**10636.91**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Biecco Lawrie & Co. Ltd.	3.22	2.31
2.	Balmer Lawrie & Co. Ltd.	86.93	70.22
3.	ITI Ltd.	-366.82	-405.68
4.	HMT Ltd.	-73.51	54.30
5.	Bharat Electronics Ltd.	826.74	718.16
6.	Instrumentation Ltd.	-33.37	-27.80
7.	Electronics Corpn. of India Ltd.	134.14	128.37
8.	Bharat Pumps & Compressors Ltd.	30.47	19.11
9.	Bharat Dynamics Ltd.	47.65	32.74
10.	Hindustan Cables Ltd.	-435.00	-310.68
11.	Richardson & Cruddas Ltd.	-59.60	-37.62
12.	Central Electronics Ltd.	1.02	2.85
13.	Andrew Yule & Company Ltd.	5.33	-89.57
14.	Rajasthan Electronics and Instruments Ltd.	2.68	2.32
15.	HMT Bearings Ltd.	-20.72	-7.16
16.	Vignyan Industries Ltd.	1.12	1.04
17.	BEL Optoronics Devices Ltd.	1.39	8.16
18.	Antrix Corporation Ltd.	168.52	105.59
19.	IDPL (Tamilnadu)	-2.76	-1.20
20.	HMT Watches Ltd.	-146.95	-195.81
21.	HMT Machine Tools Ltd.	-40.5	-149.78
22.	HMT Chinar Watches Ltd.	-49.04	-39.91
	Total	**80.94**	**-119.62**

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 2007-08	2006-07
1.	No. of employees	67007	68051
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	138.40	126.54
	b. Medical facilities	28.26	21.10
	c. Others	48.78	31.85
3.	Capital cost of township *(Rs. in crore)*	1171.60	1137.33
4.	No. of houses constructed	20143	25266

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	306850	278950	282550
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	228379	169834	185070
OTHERS	22843	58295	56813
(B) SHARE APPLICATION MONEY	123192	160201	34180
(C) RESERVES & SURPLUS	751388	657460	605502
TOTAL (A)+(B)+(C)	**1125802**	**1045790**	**881565**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	333659	304232	314395
(B) UNSECURED LOANS	420310	360075	395193
TOTAL (A)+(B)	**753969**	**664307**	**709588**
(1.3) DEFERRED TAX LIABILITY	7033	8858	11558
TOTAL (1.1)+(1.2}+(1.3)	**1886804**	**1718955**	**1602711**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	756182	738269	748176
(B) LESS DEPRECIATION	364488	345644	337927
(C) NET BLOCK (A-B)	391694	392625	410249
(D) CAPITAL WORK IN PROGRESS	13638	12361	12337
TOTAL (C)+(D)	**405332**	**404986**	**422586**
(2.2) INVESTMENT	138955	134691	101709
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	275787	259397	250608
(B) SUNDRY DEBTORS	679034	551523	444325
(C) CASH & BANK BALANCES	588987	532909	427677
(D) OTHER CURRENT ASSETS	4394	3424	3323
(E) LOAN & ADVANCES	194046	150052	187191
TOTAL (A)+(B)+(C)+(D)+(E)	**1742248**	**1497305**	**1313124**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1137787	1003576	840910
(B) PROVISIONS	137583	133000	165425
TOTAL (A+B)	**1275370**	**1136576**	**1006335**
(2.5) NET CURRENT ASSETS (2.3-2.4)	466878	360729	306789
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	3959	6840	37140
(2.7) DEFFRED TAX ASSETS	17415	23815	21259
(2.8) PROFIT & LOSS ACCOUNT (Dr)	854265	787894	713228
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1886804**	**1718955**	**1602711**

MEDIUM & LIGHT ENGINEERING
PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	1068464	1064781	955973
(B) EXCISE DUTY	37216	38664	34328
(C) NET SALES (A-B)	1031248	1026117	921645
(D) OTHER INCOME /RECEIPTS	116021	80893	68883
(E) ACCRETION / DEPLETION IN STOCKS	8899	-3974	-21559
(I) TOTAL INCOME (C+D+E)	**1156168**	**1103036**	**968969**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	631645	550726	559657
(B) STORES SPARES	10524	10434	14279
(C) POWER &FUEL	12827	11772	12831
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	25899	83682	42360
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	208069	175954	168498
(F) OTHER EXPENSES	65152	95348	36770
(G) PROVISIONS	19689	19857	17739
(II) TOTAL EXPENDITURE (A TOG)	**973805**	**947773**	**852134**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	182363	155263	116835
(4) DEPRECIATION 19299	18996	20630	
(5) ORE. /PREL EXP. WRITTEN OFF	2815	30822	12201
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	160249	105445^	84004
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	26686	20472	17209
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	58526	56161	56013
(D) LESS INTEREST CAPITALISED	0	10390	5142
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	85212	66243	68080
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	75037	39202	15924
(9) TAX PROVISIONS	58243	50233	39471
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	16794	-11031	-23547
(11) NET EXTRA -ORD. ITEMS	8700	-8281	-20458
(12) NET PROFIT /LOSS (10-11)	**8094**	**-2750**	**-3089**
(13) DIVIDEND DECLARED	28337	24157	17562
(14) DIVIDEND TAX	4815	3971	2464
(15) RETAINED PROFIT (12-13-14)	**-25058**	**-30878**	**-23115**

MEDIUM & LIGHT ENGINEERING
MANAGEMENT RATIO

Particulars		2007-08	2006-07	2005-06
A. INDICATORS				
1. GENERAL (Rs. in Lakhs)				
(i)	INVESTMENT	718822	725343	696067
(ii)	CAPITAL EMPLOYED	858572	753354	717038
(iii)	NET WORTH	267578	251056	131197
(iv)	COST OF PRODUCTION	1081131	1063834	953045
(v)	COST OF SALES	1072232	1067808	974604
(vi)	VALUE ADDED	385151	44921 1	313319
(vii)	R & D EXPENDITURE	25547	21915	21923
II. HUMAN RESOURCES				
(viii)	EMPLOYEES (OTHER THAN CASUAL) (Nos.)	67007	68624	70650
(ix)	AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	25877	21367	19875
B. MANAGEMENT RATIO				
(i)	DEBT: EQUITY	0.67	0.64	0.80
(ii)	CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.37	1.32	1.30
(iii)	PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	2.72	2.26	1.65
(iv)	SUNDRY DEBTORS : SALES (No. of days)	240.34	196.18	175.97
(v)	INVENTORY (No. of days)			
	(i) TOTAL INVENTORY : SALES	97.61	92.27	99.25
	(ii) SEMI / FINISHED GOODS : SALES	38.02	36.59	40.01
(vi)	INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	5.84	0.30	3.65
			(%)	
(vii)	SALES : CAPITAL EMPLOYED	120.11	136.21	128.54
(viii)	PBDITEP : CAPITAL EMPLOYED	21.24	20.61	16.29
(ix)	PBITEP : CAPITAL EMPLOYED	18.66	14.00	11.72
(x)	COST OF SALE : SALES	103.97	104.06	105.75
(xi)	MATERIAL COST : SALES	61.25	53.67	60.72
(xii)	SALARY & WAGES : SALES	20.18	17.15	18.28
(xiii)	R & D EXPENDITURE : SALES	2.48	2.14	2.38
(xiv)	PBITEP : SALES	15.54	10.28	9.11
(xv)	PBTEP : NET WORTH	28.04	15.61	12.14
(xvi)	NET PROFIT : NET WORTH	3.02	-1.10	-2.35
(xvii)	GROSS MARGIN : GROSS BLOCK	24.12	21.03	15.62

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 98.62% 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 Tea, Transformers, Regulators / Rectifiers, Circuit Breakers, Switches, Industrial Fans, Tea Machinery, Turnkey jobs etc. It has 6 operating units at Kalyani, (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 performance details of major products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Tea	000 Kgs	9284 (82.89)	9317 (83.19)	8947 (79.88)	9183
Transformer	KVA	721524 (144.00)	558140 (101.48)	492300 (89.26)	590655
Regulators/ Rectifiers	KVA	58400 (31.57)	36130 (19.53)	19219 (9.37)	37916

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	182.71	144.95	118.39	26.05
Cost of Production	226.88	236.40	190.78	-4.03
Net Profit/ Loss(-)	5.33	-89.57	-74.07	105.95
Net Worth	-31.24	-156.92	-76.77	-80.09
Paid Up Capital	56.74	58.27	58.27	-2.63
Share of Central Govt.	55.96	54.34	54.34	2.98

5. Key Performance Factors

AYCL recorded impressive performance during 2007-08 as compared to last year. While turnover increased by 26.05%, the cost of production declined by 4.03%. The company also turned to profit during the year from loss in the previous year.

The performance of all the three Divisions improved mainly due to revival package approved by the Government of India in terms of BIFR Approval on 30.10.2007.

Endeavour were made to provide financial support, gearing up activities, manpower rationalization and focusing on major areas including marketing, reduction in manufacturing cycle, value engineering, cost control, product development, upgradation, greater emphasis on quality, adoption of integrated software system etc.

The share price of the company varied between Rs.23.50 to Rs.95 during the year 2007-08 as compared to Rs. 18 to Rs.32 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 15754 regular employees (executives 330, unionised supervisors 640 and workmen 14784) as on 31.3.2008 as against 15797 employees as on 31.3.2007. 0.62% of the employees were having professional qualifications. 13.98% 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 13 employees retired during the year.

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 31.3.2008 was 12, out of which 6 were part time Non-official Directors / professionals, 4 full time Functional Directors and 2 Government / official Directors.

7. Strategic Issues

Restructuring Plan

Rehabilitation scheme envisaging comprehensive financial and business restructuring was approved by the BIFR on 30.10.2007 and is in the process of implementation.

Total budgetary support received by the company during 2007-08 was amounting to Rs. 131.58 crore, out of which Rs. 1.50 crore was by way of subscription of equity and Rs. 130.08 crore as loan (including restructuring loan)of Rs. 87.06 crore.

After implementation of rehabilitation scheme, total 1820 employees are to be released by way of Voluntary Retirement Scheme.The necessary cost has been taken care of in the revival package.

As on 31.3.2008, the total outstanding dues was Rs. 5.91 crore out of which Rs. 5.50 crore related to salary and wages and balance Rs. 0.41 crore to statutory dues.

The company received orders worth Rs. 91.42 crore from Government and Private Organisations.

The company has surplus land at Bankrahat, West Bengal which has estimated market value of Rs. 1.00 crore

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. Electrical Division carried out R&D activities in the areas of design upgradation and testing of 1600Amps. 11KV indoor VCB; design and upgradation of 33KC PCVCB; validation test for Yule HEAG make 11KV, 20KA, 630A Outdoor VCB for Capacitor Banks switching test; re-engineered design of 12KV VCB Indoor Panel for reduced width and distinct compartmentalized enclosure for internal ARC suitability; re-engineered design of 36Kv Outdoor VCB for making provision of SF6 Gas filling; and re-engineered design of 36Kv Outdoor VCB for value engineering and adopting ABB interrupter. The Electrical Division has been able to achieve a substantial cost saving in the form of import substitution.

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.

Antrix Corporation Ltd. (ACL)

1. Company Profile

ACL was incorporated on 28.9.1992 under the Companies Act, 1956 with the objective to work as commercial marketing arm of Indian Space Research Organisation (ISRO). Its mission is to enhance and generate commercial spin-offs from ISRO's programme in the global space markets and establish a commercially viable space industry in India.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 business portfolio consists of (i) Remote Sensing

Services; (ii) Spacecraft Systems & Sub-systems; (iii) Transponder Leasing Services; (iv) Launch Services; (v) Mission Support Services; (vi) Ground System Services; (vii) Spacecraft Testing Facilities; and (viii) Training & Consultancy Services.

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 products, 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	837.98	605.46	386.05	38.40
Cost of Production	681.43	505.61	325.11	34.77
Net Profit/ Loss(-)	168.52	105.59	61.27	59.60
Dividend declared (as % of PBT)	13.02	13.31	13.79	-2.13
Net Worth	365.49	236.80	156.56	54.35
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.

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.

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 19 regular employees (executives 6, Unionized Supervisors 12 and Workmen 1) as on 31.3.2008 as against 12 employees as on 31.3.2007. 94.74% of the employees were having professional qualifications and 36.84% employees were under the age bracket of 51 and above years. The retirement age in the company is 60 years. The company is following CDA 1996 pattern of remuneration. 5 new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2008 was 9, out of which one was full time Functional Director, 5 Government/Official Directors and 3 Part time Non-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 was 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- 'B' Mini-ratna, Category-1 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 services, logistics infrastructure services, engineering & technology services etc. through its 49 plants, strategic business units, sales offices, branch offices, technical services centres spread all over India. It also has one overseas 100% subsidiary namely Balmer Lawrie (UK) Ltd. (BLUK). The company has 4 financial joint venture companies namely Balmer Lawrie (UAE), Balmer Lawrie Van Leer (BLVL), Transafe Services Ltd. (TSL) and Avi-Oil India Ltd. with a shareholding 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 major 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	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Barrels & Drums	No./ Lakhs	34.52 (79)	35.96 (91)	37.93 (100)	36.14
Greases & Lubricants	MT/ KL Lakhs	0.39 (54)	0.32 (45)	0.34 (48)	0.35
Leather Chemicals	MT	4876 (146)	4810 (144)	4648 (155)	4778

4. Major Financial Highlights

(Rs. in crores)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	1530.39	1356.33	1311.36	12.83
Cost of Production	1362.15	1201.24	1171.48	13.40
Net Profit/Loss(-)	86.93	70.22	46.80	23.80
Dividend declared (as % of PBT)	21.22	20.72	18.13	2.40
Net Worth	324.60	267.06	217.97	21.55
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 2007-08 compared to previous year is attributed to 18% growth in the revenue from the service activities, reduction in general overheads and increase in other income over previous year.

The major contribution in the revenue of the company is Travel & Tours (37%) followed by Logistics Infrastructure & Services (22%), Industrial Packaging (19%), Grease & Lubricants (15%).

The Earning Per Share (EPS) of the company during 2007-08 was Rs.53.37 as against Rs.43.12 in the previous year.

The share price of Company varied between 338.00 to Rs. 809.00 during the year 2007-08 as compare to Rs. 311.65 to Rs. 616.00 in 2006-07. The average share price during the year was Rs. 575.50.

6. Human Resource Development (HRD)

The enterprise employed 1405 regular employees (executives 585 & non-executives 820) as on 31.3.2008. 31.96% of the employees were having professional qualifications. 32% employees come under the age bracket of 51 and above years.

The total number of Directors was 5, out of which 4 were Functional Directors and one Government Director.

7. Strategic Issues

New Initiatives

The company needs to gain market leadership in all business segments, make them robust and thereby surpass a turnover of Rs. 2000 crore and profit before tax Rs. 200 crore by 2010.

BL is executing/proposes to execute various expansion/modernization/diversification plans such as Lube Based Packaging Products(Barrel Plants); Lube Re-fining/Blending Plant and Industrial Lubricants; Equipment for Hydro Carbon Recovery from Crude Oil Storage Tanks/ Lagoons; Leather Chemicals/Auxiliaries; Additional/Modification/Renewals/Replacement; Infrastructure for Exports/Imports at CFSs and IT related Activity etc. at a total plan expenditure of Rs. 17.22 crore and Non-Plan expenditure of Rs. 0.09 crore during 2007-08 and Rs. 100 crore and Rs. one crore respectively during 2008-09.

Research and Development

One of the objective of the company is to leverage focused in-house R&D for technology upgradation / absorption and new product development in identified thrust areas, to supplement in-house capabilities through strategic engagements with scientific/technological institutions of repute.

R&D work has been carried out in development of lubricants, leather chemicals and industrial packaging. Based on R&D efforts in lubricants, superior performance specialities were developed for application in steel sector, railways, automobile sector etc. Two patent applications were filed during the year.

In leather chemicals, the thrust of development had been towards high performance fat liquors and syntans as well as on environment friendly tanning agents.

In industrial packaging, re-engineering of equipment developed in-house for conical drum manufacturing was taken up.

For future, the R&D efforts are directed to value engineering of existing product ranges; development of new ranges of speciality/high performance products in lubricants and leather chemicals as also value added industrial packaging applications; and development of systems and equipment to aid in cost effective manufacturing etc.

Environment & Ecology

The company is a signatory to the Global Compact and is committed to ensure eco-friendly and environmentally safe manufacturing practices. During 2007-08, more stringent measures were taken to ensure that the effluents discharged out of the grease and lubricant manufacturing units as well as the leather chemicals factory were treated through effluent treatment plant.

Furnace oil was replaced with HSD and LDO to control the gaseous discharge and to make the air cleaner.

In addition to environmental management system under ISO 14000, the manufacturing plant at Chennai has almost completed the work to make it compliant with occupational Health Standard Assessment System(OHSAS) to make the work place safer and hazard free.

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 in the company 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 CPSE in Medium and Light Engineering sector under the administrative control of M/o Defence, Department of Defence Production. Its Registered and Corporate offices are 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 from publishing quantitative details in Annual Report.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	44.02	60.49	51.66	-27.12
Cost of Production	37.58	52.16	40.74	-27.95
Net Profit/Loss(-)	1.39	8.16	6.01	-82.97
Net Worth	34.38	33.16	25.90	3.38
Paid up capital	18.32	18.32	18.32	-
Share of Holding Co.	17.00	17.00	17.00	-

5. Key Performance Factors

The turnover of the company decreased by 27.22% and margins by about 83%. The turnover per employee has decreased from Rs.44.81 lacs in 2006-07 to Rs.34.66 lacs in 2007-08. However, there has been decrease in expenditure by Rs.97.64 lacs in the year 2007-08 as compared to 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 127 regular employees (Executive 40 & Non-Executive 87) as on 31.3.2008 as against 135 as on 31.3.2007. 25.20% of the employees were having professional qualifications and only 3% 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. One employee left the company in attrition during the year.

As on 31.3.2008, there were three part-time Directors in the company as against the sanctioned strength of twelve.

7. Strategic Issues

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 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.
- Increase in production and test capacity.
- Export of products.

The R&D expenditure of the company constituted 1.01% of turnover in 2007-08 as compared to 1.29% in 2006-07.

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 in 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, The company is exempted from furnishing production details that are classified information.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	454.38	433.51	528.81	4.81
Cost of Production	612.86	395.21	495.79	55.07
Net Profit/Loss(-)	47.65	32.74	76.72	45.59
Dividend Declared (as % of PBT)	31.73	45.28	19.36	-29.92
Net Worth	495.75	462.95	457.29	7.08
Paid up capital	115	115	115	-
Share of Central Govt	115	115	115	-

5. Key Performance Factors

The increase in profitability is attributed to higher turnover and margins. The performance of the company depends upon the orders received from Govt. of India.

6. Human Resource Development (HRD)

The enterprise employed 2715 regular employees (Executive 618 & Non-Executives 2097) as on 31.3.2008. 21.92% 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 50 employees retired during the year. Further, 21 skilled employees also left the company in attrition. However, 67 employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 9, out of which 3 were part time Non-official Directors / professionals**.**

7. Strategic Issues

The company intends to establish itself as a leading manufacturer in the aerospace & underwater weapons industry and emerge as a world class sophisticated state of art enterprise providing total solutions to the security needs of the Nation.

Bharat Electronics Ltd. (BEL)

1. Company Profile

Bharat Electronics Limited (BEL) was established in 1954 under the Companies Act, 1913 with the 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 raising marketing abilities to global standards and strive for self reliance through indigenization.

BEL is a schedule 'A', Navratna(conferred in June, 2007) 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, Panchkula, Kotdwara, Navi Mumbai, Chennai and Hyderabad and all units are ISO 9001:2000 certified.

It has one subsidiary namely BEL Optronic Devices Ltd. and two financial joint ventures namely GE-BE Ltd. and BEL Multitone Pvt. Ltd. with equity participation of 26% and 49% respectively. These JVs were formed in 1997 with an objective of Manufacturing of X-Ray Tubes for Medical Diagnostic Imaging equipment and for supply, distribution, installation, commissioning and maintenance in India and abroad of Private Paging System 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, Telecommunication and Broadcasting, Components and Turnkey Solutions. Being most classified information, the same are not published.

4. Major Financial Highlights

Rs crores

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4102.54	3952.70	3535.98	3.79
Cost of Production	3157.31	3095.60	2668.60	1.99
Net Profit/Loss(-)	826.74	718.16	583.01	15.12
Net Worth	3233.13	2591.18	2040.23	24.77
Dividend Declared (as % of PBT)	14.39	13.67	13.57	5.27
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

Starting with a modest turnover of Rs 2 lakhs in 1956-57, the company has reached a turnover of Rs 4102 crore during 2007-08. BEL recorded its maiden profit of Rs 7 lakhs in 1959-60 and has been continuously making profit since then.

BEL crossed the milestone of Rs 1000 crore turnover during 1995-96, Rs 2000 crore in 2002-03, Rs 3000 crore in 2004-05 & Rs 4000 crore in 2007-08. The turnover performance during the last 5 years shows a growth of 47%. Electronic Warfare, Radar, Communication continues to be the top three business segments of the BEL and constitutes 62 % of the total business for the year 2007-08 .

BEL has adopted cost reduction strategy as one of the thrust areas since 1998 and "Cost Reduction" Task Forces were set up in all the Units with members from Cross Functional Areas. The Task Forces in each Unit identify and take up project and set target for achieving cost reduction. The Cost Reduction is computed against cost of manufacturing of the immediate preceding batch. On an average, BEL achieves a cost reduction of around 4 - 5% of the sales turnover.

Share price of the company varied between Rs. 1040 to Rs. 2180 during the year 2007-08. The average share price during the year was Rs. 1730. The Closing Share price as on 31.3.2008 was Rs.1057.

6. Human Resource Development (HRD)

The enterprise employed 12371 regular employees (Executives 4340, unionized supervisors 335, non-unionized supervisors 447 & workmen 7249) as on 31.3.2008 as compared to 12357 as on 31.3.2007. 25.16% of the employees have professional qualifications. 27.46% of the 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 416 employees retired during the year and 315 skilled and 35 un-skilled employees also left the company in attrition.

However, 58 skilled and 25 unskilled new employees joined the company during the year.

The total number of Directors in the company, as on 31.3.2008 was 18, out of which 9 were part time Non-official Directors / professionals**,** 2 Government/official Directors and 7 full Time Functional Directors.

7. Strategic Issues

Restructuring

Under the liberalized business environment, increased global competition and rapid technology changes, it became imperative for BEL to evolve an organizational structure to effectively respond to the dynamic condition of the environment. As a step towards achieving enhanced business performance, increased customer satisfaction, faster response time, the biggest Unit of BEL at Bangalore was restructured into Six Strategic Business Units with a clear product / business focus on major business segment in 2000.

Further one of the SBU in 2007 was bifurcated into Military Communication and Electronic Warfare & Avionics at Bangalore. At the same period BEL also restructured its second largest Unit at Ghaziabad into two Strategic Business Units.

Research & Development

BEL established R&D department in 1960s.It has entered into numerous collaboration agreements prior to this period to acquire enough capability to assimilate technologies taken from foreign manufacturers. It has set up in-house R&D groups in all the units in the respective product areas. BEL has set up two Central Research Laboratories at Bangalore and Ghaziabad for undertaking research in futuristic areas with a view to identify and adopt latest technologies relevant to its products. The company is spending 3%-5% of its turnover every year on R&D. It also closely works with DRDO Laboratories. During 2007-08, 83% of BEL's turnover was from the products manufactured with indigenous technology.

The company is currently working on new technology areas which include Frequency Hopping Radios; Encryption; Software Defined Radio; Mobile Satellite Terminals; C4I Systems; Phased Array Radars; New Generation Sonars; and Electro-Optical Fire Control System.

Management Services

In order to maintain quality, BEL has adopted Total Quality Management (TQM) approach. All the Divisions are certified for ISO 9000 & 14000. It has also adopted Business Excellence Model as well as Six Sigma Concept that has been successfully implemented by global giants like Motorola, General Electric etc.

Environmental initiatives

The Company has taken up possible measures to contain pollution and is continually on lookout for new processes to reduce pollution further. BEL fulfils its commitment to sustainable development through development of effective management processes to mitigate the harmful effects of environmental pollution. The records indicate total compliance.

Bharat Pumps & Compressors Limited (BPCL)

1. Company Profile

BPCL was incorporated on 1.1.1970 under the Companies Act, 1956 with the 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 a leader 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 Industry & Public Enterprises, D/o Heavy Industry. Its Registered and Corporate offices are at Allahabad, U.P.

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 types 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 performance details of the company's products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Recipracting Compressors	Nos.	7 (0.23)	3 (0.10)	8 (0.26)	6
Centrifugal & Reciprocating Pumps	Nos.	79 (21)	63 (17)	64 (17)	69
Gas Cylinders	Nos.	15387 (32)	14151 (29)	11050 (24)	13529

5. Major Financial Highlights

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	194.59	143.72	94.42	35.40
Cost of Production	143.76	118.94	91.27	20.87
Net Profit /Loss (-)	30.47	19.11	1.82	59.45
Net Worth	87.27	56.96	-117.14	53.21
Paid up capital	53.53	53.53	53.53	0.00
Share of Holding Company	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 2006-07 and 2007-08. The improvement in turnover was mainly due to increase in human productivity and improvement in profitability was due to increase in turnover.

7. Human Resource Development (HRD)

The enterprise employed 1119 regular employees (203 executives, 49 Unionized Supervisors & 867 Workmen) as on 31.3.2008 as against 1214 as on 31.3.2007. 15% of the employees were having professional qualifications and average age of the employees is 51 years.

The retirement age in the company is 58 years. It is following IDA 1992 pattern of remuneration. A total of 99 employees retired during the year. 55 skilled employees also left the company in attrition. However, 2 new skilled and 2 unskilled employees joined during the year. 99 employees were identified as surplus. 31 employees availed of VRS and an amount of Rs. 70 lakh was spent in this regard. A total of 581 employees have availed of VRS since the inception of the scheme on 1.6.1991.

Total number of Directors in the company as on 31.3.2008 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 Government in December, 2006, which comprised 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. A Capital investment to the tune of Rs. 95 crore proposed for three years is under execution.

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 BIECCO was taken over by Balmer Lowrie & Co. (a CPSE), thus becoming a Government company. The company was subsequently renamed as BLL. In 1979, it became an independent CPSE after the Government became its majority shareholder. BLL is a Schedule-'C' BIFR/BRPSE 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 medium-voltage switchgear & spares execution of Electrical Turnkey Projects, repair of motors/ alternators and Lube Oil Blending and filling through its two operating units at Kolkata and four branches at Delhi, Lucknow, Mumbai and Chennai. The Project Division of the company is executing various projects under the Accelerated Power Distribution and Reform Programme(APDRP) and Rajiv Gandhi Gramin Vidyutikaran Yojana(RGGVY) of the Government of India and regularly supplying switchgears to various projects all over India. BLL is also in the business of small & micro Hydel project execution.

3. Production / Operational Profile

The product / service range of the company comprises of medium voltage (up to 33KV) switchgear and spares manufacture, execution of turnkey electrical projects, repair of electrical rotating machinery, lube oil blending & filling. The performance details of major products (having more than 5% contribution in turnover) are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Switchgear Panels	Nos.	1297 (94)	1401 (102)	1247 (91)	1315 (96)
Lubricating Blending & Filling	KLs	1582 (15.82)	2253 (22.53)	3864 (38.64)	2566 (25.66)
Electrical Repair Sales	Rs. in crore	5.81	4.47	4.60	4.96
Project Sales	Rs. in crore	5.03	2.68	4.78	4.16

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	58.43	52.60	49.67	11.08
Cost of Production	47.93	46.73	42.48	2.57
Net Profit/ Loss(-)	3.22	2.31	2.22	39.39
Net Worth	-10.26	-17.29	-19.80	-
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

While the income from electrical repairs and project sales has increased by 29.98% and 87.67% respectively during 2007-08 as compared to last year, the production of switchgears and lube blending and filling declined by 8.02% and 29.78% respectively during this period.

The increase in turnover and profitability is attributed to introduction of new products, cost effectiveness, rationalization of manpower and other costs and strategic focus on service oriented activities like repair and spares etc.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.0.77 as against Rs. 0.55 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 429 regular employees (executives 51, non-unionised supervisors 23, unionized supervisors 58 & workmen 297) as on 31.3.2008 as against 450 employees as on 31.3.2007. 6.53% employees were having professional qualifications. 48.48% employees come under the age bracket of 51 and above years.

The company is following IDA 1997 pattern of pay scales. The retirement age in the company is 58 years for below Board level employees and 60 years to Board level employees. During 2007-08, 23 employees retired on attaining the age of superannuation and 5 skilled employees left the company in attrition. In addition, 3 employees availed of VRS. Since introduction of VRS total

29 employees have availed of the scheme till 31.3.2008.

In order to recover from the debilitating effects of exodus of competent manpower to other public and private sectors, the company has embarked on a talent management plan through recruitment of selective skilled personnel and training for development of existing employees.

The total number of Directors in the company as on 31.3.2008 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 is entering small and micro Hydel projects to supplement its project activities as also expanding its market presence in Electrical Rotating machineries repair market covering coal, steel, power and railway sectors.

Restructuring Plan

The *Restructuring Plan* for revival and sustainable performance of the company was considered by the BRPSE on 29.8.2007. The BRPSE recommended capital restructuring by conversion of OIDB loans to equity and capital reduction thereafter and for infusion of Rs. 15 crores by the Government of India/OIDB to implement its expansion/diversification plans.

Research & Development (R&D)

The company's Application Research and R&D Division is working on different projects to launch new products as well as to upgrade the existing ones to match changing customer needs.

Environmental initiatives

The company is implementing Environment Management System (EMS) as per ISO 14001 and fulfills all statutory requirements of Environment protection through pollution control measures. Effluent Treatment Plant has been commissioned and Rainwater harvesting projects have been implemented at Switchgear Works.

Central Electronics Ltd. (CEL)

1. Company Profile

CEL was incorporated on 26.6.1974 under the Companies Act, 1956 with the objective to achieve excellence in technology and manufacturing of solar energy systems and strategic electronic goods 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 , and to grow with profitability, 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	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Solar PV Modules	KW	2834 (28)	1717 (86)	2110 (106)	2220
Solar Cells	KW	1244 (12)	2008 (20)	-	-
Axle Counter & Others	Nos.	1868 (187)	1536 (154)	1453 (145)	1619
Phase Shifters	Nos.	6200 (62)	1750 (18)	-	-
Turnkey Work	Unit	3654	2	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	161.33	128.28	107.11	25.76
Cost of Production	148.32	122.77	94.85	20.81
Net Profit/Loss(-)	1.02	2.85	12.43	-64.21
Net Worth	32.77	31.75	28.90	3.21
Paid Up Capital	47.77	47.77	42.77	0.00
Share of Central Govt.	47.77	47.77	42.77	0.00

5. Key Performance Factors

Despite increase in turnover, the profitability of the company declined during 2007-08 by about 64% as compared to last year. The Solar Photovoltaic segment constituted around 59% of company's turnover but contributed negatively in profitability. The company is earning profits from System Production segment which constitutes 36% of the turnover. The profit from this segment was Rs. 15.68 crore, but the same was wiped out upto by about 34% by the losses incurred by other groups i.e. solar photovoltaic and component groups.

The company is exporting Solar Cells and Modules to Germany, Sudan, Mali, Afghanistan, Nepal, Sri Lanks, Spain and USA.

The Earning Per Share of the company was Rs. 21.39 as on 31.3.2008 as compared to Rs. 61.23 as on 31.3.2007.

CEL received plan assistance of Rs. 2.80 crore during 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 666 regular employees (executives 239 & non-executives 430) as on 31.3.2008. 8.67% of the employees were having professional qualifications. 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 31.3.2008 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.

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 meeting the control and instrumentation requirements of nuclear power programme and also in developing & supply of various products and systems to cater to the requirements of Defence, Civil Aviation, Telecommunication, Oil & Gas, Power, Space, Steel & Coal, Agriculture etc. ECIL has steadily evolved as multi-product, multi-technology company serving various sections of Indian economy through its two operating units at Hyderabad and Tirupati in Andhra Pradesh and 14 Business Divisions handling different kinds of products. The company has a 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 from 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
	2007-08	2006-07	2005-06	2006-07
Turnover	1001.65	1005.90	698.90	-0.42
Cost of Production	779.66	753.34	628.43	3.49
Net Profit/Loss(-)	134.14	128.37	42.27	4.49
Dividend declared (as % of PBT)	16.17	16.12	16.24	0.30
Net Worth	560.00	464.08	363.43	20.67
Paid Up Capital	163.37	154.88	154.88	5.48
Share of Central Govt.	163.37	154.88	154.88	5.48

5. Key Performance Factors

During 2007-08, the company recorded a production of Rs. 941 crore against the target of Rs. 959 crore. The company realized profit before tax of Rs. 201.35 crore which was higher than last year by Rs. 8.81 crore.

The increase in profitability is attributed to increase in turnover as well as in margins.

ECIL is the electronics arm of the Department of Atomic Energy. Most of the orders have been received from Government Departments / PSEs. Over the years, the company has established its presence in 10 Countries of the World in terms of export. However, at present, exports constitute less than 1% of the turnover.

The Earning Per Share of the Company as on 31.3.2008 was Rs.821.12.

6. Human Resource Development (HRD)

The enterprise employed 4910 regular employees (3148 executives, 109 unionised supervisors and 1653 workmen) as on 31.3.2008 as against 4854 employees as on 31.3.2007. About 21.75% 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 88 employees retired during the year. In addition, 11 skilled employees also left the company in attrition. However, 225 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 31.3.2008 was 11, out of which 7 were Government / official Directors and 4 full time functional Directors.

7. Strategic Issues

The Company has reoriented its 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.

Commissioning of 32 meter Antenna system for lunar mission, establishing satellite earth station at Antartica, handing over of Brahmos system to Army, establishing Digital Radiology center are specific achievements during the year. C&I packages for nuclear power plants, instrumentation supplier for B1-B2 & PFBR projects, smart nuclear instrumentation and systems to DAE units, security systems to national installation and systems are a few of significant contributions during the year.

Research & Development (R&D)

In-house R&D plus projects have been approved by the TDC. During the year 2007-08, the R&D expenditure of the company constituted 2.42% of its turnover.

Environmental initiatives

Company has been certified for Environment Management System(EMS) as per EMS 14001:2004.

Order Book Position

The year ended with an in hand Order Booking of around Rs. 1045 crores.

Hindustan Cables Limited (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 a 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 the operating segment is as follows :-

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Turnkey Activity (Sales)	Rs. in crore	2.08	2.22	6.08	3.46

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2.08	2.23	6.36	-6.73
Cost of Production	433.94	313.61	293.68	38.37
Net Profit/Loss(-)	-435.00	-310.68	-295.32	-
Net Worth	-2267.54	-1833.35	-1524.33	(23.68)
Paid up Capital	419.36	419.36	419.36	0
Share of Central Govt.	417.69	417.69	419.36	0

5. Key Performance Factors

The increase in losses is attributed to increase in finance charges. The reasons for downward performance are 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.56.55 crores for payment of wages and salaries. The Company has availed of a cumulative Government Guarantee of Rs. 112 crore as on 31.3.2008.

6. Human Resource Development (HRD)

The enterprise employed 3018 regular employees (executives 407 & non-executives 2611) as on 31.3.2008 as against 3105 employees as on 31.3.2007. About 10.7% 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 58 years. It is following IDA 1997 pattern of remuneration. A total of 87 employees retired during the year. Since the introduction of VRS a total of 3527 employees availed of the scheme.

Total number of Directors in the Company, as on 31.3.2008 was 5, out of which one was full time Functional Director 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 along with 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.

IIT, Kharagpur has formulated a revival package for HCL. This 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 Fibre Cables. As per this scheme, the necessary funds for the proposed revival package are to be provided by the Central Government. After adoption by the Board of Directors of the company, the revival scheme was submitted to the Ministry of Heavy Industries and Public Enterprises for their approval. Accordingly, a draft revival plan was sent for the consideration of the BRPSE/Government.

The BRPSE in its last meeting has recommended for searching of a Joint Venture Partner. Keeping it in mind, the Company wrote to more than 30 Central Public Sector Enterprises (CPSEs) inviting them to form a Joint Venture. "Expression of Interest" for this purpose have also been published in 2 local daily newspapers of the states where units are located. With this changed situation, the company is hopeful to form a Joint Venture with one or more CPSEs.

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 1971. 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' CPSE 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 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 and Pune.

3. Production / Operational Profile

The performance details of major product are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Bearings	*Lakh Nos.*	5.03 (16)	9.13 (29)	10.45 (34)	8.20 (26.33)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	15.29	30.00	28.07	-49.03
Cost of production	22.78	30.22	33.61	-24.62
Net Profit/Loss(-)	-20.72	-7.16	0.44	189.39
Net Worth	-17.03	-5.46	-1.37	211.90
Paid up capital	37.71	17.13	9.23	120.14
Share of Holding Co.	35.31	16.89	8.99	109.06

5. Key Performance Factors

The performance of the company has been declining during last three years, which is attributed to fall in sales along with falling margins due to higher competition. During the year the net worth of the company has become negative.

6. Human Resource Development (HRD)

The enterprise employed 300 regular employees (executives 82 and non-executives 218) as on 31.3.2008 as against 326 employees as on 31.3.2007. 14.33% employees were having professional qualifications and 83% 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. Total 22 employees retired during the year on attaining the age of superannuation. 3 new employees joined the company.

The total number of Directors in the company as on 31.3.2008 was 4, out of which three were full time Functional Directors and one Government / official Director.

7. Strategic Issues

The company is focusing on high value added products for better margins.

Restructuring Plan

The revival plan with a cash assistance of Rs.7.40 crore and Non-cash assistance of Rs. 26.57 crore was approved for the company 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 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 office is 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 brief details of major products are given below:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Watches	No.	NA	77382 (15)	48328 (9.67)	–

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1.52	2.84	1.76	-46.48
Cost of production	51.29	43.60	31.87	17.64

Net Profit/Loss(-)	-49.04	-39.91	-30.88	22.88
Dividend Declared (as % of PBT)		NA	NA	
Net Worth	-222.28	-177.19	-145.83	-
Paid up capital	1.66	1.66	1.41	
Share of Central Holding Co.	1.66	1.66	1.41	

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.

6. Human Resource Development (HRD)

The enterprise employed 476 regular employees (executives 10 and non-executives 466) as on 31.3.2008 as against 577 employees as on 31.3.2007. 80% 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 after attaining the age of superannuation and 96 employees availed of VRS during the year. Since the introduction of VRS total of 326 employees have availed of the scheme.

7. Strategic Issues

Revival/restructuring plan is under consideration of the BRPSE / Government.

HMT Ltd.

1. Company Profile

HMT was incorporated on 7.2.1953 under the Indian Companies Act, 1913 with an objective to manufacture 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 units (two manufacturing units and two service divisions) at Pinjore, Mohali, Hyderabad and Aurangabad and 15 Area Offices of Tractor Division. It has five subsidiaries namely HMT Bearings Limited, HMT Chinar Watches Limited, HMT (International) Limited, HMT Machine Tools Limited and HMT Watches 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Tractors	Nos.	5303 (53)	6401 (64)	7902 (79)	6535
Food Processing Machines	Nos.	132 (45)	133 (45)	177 (60)	147

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	174.86	227.29	248.33	-23.07
Cost of Production	277.06	292.27	290.11	-5.20
Net Profit/Loss(-)	-73.51	54.30	13.27	-235.38
Net Worth	818.97	861.81	81.46	-4.97
Paid Up Capital	760.35	515.65	482.92	47.45
Share of Central Govt.	751.85	507.15	474.42	48.25

5. Key Performance Factors

The production of the company, particularly for tractors, was affected adversely because of rising prices of major inputs coupled with difficult market conditions. This put severe pressures on margins and seriously affected the cash flow. Another reason for low performance of the company were non-availability of finance at the retail level from banks and other financing agencies due to high levels of defaults by the customers which resulted in banks restricting the finance and exercising greater discretion in disbursement of loans to farmers for purchasing tractors. Working capital constraints, high interest burden, increase in domestic competition, decrease in demand etc. contributed further to the low performance.

During the year, the company received a budgetary support of Rs. 18.53 crore in the form of subsidy related to administered prices(Rs. 9.09 crore) and to pay statutory P.F. dues (Rs.9.44 crore) under non-plan. The company has availed of a cumulative Government Guarantee for Rs.307.97 crores as on 31.3.2008.

The Earning Per Share (EPS) of the company was (-)Rs.0.72 during 2007-08 as against Rs. 1.09 in the previous year.

The share price of company varied between Rs. 47.25 to Rs.164.10 during the year 2007-08 as compared to Rs.37.65 to Rs.94.80 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 2296 regular employees (executives 290, non-unionised supervisors 148 and workmen 1858) as on 31.3.2008 as against 2383 employees as on 31.3.2007. About 12.5% employees were having professional qualifications and around 54.75 employees come under the age bracket of 51 years and above. The retirement age in the company is 58 years and it is following IDA 1992 pattern of remuneration.

A total of 60 employees retired during the year after attaining the age of superannuation. 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 31.3.2008 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 Tractor group of HMT Limited has initiated several steps towards concrete results, like appointment of new Distributors and Dealers in select Territories, re-designing of Tractor engines to meet new emission norms, setting up of a modern in-house paint plant to improve aesthetics, revision of credit policy with stricter norms to have better control of the Debtors, offering of Settlement Schemes to non-operative Dealers to accelerate recoveries etc.

HMT is having non performing assets(NPA) which include 1137 acres of land and 218218 square feet building space since 1995-96, the estimated current market value of which is Rs. 1498 crore as on 31.3.2008.

Restructuring Plan

Revival / restructuring plan of the company is under consideration of the Government after being recommendedation by the BRPSE. With a view to meet market realities Company's business portfolio is being revamped and periodic review is being done regularly.

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 implement of quality control. The company has also made investment for technology up-gradation in CAD / CAM facilities, testing facilities, implementation of ERP packages etc.

The company has developed 75HP naturally aspirated Engine and 4902 Genset Engine. Development of 7522 HP Tractor with 4WD & constant mesh gear box are under progress.

Environment and Ecology

Green Technology norms for the Tractors are planned for the new generation vehicles and tree plantation program for ecologies balance are actively pursued.

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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Machine Tools	Nos.	NA	586 (66.74)	587 (73.84)	-
Printing Machines	Nos.	NA	39 (54.93)	51 (86.44)	-
CNC Systems	Nos.	NA	95 (31.56)	83 (27.57)	-
Ball Screws	Nos.	NA	246 (24.60)	390 (39)	-
Die Casting and Plastic Injection Moulding Machines	Nos.	NA	22 (64.71)	33 (97.06)	NA
Metal Forming Presses	Nos.	NA	2 (20.00)	8 (100.00)	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	265.21	256.55	242.18	3.38
Cost of production	292.48	419.16	386.30	-30.22
Net Profit/Loss(-)	-40.50	-149.78	-6.56	-
Net Worth	57.73	80.55	-590.09	-28.33
Paid up capital	15.70	15.70	10.70	0.00
Share of Holding Co.	15.70	15.70	10.70	0.00

5. Key Performance Factors

While the turnover of the company increased, its loss declined during 2007-08 due to the impact of implementation of revival scheme and writing off big amount of VRS compensation.

6. Human Resource Development (HRD)

The enterprise employed 4188 regular employees (executives 1356 and non-executives 2832) as on 31.3.2008 as against 4236 employees as on 31.3.2007. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 174 employees had availed of VRS.

7. Strategic Issues

Restructuring Plan

During the year 2007, a revival plan envisaging infusion of funds by way of preferential and equity capital, conversion of long term loan into equity capital and waiver of interest was sanctioned by the Government of India with a view to address the negative networth of the company. The revival plan is under implementation.

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 of 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 their components through 4 operating units at Bangalore and Tumkur in Karnataka and Ranibagh (Nanital) in Uttarakhand.

3. Production / Operational Profile

The performance details of the company are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Watches	Nos. (Lakhs)	2.67 (4.10)	5.55 (8.53)	4.66 (7.17)	4.29

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	17.16	36.88	21.84	-53.47
Cost of Production	168.47	259.12	172.07	-34.98
Net Profit/Loss(-)	-146.95	-195.81	-76.31	-
Net Worth	-960.64	-815.95	-715.57	-
Paid Up Capital	6.49	5.49	5.49	18.21
Share of Central Govt.	6.49	5.49	5.49	18.21

5. Key Performance Factors

The performance of the company during 2007-08 remained less than expected due to absence of trade channel, higher interest burden and reduction in exports.

The institutional sales of the company contributed 62% of total sales while that of new products developed constituted 10% of total sales during the year. Major orders executed were from M/s Coal India Limited.

6. Human Resource Development (HRD)

The enterprise employed 2113 regular employees (executives 395, non-unionised supervisors 67 & workmen 1651) as on 31.3.2008 as against 2145 employees as on 31.3.2007. 2.45 % of the employees were having professional qualifications. 41.44% 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 in 1989-90 a total of 5434 employees availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 2, out of which one each were full time Functional Director and 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 2008-09. In this direction, the company is in the process of appointing a Consultant to get the recommendation on the revival/restructuring strategies including formation of joint venture.

In order to increase turnover and market share during 2008-09, steps shall be taken for reduction in personnel cost and inventory cost, increase in high-end watches with potential of high profit margin, adoption of innovative and aggressive marketing policies, focus on cost reduction and superior asset base, revamping of institutional sales, introduction of new models etc.

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-brand HQ series watches and has introduced 34 new models during 2007-08.

The company has plan to strengthen infrastructure for R&D, faster introduction of new models of watches for catering to changing needs of customers and improving interaction with research/education institutions.

ITI Limited (ITI)

1. Company Profile

ITI was incorporated on 25.01.1950 under the Companies' Act and was the first public sector undertaking set up by the Government of India to assist the Government in sensitive and strategic Telecommunication fields, and to tap the opportunities in the field of communications. The company is a Schedule "A" / BIFR referred CPSE in Medium and Light Engineering Sector under the administrative control of Ministry of Telecommunication and Information Technology, D/o Telecommunications 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, CDMA & GSM equipments etc. through its 6 operating Units at Bangalore (Karnataka), Mankapur (UP), Naini(UP), Rae Bareli (UP), Palakkad (Kerala) and Srinagar (J&K). It is implementing "West Zone " GSM Network for BSNL in Gujarat, Maharashtra, Chhattisgarh and Madhya Pradesh.

3. Operational Profile.

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Turnkey Projects/ Business	Rs. crore	373.14	315.76	373.80	355.34
GSM- INFRA	Rs. crore	160.00	431.29	267.26	286.10
MPLS/MLLN/ NET WORK FOR IT RELATED	Rs. crore	125.88	134.06	51.13	103.69
GSM-BTS, RTT, SHELTER, P/P	Rs. crore	106.79	205.12	203.82	171.91
CDMA WLL- IFWT / HAND SETS	Rs.crore	77.35	72.70	107.11	85.72
OCB-283 CSN / LOCAL	Rs.crore	62.19	25.34	32.92	40.15
WLL CDMA-INFRA	Rs.crore	62.07	339.07	228.58	209.90
DWDM	Rs.crore	58.13	12.42	32.32	34.29
STMs / Optic Fibre Equipments	Rs.crore	45.67	57.53	62.35	55.18
C-Dot Products & Spares	Rs. crore	41.77	30.71	34.68	35.72
OCB-TAX / Tandem	Rs.crore	24.40	47.70	85.15	52.41

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1210.04	1818.33	1749.38	-33.45
Cost of Production	1878.67	2278.71	2082.42	-17.56
Net Profit / Loss(-)	-366.82	-405.26	-428.76	-
Net Worth*	686.22	1077.90	1643.61	-36.34
Paid up Capital	588.00	588.00	588.00	0.00
Share of Central Govt.	567.47	567.47	567.47	0.00

*- Excluding revaluation reserve.

5. Key Performance Factors

Despite control over manufacturing, administration, selling expense, the company incurred loss owing to legacy cost, non-availability of indigenous technology and high cost borrowings

The Company has diversified into Turnkey Solution Business by taking up projects like GSM / WLL CDMA infra, MLLN and SSTP in addition to continuing with manufacturing activities of various products.

The Company also adopted new technologies like GPON, NGN, 10G DWDM & WiMAX .

The Earning Per Share (EPS) of the company during 2007-08 was Rs.(-)13.29.

The market price of Company's shares was between Rs.28.50 to Rs. 88.80 during the year 2007-08 as against Rs.36.40 to 53.60 during the year 2006-07. The average share price during the year was Rs. 58.65

6. Human Resources Development (HRD)

The enterprise employed 13045 regular employees (executive 5613 & non-executives 7432) as on 31.3.2008. 9% of the employees were having professional qualifications. 47% 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. A total of 289 employees retired during the year. Further 572 skilled employees also left the company in attrition.

During the year 4800 employees were identified as surplus. Voluntary retirement scheme was not in operation during the year. Since the introduction of VRS, a total of 13744 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 7, out of which 2 were Government / official Directors and one part time Non-official Director.

7. Strategic Issues

Restructuring Plan:

The Company submitted a comprehensive revival and funding plan to the Government / BRPSE. It has been directed to get the revival plan vetted by an external agency. Accordingly, a competent agency has been assigned the work which is in progress.

SBI has been directed by the BIFR to conduct a Techno economic viability study through an independent agency which is also in progress.

During the year the Company received a non-plan support of Rs. 252 crore for payment of wages & salary. The company has also availed of total cumulative Government Guarantee of Rs. 402.80 crore as on 31.3.2008

Project Implementation

During the year, Capital Expenditure of Rs.6.32 crore was made towards purchase of Capital Goods for on-going projects. The Company has generated this fund from its internal resources.

Research & Development (R&D)

During the year, the company undertook R&D initiative for ENCRYPTION-SECURE COMMUNICATION, Pouncing Panther, Media Secrecy Device (MSD), Flex Data Encryptor (FDE) and FAX Encryptor and Protocol Converter (for E1 to V.35), these devices are successfully inducted into customers network. The R&D expenditure of the company constituted 2.15 % of its turnover.

Environment Initiatives

ITI Bangalore Plant is under the process of accruing certification of Environmental Management System to ISO 14001:2004. ITI Palakkad & Mankapur Plants have already been accredited to ISO 14001:2004 EMS.

Order Book Position

During the year 2007-08, the Company booked orders worth Rs.1685.69 crore and at the end of the year, orders worth Rs.472.38 crore were in hand. The company mainly depends on Government and BSNL / MTNL orders.

IDPL (Tamilnadu) Ltd. (IDPL (TN)

1. Company Profile

IDPL (TN) 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 Pharmaceuticals. Its Registered and Corporate offices are 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
	2007-08	2006-07	2005-06	2006-07
Turnover	3.74	1.68	2.04	122.62
Cost of Production	5.52	3.15	3.18	75.24
Net Profit/Loss(-)	-2.76	-1.20	-0.42	-
Net Worth	-11.06	-14.13	-13.31	-
Paid up Capital	4.00	4.00	4.00	0.00
Share of Holding Co.	4.00	4.00	4.00	0.00

5. Key Performance Factors

There were no production activities in the company during 2007-08. The performance of the company further deteriorated at all the fronts.

6. Human Resources Development (HRD)

There were 24 employees as on 31.3.2008 in the company out of which 7 were executives, 2 non-unionized supervisors and 15 workmen. 8.33% employees were having professional qualifications. 92% workforce was in the age group of 51 years and above. The retirement age in the company is 58 years. It is following IDA 1987 and CDA 1986 patterns of remuneration. During 2007-08, 2 employees availed of VRS. Till 31.3.2008 total 808 employees have availed of the scheme.

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, nuclear application and Defence. Subsequently, the Company diversified in a major way into the manufacturing of Telecom Exchanges (based on C-DOT technology), Railway Signaling systems, special products for Defence, Power Electronics (UPS etc.,), service sectors of specialized offshore projects of Oil & Natural Gas and Photo Identity jobs of Election Commissions. 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

The Kota unit encompasses modern manufacturing infrastructure of Telecom equipment, Instruments and Automation products, Panels/Cabinets, Gas analyzers, Defence products, Railway signaling relays and systems, Power electronics etc. in addition to a few special application products. The Kota Complex also has the complete infrastructure of System Design, Detailed engineering, System integration, Software development and Project management, as needed for large turnkey projects. The infrastructure of Customer training, after sales service and repair are also handled from Kota Complex.

The Palakkad unit in Kerala, manufactures Control elements like Control valves, Butterfly valves, Safety Relief Valves, Bellow Sealed Valves, Pneumatic / Electric Actuators etc., and related products, Customer-built special products like Valve stand etc.

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 production of the company depends on product mix desired by the customers. Capacity utilization can not be ascertained as various products are manufactured on same machinery interchangeably. Production performance details have not been provided.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	247.23	228.73	219.98	8.09
Cost of Production	279.86	264.98	240.92	5.62
Net Profit/Loss(-)	-33.37	-27.80	-24.51	-
Net Worth	-259.77	-220.35	-195.56	-
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.

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 measures for economization of costs.

6. Human Resource Development (HRD)

The enterprise employed 1504 regular employees (executives 1014 & non-executives 490) as on 31.3.2008 as against 1677 employees as on 31.3.2007. 20.94% of the company employees were having professional qualifications and 67.22% 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 34 employees retired during the year. In addition, 148 skilled and 26 un-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 is 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.

Rajasthan Electronics & Instruments Ltd. (REIL)

1. Company Profile

REIL was incorporated in the year 1981 under the Companies Act, 1956 as a joint venture of

Instrumentation Ltd. 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. The Company aims at retaining its primacy in the area 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 CPSE in the Medium and Light Engineering Sector under the administrative control of Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry. Its Registered and Corporate Offices are at Jaipur, Rajasthan. REIL is a subsidiary of Instrumentation Ltd., which is holding 51% equity.

2. Industrial/Business Activities

REIL is one of the joint venture ISO 9001 enterprises involved in the manufacturing of Agro dairy electronic items, Solar Photo Voltaic modules/systems, IT solutions and power generation through wind energy. The enterprise has a workforce of 219 employees as on 31.3.2008.

3. Production/Operational Profile

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Electronic Milk Analysers	Nos.	7120 (158.22)	7515 (167.00)	7111 (158.02)	7249
SPV Modules/ Systems	Nos.	1478 (73.90)	1195 (59.75)	865 (43.25)	1179

4. Major Financial Highlights

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	80.64	71.36	61.06	13.00
Cost of Production	76.99	66.84	57.68	15.19
Net Profit/Loss(-)	2.68	2.32	2.23	15.52
Dividend declared (as % to PBT)	13.79	12.93	14.24	6.67
Net Worth	16.85	14.33	12.53	17.59
Paid Up Capital	3.25	2.25	2.25	44.44
Share of Holding Company	1.66	1.15	1.15	44.35

5. Key Performance Factors

The Company achieved highest turnover and profit during the year with an increase of 13.00% and 15.52% respectively over previous year.

Total exports in foreign currency were amounted to Rs. 7.73 crore as against the import of Rs. 15.90 crore during 2007-08.

The earning per share was Rs. 8.92 during 2007-08.

Indigenisation of the imported components, keeping staff at minimum level, implementation of Kizen technique, energy conservation, taking up R&D activities on regular basis and diversification were the measures taken for improving competitiveness.

Company has won "SCOPE Award for Excellence" for outstanding contribution to the Public Sector Management under Smaller Public Enterprises Category 2006-07".

6. Human Resource Development(HRD)

The enterprise employed 219 regular employees (executives 131 & non-executives 88) as on 31.3.2008. 25.11% employees were having professional qualification and around 8.68% employes come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 43 years. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. One employee retired during the year. In addition, 4 skilled employees also left the company in attrition.

The total number of Directors in the company, as on 31.3.2008 was 8 out of which 3 were part-time Non-official Directors / professionals, 4 Government / official Directors and one full time functional director.

7. Strategic Issues

The Company has proposed to implement Environment Management System (EMS) based on ISO-14001and evolving of policy for Corporate Social Responsibility (CSR) in the year 2008-09. Further, Company has plans to modernise Solar Photovoltaic Module production line by further automation.

R&D Initiatives

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 dedicates itself for development of new products based on marketing & customer's feed back.

New Developments

- RF Controller

Development of RF Controller was taken up to meet the requirements of Panchayati Raj Deptt., Govt. of Rajasthan for RF Towers. The controller, besides charging the batteries through solar as well as AC mains, controls the load by switching it ON & OFF at predefined intervals. The controller feeds the MODEM used in the Panchayati Raj Network.

- Solar Electronic Controller

The Solar Electronic Controller has been developed for use in SPV Dusk Dawn Switching System. The controller works on standard sun set & sun rise time (based 365 days calendar) with solar over riding feature.

Product Upgradation

- Smart DPMCU

During the year the company received an order from APDDCFL valuing Rs. 1050 Lac for supply of Smart DPMCU and Smart AMCU. For successful execution of the prestigious project, the product design, specially software, was reviewed and modified wherever required. The new requirements of APDDCFL were provision of separate rate charts for Cow & Buffalo, Variables entry through Smart Card, Rate Chart loading through Smart Card, provision of manual entry of SNF etc. The product has been successfully installed in the field and is working satisfactorily.

- Animal Identification System

The RFID based Animal Identification System designed & developed was modified to meet the requirements of Municipal Corporation of Delhi for Identification of Rounded up cattles in Delhi using micro-chip tags (Bolus). Company received a contract for implementation & operation of the system for the year 2008-09. Total volume of the contract is estimated to be Rs 1.00 Crore approx.

- Dairy IT/ Application Software Development

The R&D is also involved into development of application software to the specific requirements of customers. The development process involves conceptualization, design, development, testing & validation of software. The development of Software taken up to the requirements of New Generation Company of NDDB is at advanced stages and preliminary testing has been completed. Besides above, development of Dotnet based Milk Net has also been taken up to standardize the milk collection process software.

Environment & Ecology

As a environment initiative, the Company has started Wind Power Generation in Jaislmer.

Richardson and Cruddas Ltd. (R&C)

1. Company Profile

R&C was incorporated on 15.3.1973 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 Enterprises, D/o Heavy Industry having its Registered and Corporate offices at Mumbai, Maharashtra. The company is a fully owned Government of India enterprise.

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 performance details of major products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Fabrications	MT	16652 (53)	8760 (28)	8350 (27)	11254

4. Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	65.56	52.57	27.51	-
Cost of Production	100.40	87.06	70.79	15.32
Net Profit/Loss(-)	-59.60	-37.62	-42.59	-
Net Worth	-263.31	-205.87	-172.44	-
Paid up Capital	54.84	54.84	54.84	0.00
Share of Central Govt.	54.84	54.84	54.84	0.00

5. Key Performance Factors

Despite increase in turnover due to higher production of fabrications, the company incurred heavy loss during 2007-08 mainly due to high input cost, interest burden and prior period adjustments.

R&C contributed Rs. 7.47 crore to the Central Exchequer by way of taxes and duties mainly excise/CENVAT.

Almost all the sales were made to Government Departments/Organizations.

6. Human Resource Development (HRD)

The enterprise employed 70 regular employees (executives 20, unionized supervisors 3, non-unionised supervisors 11 and workmen 36) as on 31.3.2008 as against 73 employees as on 31.3.2007. 6.85% of the employees were having professional qualifications. 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. 3 employees availed of VRS during the year.

The total number of Directors in the company as on 31.3.2008 was 3, out of which one was Government/official Director and two were full time Functional Directors.

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. After due deliberations in the meeting held on 10.6.2005 on three options viz. (1) closure of the company; (2) revival as a PSE; and (3) revival through joint venture with PSE or disinvestment in favour of private ownership, the BRPSE recommended for pursuing the third option and to explore the realization of land value at Mulund by open bid. Based on the recommendations of the BRPSE, the Government in its meeting dated 9.3.2006 accorded 'in principle approval' for exploring the options for revival of the company through joint venture, and directed that other specific proposal (s), if any, towards revival of the company may thereafter be brought for consideration.

The decision was communicated to the AAIFR, which subsequently remanded back the case to BIFR vide its order dated 24.9.2007 and also asked the Government to file a concrete proposal before BIFR. The BIFR heard the case on 20.11.2007 and granted three months time to the administrative Ministry to file the concrete proposal.

The matter is under process in the administrative Ministry/Department.

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. 120.23 crore during 2007-08. Most of the orders were from Government Departments/organizations. As on 31.3.2008, the total orders in hand amounted to Rs. 87.37 crore.

Vignyan Industries Ltd. (VIL)

1. Company Profile

VIL was incorporated on 2nd September,1965 as a Private Ltd. company(Converted to Public limited company in January, 1966) with Polish collaboration under the Companies Act, 1956 with the objective of manufacturing steel casting for rolling mills. The company became 'sick' in December, 1974. Therefore, 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. Consequent upon acquisition of 74.45% shares of VIL in October, 1984 by BEML, it became subsidiary of that company. 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. Its Registered office is 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/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Steel Castings	MT	3527 (88)	3362 (84)	3762 (94)	3550 (89)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	33.29	24.51	28.81	35.82
Cost of Production	25.97	21.35	23.44	21.64
Net Profit/Loss(-)	1.12	1.04	0.66	7.69
Dividend declared (as % to PBT)	7.37	0.00	0.00	736.84
Net Worth	5.85	5.41	4.29	8.33
Paid Up Capital	2.79	2.79	2.79	0.00
Share of Holding Co.	2.69	2.79	2.69	-3.58

5. Key Performance Factors

VIL improved its overall performance both in physical and financial terms during 2007-08 as compared to last year. While the production of steel castings increased by 4.91%, the turnover increased by 35.82%

The company declared dividend for the first time (Rs. 13.95 lakhs during 2007-08) after becoming a subsidiary of BEML in 1984 and its financial revival.

Earning Per Share of the company was Rs. 40.22 during 2007-08 as compared Rs. 37.13 during 2006-07.

6. Human Resource Development

The enterprise employed 212 regular employees (executives 25 and workmen 187) as on 31.3.2008 as against 223 employees as on 31.3.2007. 6.44% of the employees were having professional qualifications. 56.93% 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 4 persons retired after attaining the age of superannuation and 20 persons availed of VRS. Since introduction of the VRS in May, 1993, 131 persons have availed of the scheme

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 expansion of foundry.

With the full cooperation of the Holding Company, VIL has taken up expansion of the Foundry by introducing the latest Foundry Technology of no-bake fast moulding system with an investment of Rs. 10 crores.

The order book position is comfortable and the company is looking forward for better results. During 2007-08 the company booked orders worth Rs. 18.63 crore and was having orders in hand amounting to Rs. 11.60 crore as on 31.3.2008.

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); installation of heat treatment furnace and procurement of spectrometer.

Technology was developed indigenously for manufacture of SG Iron and implemented by the in-house R&D Team. The company procured Foseco's new modified sleeves which resulted in increase in yield.

9 PETROLEUM (RIFINERY & MARKETING)

As on 31.3.2008, 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Indian Oil Corporation Ltd.	251349.01	224353.33
2.	Chennai Petroleum Corporation Ltd.	33048.94	29409.30
3.	Bongaigaon Refinery & Petrochemicals Ltd.	6645.00	6425.96
4.	Bharat Petroleum Corpn. Ltd.	121684.07	107452.27
5.	Hindustan Petroleum Corpn. Ltd.	104228.20	91448.03
6.	GAIL (India) Ltd.	18580.21	16545.85
7.	Mangalore Refinary & Petrochemicals Ltd.	37348.40	32376.88
8.	Numaligarh Refinary Ltd.	8764.16	7930.32
	Total	**581647.99**	**515941.94**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Indian Oil Corporation Ltd.	6962.58	7499.47
2.	Chennai Petroleum Corporation Ltd.	1122.95	565.27
3.	Bongaigaon Refinery & Petrochemicals Ltd.	294.30	184.98
4.	Bharat Petroleum Corpn. Ltd.	1580.56	1805.48
5.	Hindustan Petroleum Corpn. Ltd.	1134.88	1571.17
6.	GAIL (India) Ltd.	2601.46	2386.67
7.	Mangalore Refinary & Petrochemicals Ltd.	1272.23	525.52
8.	Numaligarh Refinary Ltd.	372.81	568.80
	Total	**15341.77**	**15107.36**

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	
		2007-08	**2006-07**
1.	No. of employees	65780	65418
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	53.62	98.80
	b. Medical facilities	301.96	278.38
	c. Others	169.05	162.65
3.	Capital cost of township *(Rs. in crore)*	6109.01	1021.09
4.	No. of houses constructed	22543	25891

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	790000	790000	800000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	181474	181470	181470
OTHERS	377010	374571	376784
(B) SHARE APPLICATION MONEY	0	2436	0
(C) RESERVES & SURPLUS	8139018	6895193	5947534
TOTAL (A)+(B)+(C)	**8697502**	**7453670**	**6505788**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	1253986	1160402	1631555
(B) UNSECURED LOANS	6095254	4268523	3411077
TOTAL (A)+(B)	**7349240**	**5428925**	**5042632**
(1.3) DEFERRED TAX LIABILITY	1125062	1105045	975455
TOTAL (1.1)+(1.2)+(1.3)	**17171804**	**13987640**	**12523875**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	13145314	12108791	10571625
(B) LESS DEPRECIATION	5657367	5076536	4515677
(C) NET BLOCK (A-B)	7487947	7032255	6055948
(D) CAPITAL WORK IN PROGRESS	1508274	1195078	1472530
TOTAL (C)+(D)	**8996221**	**8227333**	**7528478**
(2.2) INVESTMENT	4118062	3716644	2464760
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	6422793	4926416	4848154
(B) SUNDRY DEBTORS	1579425	1326058	1319984
(C) CASH & BANK BALANCES	748862	507293	595158
(D) OTHER CURRENT ASSETS	586837	196014	130751
(E) LOAN & ADVANCES	2561262	1399133	1567864
TOTAL (A)+(B)+(C)+(D)+(E)	**11899179**	**8354914**	**8461911**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	7183496	5504121	4998646
(B) PROVISIONS	670621	822857	938606
TOTAL (A+B) 7854117	**6326978**	**5937252**	
(2.5) NET CURRENT ASSETS (2.3-2.4)	**4045062**	**2027936**	**2524659**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	12459	15727	5978
(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)	**17171804**	**13987640**	**12523875**

PETROLEUM (REFINERY & MARKETING)

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	58164799	51594194	44174402
(B) EXCISE DUTY	5412354	4987092	4187193
(C) NET SALES (A-B)	52752445	46607102	39987209
(D) OTHER INCOME /RECEIPTS	3508903	2425473	1309544
(E) ACCRETION / DEPLETION IN STOCKS	480499	147615	500784
(I) TOTAL INCOME (C+D+E)	**56741847**	**49180190**	**41797537**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	50380664	43557098	37402081
(B) STORE & SPARES	131250	114989	98441
(C) POWER &FUEL	121907	134687	87015
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	1194146	1137649	1167416
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	601379	504220	407729
(F) OTHER EXPENSES	1076583	883121	673765
(G) PROVISIONS	97579	60286	20911
(II) TOTAL EXPENDITURE (A TO G)	**53603508**	**46392050**	**39857358**
(3) PROFIT BEFORE DEP..INT..TAXES& EP (PBDITEP) (Ml)	3138339	2788140	1940179
(4) DEPRECIATION	604534	556460	501227
(5) ORE. / PREL. EXP. WRITTEN OFF	197	17225	4124
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	2533608	2214455	1434828
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	90136	71306	57233
(C) OTHERS	263182	227556	144169
(D) LESS INTEREST CAPITALISED	6220	5708	5426
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	347098	293154	195976
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	2186510	1921301	1238852
(9) TAX PROVISIONS	661610	611147	338500
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	1524900	1310154	900352
(11) NET EXTRA -ORD. ITEMS	-9277	-200582	-40765
(12) NET PROFIT / LOSS (10-11)	1534177	1510736	941117
(13) DIVIDEND DECLARED	245820	485858	299742
(14) DIVIDEND TAX	36737	77230	42039
(15) RETAINED PROFIT (12-13-14)	1251620	947648	599336

PETROLEUM (REFINERY & MARKETING)
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2461660	2578743	2941205
(ii) CAPITAL EMPLOYED	11533009	9060191	8580607
(iii) NET WORTH	8685043	7437943	6499810
(iv) COST OF PRODUCTION	54555337	47258889	40558685
(v) COST OF SALES	54074838	47111274	40057901
(vi) VALUE ADDED	2599123	2947943	2900456
(vii) R & D EXPENDITURE	14124	10848	8962
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	65780	65418	65318
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	76186	64231	52018
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	0.84	0.73	0.78
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.52	1.32	1.43
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	47.71	42.62	29.70
(iv) SUNDRY DEBTORS : SALES (No. of days)	10.93	10.38	12.05
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	44.44	38.58	44.25
(ii) SEMI / FINISHED GOODS : SALES	25.12	24.68	27.40
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.38	0.08	0.12
		(%)	
(vii) SALES : CAPITAL EMPLOYED	457.40	514.42	466.02
(viii) PBDITEP : CAPITAL EMPLOYED	27.21	30.77	22.61
(ix) PBITEP : CAPITAL EMPLOYED	21.97	24.44	16.72
(x) COST OF SALE : SALES	102.51	101.08	100.18
(xi) MATERIAL COST : SALES	95.50	93.46	93.54
(xii) SALARY & WAGES : SALES	1.14	1.08	1.02
(xiii) R & D EXPENDITURE : SALES	0.03	0.02	0.02
(xiv) PBITEP : SALES	4.80	4.75	3.59
(xv) PBTEP : NET WORTH	25.18	25.83	19.06
(xvi) NET PROFIT : NET WORTH	17.66	20.31	14.48
(xvii) GROSS MARGIN : GROSS BLOCK	23.87	23.03	18.35

Bharat Petroleum Corporation Limited (BPCL)

1. Company Profile

BPCL came into existence in January, 1976, when by virtue of the Burmah-Shell (Acquisition of Undertaking in India) Act 1976, the right, title and interest of Burmah-Shell Oil Storage & Distribution Company of India Limited (Company formed in 1928) in relation to its undertakings in India was acquired by the Government of India and in turn vested in the 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 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 refining and marketing of petroleum products through its two refineries at Mumbai and Ernakulam and Lube blending / filling plants at Mumbai, Kolkata, Delhi and Chennai. In addition, the company has Depots, Installations and LPG plants across India. It has two subsidiary companies namely Numaligarh Refinery Ltd. and Bharat Petro Resources Limited(BPRL) with an equity holding of 62.96% and 100% respectively. BPRL has a wholly owned subsidiary namely Bharat Petro Resources JPDA Limited (BPR-JPDA Ltd.) which in turn is a subsidiary of BPCL. The company also has 13 financial joint ventures with equity participation ranging from 11% to 50% in the respective JVs.

3. Production / Operational Profile

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Fuel Refinery	MMT	20.95 (107.44)	19.78 (101.44)	17.24 (88.41)	19.32
Benzene	000'MT	88.31 (45.78)	103.59 (53.70)	61.34 (31.80)	84.41
Toulene	000'MT	26.34 (36.03)	39.54 (54.10)	43.05 (122.65)	36.31
Lubricants	000'MT	161.96 (89.48)	116.34 (64.27)	100.46 (55.50)	126.25
Sulphur	000'MT	80.78 (68.65)	71.43 (60.70)	47.53 (60.70)	66.58

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	121684.07	107452.87	85149.62	13.24
Cost of production	109077.78	95610.94	77865.04	14.09
Net profit after tax/Loss(-)	1580.56	1805.48	291.65	-12.46
Dividend declared (as % of PBT)	5.85	20.03	23.14	-70.79
Net worth	11676.83	10273.54	9139.42	13.66
Paid up capital	361.54	361.54	361.54	0.00
Share of Central Govt.	198.60	198.60	198.60	0.00

5. Key Performance Factors

While the production of fuel refinery, lubricants and sulphur increased during 2007-08 as compared to last year, the production of aromatic products like benzene and toluene declined.

During 2007-08 the market sales volume was 25.79 MMT which represented a growth of 9.98% over the volume of 23.45 MMT during 2006-07.

The growth rate was better than the average growth rate of 9.7% achieved by the public sector oil companies.

Although there was 13.24% increase in turnover, the profit recorded negative growth of 12.46% during 2007-08 as compared to last year. It is attributed to higher crude oil price and product prices which could not be fully passed on to the customers.

The under recovery on HSD, MS, SKO(PDS) and LPG (Domestic) was partially compensated by the upstream oil companies through discount and by the Government of India through special bonds.

The company had market share in LPG (Bulk and Packed)26.4%, Motor Spirit 29.8%, Aviation Turbine fuel 21.1%, High Speed Diesel 24.7%, Naptha 20.8% , lubricants 20.5% and in furnace oil 21.6%.

BPCL contributed Rs. 26048 crore to the exchequer by way of taxes and duties during 2007-08 as compared to Rs. 24356 crore in 2006-07.The internal cash generation was Rs. 2636 crore and Rs. 2217 crore respectively during this period.

The Earnings Per Share for the year 2007-08 was Rs.43.72 as compared to Rs.49.94 during 2006-07.

The market price of the Companys shares was between Rs. 291 to Rs. 560 during the year 2007-08.

Market capitalization of the BPCL as on 31.3.2008 was Rs. 14868 crore as compared to Rs. 14771 crore as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 14006 regular employees (4627 executives and 9379 non-executives) as on 31.3.2008. 21.49% employees were having professional qualifications. 27.30% employees came 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. During the year, 91 employees comprising 30 executives and 61 workmen retired. Further 238 skilled and 19 unskilled employees left the company in attrition. However 438 new skilled employees joined.

Since the introduction of VRS, a total of 430 employees have taken VRS from the company.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 3 were part time Non-official Directors / professionals, 5 whole time Functional Directors and 2 Government Directors.

7. Strategic Issues

BPCL commissioned crude oil receipt facilities within the approved cost of Rs. 821 crore in December, 2007. Further the company is implementing 4 more projects viz (i) Facilities (short term low cost modification) to produce Euro IV Auto Fuels from Mumbai Refinery, (ii)Capacity expansion cum modernization (CEMP) – Phase II at Kochi Refinery, (iii) Despatch Terminal at Bina, and (iv) Bina-Kota Pipeline. The estimated cost is Rs. 390 crore, Rs. 3941.41 crore, Rs. 490.71 crore and Rs. 405.82 crore respectively. The new grass root refinery at Bina in Madhya Pradesh is progressing and is expected to be commissioned on schedule.

The volatility in oil prices in international market has impacted adversely on the liquidity of oil marketing companies including BPCL. Despite various steps taken by the Government such as compensating under recoveries by issuing oil bonds, extending discount by upstream oil companies, reduction in custom duties etc. the cash flow has been adversely impacted due to rising under recoveries.

The Company continued to make 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. Industrial and Commercial SBU achieved a growth of 5.1% in sales during the year 2007-08 while the Aviation Business unit achieved a growth of 8.97% over the previous year.

BPCL took a pioneering lead in the retailing field by way of introduction of new generation retail outlets. Customers were offered value added services through various initiatives, introduction of customer loyalty program, formats of impulse and convenient purchase through in-and-out stores, development of Ghar outlets with one-stop truck-shop proposition with multi facility outlet, retail automation, development of customer centric business solutions, etc.

With a view to achieve a degree of self-reliance BPCL has ventured into the upstream exploration and production area 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 oil fields in India and abroad in consortium with other enterprises.

Research & Development (R&D)

BPCL has three in-house R&D Centres viz. Corporate R&D Centre at Greater Noida, UP, Product & Application Development Centre at Sewree, Mumbai and R & D Centre at Kochi Refinery. All these centres are recognized by the DSIR, Ministry of Science & Technology, Govt. of India. The areas of R&D activities being carried out include catalytic processes and catalyst development, fuel additives, corrosion & fouling, detailed crude evaluation and crude compatibility, energy efficiency improvement, alternate fuels, biotechnology including bio-ethanol, nano-technology for lubrication and gas storage; coal/ resid to liquid (CTL) technologies, effluent treatment technologies, long life diesel engine oil for heavy commercial vehicles; passenger car engine oil for latest models; bio-degradable cutting oil high performance grease, defence specific grade, and alternate formulation for existing grades of lubricating oils.

Environment and Ecology

BPCL has state-of-the-art storage facilities. The company has systems to arrest/monitor the emissions at various depots, bottling plants and refineries. As per the norms of Pollution Control Board (PCB), BPCL submits Returns indicating level of pollution in Air/Water/SO2/COD/ATS vis a vis prescribed limits and the emissions are well within the same. Oil sludge from storage tanks needs to be buried as per the PCB norms. To avoid soil pollution, the company treats the sludge by bio-remedial process with the oil zappers supplied by TERI.

Regarding Carbon credit, the company has taken up projects where scope of reduction in Green House Gas (GHH) exists. BPCL has already identified some cases having CDM potential and submitted some proposals to Ministry of Environment and Forest for approval. These proposals are at various stages of approval for registration with UNFCCC.

Bongaigaon Refinery and Petrochemicals Limited (BRPL)

1. Company Profile:

BRPL was incorporated on 20.02.1974 under the Companies Act, 1956 with an objective to supply quality products and services. BRPL is a Schedule – B / Miniratna PSE under the administrative control of the Ministry of Petroleum and Natural Gas.

It is a subsidiary of Indian Oil Corporation Limited which holds 74.46 % equity shares of this Company. Its Registered and Corporate offices are at P.O. Dhaligaon, District Chirang (Assam).

2. Industrial /Business Activities:

BRPL is engaged in refining of crude oil and production of petroleum products. The company has a refinery comprising a rated capacity of 2.35 MMT per annum of crude oil, a petrochemicals complex comprising of DMT and PSF plants.

The major products of the refinery are LPG, Unleaded MS, Naphtha, ATF, SKO, HSD, LDO, LSHS, LVFO, RPC and CPC including needle coke. The petroleum products (except RPC & CPC) are marketed by Indian Oil Corporation Limited (IOCL). BRPL markets RPC and CPC through its own marketing network. DMT and PSF plants were under shut down during the year 2007-08 on account of economic reasons as consequence of which production during the year was nil.

3. Production /Operational Profile:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Crude th'put	MMT	2.020 (85.96%)	2.067 (87.96%)	2.356 (100.26)	2.151
HSD	MT	1,026,826	9,91,940	1,069,155	1029307
SKO	MT	172,996	186,714	238,141	199284
LDO	MT	163,649	201,705	240,469	201941
MS	MT	198,569	196,125	200,055	198250
SRN	MT	111,239	136,258	171,608	139702
LPG	MT	47,749	47,879	50,368	48665
LVFO	MT	33,614	33,453	54,344	40470

4. Major Financial Highlights:

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	6645.00	6425.96	6290.35	3.41
Cost of prod.	5824.14	5588.89	5457.02	4.21
Net Profit/Loss(-)	294.30	184.98	174.76	59.10
Net Worth	1,152.21	974.79	871.39	18.20
Dividend declared (as % to PBT)	22.18	25.28	20.19	-12.25
Paid up Capital	199.82	199.82	199.82	-
Share of Central Holding Company	148.79	148.79	148.79	-

5. Key Performance Factor

- The over all capacity utilisation during 2007-08 was 85.9%.
- The company achieved the ever highest Distillate yield of 86.1% on crude throughput as compared 86.0% in the year 2006-07.
- The company achieved the lowest ever Fuel & Loss of 5.29% on crude throughput for the year as compared to 5.40% achieved in the previous year.
- Hydrocarbon loss was 0.20% on crude, which is the lowest ever achieved, the previous best being 0.23% achieved during the year 2006-07.
- The Company also achieved the lowest ever Specific Energy Consumption, MBN of 90.4 for the year.
- The Company achieved highest ever Loss Time Accident free period of 2,228 days (equivalent to 24.5 million man hours) as on 31.03.2008.
- Earning per share of the Company was Rs.14.73 as on 31.03.2008 against 9.26 as on 31.03.2007.
- BRPL has been declared winner of the "Oil & Gas Conservation Award-2007" in the area of "Steam Leaks" by the Centre of High Technology.
- BRPL was selected for two "National Safety Awards-2006" for its safety performance : Winner under Scheme-I for "Lowest Average Frequency Rate" and Runner-up under Scheme-II for "Accident Free Year-2005"
- BRPL has been awarded the "Prashansa Patra" for its safety performance during the year 2006 by "National Safety Council".
- BRPL has been selected for "Greentech Environment Excellence Gold Award, 2007 in Petroleum Refinery Sector for its outstanding achievement in Environment Management.

The market price of the company's share was between Rs. 39.00 to Rs. 116.90 during the year 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 1676 regular employees (546 executives and 1130 workmen) as on 31.3.2008. About 12.35% employees were having professional qualifications. Around 45.88% 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. During the year 21 employees comprising 13 executives and 8 workmen retired. Further 37 skilled and 5 unskilled employees left the company in attrition. 2 new skilled employees joined during the year.

During 2007-08, 13 employees availed of VRS. Since the introduction of VRS in 2002-03, a total of 33 employees have taken VRS.

7. Strategic Issues

Due to lower availability of Assam crude the capacity utilisation of the refinery was restricted to 85.9% during 2007-08.

Merger of BRPL with Indian Oil Corporation:

The process of merger/amalgamation of BRPL with the holding company Indian Oil Corporation Limited, as approved by the Board of Directors of the company on its meetings on 7.7.2005 and 29.11.2006 and by the Equity shareholders and secured/unsecured Creditors on 5.3.2008, is under progress. The Board recommended a swap ratio of 4 : 37 i.e. four equity shares of Rs.10/- each of Indian Oil as fully paid-up for every thirty-seven equity shares of Rs.10/- each of BRPL.

Projects under implementation:

"Diesel Hydro treatment (DHDT) Project" to meet the Euro – III equivalent quality specification of Diesel, which will become applicable from April, 2010 as per Auto Fuel Policy of the Government of India. The project would be commissioned within the targeted schedule of October, 2009.

"MS Maximization Project" for increasing the production of high value Motor Spirit and reducing the production of demand-limited Naphtha. The project is scheduled for commissioning in November, 2008.

"MS Quality Improvement Project" to produce Motor Spirit of Euro –III equivalent specifications as per the Auto Fuel Policy. The project is scheduled to be completed by December, 2009.

New projects: - The Company has taken steps to implement the following new projects:

"Indmax Project" with INDMAX technology developed by Indian Oil R&D, for eliminating the production of demand limited black oil products (LDO, LVFO & FO) by converting them to high value products viz., LPG & MS. Under the Indmax Project, an Indmax Gasoline De-Sulphurisation Unit will also be implemented for reduction of Sulphur content in the Indmax Gasoline to meet Euro-III/IV equivalent MS specifications.

Non-performing/Surplus Assets

Kerosine Treating Unit (KTU) under the refinery segment has been closed w.e.f. 21st June, 2003 due to change of technology. The unit has been valued at Rs.279.66 lakhs by certified valuer. Dismantling and disposal of the said asset is going on.

DMT and PSF units are not in operation since October/November, 2005 due to economic reasons. The Company had engaged M/s PCI Xylene & Polyesters Ltd., a globally reputed consultant, for evaluation and recommendation for revival of PSF business. The findings in the report of M/s PCI Xylene & Polyesters Ltd. were not encouraging. The study finds the operation of DMT and PSF plants not viable considering the global glut of capacities, low demand and un-remunerative prices. The study also suggested to explore the possibility of upgrading the plants for production of high value Poly Butylenes Terephthalate (PBT). The Company has now engaged M/s. Nexant, Thailand to carry out the study.

Research and Development

BRPL in collaboration with IOC (R&D) had carried out field trial-run in its DCU & CCU plant for production of Needle coke of improved quality using suitable blend of feedstock. Based on the study, BRPL has started regular production of Needle coke, which is an import substitute product.

Diesel produced from Assam crude does not meet BS-II specification. Hence it is despatched to Guwahati and Barauni Refinery for reprocessing in their DHDT plants to produce diesel meeting BS-II specification.

Study was carried out to optimise the yields of diesel streams from Assam crude and blend Keor-I/Kero-II to the BS-II HSD pool so as to minimise the production non-BS-II diesel.

BRPL is producing a special grade BS-II diesel having – 12^{o}C pour point by using pour point depressant.

Through an in-house study, Light Diesel Oil (LDO) quality has been improved for better customer satisfaction.

Environment and Ecology:

The Company has a well-established Environmental Management System (EMS) with an ISO-14001 certification.

In order to ensure a clean environment at work place and surroundings of the Company, constant monitoring of environmental parameters of plant effluent, and emission discharge is being carried out. The waste generated from the complex is disposed in accordance with the Hazardous Waste (Management & Handling) Rules-1989 as amended.

The Company has achieved near zero discharge status through its efficient effluent management. More than 95% of the treated effluent water generated in the entire complex is reused in the plants and rest 5% of treated effluent is utilized for gardening purpose. Due to reuse of treated effluent, the Company could significantly reduce the ground water consumption, achieving virtually zero discharge in the non-monsoon period.

Under the Leak Detection and Repair programme (LDAR), the Company conducted quarterly Fugitive Emission Survey with GMI leak surveyor (Instrument). During the year 2007-08, the Company could avoid potential loss of 138 MTPA (approx.) of light hydrocarbons to the atmosphere, which is equivalent to Rs. 41 Lakhs.

To ensure work area quality and health of equipments, quarterly noise surveys were conducted covering all the operating plants, control rooms and ambient surrounding the plant complex.

Training programme of environment management and environmental awareness are conducted at regular intervals for employees.

As a proactive approach for Rainwater Harvesting, the Company has implemented two roof top Rainwater Harvesting projects by construction of recharge pits and recharge trench.

About 40% of the complex is under green cover. The Ecological Park inside the plant area serves as an excellent habitat for a variety of plants, birds and aquatic lives.

LED displays real-time data indicating “Treated Effluent Quality” “stack emission data for all the burnac stacks and 6 6ambient air quality data” have been installed at the main gate of the plant complex.

Chennai Petroleum Corporation 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 manufacture 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 Ltd. (IOC), which holds 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 a Liaison Office at New Delhi. The company has two 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, Naphtha, Kerosene, etc. and other allied products like propylene, sulphur, wax, etc. The brief details of major products (having more than 5%

contribution in turnover) are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Crude processing	000' MT	10362 (98.70)	10402 (99.10)	10266 (97.80)	10343
Gas processing (CBR)	000' MT	35.70 (48.90)	72.20 (98.80)	73.00 (106.10)	60.30
HSD	000' MT	3522.90	3563.80	3683.60	3590.10
FO	000' MT	1419.10	1530.50	1528.40	1492.67
SKO	000' MT	830.00	687.90	441.30	653.07
Gasoline	000' MT	754.50	778.80	811.60	781.63
Naphtha	000' MT	876.00	782.50	772.90	810.47
ATF	000' MT	554.90	696.90	715.30	655.70
LPG	000' MT	407.50	399.20	360.40	389.03
LOBS	000' MT	195.90	187.30	202.30	195.17
Asphalt	000' MT	433.00	349.00	454.60	412.20

The production of HSD, FO, Gasoline and ATF during 2007-08 was lower than the average production of three years.

4. Major Financial Highlights

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	33048.94	29403.30	25409.19	12.38
Cost of prod.	27083.50	24326.07	20855.52	11.34
Net Profit/Loss(-)	1122.95	565.27	480.96	98.66
Net Worth	3464.52	2637.74	2279.51	31.34
Dividend declared (As % of PBT)	14.71	20.29	24.99	-27.48
Paid up Capital	149.00	149.00	149.00	0.00
Share of Central Holding Company	77.27	77.27	77.27	0.00

5. Key Performance Factors

The turnover and profitability of CPCL increased during the year 2007-08 mainly on account of increase in prices of products and increase in Gross Refining Margins due to favorable spreads between Crude and Products in the international market respectively.

Manali Refinery achieved the highest ever crude throughput of 9802 TMT against the previous best of 9784 TMT in 2006-07.

Chennai – Tiruchi – Madurai Product Pipeline (CTMPL) commissioned in 2006 achieved the highest ever throughput of 1.38 Million Metric Tonnes.

Cauveri Basin Refinery achieved the highest ever Gas processing of 77451 MTs against previous best of 72170 MTs achieved in 2006-07.

Aviation Turbine Fuel product at Manali Refinery was accorded certification by Centre for Military Airworthiness and Certification (CEMILAC) for use by Indian Armed Forces.

The company successfully processed four new crudes viz. Umm Shaiff (UAE), Essider (Libya), Cabinda (Angola) and Arab Mix 50:50 (Saudi Arabia) and added to CPCL's Crude Procurement Basket.

CPCL exported first time Lube Oil Base Stock(LOBS) to Sri Lanka for commissioning the Lube Blending Plant of Lanka IOC Limited.

The share price of the company varied between Rs. 175.10 and Rs. 490.05 in Bombay Stock Exchange and between Rs. 176.80 to Rs. 478.00 in National Stock Exchange during the year 2007-08. Book value per share of the company increased from Rs. 177.15 in 2006-07 to Rs. 232.66 during 2007-08.

Earning Per Share was Rs. 75.41 during 2007-08 as compared to Rs. 37.96 in the previous year.

The company recommended a dividend of 170% on the paid up equity capital during the year 2007-08. Dividend pay out was 31.61% during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1666 regular employees (Executives 215, Non-unionised Supervisors 521 and Workmen 930) as on 31.3.2008. About 32.65% of the employees were having professional qualifications and around 17.23% employees were in the age group of 51 and above years. The average age of the employees was 43 years.

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.

CPCL completed the manpower rationalization exercise based on which redeployment of workmen was done appropriately. The company conducted Competency Mapping Development Programme in association with M/s Hewitt Associates covering 132 officers in Sr. Manager to General Manager level.

The company achieved 3.6 average mandays of training for employees as against the MOU target of 2.2. The total training mandays of training for employees achieved were 6115 as against the target of 3740.

7. Strategic Issues

CPCL is taking various 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.

Projects implementation

During 2007-08 the company commissioned 22 Windmills with an installed capacity of 17.6 MW at a cost of Rs. 89.55 crore at Pushpathur, Tamilnadu.

CPCL is in the process of executing the following 7 projects : (i) 5.8 MGD Sea Water Desalination Plant at an estimated cost of Rs. 231.34 crore; (ii) 20 MW Gas Turbine with Heat Recovery & Steam Generation (HRSG) at an estimated cost of Rs. 157.88 crore; (iii) New Crude Oil Pipeline from Chennai Port to Manali; (iv) Euro-IV Preparedness on Auto Fuels at an estimated cost of Rs. 2420 crore in Manali Refinery; (v) Refinery-III capacity expansion by 1.0 MMTPA at Manali Refinery; (vi) Revamp of existing Naphtha Hydrotreating/Catalytic Reforming Unit at Manali; and (vii) Installation of Additional Crude Tanks at Manali Refinery. The company also plans to undertake two new projects namely Resid Upgradation project for improving the distillate yields of Manali Refinery at an estimated cost of Rs. 3500 crore and a 15 MMTPA new Grassroot Refinery-cum-Petrochemical Complex at Ennore.

Research and Development

The company recognizes the need to develop cutting edge R&D technologies in the core area and commercializing the developed technologies and initiating research in new frontier areas such as residue gasification, coal-to-liquid, gas-to-liquid, alternative fuels, synthetic lubricants etc. The R & D Centre of CPCL continues to provide significant support to product quality improvement, evaluation of catalysts and additives, material failure analysis and improving the overall efficiency of the operations.

During 2007-08, the company commissioned a new ACE R+ Model MAT unit for carrying out studies related to FCC catalysts and additives (a state-of-art catalyst evaluation facility procured from Kayser Technologies USA) and also developed a Lube Hydrofinishing Catalyst formulation in collaboration with Sud Chemie India Ltd., which has been extensively evaluated, and fine tuning is in progress before commercial application.

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. It has implemented all the 10 Global Compact principles through out its operations and regularly communicates on its progress. Annual Report on Company's adherence is sent to the UN Chapter on Global Compact.

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 unit in addition to the installation of low Nox burners in all the furnaces and process heaters of Refinery III unit.

Company's Occupational Health Services Centre (OHSC) clinical laboratory has been accredited by National Accredition Board for Testing and Calibration Laboratories (NABL) as per ISO 15189:2003.

Gas Authority of India Limited (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.

The Company is a schedule-'A' / Navratna CPSE in petroleum sector under the administrative control of Ministry of Petroleum and Natural Gas with 57.35% 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 marketing offices, 23 business units, 10 joint ventures and 3 subsidiaries. The subsidiaries of GAIL are GAIL Global (Singapore) Pte Limited, Brahmputra Cracker and Polymer Limited and GAIL Gas Limited. It also has a petrochemical complex at Pata, U.P.

3. Production / Operational Profile

The product / service network of the company comprises of 7000 KM of natural gas high pressure trunk pipeline, 7 LPG gas processing units, 1900 KM of LPG transmission pipeline network, 27 oil and gas exploration blocks, 3 coal bed methane blocks and 13000 KM of optical fibre cable 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:

Major Products/ Services	Units	Production during 2007-08	2006-07	2005-06	Average of three years
Natural Gas	MMSCMD	82.10	77.29	78.87	79.42
LPG	000'MT	1042.60	1026.41	1042.27	1037.09
HDPE/ LLDPE	MT	385593	353921	311469	3503.28

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	18580.21	16545.85	14875.49	12.30
Cost of Production	14761.18	13815.28	11588.09	6.85
Net profit	2601.46	2386.67	2310.07	9.00
Dividend declared (as % of PBT)	22.06	29.65	25.23	-25.60
Net worth	13004.88	11392.91	9973.29	14.15
Paid up capital	845.65	845.65	845.65	0.00
Share of Central Govt.	484.98	484.94	484.94	0.00

5. Key Performance Factors

Net sales increased by 12%, and the gross margin of the company increased by 27% during 2007-08 as compared to previous year.

Debt-Equity ratio stands in a very comfortable position of 0.10.1.

The share price of Company varied between Rs. 256.45 to Rs. 555.50 during the year 2007-08 as compared to Rs. 205.10 to Rs. 324.95 during the year 200607. The average price during the year 2007-08 was Rs. 405.97.

The E.P.S. during the year 2007-08 was Rs.3076 as against Rs.2822 during 2006-07.

6. Human Resource Development (HRD)

The total employee strength of the company stood at 3548 (executives 2447 & non-executive 1101) as on 31.3.2008. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration.

During the year 2007-08, 15 employees retired on attaining the age of superannuation and the attrition rate had been 2%. 152 new skilled employees joined.

GAIL continues to focus on various employee oriented initiatives with a view to harness potential of employees for their self-development and organizational growth.

The total number of Directors in the company, as on 31.3.2008 was 11, out of which 3 were part time non-official Directors/Professionals.

7. Strategic Issues

GAIL had developed a long term strategic plan which has been re-oriented during the year, keeping in view the unfolding demand and supply scenario, entry of new competitors, and changing dynamics in the market place. The goals set by the company include doubling of top and bottom line in the near future. The strategy developed to realize the set goals is as under:

a) Tying-up with producers and suppliers for marketing and transmission of natural gas on long term and sustainable basis.

b) Expanding natural gas pipeline infrastructure by capacity enhancement from 7000 km to 12000 km with the laying of new pipelines by 2011-12.

c) Pursuing of City Gas distribution opportunities in the country. This requires the introduction of Compressed Natural Gas for the automotive sector and Piped Natural gas for commercial and domestic use in 230 cities in a phased manner.

The Company also plans to strengthen E&P capability and resources by participating as a major partner / operator in domestic E&P/CBM bidding so as to develop it as a self-sustainable business for augmenting additional supplies of natural gas. These would include investment in both domestic on-land and off-shore fields, with a balanced portfolio of developmental and exploratory projects.

The Company is pursuing gas sourcing options both from the new domestic sources as well as through international sources. Collectively, such a rapid rise in expected demand and re-alignment of sources of gas supply will interact to determine the robust future gas industry structure.

It is also examining the possibility of expansion of Petrochemical Complex at Pata and exploring green field opportunities in this sector in India and abroad.

GAIL is tapping areas having synergy with existing businesses by entering into business in new and emerging gas rich countries with focus on sourcing of gas and participation in downstream activities.

Research and Development (R&D)

GAIL has carried out R&D activities in the following areas:-

- Leak detection software development for Natural Gas pipelines - estimated saving of Rs. 30-50 lakhs per Pipeline Sector.
- Technology development for Adsorptive separation of Light hydrocarbons Gas mixtures - energy savings up to 40%.
- Development of Catalyst and Process for the conversion of Waste Plastics, LPW to Value added Liquid Fuels - value addition and waste disposal solution.
- Pilot scale testing of Coke inhibitors for Gas Cracker Furnaces - higher output from furnaces.
- Exploration & Production of gas from Hydrates in Goa offshore under National Gas Hydrate program (NGHP) - tapping of future energy source, i.e. economically produced the things.

Environment and Ecology

The Health, Safety and Environment (HSE) policy of GAIL inter alia, aims to ensure safety of public, employees, plant & equipment, ensure compliance with all statutory rules and regulations, imparting training to its employees, carrying out safety audits of its facilities, and promoting eco-friendly activities.

GAIL is committed to promote highest levels of Safety, Health, Environment and Loss Control in the areas of its business of natural Gas and LPG transmission, production of LPG, petrochemicals etc., with clear emphasis on improving the environment for Sustainable Development. Promote eco-friendly activities.

Hindustan Petroleum Corporation Limited (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 under Companies Act 1956. Through the 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 51.11% shareholding by the Government of India. Its Registered and Corporate Offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

HPCL is engaged in crude oil refining and marketing of petroleum products. It has two refineries at Mumbai in Maharashtra, and Visakhapatnam in Andhra Pradesh. In addition, the company has a Lube refinery, 7 Lube Blending Plants, 42 Terminals/TOPs, 71 Depots, 16 ASFs, 43 LPG Bottling Plants and 8349 Retail outlets. The company also owns three multi-product cross country pipelines viz., Mumbai-Pune-Solapur pipeline; Visakh-Vijaywada-Secunderabad pipeline and Mundra-Delhi pipeline. The company has 9 joint ventures in the field of exploration & production, refining and marketing with shareholding ranging from 16.95% to 50%.

3. Production / Operational Profile

During 2007-08, the company achieved 16.77 MMT thruput as against 16.66 MMT in the previous year. While Mumbai Refinery operated at 133.7% capacity utilization, the Visakhapatnam Refinery operated at 125.5% capacity utilization. The Fuel and Loss in these refineries was 6.85% and 5.58% respectively as against 6.34% and 5.80% respectively in the previous year.

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 considering both the refineries was 129% during 2007-08.

The performance details of some major products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Light Distillates	TMT	4134.1	4023.00	3126.93	3761.34
Middle Distillates	TMT	7669.6	7879.30	6693.92	7414.29
LOBS/TOBS	TMT	351.3	338.10	279.70	323.00
Heavy Ends	TMT	3660.45	3402.90	2825.81	3296.39

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	104228.20	91448.03	74044.11	13.97
Cost of Services	107127.28	88008.21	72490.23	21.72
Net Profit/Loss(-)	1134.88	1571.17	405.63	-27.77
Dividend declared (as % of PBT)	8.99	31.15	35.71	-71.14
Net worth	10563.29	9598.65	8735.74	10.05
Paid up capital	339.01	338.95	338.95	0.02
Share of Central Govt.	173.08	173.08	173.08	0.00

* Turnover is inclusive of Excise Duty.

5. Key performance Factors

The increase in turnover is attributed to increase in refinery throughput, prices of products and gross refining margin. The net under-recovery absorbed by HPCL on marketing of sensitive products during 2007-08 was about Rs. 3119 crore.

The emphasis in retail business has shifted to being a provider of branded products and services. During the year, the company commissioned 440 Retail Outlets with focus on highways and rural markets to expand the reach of the company.

The company enjoys market share of 19.46% among PSU Oil Companies and 17.38% on total industry basis.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.33.48

The share price of company varied between Rs. 218.00 to Rs. 405.90 during the year 2007-08 as compared to Rs.206.00 to Rs. 361.00 during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 10949 regular employees (executives 4152 & non-executives 6797) as on 31.3.2008 as against 10899 employees 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 80 employees retired during the year. In addition, 167 skilled employees also left the company. 357 new skilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 4 were part-time Non-official Directors / professionals and 1 Government / official Director.

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 ventured in upstream business and city gas distribution.

Activities for HPCL Mittal Energy Limited refinery project at Bathinda, Punjab have been stepped up. The technology selection and the basic engineering activities for the major units have been completed.

R&D Initiatives

HPCL has initiated action to set up a World Class R&D Centre at Bangalore for technological strength, optimization of process, development of new products, improving profitability, technology selection, creation of new business opportunities and knowledge management. Land acquisition and Infrastructure development is under progress at Bangalore site.

The existing R&D activities cover areas such as Process Intensification, Bio-hydrogen production through algae, Bioremediation of Petroleum oils, Product upgradation of Lubricants using Nano-technology, Monolithic reactors, Slurry bubble column hydrodynamics, Supported ionic liquid catalysis, Hydrodynamics in packed bed and Modeling of mass transfer effects in FCC Resid. Corporate R&D is having tie-up with institutes / organizations like IIT Kanpur, Indian Institute of Science Bangalore, TERI, GITAM and CIMFR to undertake research on the above areas. R&D is also venturing tie-ups with national / international groups in the areas of Resid upgradation, Bio-Butanol production and Cellulosic Ethanol technology development.

Energy Conservation

Mumbai and Visakh Refineries accorded highest priority to energy conservation and have undertaken several Encon measures by operational improvements and implementing Encon projects. Various Encon measures were undertaken by HPCL during 2007-08 .

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 interest 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 of petroleum products, to enhance country's self-sufficiency in oil refining and building expertise in laying of crude oil and petroleum product pipelines.

IOC is the flagship national oil company in the downstream sector, 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), Assam Oil Division headquartered at Digboi (Assam) and IBP Division headquartered at Kolkata.

2. Industrial / Business Activities

IOC is a major diversified transnational integrated energy company in the field of petroleum refining, transportation of crude and petroleum products through its pipelines, marketing of petroleum products, research and development and development, blending and production of lubricants. It has 7 refineries at Barauni (Bihar), Koyali (Vadodara, Gujarat), Digboi and Guwahati (Assam), Haldia (West Bengal), Mathura (U.P.) and Panipat (Haryana).

The Company has 6 subsidiary units namely Chennai Petroleum Corp. Ltd.(51.89%), Bongaigaon Refinery and Petrochemicals Ltd.(74.46%), (in principle decision to merge with IOC has been taken by the Board of Directors), Indian Oil Technologies Ltd.(100%), Indian Oil Mauritius Ltd.(100%), Lanka IOC Ltd.(75.11%) and IOC Middle East FZE, Dubai(100%).

The Company has 13 financial joint ventures in the field of petroleum and petrochemicals projects namely Avi Oil India Pvt. Ltd. (25%), Petronet India Ltd.(18%), 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.(25%), Indian Oil Sky Tanking Ltd. (33.33%), and Suntera Nigeria 205 Limited (25%).

3. Production / Operational Profile

The performance details of IOCL in respect of throughput and sale of its products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Production					
Refinery Crude Throughput	MMT	47.40	44.00	38.52	43.31
% capacity utilisation		(100.11%)	(98.34 %)	(93.15%)	
Refinery Energy Index	MBN	67.00	71.00	72.00	70.00
Pipeline Throughput	MMT	57.12	51.69	45.35	51.39
% capacity utilisation		(95.76 %)	(93.27 %)	(76.31%)	
Sales					
Petroleum Products	MMT	57.60	53.40	46.20	52.40
Gas	MMT	1.74	1.48	1.30	1.51
Exports					
Petroleum Products	MMT	3.33	3.13	2.09	2.85
Petrochemicals (LAB/PX/PTA)	MMT	0.046	0.024	0.011	0.027

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	251349.01	224353.33	186246.09	12.03
Cost of production	242802.40	210328.71	172578.89	15.44
Net Profit/Loss(-)	6962.58	7499.47	4915.12	-7.16
Dividend declared (as% of PBT)	6.48	26.16	23.36	-75.22
Net worth	40961.66	34700.02	29245.16	18.05
Paid up capital	1192.37	1168.01	1168.01	2.09
Share of Central Govt.	958.08	958.08	958.08	0.00

5. Key Performance Factors

Seven refineries of IOC together clocked the highest ever crude oil throughput of 47.4 million tones, a 7.7% growth over the previous year and surpassed 100% capacity utilization for the first time in the last eight years. They also achieved record overall production of LPG, petrol, aviation turbine fuel, kerosene, diesel, linear alkyl benzene and bitumen during 2007-08.

The lowest ever specific energy consumption of 67 MBN during 2007-08 was another significant achievement.

Petrochemical plants set new records i.e. Linear Alkyl Benzene plant at Koyali Refinery achieved 110% capacity utilization, production of purified terephthalic acid (PTA) touched 386.2 TMT in the full first year operation of the Paraxylene(PX)/ PTA plant at Panipat.

The crude oil pipeline set a new record by registering the highest ever throughput of 35.85 MMT. IOC's 5300 km network of product pipelines, connecting its refineries directly to the high-consumption centre, achieved 10.50% increase in throughput at 21.27 MMT during 2007-08.

To foster inclusive growth IOC has tweaked its business model to roll out over 2000 customised, special-format retail outlets in the rural hinterland.

Despite negative cash flows and significant deterioration in financial fundamentals brought on by under-recoveries in all frontline products, IOC achieved spectacular sales growth of 8.3% over the previous year as against industry growth of 6.3%..

Earning Per Share of IOC was Rs.58.39 in 2007-08 as compared to Rs. 62.90 during 2006-07.

The company contributed Rs. 62668 crore out of which Rs. 34248 crore was contributed to Central Exchequer and Rs. 28419 crore to State Exchequers during 2007-08.

IOC maintained its market leadership in terms of volumes for branded fuels with a cumulative conversion rate of 24.5% and market share of 45.5% for Xtra premium petrol and a conversion rate of 15.8% and market share of 58% for Xtra mile diesel.

The company is listed in Mumbai Stock Exchange and National Stock Exchange.

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 31945 regular employees (12243 executives, 5149 Unionized Supervisors & 14553 workmen) as on 31.3.2008. About 24.10% of the employees were having professional qualifications. Around 30.56% 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. During 2007-08, 522 employees retired on superannuation and 542 employees (425 skilled and 117 unskilled) left the company in attrition. However, 196 skilled employees and 18 unskilled employees joined the company during the year.

During the year, 78 employees retired under VRS and an amount of Rs. 19.36 crore was spent in this regard from the internal resources. Since the introduction of VRS, a total of 3301 employees retired under the scheme.

The total number of Directors in the company, as on 31.3.2008 was 16, out of which 6 were part time Non-official Directors / professionals, 8 full time Functional Directors and 2 Government/ Official Directors.

7. Strategic Issues

The merger of Bongaigaon Refinery and Petrochemicals Ltd. with the holding company is under process.

Indian Oil Blending has been merged with IOC in May, 2006 and Indian Strategic Petroleum Reserve Ltd. ceased to be a subsidary of IOC w.e.f.

9.5.2006 consequent upon transfer of IOC's entire equity holding to Oil Industry Development Board.

IOC has a proposal to set up projects at a total estimated cost of Rs. 43393.85 crore during the Eleventh Five Year Plan, out of which Rs. 28567.75 crore are to be spent on refining and marketing, Rs. 2982 crore on exploration and Rs. 11844.10 crore on petrochemicals. During 2007-08, IOC had 8 projects under execution including setting up new refinery at Paradip at a total cost of Rs, 25646 crore and expansion of Panipat Refinery from 12 MMTPA to 15 MMTPA at a cost of Rs. 1008 crore.

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. With 12 patents granted during 2007-08, the total number of patents of IOC currently in force is 115, out of which 58 patents are registered in India. These technologies relate to refinery and pipelines, lube/fuel and marketing etc. Some of the technologies have been acquired through joint ventures or otherwise.

During the year, the company took various steps towards product diversification such as bio-diesel, hydrogen research, LNG, petrochemicals etc.

Over the years R&D Centre has developed skill sets and expertise in several areas of technologies, and service including technical solutions. During 2007-08 the centre developed 186 lubricant formulations, earned 12 patents taking the effective portfolio of patents to 200 including international patents, and secured 46 product approvals from original equipment manufacturers.

As a result of efforts made towards energy conservation, total 23 major ENCON projects were implemented during 2007-08 resulting into saving of about 27200 (Standard Refinery Fuel Tones) SRFT.

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 Petrochemicals 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) for setting up a Refinery & Petrochemical project at Mangalore. However, ONGC had acquired 37.39% of its shareholding from IRIL and brought further equity of Rs. 600 crore in March 2003, bringing its equity holding to 51.25% and thereby MRPL became a subsidiary of ONGC on 30.3.2003. Subsequently, ONGC acquired the equity holding of Financial Institutions and Banks thereby increasing its equity holding in MRPL to 71.62%. MRPL is a schedule 'B' Miniratna - I 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 refinery units (Phase I and Phase II) at Mangalore, Karnataka.

3. Production / Operational Profile

The product range of the company comprises of 12 products like Motor Spirit, High Speed Diesel, Naphtha, LPG, Aviation Turbine Fuel etc. The performance details of crude processing are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Crude Oil Processing	MMT	12.55 (130)	12.53 (129)	12.11 (125)	12.40

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	37348.40	32376.88	28242.86	15.36
Cost of Production	31157.54	28416.20	24128.35	9.65
Net Profit/Loss(-)	1272.23	525.52	371.61	142.09
Dividend declared (as% of PBT)	12.13	12.88	19.71	-5.80
Net worth	3782.94	2756.80	2395.34	37.22
Paid up capital	1761.81	1761.81	1761.81	0.00
Share of Holding Co.	1255.35	1255.35	1255.35	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in refinery margins. The company markets its products to domestic oil marketing companies and also sells to direct bulk consumers and through exports. The exports constitute 35% of the company's turnover and 41% of the total dispatches of the company.

The Earning Per Share of the Company during 2006-07 Rs.7.26.

The share price of the Company varied between Rs.32 to Rs. 149 during the year 2007-08 as compared to Rs. 30 to Rs.63.50 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1202 regular employees (executives 453 & non-executives 749) as on 31.3.2008 as against 1046 employees as on 31.3.2007. About 26.46% of the employees were having professional qualifications. Around 5.91% 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 employees retired on superannuation and 29 skilled employees left in attrition. 90 new skilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 6 were part time Non-official Directors/professionals and 2 each were Functional Directors and Government/ official Directors.

7. Strategic Issues

The product supply agreement with State Trading Corporation (STC), Mauritius entered into last year for supply of petroleum products for one year was renewed for a further period of three years. The agreement signed is for supply of one Million Metric Tonnes of petroleum products per annum and is a testimony to the track record of the Company for timely supply of quality products from the refinery.

Direct marketing (sales) of the company continued to grow during the year 2007-08 i.e. 10.8% over 2006-07. MRPL retained its market leader position in respect of sale of Bitumen in its refinery zone. The company continued to follow non-aggressive and cautious approach in developing High Speed Diesel(HSD) consumer market due to prevailing under recovery in sales of diesel.

MRPL has acquired the Nitrogen manufacturing facilities (Nitrogen Unit) from M/s Essel Mining Industries Limited located in the close proximity of Refinery at Mangalore for Rs. 6.43 crore

Project Implementation

MRPL has taken up implementation of large-scale 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. The total project implementation period is 48 months. Selection of licensors for process technologies for major units has been completed, all agreements in this regard have been signed with the licensors and work on process and engineering packages is in progress. SIA approval for foreign technology collaborations from D/o IPP has been received.

Global tenders for invitation of bids for non-licensed units are under finalization.

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 2007-08, specific R&D activities on crude assay, destroying odour causing phenolic compounds in spent caustic using Chlorine Dioxide, development of suitable Bio additive for HSD etc. have been undertaken.

Environment & ecology

MRPL is certified with ISO 14001:2004 for 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 the standards stipulated by Pollution Control Board. During 2007-08, various environmental initiatives were undertaken which include commissioning of a Bio Gas Plant; carrying out innovative methods of solid waste reduction; installation of gauge pole socks and secondary seals in floating roof tanks; setting up Ground Water Monitoring stations etc.

MRPL was the first refinery to start recycling 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 the 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 51% equity shares along with shareholding of Government of Assam, upstream oil company Oil India Ltd. and Oil Industry Development Board.

2. Industrial / Business Activities

NRL is engaged in refining of indigenous crude oil through its single operating unit at Numaligarh, Golaghat District in Assam. It has two Zonal / Regional offices at Kolkata and Delhi. The company is having two joint ventures namely Brahmaputra Cracker and Polymer Limited and M/s DNP Limited with an equity holding of 10% and 26% respectively. Both the JV projects are under construction.

3. Production / Operational Profile

The main segment of the company comprises of Petroleum Refining of crude oil and Marketing of nine Petroleum Products. The average capacity utilization for all products / services of the company taken together was about 86% during 2007-08 as against 83% in 2006-07.

The performance details of major products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Crude Oil throughput	MMTPA	2.568 (85.6)	2.504 (83.5)	2.133 (71.1)	2.402

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	8764.16	7930.32	5820.37	10.51
Cost of Services	7719.55	6494.59	4907.86	18.86
Net Profit/Loss(-)	372.81	568.80	448.93	-34.46
Dividend declared (as% of PBT)	36.32	27.85	29.56	30.38
Net worth	2244.10	2044.97	1691.33	9.74
Paid up capital	735.63	735.63	735.63	0.00
Share of Holding Co.	453.54	463.19	463.19	-2.08

5. Key Performance Factors

Though sales / turnover increased by 10.51%, the profit after tax decreased by 34.5% during 2007-08 as compared to previous year primarily on account of the impact of sales tax and pipeline charges on crude oil that had to be paid to crude oil suppliers as per the directives of the Government.

The 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, and decrease in deferred tax liability.

6. Human Resource Development (HRD)

The enterprise employed 788 regular employees (executive 389 & non-exeuctive 399) as on 31.3.2008. The 38.83% of the employees were having professional qualifications and around 3.81% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 36 years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. Two employees reitred during the year and 21 skilled employees left the company in attrition. However, 96 skilled employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 12, out of which one was part time Non-official Director / professional and eight 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 India Limited 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.

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.

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STEEL

As on 31.3.2008, 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 producing 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	Mishra Dhatu Nigam Ltd.	255.01	192.62
2.	Steel Authority of India Ltd.	46046.15	39598.66
3.	Maharashtra Elektrosmelt Ltd.	396.41	291.54
4.	Sponge Iron India Ltd.	65.64	60.09
5.	Ferro Scrap Nigam Ltd.	120.51	105.71
6.	Rashtriya Ispat Nigam Ltd.	10433.07	9150.57
	Total	**57316.79**	**49399.19**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	Mishra Dhatu Nigam Ltd.	35.54	23.19
2.	Steel Authority of India Ltd.	7536.78	6202.29
3.	Maharashtra Elektrosmelt Ltd.	36.32	18.50
4.	Sponge Iron India Ltd.	6.48	4.03
5.	Ferro Scrap Nigam Ltd.	1.88	1.26
6.	Rashtriya Ispat Nigam Ltd.	1942.74	1363.43
	Total	**9559.74**	**7612.70**

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 2007-08	Social Overheads & Township 2006-07
1.	No. of employees	148727	152920
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	459.44	433.48
	b. Medical facilities	51.72	49.54
	c. Others	605.05	602.55
3.	Capital cost of township *(Rs. in crore)*	1223.94	1215.91
4.	No. of houses constructed	22543	25891

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 2007-08	2006-	2005-	
AUTHORISED CAPITAL	1323800	1323800	1323800
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	1157362	863615	1157362
OTHERS	61254	355001	61254
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	2285815	1510367	899451
TOTAL (A)+(B)+(C)	**3504431**	**2728983**	**2118067**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	126808	216089	121032
(B) UNSECURED LOANS	222827	294956	356047
TOTAL (A)+(B)	**349635**	**511045**	**477079**
(1.3) DEFERRED TAX LIABILITY	174382	171759	181602
TOTAL (1.1)+(1.2)+(1.3)	**4028448**	**3411787**	**2776748**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	4026421	3920649	3859476
(B) LESS DEPRECIATION	2717197	2568645	2422281
(C) NET BLOCK (A-B)	1309224	1352004	1437195
(D) CAPITAL WORK IN PROGRESS	448738	184260	94516
TOTAL (C)+(D)	**1757962**	**1536264**	**1531711**
(2.2) INVESTMENT	55677	53236 -	29410
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	886367	808527	762681
(B) SUNDRY DEBTORS	328860	261337	211509
(C) CASH & BANK BALANCES	2188036	1710886	1204948
(D) OTHER CURRENT ASSETS	59380	47313	27759
(E) LOAN & ADVANCES	438286	321329	414889
TOTAL (A)+(B)+(C)+(D)+(E)	**3900929**	**3149392**	**2621786**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	842491	670414	628582
(B) PROVISIONS	850954	671878	802421
TOTAL (A+B)	1693445	1342292	1431003
(2.5) NET CURRENT ASSETS (2.3-2.4)	2207484	1807100	1190783
(2.6) DEFERRED REVENUE/	5962	14527	24304
PRE. EXPENDITURE			
(2.7) DEFFRED TAX ASSETS	1363	660	540
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	0	0
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**4028448**	**3411787**	**2776748**

STEEL
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	5731679	4939919	4174228
(B) EXCISE DUTY	748879	656073	568560
(C) NET SALES (A-B)	4982800	4283846	3605668
(D) OTHER INCOME /RECEIPTS	282899	227796	160768
(E) ACCRETION /DEPLETION IN STOCKS	70972	24025	101016
(I) TOTAL INCOME (C+D+E)	**5336671** ‘	**4535667**	**3867452**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	1712729	1630669	1612917
(B) STORES SPARES	326184	300623	302416
(C) POWER &FUEL	321768	296196	283832
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	236755	209343	49797
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	911811	594362	482675
(F) OTHER EXPENSES	146686	1 1 7962	133609
(G) PROVISIONS	13765	5432	6245
(II) TOTAL EXPENDITURE (A TO G)	**3669698**	**3154587**	**2871491**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	1666973	1381080	995961
(4) DEPRECIATION	172543	157947	163795
(5) DRE. / PREL EXP. WRITTEN OFF	8897	13441	19677
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1485533	1209692^	812489
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	4833	4421	7458
(C) OTHERS 22375	32171	39155	
(D) LESS INTEREST CAPITALISED	168	88	469
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	27040	36504	46144
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	1458493	1173188	766345
(9) TAX PROVISIONS	502820	410544	235261
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	955673	762644	531084
(11) NET EXTRA -ORD. ITEMS	-301	1374	364
(12) NET PROFIT /LOSS (10-11)	955974	761270	530720
(13) DIVIDEND DECLARED	154450	129092	83028
(14) DIVIDEND TAX	26167	19974	11645
(15) RETAINED PROFIT (12-13-14)	775357	612204	436047

STEEL

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1497059	1555336	1606948
(ii) CAPITAL EMPLOYED	3516708	3159104	2627978
(iii) NET WORTH	3498469	2714456	2093763
(iv) COST OF PRODUCTION	3878178	3362479	3101107
(v) COST OF SALES	3807206	3338454	3000091
(vi) VALUE ADDED	2693091	2080383	1507519
(vii) R & D EXPENDITURE	10416	9021	7462
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	148727	152920	158383
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	51090	32390	25396
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.10	0.19	0.23
(ii) CURRENT RATIO	2.30	2.35	1.83
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	11.21	9.03	6.29
(iv) SUNDRY DEBTORS : SALES (No. of days)	24.09	22.27	21.41
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	64.93	68.89	77.21
(ii) SEMI / FINISHED GOODS : SALES	35.89	34.93	38.65
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.48	0.88	-1.44
		(%)	
(vii) SALES : CAPITAL EMPLOYED	141.69	135.60	137.20
(viii) PBDITEP : CAPITAL EMPLOYED	47.40	43.72	37.90
(ix) PBITEP: CAPITAL EMPLOYED	42.24	38.29	30.92
(x) COST OF SALE : SALES	76.41	77.93	83.20
(xi) MATERIAL COST : SALES	34.37	38.07	44.73
(xii) SALARY & WAGES : SALES	18.30	13.87	13.39
(xiii) R & D EXPENDITURE : SALES	0.21	0.21	0.21
(xiv) PBITEP : SALES	29.81	28.24	22.53
(xv) PBTEP : NET WORTH	41.69	43.22	36.60
(xvi) NET PROFIT : NET WORTH	27.33	28.05	25.35
(xvii) GROSS MARGIN : GROSS BLOCK	41.40	35.23	25.81

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 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 jobs of slag handling well as 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 a Liaison Office in New Delhi. The company is also carrying out specialized services such as scraping of slags in some of the steel plants.

3. Production / Operational Profile

The average capacity utilization for all products / services taken together was 98.46% during 2007-08.The performance details are as follows:

Major Products	Unit	Production during (% capacity utilization)			Average of three Years
		2007-08	2006-07	2005-06	
Recovery & Processing of scrap from slag and handling of scrap	MT	11.06 (98.46)	11.52 (98.46)	11.66 (99.66)	11.41

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	120.51	105.71	99.85	14.00
Cost of Production	126.33	107.49	98.37	17.53
Net Profit/Loss(-)	1.88	1.26	5.68	49.21
Dividend declared (as % of PBT)	21.05	7.96	13.54	164.42
Net Worth	131.66	129.56	129.62	1.62
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

FSNL achieved production of 23.77 lakh M.T. of scrap and handled 41.51 lakh tones of slag haulage during 2007-08 despite reduction in input of scrap from current arisals and also from old dumps. Achievement of target of slag could be possible by addition of new jobs and liquidating the old stock in the existing plants.

Despite increase in turnover the profitability of the company decreased due to abnormal increase in the employees' remuneration benefits, requiring additional provisions towards wage revision and actuarial valuation, increase in cost of inputs like diesel and lubricants and additional expenditure on account of maintenance and revamping of equipments.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 9.40 as against Rs. 6.30 in 2006-07.

6. Human Resources Development (HRD)

The enterprise employed 1160 regular employees (167 executives & 993 Workmen) as on 31.3.2008. About 5.60% of the employees were having professional qualifications. 30.26% 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 13 employees retired during the year. In addition, 15 skilled employees left in attrition.

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 31.3.2008 was 3, out of which one each were part time Non-official Director/ professional, Government/Official Director and full time Functional Director.

Various in-house and external training programmes were arranged during 2007-08.

7. Strategic Issues

The technological development/modernization in steel making has brought down the generation of scrap in steel plants which resulted in gradual reduction in availability of scrap. To improve the growth and profitability, the company is looking for new areas of business.

Efforts are being made to reduce cost reasonably despite increase in input cost. FSNL is taking necessary steps for technology absorption and innovation particularly in development and engineering.

Steel Industry is poised for growth 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 in 1974, with an objective to develop the Chandrapur area in Maharashtra which had vast deposits of good grade iron ore. The company was takenover by SAIL w.e.f. 1.1.1986. 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 such as ferro manganese, silico manganese and medium carbon ferro alloys through its single operating unit at Chandrapur, Maharashtra.

3. Production / Operational Profile

The performance details of major product are as follows:

Major Products	Unit	Production during (% capacity utilization) 2007-08	2006-07	2005-06	Average of three Years
Ferro alloys	MT	104165 (122)	107063 (126)	100581 (120)	103936

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	396.41	291.54	247.33	35.97
Cost of Production	253.30	193.19	183.58	31.11
Net Profit/ Loss(-)	36.32	18.50	20.97	96.32
Dividend declared (as % of PBT)	13.32	16.99	0.00	-21.63
Net Worth	95.22	67.25	53.96	41.59
Paid Up Capital	24.00	24.00	24.00	0.00
Share of Central Govt.	23.79	23.79	23.79	0.00

5. Key Performance Factors

MEL recorded substantial increase in turnover as well as profitability during 2007-08 as compared to last year due to increase in price realization and margins.

The company maintains conversion arrangements with SAIL Steel Plants to maximize revenue generation.

The company is registered with stock exchanges of Mumbai and Ahmedabad since 1975. During 2007-08 the share price ranged between Rs.143.00 to 1183.45 and the average price was Rs.529.02.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.15.13 as against Rs. 7.71 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 780 regular employees (executives 130, unionized supervisors 244 and workmen 406) as on 31.3.2008 as against 801 employees as on 31.3.2007. The retirement age in the company is 60 years. It is following CDA pattern of remuneration. A total of 8 employees retired during the year. Since the introduction of VRS, 199 employees have availed of the scheme.

The total number of Directors in the company, as on 31.3.2008 was 4, out of which 2 were part time Non-official Directors / professionals and 2 nominee/official Directors.

7. Strategic Issues

The Company is making vigorous efforts to find customers beyond SAIL. The focus and thrust 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' as the net worth has become 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.

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 ambience to meet various environmental parameters.

Mishra Dhatu Nigam Limited (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 Ministry of Defence, Department of Defence Production 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 very complex alloys, like superalloys, maraging steels, titanium & titanium alloys, special purpose steels, soft magnetic alloys, molybdenum products and welding electrodes, which only a few advanced countries in the world produce, through its single operating unit at Hyderabad, which meets the stringent ISO 9001:2000 standards. Most of the products are import substitutes saving precious foreign exchange, reducing dependence on imports and providing boost to the growth of indigenisation of critical technologies and products.

3. Productions and Operational Profile:

The product range of the company comprises of complex alloys. The performance details of the major product are as follows

Major Products / Services	Unit	Production during (% capacity utilization) 2007-08	2006-07	2005-06	Average of three Years
Super alloys, Special Stainless steel & Titanium Alloys	MT	1919 (70)	1337 (49)	1215 (45)	1490 (55)

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	255.01	192.62	152.97	32.39
Cost of Production	249.15	192.24	164.47	29.60
Net Profit/ Loss (-)	35.54	23.19	12.03	53.26
Dividend declared (as % of PBT)	12.95	13.04	13.24	- 0.67
Net Worth	199.31	172.08	154.29	15.82
Paid up capital	137.34	137.34	137.34	0.00
Share of Central Government	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 sale of strategic products, innovative process improvements, comfortable order booking, customer care.

The direct labour productivity in terms of value added per direct employee stood at Rs 45.73 lakh as compared to Rs 33.72 lakh during the previous year. The value added per employee was Rs 13.97 lakhs compared to Rs 10.13 lakhs in the previous year.

The major customers of MIDHANI are Department of Space, Defence Research & Development Organisation (DRDO), Ordnance Factories (OFs), Department of Atomic Energy (DAE), and Hindustan Aeronautics Limited (HAL).

The Earning Per Share (EPS) of the company during 2007-08 was Rs 2.59 as against Rs 1.69 in the previous year.

6. Human Resources Development (HRD)

The enterprise employed 1264 regular employees (executives 402 & non executives 862) as on 31.3.2008. 12% of the employees were having professional qualifications. 64% 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. 26 employees retired on superannuation. 18 new skilled and 2 unskilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 7, out of which 5 were part time Non official Directors .

Rationalisation of manpower was taken as focus area and efforts were underway to achieve optimum distribution of manpower.

7. Strategic Issues

Project Implementation

The year 2007-08 was a year of accomplishment during which the modernization and upgradation project, with a capital outlay of Rs 155 crore, entered into the final stage of erection and commissioning. The project was taken up as a special thrust area both by the Company and the Ministry. All facilities are expected to be used for regular production in the year 2009-2010.

In pursuit of availing benefits of contemporary developments in the area of Information Technology, Midhani is in the process of selecting and implementing the best-suited Enterprise Resource Planning (ERP) package.

Research & Development (R&D)

Midhani has been handling challenging Research and Development (R&D) task to render support to several programmes of national importance. Midhani is offering its core competence for manufacturing alloys tailor-made to suit the specific requirements of customers for their critical applications. The R&D efforts at MIDHANI during 2007-08 resulted in the development of following five new products used for critical applications:

- High temperature corrosion resistance super alloy equalent to INCONEL 690 for nuclear applications;
- Ti containing austenitic stainless steel for nuclear applications;
- Ultra high strength precipitatious hardenable stainless steel for aerospace applications;
- Single phase Ti alloy for cryogenic

applications; and

- High strength austenitic stainless steel heavy forgings for nuclear applications.

In order to improve production design and processes, the company adopted new technologies which include pack and cold rolling trials for Titan 31; process improvement in MDN 403 and 440; modification of manufacturing route of Superni 690; development of air hardening quality Armour steel etc.

Order Booking Position

MIDHANI had a comfortable Order Booking position and fresh orders of Rs. 231 Crore were booked during the year 2007-08. The cumulative order booking at the beginning of the year 2008-09 was Rs 573 crore. This places MIDHANI in a comfortable position to plan supply schedules, materials procurement and smooth flow of operations for the next two years.

Environment and Ecology

MIDHANI is a member of UN Global Compact and reiterates its commitment to the ten principles of UNGC programme.It continues to support the UN initiative on protection of human rights and environmental standards.

MIDHANI'S manufacturing facilities and operations are environment friendly and do not release any pollutants into atmosphere. It manages its wastes in compliance with Government regulations. As far as possible, it makes every effort to make use of recycled material.

The company continued its efforts to maintain and promote ecological balance by developing green belt in and around the factory premises.

Rashtriya Ispat Nigam Ltd. (RINL)

1. Company Profile

RINL was incorporated on 18.2.1982 under the Companies Act, 1956 with the objective of becoming a self reliant, growth oriented company engaged 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 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/ Services	Unit	Production during (% capacity utilization)			Average of three Years
		2007-08	2006-07	2005-06	
MMSM Products	MT	1015 (119)	1077 (127)	1058 (124)	1050
Pig Iron	MT	0.495 (89)	0.352 (63)	0.439 (79)	0.429

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	10433.07	9150.57	8482.44	14.02
Cost of Production	7340.94	6350.64	5813.05	15.59
Net Profit/Loss(-)	1942.74	1363.43	1252.37	42.49
Net worth	11481.04	9523.25	8148.83	20.56
Paid up capital	7827.32	7827.32	7827.32	0.00
Share of Central Govt.	7827.32	7827.32	7827.32	0.00

5. Key Performance Factors

RINL recorded increase in turnover as well as profitability during 2007-08 as compared to last year. This is attributed to successful running of the already implemented expansion project, increase in interest and other income as well as increase in net sales realisation.

During 2007-08, the company developed 5 new grades and 44 new products.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.2.48 as against Rs. 1.74 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 16416 regular employees (executives 4206, non-unionized supervisors 761 and workmen 11449) as on 31.3.2008, as against 16402 employees as on 31.3.2007. 16.22% of the employees were having professional qualifications. 14.38% 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. 188 employees retired during the year on superannuation and 41 skilled and 60 unskilled employees left the company in attrition. 8 new skilled employees and 3 unskilled employees joined during the year.

During the year, 3 executives availed of VRS. Since the introduction of VRS, 19 employees have availed of the scheme.

Total number of Directors in the company, as on 31.3.2008 was 8, out of which 3 were part time Non-official Directors / Professionals, 5 full time Functional Directors and 2 Government / official Directors.

7. Strategic Issues

The company aims at to attain 16 million ton liquid steel capacity through technology up-gradation, operational efficiency and expansion, and to produce steel of international standards of cost and quality so as to meet the aspirations of the shareholders. This is also in line with the National Steel Policy of the Government of India which envisaged increase in steel production in the country to 60 MT by 2012 and 110 MT by 2020.

Project Implementation

A project for enhancing plant capacity to 6.3MT is in progress at estimated project cost of Rs.8692 crore, which will be mainly funded through internal resources and balance from external borrowings.

RINL along with SAIL, CIL, NMDC and NTPC formed an International Coal Ventures Limited for acquiring coal mines abroad with equity participation. It is contemplating a Joint Venture for Limestone mines in OMAN for which partner is to be finalized.

Research & Development (R&D)

The company develops various new products to cater the customer needs. During the year 2007-08, 5 new grades and 44 new products were developed. Further, 55 Carbonization tests were conducted in pilot coke Oven for optimization of coal blend, 17 pot sintering experiments were done to find out affect of Micro fines in various proportions ranging from 0 to 25% of Iron Ore, trial usage of 12% Imported Boiler Coal was done successfully in TPP, industrial trial was completed to know the suitability of low ash, high VM Indonesian Boiler Coal for Coke making at Coke Oven Battery 3 and industrial trial for recycling of SMS gas cleaning plant sludge in the form of Briquettes was completed successfully.

Environment & Ecology

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. Being an ISO 14001 certified company since May, 2001, VSP has expressly included social and environmental responsibility in its corporate objectives, which is regularly reviewed and improved.

VSP was recertified for the Environment Management System (EMS) (ISO 14001:2004) in October, 2007.

All statutory requirements are fulfilled. 19 projects were taken up to further improve the environmental standards in VSP at an estimated cost of over Rs.354.36 crores (10 out of these 19 projects were completed during 2007-08 at a cost of Rs. 19.49 crore).

Order Book Position

The year ended with an Order Booking of around Rs.10433.42 crores. Substantial number of orders (about 90%) were received from the private corporate sector.

Sponge Iron India Ltd. (SIIL)

1. Company Profile

SIIL was incorporated on 18.3.1975 under the Companies Act, 1956 with the objective of producing 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 with captive generation of power at its operating unit at Khammam, Andhra Pradesh.

3. Production / Operational Profile

The performance details of major product (having more than 5% contribution in turnover) are as follows:

Major Products/ Services	Unit	Production during (% capacity utilization)			Average of three Years
		2007-08	2006-07	2005-06	
Sponge Iron	MT	43331 (72)	55194 (90)	48302 (81)	48942

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	65.64	60.09	51.94	9.24
Cost of Production	49.29	50.31	42.52	-2.03
Net Profit/ Loss (-)	6.48	4.03	3.18	60.79
Dividend declared (as % of PBT)	13.18	13.48	11.48	-2.17
Net Worth	73.37	68.42	65.34	7.23
Paid up capital	65.10	65.10	65.10	0.00
Share of Central Government	64.27	64.27	64.27	0.00

5. Key Performance Factors

The production of sponge iron decreased by 21.49% during 2007-08 as compared to the production of 2006-07 because of lower capacity utilization.

The increase in profitability is attributed to increase in sales as well as increase in average sales realisation per MT of Sponge Iron during the year.

The energy consumption per unit output was 128 Kwh per tonne of sponge iron. The company could generate 34,11,480 Kwh units of power during 2007-08 and for every Kwh generated and utilized in the plant a saving of about Rs. 2 was made.

During the year, the company made exports of equipment of sponge iron plant (Pollution Control System) amounting to Rs.0.47 crore to Peru, South America.

Industrial environment is competitive 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 2007-08 was Rs.1.00 as against Rs. 0.62 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 302 regular employees (executives 57, non-unionised supervisors 49 & workmen 186) as on 31.3.2008. 13.25% of the employees were having professional qualifications. 41.39% 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. 4 employees retired during the year and 2 employees availed of VRS. Since the introduction of VRS, 292 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 4, out of which 3 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

With the improved quality of iron ore and coal identification, the operations of the company are likely to improve during 2008-09.

Project Implementation

A plant set up for production of 45000 tonnes of pig iron and 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 un-remunerative prices. The disposal action initiated in 2004-05 was also not pursued because of ongoing proposal of merger of the company with NMDC Ltd. The Government has now approved 'in principle' the merger of SIIL with NMDC Limited in June, 2008 and the merger process is likely to be completed by December, 2008.

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 after 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.

Environment & Ecology

During the year, about 500 samplings were planted to keep the environment green and clean.

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 an 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 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 two subsidiaries, namely Maharashtra Elektrosmelt Ltd. and IISCO Ujjain Pipe and Foundry Co. Limited, 10 joint ventures and 10 other Marketing / R&D / Training / Consultancy units.

3. Operational Profile

The average capacity utilization of the company was 118% during 2007-08. The performance details of production by SAIL are as follows:

Major Products / Services	Unit	Production during (% capacity utilization) 2007-08	2006-07	2005-06	Average of three Years
Semis	000' T	2243	2278	2273	2265
Finished	000' T	10803	10303	9778	10295
Average capacity utilization	%	118	114	109	

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	46046.15	39598.66	32707.75	16.28
Cost of Production	30762.77	26730.92	24709.08	15.08
Net Profit/Loss(-)	7536.78	6202.29	4012.97	21.52
Dividend declared (as% of PBT)	13.13	13.56	14.45	-1.75

Net worth	23004.09	17184.00	12385.59	33.87
Paid up capital	4130.40	4130.40	4130.40	0.00
Share of Central Govt.	3544.69	3544.69	3544.69	0.00

5. Key Performance Factors

SAIL has achieved the best ever turnover as well as Profit Before Tax during 2007-08 with a growth of 17% and 22% respectively over previous year.

There is marginal decline by 1.54% in the production of semis during 2007-08 as compared to 2006-07, while the production of finished steel gone up by 4.85% during this period.

The company has distinction of being India's largest producer of iron ore. Owning India's second largest mines network provides SAIL a competitive edge in terms of captive availability of iron ore, limestone, dolomite, etc.

While improved market conditions helped in recording better financial performance, significant improvement came by way of several internal initiatives viz., higher capacity utilization at 118%, best ever techno-economic parameters, thrust on production and sales of value added products, emphasis on cost reduction, prudent cash management etc.

Higher production of special grade items like API grade HR Coils/Plates/Pipes, HR Coils for cold reducers etc. have enabled SAIL to maintain and achieve larger market share in value added segments.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.18.25 as against Rs. 15.02 in the previous year.

The market price of the company's shares ranged between Rs.106 to Rs.293 during 2007-08 as compared to Rs. 61.05 to Rs. 121.00 during the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 128804 regular employees (15895 executives & 112909 workmen) as on 31.3.2008. Around 45.24% 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. A total of 5704 employees retired during the year. However, 1891 new skilled employees joined the company.

A system of tracking and rewarding innovations by employees in plants/units on a daily basis, introduced for the first time last year has been working well and has generated enthusiasm amongst employees at all levels to think and deliver innovatively.

The total number of Directors in the company, as on 31.3.2008 was 26, out of which 10 each were part time Non-official Directors / professionals and full time Functional Directors and 6 Government/official Directors.

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.

The merger plan of Bharat Refractories Limited with SAIL as approved by the Government on 1.4.2007 is under implementation and the process is likely to be completed by March, 2009.

A Special Purpose Vehicle (SPV) approved by the Government in November, 2007 for acquisition of overseas coal blocks is in the process of incorporation. SPV comprises SAIL, CIL, RINL, NMDC and NTPC.

SAIL has signed shareholders agreement & traffic guarantee agreement for Paradip-Haridaspur Railway Line Project linking port to hinterland.

There are other initiatives taken by SAIL which include formation of joint venture with M/s Jaypee Associates for setting up slag based Cement Plants at Bhilai & Bokaro; signing MOU with Railways for construction of Dalli-Rajhara-Rowghat-Jagdalpur railway line; formation of JV with MOIL for setting up of Ferro-Manganese and Silico-Manganese Plant at Nandini/Bhilai; MOU with MECL for exploration work in SAIL mines during next 5 years; MOU with POSCO for co-operation and information sharing in the areas of strategic planning, exchange of professionals, know-how and expertise sharing in the areas of mines, ERP, six sigma etc.; and implementation of ERP to maintain its position and achieve business goals.

In addition to the above, some more new initiatives have been proposed viz. merger of MEL, signig JV agreement with Tata Steel for acquiring, developing and mining coal blocks in India, signing MOU with SCI for formation of JV company to take care of shipping needs for import of coking coal and other raw materials and formation of JV for setting up slag-based cement plant at Rourkela etc.

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).

Environment & Ecology

Comprehensive and structured initiatives taken by 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% compliant 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.

11

TEXTILES

As on 31.3.2008, 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 Corporation Ltd.	1980
3.	Brushware Ltd.	1981
4.	British India Corporation 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, polyseter suiting, shirting 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)

SI.	Enterprise	Turnover	
No.		2007-08	2006-07
1.	National Textile Corpn. Ltd.	483.98	502.04
2.	National Jute Manufactures Corporation Ltd.	0.00	0.02
3.	Brushware Ltd.	0.00	0.00
4.	British India Corporation Ltd.	6.31	14.07
5.	Birds Jute & Exports Ltd.	0.00	0.00
	Total	**490.29**	**516.13**

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

(Rs. in crore)

SI.	Enterprise	Net Profit/Loss	
No.		2007-08	2006-07
1.	National Textile Corpn. Ltd.	-1514.67	-535.80
2.	National Jute Manufactures Corporation Ltd.	-487.13	-794.49
3.	Brushware Ltd.	-0.07	-0.06
4.	British India Corporation Ltd.	-13.96	-13.4
5.	Birds Jute & Exports Ltd.	-5.04	-4.63
	Total	**-2020.87**	**-1348.38**

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	
		2007-08	2006-07
1.	No. of employees	17240	22813
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	4.44	4.28
	b. Medical facilities	1.34	1.77
	c. Others	0.41	0.91
3.	Capital cost of township *(Rs. in crore)*	0.09	0.94
4.	No. of houses constructed	2532	1667

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	511544	71544	114144
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	314967	62508	62761
OTHERS	42	295	42860
(B) SHARE APPLICATION MONEY	0	252207	442462
(C) RESERVES & SURPLUS	23281	24090	24121
TOTAL (A)+(B)+(C)	**338290**	**339100**	**572204**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	3282	6937	15459
(B) UNSECURED LOANS	1486267	1423474	2087834
TOTAL (A)+(B)	**1489549**	**1430411**	**2103293**
(1.3) DEFERRED TAX LIABILITY	8	0	0
TOTAL (1.1)+(1.2)+(1.3)	**1827847**	**1769511**	**2675497**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	72550	64522	66009
(B) LESS DEPRECIATION	37768	39156	40063
(C) NET BLOCK (A-B)	34782	25366	25946
(D) CAPITAL WORK IN PROGRESS	8068	4091	384
TOTAL (C)+(D)	**42850**	**29457**	**26330**
(2.2) INVESTMENT	1966	287 „	904812
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	14658	19419	14802
(B) SUNDRY DEBTORS	3465	3471	3911
(C) CASH & BANK BALANCES	172207	225198	217953
(D) OTHER CURRENT ASSETS	15363	16487	48207
(E) LOAN & ADVANCES	6685	7176	132288
TOTAL (A)+(B)+(C)+(D)+(E)	**212378**	**271751**	**417161**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	99887	116443	118632
(B) PROVISIONS	40877	25654	30304
TOTAL (A+B)	**140764**	**142097**	**148936**
(2.5) NET CURRENT ASSETS (2.3-2.4)	71614	129654	268225
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	18	53	111
(2.7) DEFFRED TAX ASSETS	8	306	1102
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1711391	1609754	1474917
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1827847**	**1769511**	**2675497**

TEXTILES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	49029	51613	60376
(B) EXCISE DUTY	35	443	211
(C) NET SALES (A-B)	48994	51170	60165
(D) OTHER INCOME /RECEIPTS	26051	26500	94497
(E) ACCRETION / DEPLETION IN STOCKS	-4486	4467	-2304
(I) TOTAL INCOME (C+D+E)	**70559**	**82137**	**152358**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	26706	29923	31775
(B) STORES SPARES	2650	2750	2629
(C) POWER &FUEL	8803	9361	10059
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	1377	1426	3573
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	32251	36065	48195
(F) OTHER EXPENSES	. 6081	40093	2928
(G) PROVISIONS	1128	5469	1152
(II) TOTAL EXPENDITURE (A TOG)	**78996**	**125087**	**100311**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (l-ll)	-8437	-42950	52047
(4) DEPRECIATION	836	435	464
(5) DRE. / PREL. EXP. WRITTEN OFF	0	47	0
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	-9273	-43432	51583
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	104547	96952	89381
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 18026	19159	91312	
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	122573	116111	180693
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	-131846	-159543	-129110
(9) TAX PROVISIONS	81	77	49
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	-131927	-159620	-129159
(11) NET EXTRA -ORD. ITEMS	70160	-24782	-208419
(12) NET PROFIT /LOSS (10-11)	-202087	-134838	79260
(13) DIVIDEND DECLARED	0	0	0
(14) DIVIDEND TAX	0	0	0
(15) RETAINED PROFIT (12-13-14)	-202087	-134838	79260

TEXTILES

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1793565	874439	2023661
(ii) CAPITAL EMPLOYED	106396	155020	294171
(iii) NET WORTH	-1373119	-1270707	-902824
(iv) COST OF PRODUCTION	202405	241680	281468
(v) COST OF SALES	206891	237213	283772
(vi) VALUE ADDED	6349	13603	13398
(vii) R & D EXPENDITURE	0	0	95
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	17240	22813	42586
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	15589	13174	9431
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	4.40	4.22	3.68
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.51	1.91	2.80
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	-0.49	-1.88	1.22
(iv) SUNDRY DEBTORS : SALES (No. of days)	25.81	24.76	23.73
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	109.20	138.52	89.80
(ii) SEMI / FINISHED GOODS : SALES	86.23	114.12	70.06
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	4.37	62.57	-117.01
		(%)	
(vii) SALES : CAPITAL EMPLOYED	46.05	33.01	20.45
(viii) PBDITEP : CAPITAL EMPLOYED	-7.93	-27.71	17.69
(ix) PBITEP : CAPITAL EMPLOYED	-8.72	-28.02	17.54
(x) COST OF SALE : SALES	422.28	463.58	471.66
(xi) MATERIAL COST : SALES	54.51	58.48	52.81
(xii) SALARY & WAGES : SALES	65.83	70.48	52.81
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.16
(xiv) PBITEP : SALES	-18.93	-84.88	85.74
(xv) PBTEP : NET WORTH	9.60	12.56	14.30
(xvi) NET PROFIT : NET WORTH	14.72	10.61	-8.78
(xvii) GROSS MARGIN : GROSS BLOCK	-11.63	-66.57	78.85

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 an un-categorized / BIFR / Taken over CPSE in Textiles 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, blending, dyeing and printing of jute cotton and blended fabrics. 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.00	0.00	-
Cost of Production	5.46	5.07	3.65	7.69
Net Loss(-)	-5.04	-4.63	8.57	-
Net Worth	-62.24	-57.23	-52.63	-
Share of Holding Co.	0.39	0.39	0.39	0.00
Paid up capital	0.29	0.29.	0.29.	0.00

4. Key Performance Factors

There was no activity in the company since the year 2005-06.

5. Human Resource Development

The company had only 6 employees as on 31.3.2008.

6. Strategic issues

The Government had filed an affidavit in the High Court stating that it has no objection if an Official Liquidator is appointed for BJEL. However, the AAIFR stayed the operation of the winding up order of the BIFR.

Based on the recommendation of the BIFR, the Single Bench of the Calcutta High Court directed that an Official Liquidator take possession of the assets of the company. Against this order the BJEL Staff Association filed 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 continues.

British India Corp. 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 / taken over 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Wollen Fabrics	**Mts.**	NA	NA	27.48	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	6.31	14.07	25.00	-55.16
Cost of production	54.45	34.83	43.60	56.33
Net Loss(-)	-13.96	-13.40	-20.87	-
Net Worth	-157.20	-161.56	-143.89	-
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

BIC has been showing continuous losses for the last several years due to obsolete machinery, excess manpower, shortage of working capital, inadequate marketing infrastructure for retail sale etc.

A restructuring plan for the company 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 2566 regular employees (executives 262 and non-executives 2304) as on 31.3.2008. 80.79% employees were having professional qualifications and 20.69% 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 1987 pattern of remuneration. A total of 19 employees retired during the year. 772 employees have been identified as surplus manpower. 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 each were part time Non-official Directors / professionals and Government / official Directors and one full time Functional Director**.**

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 nationalized in the year 1981. It is 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. BL being a small-scale unit was not referred to BIFR.

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.

3. Operational profile

The paid up capital of the company is Rs. 3.00 lakh and net worth (-) Rs. 1.58 crore as on 31.3.2008. The only income of the company was Rs.0.96 lakh earned in the form of commission during the year.

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 last four years.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.02	0.27	-100.00
Cost of Prod.	528.30	854.76	488.66	-38.19
Net Profit/Loss(-)	-487.13	-794.49	-424.31	-
Net Worth	-6254.62	-5749.45	-4954.95	-
Paid up capital	55.80	55.80	55.80	0.00
Share of Central Govt./Holding Company	55.80	55.80	55.80	0.00

5. Key Performance Factors

The Company is registered with BIFR since 1994 and has been recommended for 'winding up' on 8.7.2004. There is 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.

6. Human Resource Development (HRD)

NJMC employed 1274 regular employees (executives 282 and non-executives 992) as on 31.3.2008. About 1.26% employees were having professional qualifications and around 70% employees come under the age bracket of 51 and above years.

7. Strategic Issues

NJMC had been suffering cash losses since inception. 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 the 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 stay order granted against the operation of the above 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. In the meanwhile the AAIFR has also granted stay order against the order of BIFR. Currently based on the recommendations of BRPSE a revival proposal in respect of NJMC Ltd. is under consideration of Government.

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 taken over 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. Further NTC, holding company is now registered with BIFR instead of its earlier subsidiaries. NTC is a Schedule-'A' 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 New Delhi.

2. Industrial / Business Activities

NTC is involved in manufacturing and selling of wide range of fabrics in cotton / blended/ woolen yarn from its 40 mills.

3. Production / Operational Profile

The production performance of the company after reorganization / merger of subsidiaries are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Cloth	Lakh Meter	NA	162.81	-	-
Yarn	Lakh Kg.	NA	380.38	-	-
Waste	Lakh Kg.	NA	19.06	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	483.98	502.04	0.00	-3.60
Cost of Production	1435.77	1522.07	722.11	-5.67
Net Profit/Loss(-)	-1514.67	-535.80	-7.00	182.69
Net Worth	-7255.55	-6737.26	2923.98	-
Paid up capital	3062.16	540.10	540.10	466.96
Share of Central Govt.	3062.16	540.10	540.10	466.96

5. Key Performance Factors

The company has made operational loss of Rs.50 crore during 2007-08 mainly due to huge interest burden (Rs.609 crore) and the impact of implementation of merger plan of all subsidiaries with the parent company namely NTC Limited.

6. Human Resource Development (HRD)

The enterprise employed 13394 regular employees (1783 executives and 11611 non-executives) as on 31.3.2008 as against 17591 as on 31.3.2007. About 1% employees were having professional qualifications and 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.

Total 2891 employees retired after attaining the age of superannuation during the year. 3478 employees availed of VRS during the year and an amount of Rs. 157.22 crore was spent in this regard. Since the introduction of VRS in 1999, total 54001 employees have availed of VRS scheme in the company and its merged subsidiaries.

The total number of Directors in the company as on 31.3.2008 was 5, out of which 3 were Government / official Directors.

7. Strategic Issues

The revival scheme approved by the Government/ BIFR is under implementation.

12 TRANSPORTATION EQUIPMENT

As on 31.3.2008, 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 and 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Mazagon Dock Ltd.	8.92	19.56
2.	Hindustan Shipyard Ltd.	384.52	327.63
3.	Garden Reach Shipbuilders & Engineers Ltd.	556.65	713.74
4.	BEML Ltd.	2725.79	2601.79
5.	Hindustan Aeronautics Ltd.	8625.33	7783.61
6.	Central Inland Water Transport Corpn. Ltd.	3.72	14.72
7.	Goa Shipyard Ltd.	26.94	152.79
8.	Cochin Shipyard Ltd.	836.42	722.36
9.	Scooters India Ltd.	152.15	190.20
10.	Hooghly Dock and Port Engineers Ltd.	1.83	8.09
	Total	**13322.27**	**12534.49**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Mazagon Dock Ltd.	233.50	-224.76
2.	Hindustan Shipyard Ltd.	11.34	300.93
3.	Garden Reach Shipbuilders & Engineers Ltd.	74.47	120.14
4.	BEML Ltd.	225.65	204.93
5.	Hindustan Aeronautics Ltd.	1631.88	1148.76
6.	Central Inland Water Transport Corpn. Ltd.	1.18	263.07
7.	Goa Shipyard Ltd.	69.97	40.69
8.	Cochin Shipyard Ltd.	93.92	58.12
9.	Scooters India Ltd.	-22.47	-22.50
10.	Hooghly Dock and Port Engineers Ltd.	-51.89	-72.97
	Total	**2267.55**	**1816.41**

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	
		2007-08	2006-07
1.	No. of employees	68852	65913
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	48.72	37.70
	b. Medical facilities	44.83	56.75
	c. Others	10.82	57.29
3.	Capital cost of township *(Rs. in crore)*	32.41	9.95
4.	No. of houses constructed	21239	3723

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 EQUIPMENT
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	163972	150472	140373
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	126839	117591	114690
OTHERS	3577	12985	3087
(B) SHARE APPLICATION MONEY	1049	1589	1379
(C) RESERVES & SURPLUS	811246	580362	453144
TOTAL (A)+(B)+(C)	**942711**	**712527**	**572300**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	40877	23317	59618
(B) UNSECURED LOANS	114541	118558	175259
TOTAL (A)+(B)	**155418**	**141875**	**234877**
(1.3) DEFERRED TAX LIABILITY	1 38027	112234	74448
TOTAL (1.1)+(1.2)+(1.3)	**1236156**	**966636**	**881625**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	709596	637082	532303
(B) LESS DEPRECIATION	235814	219150	206320
(C) NET BLOCK (A-B)	473782	417932	325983
(D) CAPITAL WORK IN PROGRESS	38432	31165	39385
TOTAL (C)+(D)	**512214**	**449097**	**365368**
(2.2) INVESTMENT	3324	2409	1763
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	1794107	1426345	951883
(B) SUNDRY DEBTORS	350635	273184	272466
(C) CASH & BANK BALANCES	2737980	2236968	1593834
(D) OTHER CURRENT ASSETS	60561	45225	21191
(E) LOAN & ADVANCES	863350	778482	663835
TOTAL (A)+(B)+(C)+(D)+(E)	**5806633**	**4760204**	**3503209**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	5238118	4441099	3283106
(B) PROVISIONS	210558	1 70240	89178
TOTAL (A+B)	**5448676**	**4611339**	**3372284**
(2.5) NET CURRENT ASSETS (2.3-2.4)	357957	148865	130925
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	197172	196953	175655
(2.7) DEFFRED TAX ASSETS	15982	14198	4355
(2.8) PROFIT & LOSS ACCOUNT (Dr)	149507	155114	203559
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1236156**	**966636**	**881625**

TRANSPORTATION EQUIPMENT
PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	1332227	1253449	961866
(B) EXCISE DUTY	23667	21368	17472
(C) NET SALES (A-B)	1308560	1232081	944394
(D) OTHER INCOME /RECEIPTS	250034	173910	92902
(E) ACCRETION / DEPLETION IN STOCKS	283004	341115	77488
(I) TOTAL INCOME (C+D+E)	**1841598**	**1747106**	**1114784**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	849872	989445	569445
(B) STORES SPARES	11192	7383	12233
(C) POWER &FUEL	18734	17111	15547
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	51490	58057	35428
(E) SALARY, WAG ES & BENEFITS / EMPLOYEE EXP.	292921	209759	178785
(F) OTHER EXPENSES	168283	142674	76935
(G) PROVISIONS	63458	51210	26710
(II) TOTAL EXPENDITURE (A TO G)	**1455950**	**1475639**	**915083**
(3) PROFIT BEFORE DEP..INT..TAXES & EP (PBDITEP) (l-ll)	385648	271467	199701
(4) DEPRECIATION	17648	15104	12755
(5) ORE. /PREL. EXP. WRITTEN OFF	35570	26488	15673
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	332430	229875 _	171273
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	7175	14283	6165
(B) ON FOREIGN LOANS	0	0	138
(C) OTHERS	5642	4218	6584
(D) LESS INTEREST CAPITALISED	8	3060	37
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	12809	15441	12850
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**319621**	**214434**	**158423**
(9) TAX PROVISIONS	93587	89965	55840
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	226034	124469	102583
(11) NET EXTRA -ORD. ITEMS	-721	-57172	-1867
(12) NET PROFIT /LOSS (10-11)	**226755**	**181641**	**104450**
(13) DIVIDEND DECLARED	46419	39408	28653
(14) DIVIDEND TAX	7888	5918	4029
(15) RETAINED PROFIT (12-13-14)	**172448**	**136315**	**71768**

TRANSPORTATION EQUIPMENT

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	241304	242584	328926
(ii) CAPITAL EMPLOYED	831739	566797	456908
(iii) NET WORTH	596032	360460	193086
(iv) COST OF PRODUCTION	1521977	1532672	956361
(v) COST OF SALES	1238973	1191557	878873
(vi) VALUE ADDED	711766	559257	424657
(vii) R & D EXPENDITURE	68611	51735	45630
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	68852	65913	65256
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	35453	26520	22831
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	0.16	0.20	0.41
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.07	1.03	1.04
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	5.60	4.12	3.06
(iv) SUNDRY DEBTORS : SALES (No. of days)	97.80	80.93	105.31
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	500.43	422.55	367.89
(ii) SEMI / FINISHED GOODS : SALES	300.07	250.30	191.28
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	14.42	0.20	0.58
		(%)	
(vii) SALES : CAPITAL EMPLOYED	157.33	217.38	206.69
(viii) PBDITEP : CAPITAL EMPLOYED	46.37	47.89	43.71
(ix) PBITEP : CAPITAL EMPLOYED	39.97	40.56	37.49
(X) COST OF SALE : SALES	94.68	96.71	93.06
(xi) MATERIAL COST : SALES	64.95	80.31	60.30
(xii) SALARY & WAGES : SALES	22.38	17.02	18.93
(xiii) R & D EXPENDITURE : SALES	5.24	4.20	4.83
(xiv) PBITEP : SALES	25.40	18.66	18.14
(XV) PBTEP : NET WORTH	53.62	59.49	82.05
(xvi) NET PROFIT :NET WORTH	38.04	50.39	54.10
(xvii) GROSS MARGIN : GROSS BLOCK			

Bharat Earth Movers Ltd. (BEML)

1. Company Profile

Bharat Earth Movers Ltd. now known as BEML Ltd. was incorporated in the year 1964 under the Companies Act, 1956 with an 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. It 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 e-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. The company has one Joint Venture Company namely BEML MIDWEST LTD which was registered in May 2007 with 45% equity participation from BEML, 29% from M/s Midwest Granites Ltd., Hyderabad and 26% from M/s Sumber Mitra Jaya, Indonesia.

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 performance details of major products are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
EM Equipments	Nos.	1367 (91)	1039 (69)	802 (53)	1069
Defence aggregates & others	Nos.	788 (39)	359 (18)	477 (24)	541
Railway Products	Nos.	676 (169)	483 (121)	302 (76)	487
Trading	Rs. Cr.	125.79	-	-	-

***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 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	2725.79	2601.79	2205.84	4.77
Cost of production	2408.20	2152.04	1804.23	11.90
Net Profit/Loss(-)	225.65	204.93	186.93	10.11
Dividend Declared (as % of PBT)	14.71	13.94	12.34	5.48
Net Worth	1691.76	1014.60	853.91	66.74
Paid up capital	41.77	36.87	36.87	13.29
Share of Central Govt. / Holding Co.	22.50	22.50	22.50	0.00

5. Key Performance Factors

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.

The increase in turnover (4.77%) and Net Profit (10.11%) is attributed to increase in productivity and margins.

During the year, the company issued 4900000 shares through a Public issue and collected funds to the tune of Rs.526.75 crore for its modernization and expansion programme.

6. Human Resource Development (HRD)

The enterprise employed 12286 regular employees (executives 2578 & non-executives

9708) as on 31.3.2008 as against 11748 employees as on 31.3.2007. 19% employees are having professional qualifications and around 45% employees come under the age bracket of 51 and above years. BEML is following IDA 1997 pattern of remuneration. The average age of the employees in the company is 40 years and the retirement age is 60 years.

A total of 367 employees retired during the year. Further, 92 skilled employees also left the company in attrition. However, 869 new skilled employees joined during the year.

During the year, 28 employees availed of VRS and an amount of Rs. 1.64 crore was spent in this regard. Since the introduction of VRS total 4556 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 15, out of which 8 were part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

The company aims at to be a market leader with globalized presence and a diversified company supplying products and services to core sectors of economy.

Restructuring

The company repositioned itself and changed its name from Bharat Earth Movers Ltd. to BEML Ltd truly reflecting the diverse nature of business.

On Mining & Construction Business, the company expanded its distribution network and added 21 active Dealers in the country and booked substantially increased sale of construction equipments comprising 10 different models.

Project Implementation

The Joint Venture Company BEML MIDWEST LTD has successfully commenced its operations and done a business worth Rs 96.32 crore during 2007-08.

Further, Rail Unit II, KGF has been made operational and transmission assembly facility at H&P Division, KGF and New automated assembly line for engine Division, Mysore are under execution.

Research & Development (R&D)

In the area of Research & Development, the company launched the new products like Hydraulic Excavator BE700, Training simulators for BEML products with M/s ZENTECH, Front end Loader BL 656 & BL 636, Transmission for BH35 2, Indigenous engine for Boat for PMS Bridge

Environment and Ecology

During the year 18 lakh saplings of various avenue trees were planted by the company. It also constructed treatment plants to treat domestic and industrial effluents. Two artificial tanks constructed to harvest rain water. The company also commissioned 5 MW wind farm in December, 2007.

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 an objective to utilize the Inland Water Transport (IWT) mode of transportation as an operator. CIWTC is a Schedule-‘C’ / sick taken over CPSE in Transportation 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 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/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
IWT Transportation of Cargo	M/T		220322 (99)	85266 (88)	-

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3.72	14.72	13.00	-74.73
Cost of Production	17.88	47.07	65.99	-62.01
Net Profit/Loss	1.18	263.07	-43.66	-99.55
Net Worth	99.53	98.25	-284.68	1.30
Paid up capital	130.48	250.93	130.45	-48.00
Share of Central Govt.	130.20	250.65	130.17	-48.06

5. Key Performance Factors

The variation in profitability is due to implementation of the restructuring/revival scheme sanctioned by the Government in December, 2005, which included:

- Waiver of interest on GOI loan Rs.213.83 cores
- 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 / normal retirement.

During the year 2007-08, the Government of India approved reduction of share Capital by Rs.120.45 crores.

6. Human Resource Development (HRD)

The enterprise employed 447 regular employees (22 executives & 425 non-executives) as on 31.3.2008. About 1.57% employees were having professional qualifications and 32.21% 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 9 employees retired during the year. In addition, 6 skilled and 4 unskilled employees also left the company in attrition. During the year, 10 employees availed of VRS and an amount of Rs. 1.08 crore was spent in this regard. Since the introduction of VRS in 1993, a total of 2275 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 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 Rs.280 crore.

As per the revival plan one unit for ship building and ship repairing viz. Rajabagan Dockyard has been handed over to Garden Reach Shipbuilders & Engineers Limited (GRSE). Another unit viz. Deep Sea Ship Repairing had already been closed on 31st March, 2002.

Cochin Shipyard Ltd. (CSL)

1. Company Profile

CSL was incorporated in the year 1972 under the Companies Act, 1956 with the 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

The performance details of major products/ services are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Shipbuilding	DWT	175536 (117)	181395 (121)	110206 (73)	155712 (104)
Ship Repair	Rs. in crore	252.14	241.53	151.27	214.98

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	836.42	722.36	373.53	15.79
Cost of Production	705.15	759.38	428.68	-7.14
Net Profit/Loss(-)	93.92	58.12	18.23	61.60
Dividend declared (as% of PBT)	0	19.33	0	-100.00
Net worth	432.06	326.09	287.49	32.50
Paid up capital	232.42	232.42	232.42	0.00
Share of Central Govt./Holding Co.	232.42	232.42	232.42	0.00

5. Key Performance Factors

The performance of shipbuilding declined marginally by 3.23 % during 2007-08 as compared to previous year due to lower capacity utilization but the income from ship-repairing increased by 4.39%.

Turnover of the company increased by 15.75% and profit by 61.60% during 2007-08 as compared to previous year. About 60% sales were from direct exports followed by sales to Government Departments/organizations i.e. 38%.

The increase in profitability is attributed to higher turnover, reduction in construction time for shipbuilding through improvement in productivity, reduction in cost and technological development.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 828.51 as against Rs.513 during 2006-07.

During the year, the company received a non-plan assistance of Rs. 94.74 crores as subsidy related to administered prices and plan assistance of Rs. 0.50 crore.

The Company scored 'Excellent' MOU rating during the year 2007-08.

6. Human Resources Development (HRD)

The enterprise employed 2059 regular employees (executives 287, non-unionized Supervisors 195 and workmen 1577) as on 31.3.2008, as against 2084 employees as on 31.3.2007. 9.90% employees were having professional qualifications. 64.64% 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 101 employees retired during the year under superannuation and 9 skilled employees left the company in attrition. 62 new skilled employees joined during the year.

Since the introduction of VRS on 4.5.1989, 356 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 11, out of which 2 were Government / official Director, 3 full time Functional Directors and 6 part time Non-official Directors.

7. Strategic Issues

In ship repairing business, repairs/upgradations emerged as the most promising future business avenue due to the emerging importance of oil exploration. The recent oil price increase and inflation have pushed up the shipbuilding cost which may have an adverse impact on the shipbuilding margins in the short term.

Cost to customer increased with the imposition of Service Tax at 12.36% on ship repair activities.

CSL has a market share of 50% (approx.) of the Indian ship repair market. In the ship building sector it is presently the leading shipyard capable of constructing largest ships in the country.

Research & Development (R&D)

In-house R&D initiatives were undertaken by the company in the areas of welding and design. CSL has developed complete design of 1500 KW tug, 2400 KW tug and 3300 KW tug; hull model for Platform supply vessels; complete production of engineering design of above tugs in 3D hull and outfit modeling in Tribon; 3D hull modeling and outfit modeling of piping systems, ventilation, air-conditioning, cabling and structural items; structural drawings of ADS, based on the inputs from Navy; propulsion systems integration for the ADS project; and Aircraft Facilities Complex for ADS.

Modernization of existing facilities in ship building & ship repairing, renewals and replacements and small ship Division have been funded to the tune of Rs. 22.09 crore.

Environmental initiatives

Rain water harvesting for industrial purpose is undertaken.

Order Book Position

The company has secured export orders worth Rs.688.90 crores during 2007-08, and at the year end there were Order Booking of around Rs. 5215.82 crores.

Garden Reach Shipbuilders & Engineers Ltd. (GRSE)

1. Company Profile

GRSE was set up in 1884 as 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 company intends to become the lead shipyard in Southeast Asian Region and continue to contribute significantly to the strengthening of the Indian Navy, Coast Guard and Maritime potential. Its primary objective is to construct warships and auxiliary vessels for the Navy and the Coast Guard.

GRSE is a Schedule-'B'-Miniratna taken over PSE in Transportation Equipment sector under the administrative control of M/o Defence, D/o Defence Production with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business activities

GRSE has excelled in building modern high-tech warships like frigates, covrvettes, LST(L)'s, fleet tanker and now engaged in shipbuilding, general engineering, and manufacturing of pump and diesel engine 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	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Shipbuilding	Ton	2101 (65)	2068 (64)	2998 (93)	2389 (74)
Ship Repair	Ton	-	-	-	-
General Engineering	Ton	3336 (133)	3650 (146)	3805 (152)	3597 (144)
Pump	No.	265 (37)	264 (37)	378 (53)	302 (42)
Diesel Engine	No.	10 (28)	8 (22)	4 (11)	7 (20)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	556.65	713.74	985.99	-22.01
Cost of Production	533.85	564.48	600.04	-5.43
Net Profit/Loss(-)	74.47	120.14	65.32	-38.01
Dividend declared (as% of PBT)	21.88	14.15	11.88	54.60
Net worth	488.02	441.92	349.98	10.43
Paid up capital	123.84	123.84	123.84	0.00
Share of Central Govt.	123.84	123.84	123.84	0.00

5. Key Performance Factors

The performance of the company during 2007-08 has dipped to a certain extent as both the physical and financial performance recorded downward trend.

Ship building and general engineering are the main activities of GRSE. In comparison to 2006-07, the production of general engineering declined by 8.60% during 2007-08. The shipbuilding has shown marginal improvement by 1.60%, but still lower than the figures of 2005-06 i.e. by 29.92%.

The turnover declined by 22.01% and net profit by 38.01% during 2007-08 as compared to previous year. The profitability was affected mainly due to decline in turnover.

6. Human Resources Development (HRD)

The enterprise employed 4651 regular employees (executives 484, unionized supervisors 362, non-unionised supervisors 296 & workmen 3509) as on 31.3.2008. 11.33% of the employees were having professional qualifications and 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. 413 employees retired during the year. Further, 3 skilled and 4 unskilled employees also left the company in attrition. 68 new un-skilled employees joined the company.

The total number of Directors in the company as on 31.3.2008 was 9, out of which 4 were full time Functional Directors, 3 part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

Restructuring/Modernization

During the 2006-07, the company had taken over Raja Bagan Dockyard from M/s CIWTC, thereby becoming one of the largest shipyards in the country.

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. 3666 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 product range includes Offshore Patrol Vessels, Missile Crafts, Sail Training Ships, Tugs, Boats, Fishing Vessels, Passenger Vessels etc. Diversified products are Damage Control Simulator, Survival at Sea Training Facility, Crane parts etc. The brief details of major services provided are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Shipbuilding,	SSU	4.96 (85)	5.15 (88)	3.86 (66)	4.66

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	26.94	152.79	106.96	-82.37
Cost of Production	293.56	228.68	240.28	28.37
Net Profit/Loss(-)	69.97	40.69	16.72	71.96
Dividend declared (as % of PBT)	13.55	11.97	22.47	13.16
Net Worth	271.66	215.86	184.71	25.85
Paid Up Capital	29.10	29.10	29.10	0.00
Share of Central Govt.	14.87	14.87	14.87	0.00

5. Key Performance Factors

Turnover of the company is linked with delivery of the ships, it fluctuate accordingly. Major customers of GSL are Indian Navy and Indian Coast Guard.

The improvement profitability is attributed to improved human productivity, reduction in expenditure and implementation of full fledged ERP system.

6. Human Resource Development (HRD)

The enterprise employed 1683 regular employees (executives 208, non-unionized supervisors 288 & workmen 1187) as on 31.3.2008. About 11.29% employees were having professional qualifications. Around 38.27% 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 patterns of remuneration. During the year, 13 employees retired after attaining the age of superannuation, 49 skilled and 5 unskilled employees left the company in attrition. However, 83 skilled and 2 unskilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 8, out of which 3 were part time Non-official Directors / professionals.

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. World renowned consultant M/s Royal Haskoning, Netherlands has been appointed to modernize the existing yard so as to make the company competitive globally. The implementation of the ambitious modernization plan has been commenced at a plan outlay of Rs. 792 crore.

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.

The company has been nominated for series construction of 8 no. Mine Counter Measure Vessels for Indian Navy.

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. However, the statutory norms with authorization from Pollution Control Board, Under Water (Prevention & Control of Pollution) Act, 1974 & Rules, Air (Prevention & Control of Pollution) Act, 1981 & Rules and Hazardous Waste Management Rules are complied with.

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 an 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. Its mission is to achieve self reliance in design, development, manufacture, upgrade and maintenance of aerospace equipment, diversify into related areas and managing the business in a climate of growing professional competence to achieve world class performance standards for global competitiveness and growth in exports.

The company is a Schedule-'A' / Navratna CPSE in 'Transportation 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 and 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 Barrackpore (West Bengal). There are also 9 R&D centers co-located with these units. The company has nine joint ventures namely Indo Russian Aviation Ltd., BAeHAL Software Ltd., Snecma HAL Aerospace Pvt. Ltd., Samtel HAL Display Systems Pvt. Ltd., Infotech HAL Ltd., Hatsoff Helicopter Training Pvt. Ltd., Hal Edgewood Technologies Pvt. Ltd., HALBIT Avionics Pvt. Ltd. and INCAT- HAL Aerostructures Ltd. with an equity participation of 48%, 49%, 50%, 40%, 50%, 50%, 50%, 50% and 50% 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 105%. The details of production in terms of standard man hours are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Production in terms of Standard Man Hours (SMH)	SMH	292 (105)	270 (101)	260 (97)	274

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	8625.33	7783.61	5341.50	10.81
Cost of Production	8341.94	8600.34	5352.91	-3.00
Net Profit/Loss(-)	1631.88	1148.76	771.14	42.06
Dividend Declared (as % of PBT)	15.11	14.34	17.80	5.38

Net Worth	3326.53	2085.00	1440.85	59.55
E.P.S.	135.43	95.33	64.00	42.06
Paid up capital	120.50	120.50	120.50	0.00
Share of Central Govt./Holding Co.	120.50	120.50	120.50	0.00

5. Key Performance Factors

Increase in profitability is attributed to increase in turnover, interest income, interest on income tax refund and reversal of liability. The other reasons for performance improvement are better fund management, rationalization of manpower and cost control.

During 2007-08, HAL made exports worth Rs. 341.08 crore to about 9 countries.

Domestic market share of HAL in products was 96.05% during the year.

6. Human Resource Development

The enterprise employed 34323 regular employees (executives 9379 & workmen 24944) as on 31.3.2008 as against 31666 as on 31.3.2007. About 43% of the employees were having professional qualifications. Around 28% employees fall under the age bracket of 51 years and above and average age is 41 years.

The retirement age in the company is 60 years. HAL is following IDA 1997 pattern of remuneration. A total of 1476 employees retired during the year. Further, 567 skilled and 1347 unskilled employees also left in attrition. However, 1408 new skilled and 2751 un-skilled employees joined the company during the year. Total number of employees who availed of VRS since its inception is 957.

The total number of Directors in the company as on 31.3.2008 was 16, out of which 8 were full time Functional Directors, 6 part time Non-official Directors / professionals and 2 Government / official Directors.

7. Strategic Issues

Restructuring

During 2007-08, HAL formed ALH MRO and Composite Manufacturing Division to cater to maintenance repair and overhaul of ALH and manufacturing of all composite parts to various aircraft/helicopter programs respectively.

Further, the Barrackpore Branch Factory was upgraded to a full fledged Division to concentrate on both manufacturing and repair/overhauling Chetak/Cheetah helicopters.

The company has a proposal to form a Helicopter Complex by the 4 Divisions (Helicopter Division, ALH Overhaul Division, Barrackpore Division and Composite Division) to segregate the helicopter business and to move into function oriented complexes.

HAL is manufacturing SU-30MKI and Hawk aircraft under licence from Russia and BAES, U.K. respectively in the process of adoption of new technologies.

Project Implementation

HAL has taken up various initiatives to modernize and improve various internal processes. Considering the new projects to be implemented, HAL has given thrust for outsourcing to Indian industries. More divisions were brought under the ambit of Enterprises Resource Planning. Lean Management was given major thrust across the organization aimed at reducing waste.

Research & Development (R&D)

The major R&D programmes currently being pursued are: Intermediate Jet Trainer (HJT-36), Light Combat Aircraft (Tejas), Weapon System Integration (WSI) on ALH, Sea Harrier upgrade, Light Combat Helicopter and Development of accessories and avionics for different aircraft / helicopters.

The R&D expenditure of the company constituted 7.68% of the turnover during 2007-08 as against 6.37 % during 2006-07.

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 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 platform 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	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Shipbuilding	DWT	2.16 (98)	2.16 (62)	1.85 (53)	2.06

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	*384.52	327.63	243.58	17.36
Cost of Production	473.87	475.36	314.52	-0.31
Net Profit/Loss(-)	11.34	300.93	6.19	-96.23
Net worth	-566.30	-706.82	-1012.75	-
Paid up capital	281.01	144.31	136.81	94.73
Share of Central Govt./Holding Co.	281.01	144.31	136.81	94.73

*** Extraneous income in 2006-07 on account of capital restructuring etc does not figure in 2007-08**

5. Key Performance Factors

The increase in turnover is attributed to improved productivity and capacity utilization.

During the year, the company received Plan budgetary support of Rs. 20 crore in the form of equity (Rs.11.50 crore) and loan (Rs.8.50 crore). The company has availed of a cumulative Government Guarantee of Rs. 255.46 crore as on 31.3.2008.

The Earning Per Share of the Company was Rs. 41.00 during 2007-08

6. Human Resource Development (HRD)

The enterprise employed 3214 regular employees (executives 503, unionized supervisors 947 & workmen 1764) as on 31.3.2008, as against 3017 employees as on 31.3.2007. 8.15% employees were having professional qualifications and 66.99% 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. 37 employees retired on superannuation and one skilled employee left in attrition. 216 new skilled employees joined during the year.

Since the introduction of VRS, 3570 employees have retired under the scheme.

The total number of Directors in the company as on 31.3.2008 was 5, out of which one was part time Non-official Director / professional and 2 each were Government / official Directors and 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

Total 19 orders amounting to Rs. 1809.69 crore were in hand as on 31.3.2008.

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. 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 Salkia and Nazirgunge in Howrah, West Bengal. Both the units have potential for construction of various types of ships, tugs, crafts, dredgers, floating dry docks, fire flot, mooring launches, fishing trawlers, pontoons and sophisticated vessels like offshore platform, supply-cum-support vessels, multipurpose harbour vessels, grab hopper dredger, lighthouse tender vessels, oil pollution control vessels etc.

The yard has the capacity to build vessels of about 400-500 passenger cum cargo carrying capacity and also 300 ton capacity Cargo Vessels. The Company also undertake repair of vessels at KOPT Dry Docks from an outfit adjacent to Kidderpore Dock complex of Kolkata Port Trust.

3. Production / Operational Profile

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

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Shipbuilding	Ton.	17.15 (1.56)	51.46 (4.68)	24.89 (2.27)	31.17
Ship repairing	No.	9.24 (61.60)	10.52 (70.13)	17.57 (117.13)	12.44

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1.83	8.09	17.29	-77.38
Cost of Production	54.48	105.14	45.39	-48.18
Net Profit/Loss(-)	-51.89	-72.97	-38.03	-
Net Worth	-450.14	-398.21	-327.26	-
Paid up capital	28.61	26.61	26.61	7.52
Share of Central Govt.	28.61	26.61	26.61	7.52

5. Key Performance Factors

The performance of the company deteriorated over the years. Presently HDPEL is taking orders on competitive basis i.e. through open tendering process or direct negotiations rather than on nomination basis.

6. Human Resource Development (HRD)

The enterprise had a workforce of 637 (executives 56 and non-executives 581) as on 31.3.2008 as against 671 employees as on 31.3.2007. 38.15% employees are having professional qualifications and 22.93% employees come under the age bracket of 51 years and above. The company is following IDA 1992 pattern of remuneration. Retirement age in the company is 58 years. During the year 2007-08, 49 employees left the company out of which 34 retired on superannuation and 15 availed of VRS. During the year, an amount of Rs.1.07 crore was spent on VRS. Since the introduction of VRS total 916 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 3.

7. Strategic Issues

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 under consideration of the Government.

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 Supplies 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, submarine and off shore. The performance of MDL during l;ast three years is given below:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Ship building	EFU - Effective Frigate	79 (79)	83 (93.43)	9.34* (79.41)	81

* Ship unit

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	8.92	19.56	164.29	-54.40
Cost of Production	2236.12	2210.03	552.45	1.18
Net Profit/Loss(-)	233.50	-224.76	60.10	-
Dividend Declared (as % of PBT)	12.82	-37.84	33.49	-
Net Worth	642.62	482.54	373.41	33.17
Paid up capital	273.43	298.18	298.18	-8.30
Share of Central Govt.	273.43	298.18	298.18	-8.30

5. Key Performance Factors

Increase in profitability of MDL during last two years is attributed to increase in interest income (Rs.229.32 crore) and increase in value of production. Out of three segments of the company, the offshore segment is in loss, where as shipbuilding and submarine are in profit.

6. Human Resource Development (HRD)

The enterprise employed 7764 regular employees (executives 870 & non-executives 6894) as on 31.3.2008 as against 8013 employees as on 31.3.2007. 10.18% employees are having professional qualifications and 50.45% employees come under the age bracket of 51 and above years. The average age of the employees is 47 years.

The retirement age in the company is 60 years. A total of 270 employees retired during the year on attaining the age of superannuation. 256 skilled and 36 unskilled employees also left the company on account of attrition. However, 642 skilled employees joined the company during the year. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 4 were part time Non-official Directors / professionals and 2 Government/official directors**.**

7. Strategic Issues

The company aims at to be a leader in the construction of warships and submarines in the Indian Ocean and through a process of expansion and consolidation; and to become a leading Shipbuilder of international standards for warships, submarines and merchant marine.

Project Implementation

To cater the needs for Shipbuilding Design, efforts are on for formation of Design Centre on joint venture basis in private domain with a partner of international repute. The design centre is envisaged to cover entire shipbuilding design needs covering basic, conceptual & functional design aspects catering to the needs of both the National and International Markets.

MDL has embarked upon a modernization plan to upgrade the infrastructure and technology involving creation of a Modular Workshop, Installation of Goliath crane, construction of an additional Wet Basin, creation of a Cradle Assembly Shop, setting up of additional Submarine Stores etc. at a revised (updated) cost of around Rs.698 crore. The project will be funded by Navy to the extent of Rs.423 crore through the projects under construction. The project is scheduled to be completed by December, 2010. On completion, these facilities are expected to reduce build period of warships / submarines and dependency on Naval Dockyard.

Environmental initiatives

The company continues to be environmental friendly and has fulfilled all the statutory requirements of Central and State Pollution Control Boards. It is committed for meeting all the stipulated standards for maintaining and protecting the environment by development of greeneries and plantation. An amount of Rs.3.60 lakh was spent on development of gardens in company yards.

Scooters India Ltd. (SIL)

1. Company Profile

SIL was incorporated on 7.9.1972 under the Companies Act, 1956 with the objective to manufacture two wheelers and three wheelers. The objective of the company is to provide economical and safe mode of transportation with contemporary technology for movement of people and cargo, to provide eco-friendly, flawless and reliable products to fulfill customer needs and providing customer satisfaction by supplying vehicles at right price and at right time. SIL is a Schedule-'B' PSE in Transportation Equipment sector under the administrative control of M/o Heavy Industries and Public Enterprises, D/o Heavy Industry with 95.38% shareholding by the Government of India. Its Registered and Corporate offices are at Lucknow, U.P.

2. Industrial / Business Activities

SIL is currently engaged in developing, manufacturing and marketing of three wheelers and quality engineering products through its single operating unit at Lucknow, U.P. and 6 Zonal / Regional Offices at Delhi, Kolkata, Hyderabad, Pune and Chennai.

3. Production / Operational Profile

The performance details of production are as under:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
3-Wheelers	Nos.	11512 (69.77)	15162 (91.89)	15632 (94.74)	14102

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	152.15	190.20	166.68	-20.00
Cost of Production	154.72	184.20	159.12	-16.00
Net Profit/ Loss(-)	-22.47	-22.50	1.56	-
Net Worth	24.58	45.37	65.20	-45.82
Paid Up Capital	43.00	43.00	43.00	0.00
Share of Central Govt./ Holding Co.	41.01	41.01	41.01	0.00

5. Key Performance Factors

The company continued to incur loss during 2007-08 at the same level as in previous year. Loss is mainly attributed to decrease in sales and increase in manpower cost and interest cost.

The share price of the company varied between Rs. 1870 to Rs. 51.20 during the year 2007-08 as compared to Rs. 1935. to Rs. 40.80 in 2006-07. The average share price during the year was Rs. 34.95.

6. Human Resource Development (HRD)

The enterprise employed 1468 regular employees (executives 204 & non-executives 1264) as on 31.3.2008 as against 1601 employees as on 31.3.2007. 10.42% employees were having professional qualifications and 89% 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. 118 employees retired during the year. 31 skilled employees also left the company on other grounds.

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 31.3.2008 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 continued to pose problems for growth of 3-wheeler industry. The introduction of 4-Wheeler cargo/passenger carrier of 1.5 ton is also posing problem for bigger capacity 3-wheeler.

Short term 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 is expected to be introduced in 2008-09.

Research & Development (R&D)

Rs.21.01 lakh incurred on R&D during 2007-08 which was 0.14% of the total turnover.

Environmental initiatives

Company's products are compliant with the latest emission norms of Bharat Stage II.

13

COAL AND LIGNITE

As on 31.3.2008, 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.	Easten Eastern Coalfields Ltd.	1975
6.	Western Coalfields Ltd.	1975
7.	Northern Coalfields Ltd.	1985
8.	South Eastern Coalfields Ltd.	1985
9.	Mahanadi Coalfields 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Neyveli Lignite Corpn. Ltd.	2981.65	2108.11
2.	Bharat Coking Coal Ltd.	3385.95	3271.95
3.	Coal India Ltd.	272.31	281.37
4.	Central Coalfields Ltd.	5060.54	4506.41
5.	Easten Eastern Coalfields Ltd.	3187.61	3518.21
6.	Western Coalfields Ltd.	5681.34	5012.24
7.	Northern Coalfields Ltd.	5514.23	5408.79
8.	South Eastern Coalfields Ltd.	8718.78	6323.70
9.	Mahanadi Coalfields Ltd.	4347.08	3712.75
	Total	**39149.49**	**34143.53**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Neyveli Lignite Corpn. Ltd.	1101.57	566.78
2.	Bharat Coking Coal Ltd.	254.05	49.58
3.	Coal India Ltd.	2453.80	2821.49
4.	Central Coalfields Ltd.	625.58	649.73
5.	Easten Eastern Coalfields Ltd.	-1004.05	110.60
6.	Western Coalfields Ltd.	611.78	682.38
7.	Northern Coalfields Ltd.	1771.66	1366.49
8.	South Eastern Coalfields Ltd.	1342.94	1236.89
9.	Mahanadi Coalfields Ltd.	1633.26	1368.45
	Total	**8790.59**	**8852.39**

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	
		2007-08	**2006-07**
1.	No. of employees	445637	457218
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	880.32	1055.08
	b. Medical facilities	195.64	133.53
	c. Others	478.52	460.88
3.	Capital cost of township *(Rs. in crore)*	2566.92	2569.57
4.	No. of houses constructed	355448	316971

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	2007-08	2006-07	2005-06
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	3299876	2960034	2487371
TOTAL (A)+(B)+(C)	**4729015**	**4389173**	**3916510**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	209955	101085	84771
(B) UNSECURED LOANS	599541	683710	752271
TOTAL (A)+(B)	**809496**	**784795**	**837042**
(1.3) DEFERRED TAX LIABILITY	80353	89505	119386
TOTAL (1.1)+(1.2)+(1.3)	**5618864**	**5263473**	**4872938**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	4140339	3947662	3819923
(B) LESS DEPRECIATION	2721866	2545119	2405466
(C) NET BLOCK (A-B)	1418473	1402543	1414457
(D) CAPITAL WORK IN PROGRESS	538816	329282	171169
TOTAL (C)+(D)	**1957289**	**1731825**	**1585626**
(2.2) INVESTMENT	1084571	1140689	1542718
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	382732	360341	325664
(B) SUNDRY DEBTORS	167527	155127	185929
(C) CASH & BANK BALANCES	2564551	2015645	1594747
(D) OTHER CURRENT ASSETS	84722	66721	53133
(E) LOAN & ADVANCES	2008890	1872376	1479207
TOTAL (A)+(B)+(C)+(D)+(E)	**5208422**	**4470210**	**3638680**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	3046250	2571719	2589528
(B) PROVISIONS	1023331	767450	572619
TOTAL (A+B)	**4069581**	**3339169**	**3162147**
(2.5) NET CURRENT ASSETS (2.3-2.4)	1138841	1131041	476533
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	3149	2122	841
(2.7) DEFFRED TAX ASSETS	95723	64232	57636
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1339291	1193564	1209584
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**5618864**	**5263473**	**4872938**

COAL & LIGNITE

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	3914949	3414353	3460690
(B) EXCISE DUTY	353399	348803	354278
(C) NET SALES (A-B)	3561550	3065550	3106412
(D) OTHER INCOME / RECEIPTS	757751	706936	520806
(E) ACCRETION / DEPLETION IN STOCKS	13076	27966	45988
(I) TOTAL INCOME (C+D+E)	**4332377**	**3800452**	**3673206**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	134	0	3212
(B) STORES SPARES	482056	459066	431648
(C) POWER &FUEL	190317	188679	159635
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	314596	223516	228550
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	1331938	1084861	1043043
(F) OTHER EXPENSES	511446	398437	465266
(G) PROVISIONS	19213	12792	5437
(II) TOTAL EXPENDITURE (A TO G)	**2849700**	**2367351**	**2336791**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP(PBDITEP) (Ml)	**1482677**	**1433101**	**1336415**
(4) DEPRECIATION	189335	180805	169846
(5) ORE. / PREL. EXP. WRITTEN OFF	2223	867	0
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1291119	1251429 _	1166569
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	427
(B) ON FOREIGN LOANS	9823	12883	11499
(C) OTHERS 59327	43343	42105	
(D) LESS INTEREST CAPITALISED	7892	2636	5685
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	61258	53590	48346
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**1229861**	**1197839**	**1118223**
(9) TAX PROVISIONS	381280	316283	312151
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	848581	881556	806072
(11) NET EXTRA -ORD. ITEMS	-30478	-3683	-15500
(12) NET PROFIT /LOSS (10-11)	**879059**	**885239**	**821572**
(13) DIVIDEND DECLARED	554497	382814	371155
(14) DIVIDEND TAX	94237	56865	52270
(15) RETAINED PROFIT (12-13-14)	**230325**	**445560**	**398147**

COAL & LIGNITE
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2204009	2075559	2241837
(ii) CAPITAL EMPLOYED	2557314	2533584	1890990
(iii) NET WORTH	3386575	3193487	2706085
(iv) COST OF PRODUCTION	3102516	2602613	2554983
(v) COST OF SALES	3089440	2574647	2508995
(vi) VALUE ADDED	2902119	2445771	2557905
(vii) R & D EXPENDITURE	793	543	584
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	445637	457218	467422
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	24907	19773	18596
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.17	0.18	0.21
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.28	1.34	1.15
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	3.33	3.13	2.86
(iv) SUNDRY DEBTORS : SALES (No. of days)	17.17	18.47	21.85
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	39.22	42.90	38.27
(ii) SEMI / FINISHED GOODS : SALES	22.75	22.96	20.38
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.05	-10.91	2.29
		(%)	
(vii) SALES : CAPITAL EMPLOYED	139.27	121.00	164.27
(viii) PBDITEP : CAPITAL EMPLOYED	57.98	56.56	70.67
(ix) PBITEP: CAPITAL EMPLOYED	50.49	49.39	61.69
(x) COST OF SALE : SALES	86.74	83.99	80.77
(xi) MATERIAL COST : SALES	0.00	0.00	0.10
(xii) SALARY & WAGES : SALES	37.40	35.39	33.58
(xiii) R & D EXPENDITURE : SALES	0.02	0.02	0.02
(xiv) PBITEP : SALES	36.25	40.82	37.55
(xv) PBTEP : NET WORTH	36.32	37.51	41.32
(xvi) NET PROFIT : NET WORTH	25.96	27.72	30.36
(xvii) GROSS MARGIN : GROSS BLOCK	35.81	36.30	34.99l

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 issues 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. (CIL).

2. Industrial / Business Activities

BCCL is engaged in extraction of coking coal for supply to steel plants and non-coking coal for power houses, fertilizer, cement and other sectors, from its 66 coal mines (35 underground, 13 open cast and 18 mixed mines) spread over 270 Sq. K.M. in Jharia Coalfield (JCF) (64) mines and 32 Sq. K.M. in Raniganj Coalfield (RCF) (2) mines in the States of Jharkhand and West Bengal respectively. The company also run 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 production are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Raw Coal	MT	25.215 (64.84)	24.205 (67.27)	23.311 (67.53)	24.244
Washed Coal (Coking)	MT	1.662 (25.36)	1.660 (24.97)	2.290 (29.74)	1.871
Washed Coal (N/Coking)	MT	0.788 (22.39)	1.057 (30.65)	0.957 (28.69)	0.934
Hard Coke	MT	0.014 (N.A.)	0.025 (N.A.)	0.039 (N.A.)	0.026

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3385.95	3271.95	3467.04	3.48
Cost of production	3327.59	3278.99	3346.13	1.48
Net Profit/Loss(-)	254.05	49.58	202.66	412.40
Net Worth	-4816.60	-4673.77	-4723.36	-
Paid up capital	2118.00	2118.00	2118.00	0.00
Share of Holding Co.	2118.00	2118.00	2118.00	0.00

5. Key Performance Factors

BCCL has shown big increase in profit during 2007-08 as compared to 2006-07. This is despit some inherent constraints like implementation of wage & pay revision in the company which was carried out to maintain industrial harmony despite the inappropriate financial position of the company. The said revision could be possible due to financial support extended by the holding company i.e. CIL.

Insufficient investment in mining equipment resulted in lesser production due to shrinkage in mine capacity. The other constraints affecting the performance include shortage of working capital, non-availability of land, fires on surface, water logged at working of upper seams, unstable upper working seams, densely populated surface area, presence of jores, Railway lines, steep gradients in mines etc.

Various cost control measures like rationalization of manpower, improvement in quality and yield etc. have been taken.

6. Human Resource Development (HRD)

The enterprise employed 80051 regular employees (executives 2293 & non-executives 77758) as on 31.3.2008 as against 83578 employees as on 31.3.2007. About 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 3385 employees retired during the year under superannuation and 1412 skilled and 1327 unskilled employees left the company in attrition. However, 13 new skilled and 472 un-skilled employees joined during the year.

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 31.3.2008 was 13, out of which 2 were independent Directors.

7. Strategic Issues

Restructuring Plan

BCCL was registered as a sick company in 1995 with the Board for Industrial and Financial Reconstruction(BIFR). Company's networth had become positive in view of capital restructuring in 1997 and it came out of BIFR. However, the networth again became negative by 1999-2000 resulting in compulsorily reference to BIFR on 13.1.2001. A Revival Plan prepared by BCCL in consultation with various stakeholders was submitted to BIFR. However, in December, 2004, the Board for Reconstruction of Public Sector Enterprises (BRPSEP came into existence inter alia to consider the cases of sick CPSEs. Accordingly, a modified rehabilitation scheme was submitted to BRPSE during 2005-06 which remitted back to the M/o Coal for additional information / modification of the proposal, etc. BCCL appointed a consultant for review and appraisal of projections and underlying assumptions of revival package. The report submitted by the consultant was approved by BCCL board on 21.4.2006 and forwarded to M/o Coal. As another Financial year (2006-07) has elapsed since the submission of the report, the Govt. has desired to update the report. Accordingly updated revival plan is based on infusion of additional funds by CIL in the form of debt, waiver of existing unsecured loans, closure of unviable underground (UG) mines and infusion of new machinery into its fleet.

Research & Development (R&D)

During 2007-08, total 4 R&D projects / schemes were under implementation at total cost of Rs.19.53 crore, which constituted 0.58% of turnover of the company.

Central Coalfields Ltd. (CCL)

1. Company Profile

CCL was incorporated on 1.11.1975 under the Companies Act, 1956 with an 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' Miniratna 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. (CIL).

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 power, 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) 2007-08	2006-07	2005-06	Average of three years
COAL	LT	441.46	413.19	405.13	419.93
Coking Coal (Washed Coal)	LT	18.38 (38.21)	18.24 (37.92)	22.89 (47.59)	19.84
Non-Coking Coal(Washed Coal)	LT	65.95 (76.33)	66.76 (77.27)	65.66 (76)	66.12
Middling/Slurry	LT	20.59	21.22	22.18	21.33

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% change over 2006-07
Turnover	5060.54	4506.41	4512.51	12.30
Cost of production	3822.02	3356.81	3133.78	13.86
Net Profit/Loss(-)	625.58	649.73	758.37	-3.72
Dividend declared (as % of PBT)	23.99	23.61	24.82	1.61
Net Worth	1886.17	1686.28	1322.48	11.85
Paid up capital	940.00	940.00	940.00	0.00
Share of Holding Co.	940.00	940.00	940.00	0.00

5. Key Performance Factors

During the year 2007-08, the overall production of coal in CCL increased by 6.84% over last year, the production from opencast mining increased by 7.50%, but at the same time the production from under ground mining declined by 6.39%. The overall yield of Non-Coking coal washeries increased from 81.36% during 2006-07 to 82.6% during 2007-08. Overall system capacity utilization of the total production achievement was increased from 75.24% to 82.8%. The total off take through rail, road, internal transfer and colliery consumption during the year was 42.043 million tones.

Despite increase in coal production by 6.84%, the profit recorded 3.72% decline during 2007-08 over 2006-07. The availability and utilization of HEMM during the year was lower than the prescribed norms of the CMPDIL.

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.

6. Human Resource Development (HRD)

The enterprise employed 58808 regular employees (executives 2491 & non-executives 56317) as on 31.3.2008 as against 61610 employees as on 31.3.2007. About 44% of the employees come under the age bracket of 51 year & above.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 2162 employees retired and 347 employees availed of VRS during the year. However, 577 employees were added to the existing manpower.

The total number of Directors in the company as on 31.3.2008 was 9, out of which 3 were part time Non-official Directors / professionals, 4 full time Functional Directors and 2 Government / official Directors.

The company considers human resource as a major driving force in its future growth and increasing production and productivity. The well trained employees with increased level of job satisfaction have provided an added advantage to the company in ensuring higher safety levels, higher HEMM utilization and increased coal production. As a special drive the company trained 240 workers for 6 months by transformational training to fulfill the shortage of HEMM.

7. Strategic Issues

The company aims at to become a world class, innovative, competitive and profitable coal mining Company through efficiently operated mines. However, higher cost of production is the area which needs attention.

Project Implementation

Till 31.3.2008, 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.4710.52 crore. 53 projects (33 mining & 20 non-mining) of the 81 projects have already been completed at a sanctioned capital cost of Rs.1753.27 crore.

Research and Development

CCL is implementing R&D project on operational improvement of HEMM through lube oil analysis programme sanctioned by the R&D Board of Coal India Limited jointly with Indian School of Mines University (ISMU), Dhanbad.

Environment and Ecology

The company has been filing Annual Environmental Statement for all projects submitted to JSPCB in compliance of Environmental Clearance. Periodical implementation Report in respect of all the projects for which environment clearance has been obtained were submitted to Ministry of Environment and Forest(MOEF).

During 2007-08, 609000 saplings of fruit bearing, medicinal and commercial varieties were planted. The plantation was done through State Forest Department in about 243 hectares of land.

Coal India Ltd. (CIL)

1. Company Profile

Coal Mines Authority Ltd. was incorporated on 14.6.1973 under Coal Mines (Nationalisation) Act. This company was merged with Bharat Coking Coal Ltd. in 1975 and renamed as CIL. The main objective is to produce and market the planned quantity of Coal (and coal products) efficiently and economically with due regard to safety, conservation and quality. The main thrust of CIL, in the present context, is to orient its operations towards market requirements and maintain its commercial viability so as to become a leading energy supplier in the country, through best practices from mine to market.

CIL is a schedule- 'A' PSE in Coal and Lignite sector under the administrative control of M/o Coal with 100% shareholding by the Government of India. Its Registered and Corporate offices are at Kolkata, West Bengal.

2. Industrial / Business activities

Coal India Ltd is engaged in the business of Coal mining (including acquisition), manufacturing of Coke and other business, coal belt methane gas and byproducts and to explore, produce, sell and distribute the coal through its 3 units (North Eastern Coalfields in Assam and two marketing offices at Delhi and Kolkata). It has 8 subsidiaries, out of which 7 are engaged in production and sale of coal and one in Research and Development of coal mining, located in the states of Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, and West Bengal. The 8 subsidiaries of CIL are Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Eastern Coalfields Limited (ECL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL), Western Coalfields Limited (WCL), Northern Coalfields Limited (NCL) and Central Mine Planning Design Institute Limited (CMPDIL).

3. Production / Operational Profile

The company is involved in production of coal along with playing the role of the holding company for its subsidiaries. The average capacity utilization of the company during 2007-08 was 100%. The production performance during the last three years was as follows:

Product	Unit of Measurement	Production 2007-08	2006-07	2005-06	Average for three years
Coal	TMT*	1101	1050	1101	1084

* Thousand Metric Tone

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	272.31	281.37	268.42	-3.22
Cost of Production	782.42	589.17	464.23	32.80
Net Profit/ Loss(-)	2453.80	2821.49	1711.66	-13.03
Dividend declared (as% of PBT)	65.91	52.35	63.83	25.91
Net worth	13369.30	12654.64	11341.59	5.65
Paid up capital	6316.36	6316.36	6316.36	0.00
Share of Central Govt.	6316.36	6316.36	6316.36	0.00

5. Key Performance Factors

Coal India Ltd. being a holding company provides guidance and direction to its subsidiaries and plays a vital role in the national energy scenario.

The major operations of the company are in the states of Assam and West Bengal wherein an investment of Rs. 119 crore and Rs. 227 crore respectively has been made in fixed assets with an employment to 3072 and 828 persons respectively as on 31.3.2008.

Besides its own income, the other income sources are dividend and interest received from its subsidiary companies as well as interest received on other investments made by the company.

The production of the company increased marginally by 51 TMT (on 100% capacity utilization) i.e. 4.86% during 2007-08 compared to previous year. The turnover, however, decreased by 3.22% during this period.

CIL made a contribution to Central Exchequer amounting to Rs. 2119 crore by way of dividend, taxes, excise duties etc. during 2007-08. The share of dividend to the Government was Rs. 1705 crore.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.3.88 as against Rs. 4.47 in the previous year on the value of Rs. 10 per share.

6. Human Resource Development (HRD)

CIL employed 4161 regular employees (433 executives & 3728 non-executives) as on 31.3.2008. 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. 120 employees retired and one skilled employee joined during the year. 41 employees retired under VRS and an amount of Rs. 2.35 crore was spent in this regard during 2007-08.

The total number of Directors in the company as on 31.3.2008 was 13, out of which 6 were part time Non-official Directors / professionals, 2 Government Directors and 5 full time Functional Directors.

7. Strategic Issues

In order to maximize the productivity of mines and improve the availability and utilization of equipments, CIL took various measures 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 Maintenance and Repair 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. 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 and to control the cost of production, cost control measures 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 the company. The key thrust areas of R&D activities are 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.

At present there are 15 ongoing projects which are in different stages of implementation. 3 Projects were completed during the year 2007-08. The R&D expenditure of the company was Rs.11.08 crore during the year, which constituted 4.07% of the total turnover of Rs. 272.31 crore of CIL.

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 a production division viz. Eastern Division of erstwhile Coal Mines Authority 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 and market the planned quantity of coal and coal products efficiently and economically with due regard to safety, conservation and quality. The company intends to be a leading energy supplier in the country through best practices from mine to market. 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 coal mines spread over Raniganj Coalfield, Saharjuri (Chitra) Coalfield and Rajamahal Group of coal fields for producing coal for the power sector through its 107 operating units (88 Under Ground mines and 19 Opencast mines) 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 production is as follows:

Product	Unit of Measure-ment	Production (% capacity utilization)			Average for three years
		2007-08	2006-07	2005-06	
Coal	Lakh Tonne	241(71)	305(79)	311(89)	286(80)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3187.61	3518.21	3417.68	-9.40
Cost of Production	4349.25	3672.84	3455.76	18.42
Net Profit/Loss(-)	-1004.05	110.60	363.86	(-)1007.82
Net worth	-4239.86	-2925.42	-3036.02	-
Paid up capital	2218.45	2218.45	2218.45	0.00
Share of Holding Co.	2218.45	2218.45	2218.45	0.00

5. Key Performance Factors

The decrease in production of coal by 20.98% during 2007-08 as compared to previous year adversely affected the turnover. The production suffered because of non-finalization of global tender for Rajmahal expansion from 10.50 million tones to 17.00 million tones which resulted in non-procurement of major equipments vis a vis undertaking rehabilitation and reduction in the mine capacity; lack of exposure of coal due to delay in rehabilitation of Boraichowk village; delay in starting of replacement patches etc.

The Earning Per Share (EPS) of the company during 2007-08 was (-) Rs.4.53 at the share value of Rs.10.

6. Human Resource Development (HRD)

The enterprise employed 94943 regular employees (2299 executives, 7845 unionised supervisors and 84799 workmen) as on 31.3.2008. About 2% of the employees were having professional qualifications. Around 41% 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 3551 employees retired during the year on superannuation and 1339 skilled and 2279 unskilled employees also left on other grounds. One skilled and 953 unskilled new employees joined during the year.

As many as 618 employees were identified as surplus manpower during the year. 491 employees retired under VRS and an amount of Rs.27.19 crore was spent in this regard. Since the introduction of VRS a total of 31054 employees have availed of the scheme.

The total number of Directors in the company was 13 as on 31.3.2008, out of which 5 each were part time Non-official Directors / professionals and 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. Besides providing cash and non-cash assistance by the Government/ Coal India Limited, the proposal provides for reduction in manpower from 1,14,582 as on 1.4.2003 to 88,196 as on 1.4.2010 through 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 underground 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 associated assets, liabilities, obligations and current contracts especially 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' Miniratna CPSE in Coal and Lignite sector under the administrative control of M/o Coal. Its Registered and Corporate offices are 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 Liaison Offices at Kolkata and Bhubneswar. The company is having coal reserves spread over two coalfields viz. Talcher and Ib Valley. The company is having two subsidiary joint ventures namely MNH Shakti Ltd. and MJSJ Coal Ltd. with a shareholding of 70% and 60% respectively.

3. Production / Operational Profile

The company is engaged in the mining and production of coal. The performance details regarding production of coal is given as under:

(Rs. in crore)

Major Products	Unit	Production during			Average of three years
		2007-08	2006-07	2005-06	
Coal	Lakh MT	880.11	800.01	696.05	792.05

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4347.08	3712.75	3277.11	17.09
Cost of production	2690.22	2270.50	1952.72	18.49
Net Profit/Loss(-)	1633.26	1368.45	1256.29	19.35
Dividend declared (as % of PBT)	39.81	26.38	28.25	50.93
Net worth	4686.72	4223.41	3484.16	10.97
Paid up capital	186.40	186.40	186.40	0.00
Share of holding Co.	186.40	186.40	186.40	0.00

5. Key Performance Factors

MCL recorded all round better performance during 2007-08 compared to previous year. While the production of coal increased by 10.01%, the profit increased by 19%.

The Company was accorded the status of Miniratna Category-I on 15th March, 2007. Its Board declared a dividend for Rs.1000 crores for the year 2007-08. The Company has the record of paying dividend for eleven years in a row.

Earning Per Share during 2007-08 was Rs.87.62 as compared to Rs.73.41 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 20786 regular employees (executives 1219 & non-executives 19567) as on 31.3.2008 as against 20591 employees as on 31.3.2007. 30.89% 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 348 employees retired during the year. 154 skilled and 646 unskilled new employees joined the company.

During the year, 52 employees retired under VRS and an amount of Rs. 2.18 crore was spent in this regard.

The total number of Directors in the company as on 31.3.2008 was 9, out of which 2 were Government / official Directors and 3 Non-official / Professional Directots.

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 over 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. Although planned for the transportation of coal from the hinterland of Gopalpur-Monaharpur coal blocks of Basundhara-Garjanbahal area of Sundargarh districts, the rail link will be a boost to the economic development of this area.

Environment & Ecology

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.

Neyveli Lignite Coporation Ltd. (NLC)

1. Company Profile

NLC was incorporated on 14th November, 1956 under the Companies Act, 1956 with the objective of meeting the electricity demand of the 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 (Category-I) 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, in Cuddalore district of Tamilnadu. The company has entered into a 50: 50 Joint Venture 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	Units	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Lignite	MT	21.54 (89.75)	21.01 (87.54)	20.43 (85.13)	20.99
Power	MU	17457 (80.03)	15787 (72.38)	16242 (74.46)	16495

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	2981.65	2108.11	2201.41	41.44
Cost of production	2169.15	1874.00	1838.22	15.75
Net Profit/ Loss (-)	1101.57	566.78	702.35	94.36
Dividend declared (as % of PBT)	23.56	23.15	38.95	1.80
Net Worth	9008.79	8309.29	7990.38	8.42
Paid up capital	1677.71	1677.71	1677.71	0.00
Share of Central Govt.	1569.64	1569.64	1569.64	0.00

5. Key Performance Factors

The higher power generation during the year 2007-08 was mainly on account of higher lignite production from Mine-II when compared to the previous year. This is one of the reasons for registering higher sales turnover and corresponding profit, compared to the previous year. The power generation from Thermal Power Station –II registered the highest generation for any financial year since the inception of the Company.

The Earning Per Share of the company during 2007-08 was Rs.6.57 as against Rs.3.38 in the previous year.

The share price of NLC varied between Rs.49.10 to Rs.273.90 during the year 2007-08 as compared to Rs.46.05 to Rs.100.25 in 2006-07. The average share price during the year was Rs.161.50

6. Human Resource Development (HRD)

The enterprise had 18940 regular employees (executives 3850 & non-executives 15090) as on 31.03.2008. 20.51% of the employees were having professional qualifications. 22.06% 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, 43 skilled employees left the company while 151 new skilled employees joined.

One employee retired under VRS and an amount of Rs.18 lakhs was spent for this purpose. Since the introduction of VRS, a total of 3151 employees have availed of the scheme.

The total number of Directors in the company, as on 31.03.2008 was 16, out of which eight were part time Non-official/Independent Directors.

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 District (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 based power project at Jayamkondam in Tamil Nadu, Barsingsar Thermal Power Project Extension at Bithnok and Halda in Rajasthan, Coal based Thermal Power Plant at Orissa, 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.

The Company is also pursuing with the subsidiary companies of Coal India Limited, for setting up Joint Venture Companies for mining/ power generation. Process of entering into MOU with Northern Coal Fields Limited, Central Coal Fields Limited, and South Eastern Coal Fields Limited.

Research & Development (R & D)

The R & D projects initiated by the company include 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 of fly ash in agriculture and Pilot plant feasibility studies for continuous production of various forms of Potassium Humate. The Company has developed a process for extracting humic acid from lignite thereby the lignite will have a diversified utility for growth of agriculture. Patent has been granted for this project and with a view to commercialise the process, MoU has been entered into with National Research Development Corporation, New Delhi.

The Coal S&T 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 absorption capacity development and use of fly ash based pesticides. The R&D expenditure of the company constituted 0.20% of its 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. Modern dry ash collection system in Thermal Station –II is nearing completion. The system will be ready in all the units in a phased manner before December, 2008. The bottom ash generated in the Power Plants are used for mine back filling, laying haul roads in the Mines and is used for agriculture and other construction purposes as alternative to sand.

Northern Coalfields Limited (NCL)

1. Company Profile

NCL was incorporated on 28.11.1985 under the Companies Act, 1956 with the objective to acquire and takeover specific coal mines activities carried out in Madhya Pradesh and Uttar Pradesh. NCL is a schedule-'B' Mini-ratna CPSE 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 10 operating mining projects at Jhingurda, Block-B, Jayant, Amlohri, Nigahi in Madhya Pradesh and Bina, Krishnashila, Kakri, Dudhichua, Khadia in Uttar Pradesh.

3. Production / Operational Profile

The production performance of the company is as follows:

Major Products	Units	Production during (% achievement against target)			Average of three years
		2007-08	2006-07	2005-06	
Coal	Million Tonnes	59.623 (102.79)	52.158 (100.30)	51.518 (101.41)	54.433
Overburden removal	Million cu.m.	186.25 (90.14)	139.598 (93.07)	133.864 (88.72)	153.238
Composite production	Million cu.m.	224.656 (92.09)	173.173 (94.39)	167.019 (90.98)	188.283

4. Major Financial Highlights

(Rs. in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	5514.23	5403.79	5315.09	2.04
Cost of Production	3373.60	3017.86	2791.54	11.79
Net Profit/Loss (-) after Tax	1771.66	1366.49	1300.98	29.65
Dividend declared (as % of PBT)	38.43	25.18	24.56	52.60
Net worth	6076.46	5560.36	4725.26	9.28
Paid up capital	177.67	177.67	177.67	0.00
Share of Holding Co.	177.67	177.67	177.67	0.00

5. Key Performance Factors

NCL achieved coal production and the overburden removal with the growth rates of 14.31% and 33.41% respectively during 2007-08 as compared to previous year. The turnover and profit after tax were also higher by 2.04% and 29.65% respectively due to increase in production and various cost control measures taken by the company.

Output per Man Shift (OMS) increased to 13.81 tonnes as compared to the previous year's achievement of 10.97 tones. The overall capacity utilization was 85.56% as compared to 86.24% in the previous year.

The crisis arising out of short supply of bulk explosives during last quarter of the year 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 had 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 Co-operation (JBIC) for financing the CSRP.

The company incurred a capital expenditure of Rs.404.71 crore against the budget of Rs.400.00 crore mainly for acquisition/addition of HEMM, other plant and machinery and on buildings etc.

Earning Per Share was Rs.99.72 during 2007-08 as compared to Rs.76.91 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 16697 regular employees (1376 executives and 15321 non-executives) as on 31.3.2008. 6.45% of the employees were having professional qualifications. 34.53% 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. 330 employees retired during the year under superannuation.

Since the introduction of VRS, 13 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 12, out of which 4 were full time Functional Directors, 4 Government/Official Directors and 4 Part Time Non-Official Directors.

7. Strategic Issues

NCL has been conferred Mini Ratna Category-I status in March, 2007. However, the enhanced autonomy and powers delegated to a Mini Ratna Category-I Companies by the Government will be exercised only on appointment of requisite number of independent Directors.

The estimated coal production of the company during the terminal year of XI Plan i.e. 2011-12 is expected to be 78 million tones. To achieve the above production level, four new open-cast projects (OCP) have been identified in NCL command area namely Khadia-Expansion OCP (4 to 10 mtpa), Dudhichua-Expansion OCP (10 to 15 mtpa), Nigahi-Expansion OCP (10 to 15 mtpa) and Jayant-Expansion OCP (10 to 15 mtpa).

At present four mining projects and two non-mining projects are under implementation.

Environmental initiatives

NCL is committed to the environmental conservation and pollution control. Environmental Management System (EMS) has been implemented in all ten 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.

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 Talcher area of Central Coalfields Ltd. (Talcher 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 coal are as follows:

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Coal	Million Tonnes	93.719 (96)	88.502 (107)	83.024 (110)	88.415

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	8718.78	6323.70	7160.92	37.87
Cost of Production	5977.13	4217.70	5274.33	41.72
Net Profit/Loss(-)	1342.94	1236.89	929.01	8.57
Dividend declared (as% of PBT)	39.70	28.45	30.07	39.53
Net worth	4459.33	4080.28	3441.23	9.29
Paid up capital	359.70	359.70	359.70	0.00
Share of Holding Co.	359.70	359.70	359.70	0.00

5. Key Performance Factors

The turnover of the company increased by 37.87% and profit by 8.57% during 2007-08 as compared to the previous year. About two third of the total sales were made to Government Departments/ organizations. The increase in profitability is attributed to increase in turnover 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-VIII and additional provision for executives' ad hoc pay revision and DA merger.

Earning Per Share of SECL was Rs. 37.34 as on 31.3.2008 as against Rs. 34.39 as on 31.3.2007.

6. Human Resource Development (HRD)

The enterprise employed 82782 regular employees (executives 2781 and non-executives 80001) as on 31.3.2008 as against 84368 employees as on 31.3.2007. About 27% 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. 1370 employees retired and 174 new employees joined the company during the year.

In addition, 45 employees retired under VRS. Since the introduction of VRS a total of 4418 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

Environmental initiatives

Company has introduced modern eco-friendly technology for production of coal from opencast mines.

WESTERN COALFIELDS LIMITED(WCL)

1. Company Profile

Western Coalfields Limited(WCL) was incorporated on 29.10.1975 under the Companies Act, 1956 and came into being from 1.11.1975 after re-organization of the nationalised Coal Industry with an objective to produce coal efficiently and economically with due regard to safety, conservation and 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. Western Coalfields Limited is a schedule - 'B' PSU in Coal and Lignite sector under the administrative control of Ministry of 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 involved in extraction of coal from 84 coal mines in Nagpur, Chandrapur and Yeotmal districts of Maharashtra and Betul and Chhindwara districts of Madhya Pradesh. Out of 84 mines, 42 are open cast and 42 underground mines. The company has 10 field areas and 2 Zonal / Regional Offices at Kolkata and New Delhi. The enterprise is driven by a workforce of 64160 regular employees as on 31.3.2008.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Coal	Million Tonnes	43.512 (105.22)	43.212 (99.00)	43.204 (103)	43.309

4. Financial performance

Particulars	Performance during (Rs. in crore)			% Increase decrease over
	2007-08	2006-07	2005-06	2006-07
Turnover	5681.34	5012.24	4986.32	13.35
Cost of prod.	4533.78	3748.26	3293.12	20.96
Net Profit/Loss(-)	611.78	682.38	990.54	-10.35
Divided declare (as % to PBT)	39.90	26.25	27.70	51.99
Net Worth	3435.24	3019.80	2515.13	13.76
Paid up capital	297.10	297.10	297.10	0.00
Share of Central Govt/holding Co.	297.10	297.10	297.10	0.00

5. Key Performance Factors

The company achieved highest ever coal production of 43.512 million tones(Previous year 43.212 million tonnes) and overall productivity during the year was 2.52 as against 2.44 in the previous year.

The Company has registered the highest ever coal off-take of 44.90 million tones as against 42.17 million tonnes which is 2.73 million tones more than the off-take as compared to last year and 104.60% of annual action plan, the highest percentage achievement among the subsidiaries of Coal India Limited.

Reduction of closing stock of coal by 13.90 lakh tonnes as on 31st March, 2008 as compared to coal stock as on 31.3.2007.

Over burden removal has also registered a growth of 7.1% (113.893 mill.cu.mtr. in 2007-08 as against 106.331 mill. Cu. mtr. in 2006-07) as compared to last year's performance which is the second highest in terms of percentage achievement among the subsidiaries of CIL.

Sales realization during the year 2007-08 was Rs.6108.61 crores as against Rs.5138.48 crores in the year 2006-07.

6. Human Resource Development (HRD)

The enterprise had 64160 regular employees (executives 2316 & non-executives 61844) as on 31-03-2008.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration.

During the year 2007-08, 2397 employees left the company out of which 164 availed of VRS, 1365 retired on superannuation, 393 death and 475 on other grounds. Rs.15.67 crore was spent for VRS during the year. Since the introduction of VRS, a total of 10015employees have availed of the scheme till 31.3.08.

New addition to manpower is 958, out of which 470 are employment of dependents, 81 persons are statutory personnel (mining Sardar) and balance 407 being others.

The total number of Directors in the company as on 31.03.2008 was 10, out of which 3 were part time Non-official Independent Directors, 5 whole time Functional Directors and 2 Government Directors.

6. Strategic Issues

Industrial relations

On account of general strike call by unions in the year 2007-08 at National / Industrial level, Mandays lost was 18,745 and production loss was 83,877 tonnes of coal.

Non-performing Assets

The company has identified non-performing assets (intangible) in the head prospecting & boring expenses and development expenses for the mines/projects incurring cash losses in consecutive five years as on 31.3.2008. The value of these assets is Rs. 9336.03 lakhs including Rs. 519.47 lakhs on prospecting and boring expenses, Rs.7,940.86 lakhs on developmental expenses. In addition to above, provision for assets impairment has been made for Rs. 102.34 lakhs on Plant & Machinery and Rs.12.31 lakhs on Buildings.

Research & Development (R & D)

Research & Development and technical studies on extraction of pillar, Wide & Stall method, design of support system, hydro-geological survey, slope stability test, and controlled blasting are carried out in various mines of WCL through different scientific and research organisations on a regular basis.

Project implementation

WCL proposes to install 10MW wind mill at suitable sites having potentiality of wind energy in Madhya Pradesh, on turn-key basis. The electricity-generated will be tapped at Pathakhera Area for utilization, which in-turn will save power cost. The proposal was in principle agreed by Board of Directors of WCL in its 208th meeting and is further furnished to the Board for approval for calling of Expression of Interest.

Collaborative research is being undertaken with VNIT on "Investigations on feasibility of converting energy of exhaust air from Mine ventilation fans (exhaust type) at the surface into electrical energy" at Saoner Mine No.-III, Nagpur to utilize, by converting the Kinetic energy of mine exhausts air which is wasted otherwise, into electrical energy. The project has been commissioned and further study is being carried out. This being a pilot project, further plans to use innovation in other underground mines within the command area of WCL could be assessed after successful completion of the activity.

Environmental & Ecology

Company is aware of its Corporate responsibilities towards the environment and ecology aspects of project management and is taking due action for Environmental Protection and Pollution mitigation measures in all operating mines.

Following environment mitigations works were completed during 2007-08 :

(i) Workshop ETP at Naigaon OCP in Wani Area.

(ii) Sedimentation Tanks for Mine Discharge at Adasa UG, Kamptee UG to OC and Inder UG to OC.

(iii) Water Sprinkler arrangements for Dust Suppression at Godhni Railway Sidings.

(iv) Dust Suppression System at Nandan Washery Complex.

14 CRUDE OIL

As on 31.3.2008, 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 exploration and production (E&P) 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)

SI.	Enterprise	Turnover	
No.		2007-08	2006-07
1.	Oil & Natural Gas Corporation Ltd.	60137.35	56912.31
2.	ONGC Videsh Ltd.	6908.71	2863.49
3.	Oil India Ltd.	6081.95	5389.21
	Total	**73128.01**	**65165.01**

5. **Net Profit/Loss :** The details of the enterprises, which earned net profit are given below:

(Rs. in crore)

SI.	Enterprise	Net Profit/Loss	
No.		2007-08	2006-07
1.	Oil & Natural Gas Corporation Ltd.	16701.65	15642.92
2.	ONGC Videsh Ltd.	849.42	1052.56
3.	Oil India Ltd.	1788.93	1639.98
	Total	**19340.00**	**18335.46**

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	
		2007-08	2006-07
1.	No. of employees	41570	42421
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	64.38	77.21
	b. Medical facilities	17.62	186.76
	c. Others	34.60	31.12
3.	Capital cost of township *(Rs. in crore)*	0.00	0.00
4.	No. of houses constructed	18947	6887

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	1650000	1650000	1575000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	179574	1 79574	126737
OTHERS	155715	155715	67256
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	7974222	6907087	5953074
TOTAL (A)+(B)+(C)	**8309511**	**7242376**	**6147067**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	10489	70901	15944
(B) UNSECURED LOANS	1148072	1371349	1592101
TOTAL (A)+(B)	**1158561**	**1442250**	**1608045**
(1.3) DEFERRED TAX LIABILITY	2112940	2273169	2011122
TOTAL (1.1)+(1.2)+(1.3)	**11581012**	**10957795**	**9766234**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	14046032	12949273	11354386
(B) LESS DEPRECIATION	8871077	8033700	7246715
(C) NET BLOCK (A-B)	5174955	4915573	4107671
(D) CAPITAL WORK IN PROGRESS	1357729	1080494	1150109
TOTAL (C)+(D)	**6532684**	**5996067**	**5257780**
(2.2) INVESTMENT	2438411	2582443	2532540
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	409421	363555	350255
(B) SUNDRY DEBTORS	572305	370896	442107
(C) CASH & BANK BALANCES	2698561	2296319	1207858
(D) OTHER CURRENT ASSETS	155847	88526	52641
(E) LOAN & ADVANCES	768496	742969	1134995
TOTAL (A)+(B)+(C)+(D)+(E)	**4604630**	**3862265**	**3187856**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	1325413	1021444	816387
(B) PROVISIONS	736690	512942	432190
TOTAL (A+B)	**2062103**	**1534386**	**1248577**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**2542527**	**2327879**	**1939279**
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	67390	51406	36635
(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)	**11581012**	**10957795**	**9766234**

CRUDE OIL

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	7312801	6516501	5498917
(B) EXCISE DUTY	28907	27089	27799
(C) NET SALES (A-B)	7283894	6489412	5471118
(D) OTHER INCOME /RECEIPTS	582563	512601	371323
(E) ACCRETION / DEPLETION IN STOCKS	11752	1772	22439
(I) TOTAL INCOME (C+D+E)	**7878209**	**7003785**	**5864880**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	651153	594011	343380
(B) STORES SPARES	89683	57975	52866
(C) POWER &FUEL	23454	24556	16765
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	1935314	1869579	1658653
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	192549	275346	159948
(F) OTHER EXPENSES	594443	264377	191991
(G) PROVISIONS	77783	59019	48904
(II) TOTAL EXPENDITURE (A TO G)	**3564379**	**3144863**	**2472507**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP(PBDITEP)(I-II)	4313830	3858922	3392373
(4) DEPRECIATION 778201	613118	881489	
(5) DRE. /PREL EXP. WRITTEN OFF	496106	464802	0
(6) PROFIT BEFORE INT., TAXES &EP (PBITEP) (3-4-5)	3039523	2781 002 _	2510884
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	45	147	247
(B) ON FOREIGN LOANS	123	163	223
(C) OTHERS 83031	6466	4218	
(D) LESS INTEREST CAPITALISED	894	-23	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	82305	6799	4688
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**2957218**	**2774203**	**2506196**
(9) TAX PROVISIONS	1013881	925789	859590
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	1943337	1848414	1646606
(11) NET EXTRA -ORD. ITEMS	9337	14868	-30410
(12) NET PROFIT /LOSS (10-11)	**1934000**	**1833546**	**1677016**
(13) DIVIDEND DECLARED	743290	718691	698381
(14) DIVIDEND TAX	126322	109532	97948
(15) RETAINED PROFIT (12-13-14)	**1064388**	**1005323**	**880687**

AGRO BASED INDUSTRIES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1476361	1736571	1791688
(ii) CAPITAL EMPLOYED	7717482	7243452	6046950
(iii) NET WORTH	8242121	7190970	6110432
(iv) COST OF PRODUCTION	4920991	4229582	3358684
(v) COST OF SALES	4909239	4227810	3336245
(vi) VALUE ADDED	6531356	5814642	5080546
(vii) R & D EXPENDITURE	20077	9762	109592
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	41570	42421	44236
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	38599	54090	30132
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.14	0.20	0.26
(ii) CURRENT RATIO	2.23	2.52	2.55
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	103.77	90.97	76.69
(iv) SUNDRY DEBTORS : SALES (No. of days)	28.68	20.86	29.49
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	20.52	20.45	23.37
(ii) SEMI / FINISHED GOODS : SALES	2.81	2.53	2.90
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.59	1.20	3.32
		(%)	
(vii) SALES : CAPITAL EMPLOYED	94.38	89.59	90.48
(viii) PBDITEP : CAPITAL EMPLOYED	55.90	53.27	56.10
(ix) PBITEP: CAPITAL EMPLOYED	39.38	38.39	41.52
(x) COST OF SALE : SALES	67.40	65.15	60.98
(xi) MATERIAL COST : SALES	8.94	9.15	6.28
(xii) SALARY & WAGES : SALES	2.64	4.24	2.92
(xiii) R & D EXPENDITURE : SALES	0.28	0.15	2.00
(xiv) PBITEP : SALES	41.73	42.85	45.89
(xv) PBTEP : NET WORTH	35.88	38.58	41.02
(xvi) NET PROFIT : NET WORTH	23.46	25.50	27.45
(xvii) GROSS MARGIN : GROSS BLOCK	30.71	29.80	29.88

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. This was done by transforming the 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. 01.02.1994. The Vision of the Company is "to become a world class oil and gas company integrated in energy business with dominant Indian leadership and global presence". ONGC is a schedule-'A'/ Navratna CPSE in Crude Oil sector under the administrative control of Ministry of Petroleum and Natural Gas. 74.14% shareholding is with the Government of India. Its Registered office is at New Delhi and Corporate office at Dehradun, Uttarakhand.

ONGC conducts domestic operations across the country with its exploration and production activities managed through 10 Assets and 7 Basins. ONGC carries out oil & gas production activities through business units called Assets; whereas exploration activities are carried out through the business units called Basins. Offshore Assets are Mumbai High, Neelam-Heera and Bassein & Satellite. These Assets are based at Mumbai in Maharashtra. Onshore Assets are located at Ankleshwar, Mehsana, Ahmedabad in Gujarat; Karaikal in Pondicherry; Rajahmundry in Andhra Pradesh; Agartala in Tripura; Nazira, in Assam. Basins are located at Mumbai, Vadodara (Gujarat), Chennai, Kolkata, Jorhat (Assam) and at Dehradun.

2. Industrial/ Business activities

ONGC is India's premier oil and gas corporate 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 and Ankleshwar in Gujarat; Uran in Maharashtra; and a Mini refinery at Tatipaka in Andhra Pradesh. It has two principal Indian subsidiaries namely ONGC Videsh Ltd. (OVL) and Mangalore Refinery and Petrochemicals Ltd. and three major foreign subsidiaries through OVL, namely ONGC Nile Ganga BV, Netherland, ONGC Narmada Ltd. and ONGC Amazon Alaknanda Limited, Bermuda.

The company is a partner in nine incorporated joint ventures (JV) namely Petronet LNG Ltd., Petronet MHB Ltd., ONGC Tripura Power Company Pvt. Ltd., Pawan Hans Helicopters Ltd., Dahej SEZ Ltd. (DSL), Mangalore SEZ Ltd. (M-SEZ), ONGC Petro-additions Ltd. (OPaL), ONGC Mangalore Petrochemicals Ltd. (OMPL) and ONGC TERI Biotech Ltd. (OTBL) with a shareholding of 12.5%, 23%, 50%, 21.5%, 23%, 26%, 26%, 46% and 50% respectively. Further, there are unincorporated JVs operating on production sharing contracts.

3. Production/ Operational Profile

The product range of the company comprises two main segments i.e. Crude Oil and Natural Gas, and 8 Value Added Products. The performance details of major products (having more than 5% contribution to turnover) are as follows:

Major Products	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Crude Oil	MMT	27.84	27.89	27.16	27.63
Natural Gas	BCM	25.12	24.90	24.89	24.97
Value Added Products	MMT	3.257	3.238	3.425	3.307

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	60137.35	56912.31	49244.39	5.67
Cost of production	39,725.47	36,870.62	29134.10	7.74
Net Profit	16701.65	15642.92	14430.78	6.77
Dividend declared (as % of PBT)	27.12	27.65	30.00	-1.91
Net worth	69943.50	61409.87	53593.32	13.90
Paid up capital	2138.89	2138.89	1425.93	0.00
Share of Central Govt.	1585.74	1585.74	1057.37	0.00

5. Key Performance Factors

During the year 2007-08, Oil and Oil Equivalent Gas (O+OEG) production of ONGC, including the production from domestic joint ventures and overseas assets, was the ever highest at 61.85 MMT, 1.84% more than the previous year. ONGC maintained the O+OEG production level from domestic fields at 48.28 MMT, marginally lower than last year (-0.4%), owing to the natural decline of mature fields. However, the oil and gas production from overseas assets increased by 10.7%. O+OEG production from domestic joint ventures also increased by 11.2%.

ONGC reported highest ever turnover and net profit during 2007-08. It also declared highest dividend of 320% after paying highest ever sharing of under-recoveries by OMCs of Rs.22,001 crore (up 29%).

The turnover of the ONGC group of companies during the year crossed Rs. One Trillion mark (Rs.1,037,168 million); almost triple in last 5 years. The increase in turnover is attributed to increase in revenue from OVL and MRPL besides prevailing high price of crude oil in the international market. However, there was decrease in margins due to discount on crude oil prices on account of subsidy sharing due to under recoveries by the Oil Marketing Companies (OMCs).

The main performance highlights of different segments of the company during 2007-08 are as follows:

Exploration:

ONGC acquired 8,157 LKM of 2D, 19,353 sq.km of 3D seismic data and drilled 98 exploratory wells.

The exploratory efforts resulted in 13 new hydrocarbon findings viz. 6 in Onland (Karzan in Western Onshore Basin, East Rangapuram & Uppidi in K.G. Basin, Disanghmukh in Assam Shelf and Sundalbari & Kunjaban in AAFB), 5 in Offshore Shallow Water (B-55-B, B-12-Q, BNP-B & B-7-B in Mumbai Offshore and GS-48-AA in K.G. Offshore) and 2 in Deepwater Offshore (MWD-4A & MDW-5 in Mahanadi Deepwater). 22 New pools/ prospects were also discovered.

Reserve Accretion (ONGC operated fields):

During the year 2007-08, ONGC achieved highest ever In-place Reserve Accretion of 182.3 MMTOE during last 10 years and crossed 150 MMTOE milestone for 10th time in 50 years. Reserve Replacement Ratio (RRR) during the year was 1.32 i.e. more than 1 for the fourth consecutive year.

Coal Bed Methane (CBM):

Efforts to expedite exploration and exploitation of CBM have been 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. The first CBM development well was spudded in Parbatpur pilot area on 1st December, 2007 near Bokaro Steel City of Jharkhand; production is likely to commence from April, 2009.

Underground Coal Gasification:

The Underground Coal Gasification project is being carried out with the consultancy services of Skochinsky Institute of Mining (SIM-NMRC), Russia. Data from fifteen different sites were sent to the Institute for comprehensive study. Based on that study, Vastan Mine in Gujarat has been selected as pilot project. 18 bore holes were drilled to know the extension of lignite which helped in preparing detailed geological maps and Hydro geological studies. Finalization of agency for engineering and construction of UCG pilot is in process.

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. National Gas Hydrate Core Repository has been established at ONGC's Institute of Engineering and Ocean Technology (IEOT) near Mumbai for long-term preservation of both hydrate and non-hydrate bearing cores under cryogenic and refrigerated conditions.

ONGC became the first and only Indian company to be listed in Fortune's 'Most admired group of companies' list-2007. The 'Fortune Global 500', 2008 list has ranked the Company at 335, moving 34 notches higher than the previous year. ONGC has also been ranked as Numero Uno E&P Company in Asia and the third largest E&P Company in the world in Platts Energy Business Technology Survey 2007-08 based on Assets, Revenues, Profits, EPS and Return on invested capital. ONGC is 20th among the top 50 publicly traded global Oil & Gas companies (PFC Energy ranking, January' 2008).

The Earning Per Share(EPS) of the Company during 2007-08 was Rs.78.09.

The share prices of the company varied between Rs.762.20 to Rs.1,366.10 during the year 2007-08 as compared to Rs.726 to Rs.936 in 2006-07. The average share price during the year was Rs.987.95.

6. Human Resource Development (HRD)

The enterprise employed 32,949 regular employees (executives 22,989 and non executives 9,960) as on 31.3.2008 as against 33,773 employees as on 31.3.2007. About 53% employees were having professional qualifications. Around 34.6% 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 395 employees retired during the year under superannuation and 303 skilled employees left on other grounds. 500 new skilled employees were inducted during the year.

During the year, 60 employees availed of VRS Since the introduction of VRS, a total of 6,519 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 15. Six were part time Non-official Directors/professionals, seven were full time Functional Directors and 2 Government/ official Directors.

For the Company's training programmes in exploration / production / technical and management fields, external faculties as required were drawn from reputed institutes. 17 institutes are empanelled for techno-scientific subjects and 25 institutes for Management Development programs. For training & development of non executive cadre, ONGC has four 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 actions.

ONGC has synergized itself with downstream activities through 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 opportunities in new and alternate energy sources for which the company has taken structured initiatives through applied R&D.

Restructuring

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. 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 Naphtha to petrochemicals from its plants at Hazira, Uran and MRPL to 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 capacity.

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 2012. ONGC is also taking initiative to develop non-conventional energy sources and has set up a Wind power Projects of 50 MW at Gujarat.

SEZ Projects: ONGC is the anchor co-promoter for developing Special Economic Zone at Dahej and Mangalore for tailor-made infrastructure development for ONGC's 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(AEM), Multi-Transient Electro Magnetic (MTEM), Virtual Drilling Seismic Channel Capacity Upgradation are absorbed by ONGC 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.

Environment & Ecology

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 certifications demonstrate corporate commitment, corporate progress and ensure continual improvements.

This earmarks ONGC's efforts in identifying energy conservation projects that qualify for registration as Clean Development Mechanism (CDM) projects with United National Framework Convention on Climate Change (UNFCCC) under the Kyoto Protocol. ONGC has formalized its corporate policy on Climate Change and sustainability, thereby becoming, once again the first PSU to adopt this policy. It has got registered four CDM projects with UNFCCC, with expected annual Certified Emission Reductions (CERs) of 110, 862. 19 more CDM projects are identified for being taken up.

ONGC has signed an MoU with the United States Environment Protection Agency (US EPA) for identifying and capturing fugitive methane emission from various operations. It has also entered into a MoU with StatoilHydro, Norway to develop Carbon Dioxide Capture and Sequestration (CCS), CDM and Carbon Management projects. ONGC has joined the global initiative on Carbon Disclosure Project (CDP) giving it access to the technologies adopted by different signatory companies in achieving sustainable development.

ONGC has started developing the ecologically threatened mangroves in Cambay area and plans to develop the Mehul Sewri area in Mumbai through collaboration with the internationally acclaimed body 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 taken in safety by developing and implementing procedure and practices, the Insurance premium for the year 2008-09 has come down to US$ 28.87 (million).

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 Naharkatiya in Assam. The company became a central public sector enterprise in 1981. The vision of the company is to be a fast growing energy company with highest profitability; a learning organization nurturing initiatives, innovations and aspirations with best practices; and a responsive corporate citizen committed to socio economic development. 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 NOIDA (U.P.).

2. Industrial / Business Activities

OIL is engaged in exploration and production of Hydrocarbons; transportation of Crude Oil and Natural gas; and extraction of LPG through its two operating units at Dibrugarh and Kamrup districts of Assam. It has Pipeline Headquarter at Guwahati(Assam), 3 project offices viz Rajasthan Project at Jodhpur (Rajasthan), Bay Exploration Project at Bhubaneswar(Orissa) and Ganga Valley Project at NOIDA(U.P.), and 3 Branch Offices at Kolkata (W.B.), Tripoli (Libya) and Libreville (Gabon). The Company has 27 unincorporated joint ventures / Production Sharing Contracts (PSCs) with a 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	Unit	Production during (% Capacity utilization)			Average of three years
		2007-08	2006-07	2005-06	
Crude Oil	000KL	3507	3513	3609	3543
Natural Gas	MSCM	2203	2118	2148	2156
LPG	MT	48147	43718	48312	46726
Condensate	KL	37991	35143	35072	36069
Power Generation	MW	97.69	100.47	97.95	98.70

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	6081.95	5389.21	5550.19	12.85
Cost of Production	4102.99	3519.70	3333.82	16.57
Net Profit/Loss(-)	1788.93	1639.98	1689.93	9.08
Dividend declared (as% of PBT)	21.68	22.36	20.98	-3.05
Net worth	7934.11	6850.14	5849.30	15.82
Paid up capital	214.00	214.00	214.00	0.00
Share of Central Govt.	210.00	210.00	210.00	-

5. Key Performance Factors

OIL is the second largest oil and gas company in India as measured by total proven plus probable oil and gas reserves and production. It is presently contributing approximately 9.14% of overall domestic crude oil production (equivalent to 27.43% of onshore production).

The company has adopted the internationally approved system for estimation of hydrocarbon reserves. It possesses both 2D and 3D seismic API capabilities with excellent support services ranging from satellite navigation systems and remote blasting units to processing/interpretation systems.

OIL has mechanically completed 660 km product pipeline from Numaligarh (Assam) to Siliguri (West Bengal) in August, 2008.

The company earned higher profit after tax despite sharing a higher subsidy burden on crude oil and LPG and paying higher amount of statutory levies compared to previous year. The total subsidy share was Rs. 2305.09 crore in 2007-08, compared to Rs. 1993.75 crore in 2006-07.

Crude price (net of discount to refineries) in international market increased by US$ 28 resulting in additional revenue of Rs. 1162 crore which has been set off by depreciation of US$ in rupee terms resulting in drop of revenue by Rs. 530 crore. The net gain was Rs. 632 crore.

Sales quantity of Natural Gas increased by 3.47% during 2007-08 and that of LPG by 9.70% as compared to last year. The average sale price (net of discount) of LPG increased from Rs. 11735 per MT to Rs. 16286 per MT during this period.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 83.59 as compared to Rs. 76.63 in 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 8431 regular employees (executives 1662, unionised supervisors 900 & workmen 5869) as on 31.3.2008, 10.46% employees were having professional qualifications and 31.32% 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. During 2007-08, 133 persons retired on attaining the age of superannuation. 96 skilled and 14 unskilled employees left the company in attrition. Total 1057 employees availed of VRS during 2001 and 2003 when the scheme was introduced in the company.

The total number of Directors in the company as on 31.3.2008 was 7, out of which two were Government Directors and five full time Functional Directors.

The company has completed all actions pertaining to manpower planning during 2007-08. It is in the process of formulating reward/recognition system for executives as well as review of job profiles of level 1 and 2 executive positions.

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.

The activities of strategic importance pursued by the company during 2007-08 include 9 small and medium size discoveries i.e. 8 in Assam and 1 in Rajasthan; striking of gas in one of the JVC in Assam; commercial discovery of gas at Farsi offshore block, Iran; completion of 4 J-Bend horizontal wells with encouraging results; fastest execution of MWP against NELP-VI Blocks ; restriction of percentage of BS & W in delivered crude to 0.457% by weight bringing down gas flaring by 9.8% compared to previous year; agreement between OIL and Brahmputra Cracker and Polymer Limited for supply of feed stock and fuel for gas cracker project at Lepetkata(Assam); construction of one crude oil pipeline and one gas pipeline from Barekuri EPS to Makum for uninterrupted transportation of crude oil to CTF commissioning of Field Gathering Station at Nagajan (Assam); carrying out 33912 LKM of Aero-Magnetic survey in Gabon; completion of 2D acquisition in Libya; etc.

Exploration strategy

In view of mandatory relinquishment policy of the Government in respect of pre-NELP nominated PELs, OIL is prioritizing exploration activities in such areas for conversion of PELs to PMLs wherever discovery and commercial produce ability is established.

Systematic implementation of recommendations of various geo-scientific consultative studies of the recent past for exploration of stratigraphic traps, redevelopment & revitalization of matured declining fields, intensive reservoir revitalization initiatives etc.

Efforts will be made to cover seismically logistically difficult areas including Brahmaputra River Bed, rugged hilly terrain in river confluence and various difficult hilly areas in the NE.

Efforts will be made to reduce the number of sick wells by bringing them back to production.

Exploration within and outside the country along with acquisition of producing property is considered to be a major thrust area.

Business Development

With a view to expand strategic areas of E&P service business activities and to establish itself as a leading E&P service provider, the company has undertaken new initiatives to explore the possibility of joint venture/strategic alliance arrangement with internationally reputed companies.

OIL is exploring possibility of setting up a small size commercial plant of 2500 BPD capacity using N.E. coal. The plant capacity shall have facilities for up-scaling to full scale commercial plant, similar to strategy followed in China.

With a view to increase productivity in crude oil production fields in Assam and Arunachal Pradesh, the company has initiated number of measures such as carrying out a number of geo-scientific studies like integrated modeling studies, revitalization of old fields, jorajan re-development, thrust belt prospects, stratigraphic trap prospects, non-associated gas field development, pilot study for carrying out seismic reservoir characterization of eocene reservoirs, post drill analysis of exploratory wells, audit and certification of oil and gas reserves etc; various IOR/EOR measures like enhancing water injection, MEOR technique by using micro-organism, optimization through artificial lift methods by use of electric submersible pumps(ESP) , jet-pumps etc.; drilling horizontal J-bend wells; charter hiring of six drilling rigs to make shortfall of four in-house rigs retired in the recent past and to intensify drilling operation including NELP areas of NE; etc.

In order to meet the demand of natural gas, OIL has initiated various time bound actions like development of Non-Associated Gas (NAG) fields; drilling of development gas wells, debottlenecking and re-routing of pipeline network system for optimum utilization of available gas thereby reducing technical flaring to the minimum, construction of central and field gas gathering stations etc.

Research & Development (R&D)

During the year the company has taken R&D initiatives in 12 different areas like Oil to Oil and Oil to Source correlation studies using advance Geochemical analysis of crude oils and source rocks from Assam basin, Reservoir fluid identification through geochemical analysis of sidewall cores, Control of Paraffin deposition in production tubing of producing wells, Study on Low Injectivity Problem in water Disposal Wells at a depth below 1000m, Study of scale problem in ITF and Shalmari OCS water flow lines, Implementation of MEOR Technology in OIL's wells, Evaluation of Alkali Surfactant and Polymer (ASP) Flooding for EOR, National Gas Hydrate Programme(NGHP) in Indian Offshore, Development of Oilfield Chemicals, Flow assurance of Barekuri-Makum Pipeline, Studies on Conversion of Coal to Liquid Fuel, and Ambient Air Quality Monitoring in OIL's Operational Area.

R&D expenditure of the company constitutes 0.28 % of turnover during 2007-08.

Environment and Ecology

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 up 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, Bio-diesel project, NAG and new power House, etc. OIL is at present accredited with ISO certification to a number of installations conforming to environmental standards besides accredited *Clean Development Mechanism (CDM)* validation for greenhouse gas emission reduction through recovery and utilization of flare gas for its proposed Kumchai to Dumduma gas pipeline project.

Occupational Health monitoring for employees is done on a regular and systematic basis. OIL is committed not only to meet various statutory public regulatory requirements, but is going much beyond. The company conducts health checkup of every employee in a block of 5 years.

ONGC Videsh Ltd. (OVL)

1. Company Profile

ONGC Videsh Limited (OVL) was incorporated as Hydrocarbons India Private Limited, on 5th March, 1965 under the Companies Act, 1956 to perform international business of exploration and production of oil and gas for its parent Company Oil and Natural Gas Corporation Limited (ONGC). The Company was renamed as ONGC Videsh Limited w.e.f. 15th June, 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 Ministry of 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 the 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. abroad.

The Company is operating abroad where it has 37 ongoing projects in 17 countries. It has seven subsidiary companies namely ONGC Nile Ganga B.V. in Netherlands, ONGC Narmada Ltd. in Nigeria, ONGC Amazon Alaknanda Ltd. in Bermuda, ONGC Do Brazil Exploracao Petrolifera Ltda. and ONGC Campos Ltda. in Brazil, ONGC Nile Ganga (Cyprus) Ltd. in Cyprus and ONGC Nile Ganga (San Cristobal) B.V. in Netherlands with 100% shareholding.

The Company has a incorporated joint venture namely ONGC Mittal Energy Ltd. in Cyprus. The Company also has 17 un-incorporated joint ventures located abroad in Vietnam, Russia, Myanmar, Iran, Libya, Syria, Sudan, Egypt, Cuba, Colombia and Congo with participating interest ranging from 20% to 90%.

3. Production / Operational Profile

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

Major Products	Unit	Production during			Average of three years
		2007-08	2006-07	2005-06	
GAS	BCM	1.962	2.148	1.755	1.955
Crude Oil including Condensate	MMT	6.840	5.804	4.584	5.743

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	6908.71	2863.49	1194.59	141.27
Cost of Production	5381.45	1905.50	1118.92	182.42
Net Profit / Loss (-)	849.42	1052.56	649.45	-19.30
Net Worth	4543.60	3649.69	1661.70	24.49
Paid-up Capital	1,000	1,000	300	-
Share of Holding Co.	1000	1000	300	-

5. Key Performance Factors

The performance improvement is attributed to higher turnover and better price realisation of the Company products. The main revenue segments are Asia, CIS countries, South America and Africa.

During the year, OVL's share in production of oil and oil-equivalent gas (O+OEG), together with its wholly-owned subsidiaries ONGC Nile Ganga B.V. and ONGC Amazon Alaknanda Limited, increased from 7.952 MMTOE to 8.802 MMTOE i.e. a growth of 11% over previous year. OVL's consolidated gross revenue increased from Rs. 11,901 crore to Rs. 16,934 crore with a growth of 42% and consolidated net profit from Rs. 1,663 crore to Rs. 2,397 crore, a growth of 44%.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 239.71.

6. Human Resource Development (HRD)

The enterprise employed 190 regular employees (executive 185 & non-executives 5) as on 31.3.2008. 89.47% of the employees were having professional qualifications. 43.16% 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 pattern of remuneration.

The total numbers of Directors in the Company as on 31.3.2008 was 13, out of which 3 were functional Directors, 2 Government / Official Directors, 7 parent company's nominee Directors and 1 independent Director.

7. Strategic Issues

The Company aims at to build a balanced portfolio of exploration and producing assets in focus countries. During the year, the company acquired right of participation in 11 oil and Gas projects in 6 countries.

Out of 37 projects, OVL is operator in 18 projects and joint operator in 2 projects in 11 countries. OVL is currently producing oil and gas from Greater Nile Oil Project and Block 5A in Sudan, Block 06.1 in Vietnam, Al Furat Project in Syria, Sakhalin-I Project in Russia and Mansarovar Energy Project in Colombia. Block BC-10 in Brazil is currently under development with production expected to begin in 2009-10. Block A-1 and A-3 in Myanmar, North Ramadan Block and NEMED Block in Egypt and Farsi Offshore Block in Iran have discoveries and appraisal work is being carried out. The remaining projects are in exploration phase. During the year, OVL's share in production of oil and oil-equivalent gas (O+OEG), together with its wholly owned subsidiaries ONGC Nile Ganga B V and ONGC Amazon Alaknanda Limited, increased from Rs 11,901 crore to Rs 16,934 crore, up 42% and earned consolidated net profit of Rs. 2,397 crore, up 44% from Rs 1,663 crores.

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OTHER MINERALS & METALS

As on 31.3.2008, 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 Development 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 Development 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Indian Rare Earths Ltd.	296.25	360.53
2.	National Mineral Development Corpn. Ltd.	5711.31	4185.84
3.	Hindustan Copper Ltd.	1842.03	1800.66
4.	Uranium Corporation of India Ltd.	280.87	273.33
5.	Bharat Refractories Ltd.	196.50	199.84
6.	Kudremukh Iron Ore Co. Ltd.	1530.11	267.44
7.	Manganese Ore(India) Ltd.	973.41	417.63
8.	National Aluminium Company Ltd.	5586.99	6514.51
9.	J & K Mineral Development Corpn. Ltd.	0.01	0.00
10.	FCI Aravali Gypsum & Minerals (India) Ltd.	36.81	37.07
	Total	**16454.29**	**14056.85**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Indian Rare Earths Ltd.	155.57	64.23
2.	National Mineral Development Corpn. Ltd.	3250.98	2320.21
3.	Hindustan Copper Ltd.	246.46	313.94
4.	Uranium Corporation of India Ltd.	14.63	27.50

5.	Bharat Refractories Ltd.	4.43	-15.32
6.	Kudremukh Iron Ore Co. Ltd.	108.16	13.77
7.	Manganese Ore(India) Ltd.	479.82	134.21
8.	National Aluminium Company Ltd.	1631.52	2381.38
9.	J & K Mineral Development Corpn. Ltd.	-0.2	-0.18
10.	FCI Aravali Gypsum & Minerals (India) Ltd.	7.54	6.31
	Total	**5898.91**	**5246.05**

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	
			2007-08	**2006-07**
1.	No. of employees		35331	35539
2.	Social overheads: *(Rs. in crore)*			
	a.	Educational	83.08	76.31
	b.	Medical facilities	132.06	64.52
	c.	Others	81.84	75.09
3.	Capital cost of township *(Rs. in crore)*		487.54	539.78
4.	No. of houses constructed		36585	38215

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	469100	462100	462100
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	284056	312095	320641
OTHERS	10341	28615	10297
(B) SHARE APPLICATION MONEY	13450	5021	7805
(C) RESERVES & SURPLUS	1967740	1508768	1132836
TOTAL (A)+(B)+(C)	**2275587**	**1854499**	**1471579**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	17775	22939	25723
(B) UNSECURED LOANS	23623	30093	32792
TOTAL (A)+(B)	**41398**	**53032**	**58515**
(1.3) DEFERRED TAX LIABILITY	68146	68520	69983
TOTAL (1.1)+(1.2)+(1.3)	**2385131**	**1976051**	**1600077**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	1425534	1347704	1321396
(B) LESS DEPRECIATION	882151	828159	781916
(C) NET BLOCK (A-B)	543383	519545	539480
(D) CAPITAL WORK IN PROGRESS	305221	146027	95327
TOTAL (C)+(D)	**848604**	**665572**	**634807**
(2.2) INVESTMENT	21092	30735	7405
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	174277	150544	145724
(B) SUNDRY DEBTORS	101442	56087	59133
(C) CASH & BANK BALANCES	1366236	1110000	759112
(D) OTHER CURRENT ASSETS	68477	32528	15422
(E) LOAN & ADVANCES	103961	167118	284505
TOTAL (A)+(B)+(C)+(D)+(E)	**1814393**	**1516277**	**1263896**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	281596	210813	185499
(B) PROVISIONS	104328	159939	251355
TOTAL (A+B)	**385924**	**370752**	**436854**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**1428469**	**1145525**	**827042**
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	38518	37329	4467
(2.7) DEFFRED TAX ASSETS	8213	15244	14911
(2.8) PROFIT & LOSS ACCOUNT (Dr)	40235	81646	111445
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**2385131**	**1976051**	**1600077**

OTHER MINERALS & METALS

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	1645429	1405685	1238431
(B) EXCISE DUTY	87335	88020	65424
(C) NET SALES (A-B)	1558094	1317665	1173007
(D) OTHER INCOME /RECEIPTS	155975	103391	65134
(E) ACCRETION / DEPLETION IN STOCKS	3993	3398	6099
(I) TOTAL INCOME (C+D+E)	**1718062**	**1424454**	**1244240**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	220494	142847	95707
(B) STORES SPARES	45080	31199	43395
(C) POWER &FUEL	150844	125024	150879
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	132198	97217	51268
(E) SALARY, WAGES & BENEFITS / EMPLOYEE EXP.	159880	113621	101589
(F) OTHER EXPENSES	62956	63109	104904
(G) PROVISIONS	10921	6281	3097
(II) TOTAL EXPENDITURE (A TOG)	**782373**	**579298**	**550839**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	935689	845156	693401
(4) DEPRECIATION	46143	49817	69725
(5) ORE. /PREL EXP. WRITTEN OFF	8595	8315	5987
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	880951	787024	617689
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	228	1714	1283
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 4227	3480	4147	
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	4455	5194	5430
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**876496**	**781830**	**612259**
(9) TAX PROVISIONS	297666	256563	210249
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	578830	525267	402010
(11) NET EXTRA -ORD. ITEMS	-11061	662	-1913
(12) NET PROFIT /LOSS (10-11)	**589891**	**524605**	**403923**
(13) DIVIDEND DECLARED	117883	100216	85448
(14) DIVIDEND TAX	20036	14679	11983
(15) RETAINED PROFIT (12-13-14)	**451972**	**409710**	**306492**

OTHER MINERALS & METALS
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	342720	392074	390285
(ii) CAPITAL EMPLOYED	1971852	1665070	1366522
(iii) NET WORTH	2196834	1735524	1355667
(iv) COST OF PRODUCTION	841566	642624	631981
(v) COST OF SALES	837573	639226	625882
(vi) VALUE ADDED	1145669	1021993	889125
(vii) R & D EXPENDITURE	2008	1391	1206
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	35331	35539	36322
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	37710	26642	23307
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.02	0.03	0.04
(ii) CURRENT RATIO	4.70	4.09	2.89
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	26.48	23.78	19.09
(iv) SUNDRY DEBTORS : SALES (No. of days)	23.76	15.54	18.40
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	40.83	41.70	45.34
(ii) SEMI / FINISHED GOODS : SALES	18.50	18.09	19.36
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	1.27	2.10	1.35
		(%)	
(vii) SALES : CAPITAL EMPLOYED	79.02	79.14	85.84
(viii) PBDITEP : CAPITAL EMPLOYED	47.45	50.76	50.74
(ix) PBITEP: CAPITAL EMPLOYED	44.68	47.27	45.20
(x) COST OF SALE : SALES	53.76	48.51	53.36
(xi) MATERIAL COST : SALES	14.15	10.84	8.16
(xii) SALARY & WAGES : SALES	10.26	8.62	8.66
(xiii) R & D EXPENDITURE : SALES	0.13	0.11	0.10
(xiv) PBITEP : SALES	56.54	59.73	52.66
(xv) PBTEP : NET WORTH	39.90	45.05	45.16
(xvi) NET PROFIT : NET WORTH	26.85	30.23	29.80
(xvii) GROSS MARGIN : GROSS BLOCK	65.64	62.71	52.47

Bharat Refractories Limited (BRL)

1. Company Profile:

BRL was incorporated on 22.07.1974, under the Companies Act, 1956 with the 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 Metal 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 Ramgarh in Jharkhand and Bhilai in Chattisgarh.

3. Production / Operational Profile:

The performance details of major products are as follows:-

Major Products	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Basic* Bricks	MT	29172 (50.73)	26151 (45.48)	26001 (45.22)	27108
Silica Bricks	MT	1845 (18.45)	1378 (13.78)	761 (7.61)	1328
Fireclay Bricks	MT	21558 (31.70)	25776 (37.91)	21823 (32.09)	23052
Mortar	MT	38376	35488	33094	35653
Total	-	90951 (67.12)	88793 (65.53)	81679 (60.28)	87141

* includes conversion job.

4. Major Financial Highlights:

(Rs.in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	196.50	199.84	164.28	-1.67
Cost of Production*	194.06	197.36	155.98	-1.67
Net Profit/Loss(-)	4.43	-15.32	-7.07	-
Net Worth	-156.04	-167.47	-159.31	-
Paid-up-capital	229.79	229.79	215.79	0.00
Share of Central Govt./Holding Co.	229.50	229.50	215.50	0.00

* includes conversion job.

5. Key Performance Factors:

The physical performance during 2007-08 was highest ever during the last decade. There has 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, high cost of critical inputs and provision against wage/salary revision w.e.f. 01.01.2007.

During the year 2007-08, the Company received Budgetary Support of Rs. 7.00 crores in the form of equity..

6. Human Resource Development (HRD):

The enterprise employed 1662 regular employees (234 executives, 211 unionized supervisors and 1217 workmen) as on 31.03.2008. 4% employees were having professional qualifications. 54% employees come under the age bracket of 51 and above year.

The retirement age in the company is 58 years. It is following IDA 1997 pattern of remuneration. 17 employees retired during the year.

Since the introduction of VRS, 2520 employees availed of the scheme.

The total number of Directors in the company as on 31.03.2008 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:

As the company could not come out of the sickness despite several revival schemes, it was referred to BRPSE during 2006-07 which recommended a revival plan 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.

In line with the recommendations, the Government approved the merger of the Company with Steel Authority of India Limited (SAIL) on 24/04/2008 under section 396 of the Companies Act, 1956 with the following reliefs and concessions. The merger would be deemed to have taken place with effect from 1st April, 2007 and from that day onwards BRL would become a part of SAIL for all legal and accounting purposes : -

(i) Waiver of Non-Plan loan of Rs.145 crores sanctioned in the year 2002-03 out of the total loan of Rs.161.49 crores outstanding as on 31.3.2006.

(ii) Waiver of interest of Rs.40.91 crores accrued till 31.03.06 on Government of India loans.

(iii) Conversion of balance amount of plan loan of Rs.16.50 crores as equity.

(iv) To set-off the accumulated loss of Rs.22.31 crore outstanding in the books due to merger of IFICO with BRL against the paid up equity share capital of Rs.227.19 crores (including loan converted to equity).

(v) To set-off the remaining accumulated loss of the Company as on 31st March, 2006 amounting to Rs.173.73 crores also against the paid up equity share capital of Rs.227.19 crores (including loan converted into equity).

(vi) To set-off the additional loss of Rs.30.00 crores on restructuring of current assets based on assessment by SAIL, also against the paid up equity share capital of Rs.227.19 crores.

(vii) Waiver of non plan loan of Rs.30.46 crores along with the interest thereon provided to BRL in December, 2006.

(viii) To allow BRL to redeem the 7% non-cumulative preference shares worth Rs.12.05 crores due for redemption on 1st April, 2005 by fresh issue of (fully paid up) shares of equivalent amount as per provisions of Section 80 of the Companies Act, 1956.

(ix) Transfer of the balance share capital held by the Government of India amounting to Rs.20.25 crores after waivers/adjustment/set-offs to SAIL at a token value of Re.1/-.

(x) On merger with SAIL, every whole time officer, including whole time Director or other employees employed immediately before the effective date of merger becomes an officer, employees, as the case may be, of SAIL and on merger with SAIL all conditions of service and employment of SAIL would be applicable to the employees of BRL. In order to bring uniformity, the employees of BRL may be absorbed on equivalent scales of pay, taking scales prior to salary/wage revision effective from 1.1.1997 in SAIL with protection of pay (Basic+DA). While doing so, care would be taken not to disturb both SAIL's and BRL's internal seniority and to ensure that employees are not lowered by more than one grade and under no circumstances, E-0 scale would become non-executive scale.

(xi) All taxes in respect of the profits and gains, including accumulated losses and unabsorbed depreciation and investment allowance of the business carried on by BRL before merger be payable by SAIL subject to such concessions and reliefs as may be allowed under the Income Tax Act, 1961 (43 of 1961) as a result of the proposed merger.

Technical Collaborations:

To keep pace with the changing and stringent requirement 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 and Continuous casting Refractories and M/s Plibrico, 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-Spinel Castable.

Research & Development (R&D):

BRL's group of competent and committed technologists are 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.

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 as per BIFR order) under the Companies Act, 1956 with the objective to take over the units of FCIL viz- Jodhpur Mining Organisation (JMO) - 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 other Minerals & Metals sector under the administrative control of Ministry of Chemicals and Fertilizers, Dept. of Fertilizers with 100% shareholding 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 13 Mines at Jaisalmer, Barmer, Bikaner and Shree Ganganagar in Rajasthan and a Marketing Office at Lucknow and a Liaison Office at NOIDA in U.P.

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.

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 tones. The performance details of Company's product are as follows:

Major Products/ Services	Unit	Production during			Average of three years
		2007-08	2006-07	2005-06	
Mining & Selling of Gypsum	000'MT	948	859	827	878

4. Major Financial Highlights

(Rs. in Crore)

Particulars	Performance during			% change over
	2007-08	2006-07	2005-06	2006-07
Turnover	36.81	37.07	38.45	-0.70
Cost of Production	28.28	27.76	29.21	1.87
Net Profit/Loss (-)	7.54	6.31	9.00	19.49
Dividend declared (as % of PBT)	11.97	12.76	14.89	-6.23
Net Worth	53.85	48.05	21.57	12.07
Paid up Capital	7.33	7.33	7.33	0.00
Share Capital of Govt./Holding Co.	7.33	7.33	7.33	0.00

5. Key Performance Factors

The performance of the Company was impressive during 2007-08. It established an all time record in production since its inception.

During the year 2007-08, the company recorded physical sales of 947568 MT (Previous Year 859050 MT) which valued Rs.36.81 crore (Previous Year Rs.37.07 crore). Although FAGMIL registered a growth of 2.41% in sales quantity over previous year, sales turnover declined by 0.70% due to change in composition of sales.

The Company has been showing profits consistently for the last five years. The profit before tax excluding prior period adjustment was higher by Rs.1.11 Crore, the net profit increased during 2007-08 compared to previous year by Rs. 1.23 Crore including deferred tax of Rs.3.91 crore and prior period adjustments of Rs. 0.31 crores.

The Earning Per Share (EPS) of the Company during 2007-08 was Rs. 10.28 as against Rs.8.61 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 118 regular employees (executives 46 and non executives 72) as on 31.03.2008. Approximately 10% of the employees were having professional qualifications. 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.

The total number of Directors in the Company as on 31.03.2008 was 3, out of which 2 were Government/official Directors and 1 full time Functional Director.

7. Strategic Issues

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. During the year 2007-08, an expenditure of Rs.16.41 lakh was incurred on R & D, which includes Rs. 16.17 lakh grants given by the Central Government.

The Sales from Kavas was NIL due to non-issue of '*Ravanas*' (for the dispatch of gypsum) by the Department of Mining, Government of Rajasthan, for want of environment clearance to renew the leases. These issues are being followed up with the Ministry of Environment and Forests, Government of India & the State Government of Rajasthan.

In continuation of its efforts to implement Quality Management System (QMS) in its Mohangarh group of mines got accredited by ISO 9001:2000 Certificate, and the Company has been accredited by ISO 9001-2000 certificate for it's Jodhpur office during the year 2007-08.

Hindustan Copper Ltd. (HCL)

1. Company Profile

HCL was incorporated on 9.11.1967 under the Companies Act, 1956 with the objective of taking over the assets and liabilities of Copper Projects at Khetri, Dariba, Rakha and Agnifundala from National Mineral Development Corp. Ltd.

Indian Copper Complex Ltd. at Ghatsila, Jharkhand was acquired by HCL in March, 1972. The main activities of the company pertains to exploration, exploitation, mining of copper and copper ore including benifiation of minerals, smelting and refining of copper. HCL is a schedule-'A' PSE in Minerals and Metals sector under the administrative control of M/o Mines with 99.50% 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 are exploration, mining, benifiation, 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 taken together was 73.65% during 2007-08. The brief details of major products (having more than 5% contribution in turnover) are as follows:

Major Products	Unit	Production (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Wire Rod	MT	42536 (70.89)	39393 (65.65)	35488 (59.15)	39139
Cathodes	MT	44734 (94.18)	39785 (83.76)	36087 (75.97)	40202
Sulphuric acid	MT	41990 (17.79)	39342 (16.67)	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1842.03	1800.66	1053.76	2.30
Cost of Production	1437.56	1316.93	824.31	9.16
Net Profit/Loss(-)	246.46	313.96	105.88	-21.49
Net worth	635.08	365.38	362.24	73.81
Paid up capital	384.11	948.95	908.95	-59.52
Share of Central Govt.	382.21	94515	905.15	-50.00

5. Key Performance Factors

Ore production, metal in concentrate, cathode and CC Wire Rod production were higher than targets i.e. 101%, 101%, 112% and 154% respectively during 2007-08 as compared to last year. Cathode production (44734 tonnes) was the highest in the last 13 years while production of CC wire rod (58223 tonnes) was the highest since inception.

During 2007-08, HCL sold 45384 tonnes of refined copper as against 42303 tonnes in 2006-07, achieving a growth of 7.28%. Of the total product portfolio, CC wire rod accounted for sales of 93.39%.

While the turnover increased by 2.30% during 2007-08 as compared to last year, profitability declined by 21.49% mainly due to reduction in net realization on account of rupee appreciation and increase in cost of production by 9.16%. More than 95% of the sales were made to Government Departments/Organizations.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.3.21 as against Rs.4.02 in the previous year.

The share price of company varied between Rs.80.10 to Rs.644.75 during the year 2007-08 as compared to Rs. 61.20 to Rs. 222.20 in 2006-07. The average share price was Rs. 244.24 during the year.

6. Human Resource Development (HRD)

The enterprise employed 5405 regular employees (executives 684, non-unionized supervisors 129 & workmen 4592) as on 31.3.2008. 5.61% of the employees were having professional qualifications. 51.27% 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 pattern of remuneration. 101 employees retired during the year on superannuation and 26 skilled and 4 unskilled employees left the company in attrition. 88 new skilled employees joined during the year.

During the year, 3 employees retired under VRS. Since its introduction, total 12233 employees have taken VRS.

The total number of Directors in the company as on 31.3.2008 was 12, out of which two were Government / official Directors, 4 full time Functional Directors and 6 part time Non-official Directors.

7. Strategic Issues

As a result of approval by the Ministry of Corporate Affairs, the face value of equity shares has been reduced from Rs 10 to Rs 5 and entire amount of preference share capital has been waived pursuant to the approval of the Government in July, 2007.

The smelter plant operations at Khetri Copper Complex has made breakthrough improvements through introduction and adoption of six sigma procedure.

In order to upgrade technology and bottlenecking of the ICC smelter, the company signed an agreement for technology transfer and supply of equipment, such as concentrate burner and cooling element, with M/s Outotec, Finland on 8.11.2007.

Surda mine, which was lying closed since 2003, has been reopened in December, 2007 and the mine produced 314 tonnes of copper metal in concentrate(MIC). Development of Banwas copper deposit in Rajasthan, which is contiguous with Khetri deposit, is planned as a separate mine in association with a competent mining company.

Shortage of water has been major bottleneck to achieve higher capacity utilization of the concentrator plant at KCC.

HCL has formed a separate department for modernization to institutionalize implementation of strategic initiatives and to drive the agenda for debottlenecking and upgrading mining and plant operations on a long terms basis.

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. The company already signed a MOU with IMMT to work on R&D programmes.

HCL engaged Earth Resources Technology consultants for optimization of blasting fragmentation at MCP for productivity improvement.

R&D Laboratory at ICC has been certified by National Accreditation Board for testing and calibration of Laboratories (NABL), following which accreditation has been obtained.

As part of the comprehensive turnaround plan code named "Operation Manthan", the company gave thrust on improving operational practices with a view to inter alia reducing the process costs.

Environment and Ecology

HCL is fulfilling all statutory requirements, obligatory for achieving pollution control norms. The ambient air quality is regularly monitored at the mines, process plants and residential areas. An environment audit was carried out during the year through an expert agency and remedial measures, as recommended, are being implemented in each unit. Effluent treatment facilities installed at the units of the company worked satisfactorily during the year and met regulatory norms set by the State Pollution Control Boards. To protect environment and maintain ecological balance the surrounding areas, the company undertakes tree plantation around the production units.

Indian Rare Earths Ltd. (IREL)

1. Company Profile

IREL was incorporated in the year 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 in 1963 under the Department of Atomic Energy. Its main objective is to emerge as a leading international enterprise in the areas of mining and separation of beach sand minerals as well as value added products thereof. IREL is a schedule 'B' CPSE in Minerals and Metals sector under the administrative control of Department of 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. Uranium is produced from the thorium concentrate stock pile in Rare Earths Division, Aluva. The Company operates 4 units at Chavara and Udyogamandal in Kerala, Manavalakurichi in Tamilnadu and Chatrapur in Orissa.

3. Production / Operational Profits

The product range of the company comprises of 7 products. The performance details of major products are as follows:

(Rs. in crore)

Major Products	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Ilmenite	M T	403316 (87)	384814 (83)	453606 (98)	413912
Zircon	M T	26276 (109)	18771 (78)	25269 (105)	23439
Rutile	M T	15784 (66)	13481 (56)	17510 (73)	15592

4. Major Financial Highlights

Particulars	Performance during (Rs. in crore)			% change over
	2007-08	2006-07	2005-06	2006-07
Turnover	296.25	360.53	306.50	-17.83
Cost of prod.	269.00	269.09	261.63	-0.03
Net Profit / Loss (-)	155.57	64.23	42.41	142.21
Dividend declared (as % to PBT)	21.43	18.31	13.58	17.08
Net Worth	434.94	307.56	263.54	41.42
Paid up capital	86.37	86.37	86.37	0.00
Share of Central Government	86.37	86.37	86.37	0.00

5. Key Performance Factors

The company has been generating handsome profits continuously for the last 11 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 various countries like China, Japan, Germany, Norway, UAE, Malaysia, Thailand 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.

Although the production of the company increased during 2007-08 over the previous year, the turnover declined by 17.81%. However, the profit increased by 142.21%.

6. Human Resource Development (HRD)

The enterprise employed 2605 regular employees (executives 643 and non-executives 1962) as on 31.03.2008. 15.35% of the employees were having professional qualifications. 43% 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, 26 skilled and 17 unskilled employees left the company and 8 skilled and 7 un-skilled persons joined.

The total number of Directors in the company as on 31.03.2008 was 8, out of which 4 were Government /Official Directors.

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 by maximum utilization of existing capacities, new capacity addition, capture of major portion of the global TiO_2 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. The expenditure on R&D constituted only 0.48% of turnover.

J&K Mineral Development Corp. Ltd. (JKMDCL)

1. Company Profile

JKMDCL was incorporated on 19.5.1989 under the Companies Act, 1956 as a joint venture of National Mineral Development Corporation Ltd. (NMDC) and J&K Government 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 for 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 in the state of Jammu and Kashmir. It is a subsidiary of NMDC which hold 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 was no production during last six years.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.01	0.00	0.00	1.00
Cost of Production	0.19	0.16	3.58	18.75
Net Profit/ Loss(-)	-0.20	-0.18	-3.42	-
Net Worth	-4.78	-4.59	-4.40	-
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 activity in the company. The Board of Directors in their meeting held on 23.5.2002 decided on winding up the company subject to the approval of the Government of India and State Government of Jammu & Kashmir. Pending such approvals, the company has prepared its accounts on “Going Concern Basis”.

6. Human Resource Development (HRD)

The enterprise employed 6 regular employees (executive 1 & non-executives 5) as on 31.3.2008.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration.

The company is managed by part time Directors from holding company namely NMDC Ltd.

7. Strategic Issues

The Board of the J&K Minerals Limited while reviewing the matter of winding up J&KMDC Ltd. in its meeting held on 30.11.2004, desired to ascertain the demand for raw magnesite ore by market survey and to work out its competitiveness for sale in the market vis a vis imported material considering the change in present market scenario. In view of this, the Board of J&KMDC Ltd. decided in its meeting held on 30.5.2007 to conduct various market survey and to continue support for incurring expenditure in this regard for a further period of two years. However, the company has not produced sized raw magnesite during 2007-08. It incurred total expenditure of Rs. 19.88 lakhs during 2007-08.

Kudremukh Iron Ore Co. Ltd. (KIOCL)

1. Company Profile

KIOCL was incorporated in the year 1976 under the Companies Act, 1956 with the objective of meeting the long term requirement of Iron Ore for the steel mills of Iran. However, due to political developments in Iran, the company diversified into production and sale of Pellets. KIOCL is a schedule-‘A’ Mini-ratna PSE in Mineral and Metals sector under the administrative control of M/o Steel with its Registered and Corporate offices 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, benefiation, production and export of Iron Ore concentrate and Iron Oxide Pellets. In pursuance of the directive of the Hon’ble Supreme Court, the mining activities at Kudremukh were stopped on 31.12.2005. Therefore, there was no production of Iron Ore during 2007-08. The company had a financial Joint Venture with MECON Ltd. and MSTC Ltd., viz. Kudremukh Iron and Steel Co. Ltd. (KISCO) to manufacture low sulphur, low phosphorous, Pig iron and Ductile Iron Spun pipes at Mangalore. KISCO has been merged with the KIOCL w.e.f. 1.4.2007 and is now operating as Blast Furnace Unit of the company.

3. Production / Operational Profile

Major Products	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Iron Ore Concentrate	M T	-	-	2.922 (58)	-
Iron Oxide Pellets	M T	1.927 (55)	0.630 (18)	2.834 (81)	1.797
Pig Iron (Blast Furnace Unit)	M T	0.157 (73)	-	-	-

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during (Rs. in crore)			% change over
	2007-08	2006-07	2005-06	2006-07
Turnover	1530.11	267.44	1232.28	472.13
Cost of prod.	1414.64	362.91	736.78	289.80
Net Profit / Loss (-)	108.16	13.77	356.30	685.48
Dividend declared (as % to PBT)	13.50	0.00	22.47	1349.85
Net Worth	2087.08	2061.04	2063.95	1.26
Paid up capital	634.51	634.51	634.51	0.00
Share of Central Government	628.14	628.14	628.14	0.00

5. Key Performance Factors

Production of 231000 tonnes of Pellets in January, 2008 was the highest in any month so far, after switching over to Hematite ore sourced from outside (since January, 2006.)

Production of 710 MT of Hot Metal in the Blast Furnace unit on 23.10.2007 was the highest quantity produced on a single day since inception in 2001.

Production of Pig Iron including auxiliary was 157254 tonnes which was 79% of the target of 199000 tonnes set for the year 2007-08. The capacity utilization for this product was 73%.

The company generated internal resources of Rs.157.29 crore during 2007-08 as compared to Rs. 45.49 crores during 2006-07.

As against a target of 2.6 million tonnes of Pellets as per MOU for 2007-08, the actual production was 1.927 million tonnes, which is 74% achievement of the targets. The capacity utilization was 55% during the year as compared to 18% during 2006-07.

Consequent upon switchover from magnetite ore from the captive mines at Kudremukh to Hematite Ore sourced from NMDC and others the operations of Pellet Plant at Mangalore were initially affected significantly, which resulted in lower production and profitability of the company. Efforts are continuing to rectify the problems and the operation of Pellet Plant has stabilized to a great extent.

6. Human Resource Development

The enterprise is driven by a workforce of 1642 employees, consisting of 397 executives, 1147 workmen and 98 supervisors as on 31.3.2008.

VRS was introduced thrice during 2007-08. 18 executives, 5 supervisors and 63 workmen were released under the scheme during the year.

7. Strategic Issues

In the absence of long term mining lease, no major projects were undertaken during the year 2007-08.

KIOCL has been making efforts to get mining lease in the States of Karnataka, Orissa and Jharkhand. But due to the petitions filed by various applicants, the matter remained subjudice in the High Courts of Karnataka and Orissa and in the Supreme Court.

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. The validity of MOU has expired. Renewal of validity of MOU is due from 29.9.2007. The company sent the consent for extension of MOU with SAIL till formation of joint venture and consent of SAIL in this regard is 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 modifications 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 2007-08, the company incurred revenue expenditure of Rs. 141.41 lakhs on R&D which was 0.09% of the total turnover.

Possibility of using presser filters are being explored to filter the ultra fines and reduction of moisture. This will improve productivity and quality of pellets etc.

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 81.57% 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 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 performance details of major products are as follows:

Major Products	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Manganese Ore	000'T	1365	1047	865	1092
Electrolytic manganese Dioxide	Tonnes	1122 (112.2)	1312 (131.2)	1301 (130.1)	1245
Ferro manganese	Tonnes	11130 (111.3)	10200 (102.0)	6170 (61.7)	9166.7
Wind Power Generation Unit	000' kwh	9747 (87)	6252 (92)	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	973.41	417.63	334.10	133.08
Cost of Production	280.49	221.59	193.92	26.58
Net Profit/ Loss(-)	479.82	134..21	114..52	257.51
Dividend declared (as % of PBT)	13.14	14.15	11.78	-7.12
Net Worth	812.68	449.24	346.05	80.90
Paid Up Capital	28.00	28.00	15.33	0.00
Share of Central Govt./Holding Co.	22.84	22.84	12.50	0.00

5. Key Performance Factors

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 company produced 13.64 lac tones Manganese Ore during 2007-08 as compared to 10.47 lac tones produced in 2006-07- recording a growth of 30%.

The sales turnover increased by 133% during 2007-08 as compared to 2006-07 and the profit before Tax increased by 265% during this period.

The over all improvement in performance was due to increase in price realization and production as well as productivity.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.1713.63 as compared to 479.31 during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 6801 regular employees (executives 270, Non-unionized Supervisors 89 & Workmen 6442) as on 31.3.2008. 2.72% of the employees were having professional qualifications. 18.44% 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 and CDA 1996 pattern of remuneration. Total 54 employees retired during the year and 15 new employees joined.

During the year, 28 employees availed of VRS and an amount of Rs. 1.96 crore was spent in this regard through internal resources. Since the introduction of VRS, total 1296 employees retired under the scheme.

The total number of Directors in the company, as on 31.3.2008 was 11, out of which 4 each were part time Non-official Directors / professionals and full time Functional Directors and 3 were Government / official Directors.

7. Strategic Issues

The company aims at 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.

MOIL's mines having been worked for so many years, mining operations are being undertaken at deeper horizons.

The company has proposed to enter into power agreement with MPSEB, on the lines approved by the MP Energy Regulatory Commission.

Research & Development (R&D)

The company undertook R&D activities in exploratory drilling at mines and undertook studies on blasting, rock mechanics and stop 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' CPSE in Minerals and Metal sector under the administrative control of Ministry of Mines with 87.15% shareholding by the Government of India. The Company has since been accorded Navratna Status with effect from 28.04.2008. 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	Unit	Production during (% Capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Bauxite	000' MT	4685 (97.60)	4623 (96.31)	4854 (101.08)	4721
Aluminium Metal	MT	359213 (104.12)	358734 (103.98)	358954 (104.04)	358967
Alumina Hydrate	000' MT	1576 (100.03)	1475 (93.66)	1590 (100.03)	1547
Electricity	MU	5609 (86.30)	5968 (93.44)	5679 (88.07)	5752

4. Major Financial Highlights

Rs. in Crore

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	5586.99	6514.51	5287.36	-14.24
Cost of Production	3105.09	2742.89	2736.54	13.21
Net Profit / Loss(-)	1631.52	2381.38	1562.20	- 31.49
Dividend declared (as % of PBT)	15.51	13.33	13.42	16.42
Net Worth	8874.45	7695.22	5892.67	15.35
Paid up capital	644.31	644.31	644.31	0.00
Share of Central Govt.	561.50	561.50	561.50	0.00

5. Key Performance Factors

The decline in turnover and net profit during the year 2007-08 as compared to previous year is due to lower sales realization from export of alumina and substantial appreciation of Rupee against US$.

Domestic market share of the Company in alumina and aluminium was approximately 12% and 27.10% respectively during 2007-08, compared to 10% and 29.80% respectively in 2006-07.

6. Human Resource Development

The company employed 7413 regular employees (executives 1817 & non-executives 5596) as on 31.03.2008. 99.83% employees were having professional qualifications and 18.38% employees come under the age bracket of 51and above years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. During the year, 94 skilled and 01 unskilled employee `left the company. 80 new skilled and 01 unskilled employees joined.

The number of Directors in the company as on 31.03.2008 was 10, which included 5 Functional Directors, 2 Government Directors and 3 Independent 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 from 48 lakh tonne to 63 lakh tonnes, Alumina Refinery from 15.75 lakh tonnes to 21 lakh tonne, Smelter from 3.45 lakh tonne to 4.6 lakh tonnes and power generation from 960MW to 1200MW. Revised estimated capital cost of 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, Orissa 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 tonne coal annually to the Captive Power Plant.

The company has 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)

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 Sodiac Condensate, 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.

Several collaborative R&D activities are also being carried out by the Company with reputed international and national technology and research organisations. This includes development of effective technology for extraction of alumina from PLK in collaboration with MISA, Mosco, Russia; development of viable Flow Sheet to recover Titanium and Iron from the plant sand of Alumina Refinery, Damanjodi in collaboration with Institute of Minerals and Materials Technology (IMMT), Bhubaneswar; decontamination & recovery of Carbon Value from SPL – a pilot plant study with IMMT; plasma smelting of Red Mud for production of Pig Iron/ Cast Iron and Alumina rich slag with IMMT; investigation and utilization of SPL as a co-fuel at CPP in collaboration with CFRI, Dhanbad; study on impurity build-up during bauxite processing and its effect on Bayer Liquor Chemistry with JNARDDC, Nagpur; evaluation of grain refining efficiency of commercially available grain refiner alloys with JNARDDC, Nagpur etc.

The expenditure made on R&D during 2007-08 was Rs. 1.05 crore, which 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. All the 5 Units of NALCO are certified with Environment Management System (EMS) as per ISO 14001: 2004 & Occupational Health & Safety Management System (OHSMS) as per OHSAS 18001: 1999.

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. It intend to achieve international standards in per capita productivity, value addition and cost effectiveness and to expand its operations in other area of mining and mineral processing and grow in domestic and international markets.NMDC is a schedule-'A' Navratna 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. However all the subsidiaries are under closure and in the process of winding up.

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	Unit	Production during (% Capacity Utilisation)			Average of three years
		2007-08	2006-07	2005-06	
Iron Ore	Lakh Tonnes	298.16 (107)	262.25 (131)	229.23 (119)	263.21
Diamonds	Carats	0 (0)	1703 (2)	43878 (52)	--
Silica Sand	Lakh Tonnes	2920 (1)	31798 (11)	62636 (21)	32451

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during (Rs. in crore)			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	5711.31	4185.84	3710.92	36.44
Cost of prod.	1404.42	1035.81	1145.21	35.59
Net Profit	3250.98	2320.21	1827.80	40.12
Dividend declared (as % to PBT)	13.17	13.30	13.20	(-) 0.97
Net Worth	8265.10	5774.13	3984.70	43.14
Paid up capital	132.16	132.16	132.16	0.00
Share of Central Government	130.03	130.03	130.03	0.00

5. Key Performance Factors

Steps were taken to enhance the production capabilities of existing mines by replacing old equipments with higher capacity equipments which resulted in higher productivity and production.

99.64% turnover of the company comes from Iron ore segment.

The increase in turnover and profitability was due to increase in quantity of production, sales and higher price realization.

Total excavation touched 399.19 lakh tones, registering an increase of 9% over the previous year's achievement of 367.14 lakh tones.

ROM production went up to 306.08 lakh tones during 2007-08 as against 277.27 lakh tones during previous year recording a growth of 10%.

Lumpsum production touched a record of 298.16 lakh tones as compared to 271.77 lakh tones in the previous year, an increase of 10%.

Sales of iron ore increased from 255.89 lakh tones during 2006-07 to 281.84 lakh tones in 2007-08 with a growth of 10%.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.245.99 as against Rs. 175.56 in the previous year.

The share price of the company varied between Rs.1900 to Rs.6584 during the year 2007-08 as compared to Rs.1900 to Rs.4800 in 2006-09.

6. Human Resource Development (HRD)

The enterprise employed 5560 regular employees (executives 983, non-unionised supervisors 235 & workmen 4342) as on 31.3.2008. 15.29% employees were having professional qualifications and 41.40% 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. 341 employees retired during the year on superannuation.

The number of Directors in the company as on 31.3.2008 was 14, out of which 7 were part time Non-official Directors / professionals, 5 whole time Functional Directors and 2 Government/ Official Directors.

7. Strategic Issues

Project implementation

Two projects viz. BIOM Deposit of 7 million tons/ annum and KIOM, Karnataka for a capacity of 3 million tones (expandable to 7 million tones) are under development.

The company has established additional iron ore reserves in Balidila Dep – 14 and Dep – 5, by exploration in the periphery of the deposits and deeper level exploration. It has also applied for additional leases for iron ore, coal, platinum group of minerals, gold, diamond, etc.

The company is looking for a suitable process/ technology for making pig iron for which search has been zeroed in on HiSmelt technology developed by HiSmelt Corporation Pty, Australia. In addition, the company has undertaken Uniflow dispatch line at Bacheli as entrusted by the Railways as a deposit work.

Further the merger of SIIL with NMDC as per the decision of the Government conveyed on 28.3.2006 is in progress.

Research & Development (R&D)

The R&D Centre of NMDC functions in various thrust areas such as upgradation of processing technology of existing process plants; development of technology for utilization of low grade minerals and mines wastes, development of value added products etc.

During 2007-08, the company undertook the following R&D activities :

(i) setting up pilot plant facilities for production of Carbon Free Sponge Iron powder and Nano Crystalline powder from Blue Dust

(ii) development of indigenous technology for production of value added products from Beach Sand

(iii) setting up pilot plant for commercialization of Precipitated Silica Sodium Silicate and Zeolite – A from Kimberlite

(iv) development of various grades of Ferrite powders.

Environment and Ecology

NMDC has promoted the design, development, documentation and implementation of Environmental Management System in line with ISO 14001 standards at all its iron ore and diamond 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 2007-08.

Uranium Corporation of India Ltd. (UCIL)

1. Company Profile

UCIL was incorporated on 04.10.1967 under the Companies Act, 1956 with the 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 and 2 mills at Jaduguda and Turamdih in Jharkhand. In addition the company has constructed its first opencast mine at Banduhurand to feed ore to new mill at Turamdih.

3. Production / Operational Profile

The capacity utilization of the 4 mines at Juduguda, Bhatin, Narwapahar and Turamdih during 2007-08 was 61.31%, 59.12%, 118.91% and 59.49% respectively as against 58.06%, 57.45%, 122.70% and 83.12% respectively during the previous year. The capacity utilization of Jaduguda mill was 111.94% during the year as compared to 115.88% in the previous year. The Turamdih mill was commissioned for trial run on 25.6.2007 and is under stabilization.

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	280.87	273.33	256.66	2.76
Cost of production	281.93	251.74	232.65	11.99
Net Profit	14.63	27.50	31.61	-46.80
Net Worth	965.98	826.68	826.68	16.85
Share of Central Govt.	792.65	690.94	659.89	14.72
Paid up capital	792.65	690.54	659.89	14.72

5. Key Performance Factors

UCIL is working under monopolistic conditions with 100% market share. Although the company recorded increase in turnover during last two years its profit is declining. The major income was from the compensation of U308(91.3%) followed by interest income (6%), other income (1.5%) and sales of by-products(1.2%).

Emphasis has been laid on sourcing of import substitutes of certain valuable spares and better inventory management, which leads to reduction in inventory.

6. Human Resource Development (HRD)

The enterprise employed 4131 persons (executives 193, non-unionized supervisors 135 and workmen 3803) as on 31.3.2008 against a workforce of 4099 employees as on 31.3.2007. 3% employees have professional qualifications and 17% of employees come under the age bracket of 51 years and above. The retirement age is 60 years. During the year 63 employees retired on superannuation and 19 persons availed of VRS. 152 new employees joined the company during the year.

There were 10 Directors on the Board of the company out of which 3 were full time Functional Directors and 7 were Non-Official Directors / Professionals.

7. Strategic Issues

Ore reserves in the upper horizon of Jaduguda mines have depleted over the years and mining activities are now concentrated mostly at 555 M level and below.

The company has taken up massive expansion programme of constructing several mines and plants. Construction of Bagjata underground mine at an estimated cost of Rs. 97 crore; and Mohuldih underground mine at an estimated cost of Rs. 90 crore are under progress. Further, Tummalapalle Uranium project at estimated capital cost of Rs. 1106 crore; Lambapur-Peddagattu project at an estimated cost of Rs. 558 crore; and KPM project at estimated capital cost of Rs. 1047 crore are also being implemented at different stages. Two more projects namely Gogi project and Rohil Uranium deposit are also being carried out on behalf of AMD.

Research and Development

UCIL carried out R&D activities in the areas of :

(i) Leaching tests on rock samples of different operating mines and new deposits to optimize the process of parameters;

(ii) Tests in pilot plant scale by the joint team consisting of scientists of BARC, UCIL and AMD on product precipitation, regeneration of reagents and crystallization of Sodium Sulphate.

The benefits derived from these activities include help in optimizing leaching efficiency and in fine-tuning the process parameters of Tummalapalle ore.

The company has a plan for carrying out more experiments on ore of Tummalapalle and Gogi uranium deposits to optimize the process parameters and increase recovery.

UCIL incurred an expenditure of Rs. 1.54 crore during 2007-08 on R&D.

The company has taken steps in the field of uranium mining and milling to absorb latest available technology to improve productivity and making the operations more cost effective.

Environment and Ecology

UCIL accords high priority to ecology and environment protection. An Environmental Survey Laboratory of Bhabha Atomic Research Centre located at Jaduguda undertakes surveillance of all operations and surrounding areas regularly. External gamma radiation , Radon concentration, suspended particulate matters, airborne long lived Alpha activity and concentration of radio nuclides- uranium and Radium in surface and ground water, in soil and food items etc. are monitored regularly.

The company has taken initiatives in plantation of trees in plant and colony areas. For encouraging plantation in neighbouring villages saplings were distributed.

UCIL has obtained ISO 9001:2000 certification for Quality Assurance, ISO 14001:2004 certification for Environmental Management System and IS – 18001:2000 certification for Occupational Health and Safety Management System.

16 CONTRACT & CONSTRUCTION SERVICES

As on 31.3.2008, 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.	Hindutan Prefab Ltd.	1953
2.	National Projects Construction Corpn. Ltd.	1957
3.	National Bldg. Constn. Corpn. Ltd.	1960
4.	Hindustan Steelworks Constn. 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 Corporation 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Hindutan Prefab Ltd.	35.10	23.20
2.	National Projects Construction Corpn. Ltd.	711.59	721.80
3.	National Bldg. Constn. Corpn. Ltd.	1969.99	1459.94
4.	Hindustan Steelworks Constn. Ltd.	513.55	423.83
5.	Bridge & Roof Co. (India) Ltd.	710.63	556.62
6.	Mineral Exploration Corpn. Ltd.	90.86	76.30
7.	IRCON International Ltd.	1968.16	1474.81
8.	BBJ Construction Company Ltd.	85.28	67.81
9.	Konkan Railway Corporation Ltd.	501.02	657.00
10.	Mumbai Railway Vikas Corporation Ltd.	5.14	4.42
11.	Rail Vikas Nigam Ltd.	1423.11	985.26
	Total	**8014.43**	**6450.99**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Hindutan Prefab Ltd.	-13.75	-14.63
2.	National Projects Construction Corpn. Ltd.	-29.59	4.4
3.	National Bldg. Constn. Corpn. Ltd.	279.83	80.88
4.	Hindustan Steelworks Constn. Ltd.	-26.72	-83.50
5.	Bridge & Roof Co. (India) Ltd.	6.18	4.47
6.	Mineral Exploration Corpn. Ltd.	6.11	59.57

7.	IRCON International Ltd.	113.80	86.87
8.	BBJ Construction Company Ltd.	1.62	1.22
9.	Konkan Railway Corporation Ltd.	-144.99	-233.28
10.	Mumbai Railway Vikas Corporation Ltd.	22.61	9.94
11.	Rail Vikas Nigam Ltd.	28.43	11.27
	Total	**243.53**	**-72.79**

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	
		2007-08	**2006-07**
1.	No. of employees	16515	17354
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	1.78	0.56
	b. Medical facilities	5.31	4.83
	c. Others	2.45	2.77
3.	Capital cost of township *(Rs. in crore)*	71.59	70.69
4.	No. of houses constructed	53	53

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	437147	437147	434647
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	281135	194635	173053
OTHERS	46250	49211	46211
(B) SHARE APPLICATION MONEY	8650	53000	20002
(C) RESERVES & SURPLUS	132330	98213	87931
TOTAL (A)+(B)+(C)	**468365**	**395059**	**327197**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	333061	307198	318837
(B) UNSECURED LOANS	730265	626568	500155
TOTAL (A)+(B)	**1063326**	**933766**	**818992**
(1.3) DEFERRED TAX LIABILITY	152	510	423
TOTAL (1.1)+(1.2)+(1.3)	**1531843**	**1329335**	**1146612**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	460975	447493	434549
(B) LESS DEPRECIATION	118337	111608	102262
(C) NET BLOCK (A-B)	342638	335885	332287
(D) CAPITAL WORK IN PROGRESS	10614	14581	160127
TOTAL (C)+(D)	**353252**	**350466**	**492414**
(2.2) INVESTMENT	44035	334670	31346
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	450318	317367	53320
(B) SUNDRY DEBTORS	183473	142552	102932
(C) CASH & BANK BALANCES	312528	299184	232249
(D) OTHER CURRENT ASSETS	52435	14521	14928
(E) LOAN & ADVANCES	222085	158449	128844
TOTAL (A)+(B)+(C)+(D)+(E)	**1220839**	**932073**	**532273**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	564244	463300	376330
(B) PROVISIONS	83390	55828	45666
TOTAL (A+B)	**647634**	**519128**	**421996**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**573205**	**412945**	**110277**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	581	1146	3495
(2.7) DEFFRED TAX ASSETS	4320	3928	4065
(2.8) PROFIT & LOSS ACCOUNT (Dr)	556450	527380	505015
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**1531843**	**1329335**	**1146612**

CONTRACT & CONSTRUCTION SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES / OPERATING INCOME	801443	645099	445268
(B) EXCISE DUTY	116	14	3
(C) NET SALES (A-B)	801327	645085	445265
(D) OTHER INCOME /RECEIPTS	62927	22431	20991
(E) ACCRETION / DEPLETION IN STOCKS	-6373	4617	3741
(I) TOTAL INCOME (C+D+E)	**857881**	**672133**	**469997**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	94425	55606	43716
(B) STORES SPARES	885	736	889
(C) POWER &FUEL	13904	11963	10140
(D) MANUFACTURING / DIRECT / OPERATING EXP.	531241	329625	263650
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	41955	37073	33170
(F) OTHER EXPENSES	55012	178233	71288
(G) PROVISIONS	11801	3761	762
(II) TOTAL EXPENDITURE (A TO G)	**749223**	**616997**	**423615**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	108658	55136	46382
(4) DEPRECIATION	13681	11409	10724
(5) ORE. /PREL. EXP. WRITTEN OFF	5709	1794	10645
(6) PROFIT BEFORE INT., TAXES &EP (PBITEP) (3-4-5)	89268	41933	25013
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	23953	23900	20848
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 20926	20926	22984	
(D) LESS INTEREST CAPITALISED	16	13	4
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	44863	46871	44732
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**44405**	**-4938**	**-19719**
(9) TAX PROVISIONS	20057	8801	4404
(1 0) NET PROFIT / LOSS(-) BEFORE EP (8-9)	24348	-13739	-24123
(11) NET EXTRA -ORD. ITEMS	-5	-6460	-5087
(12) NET PROFIT /LOSS (10-11)	**24353**	**-7279**	**-19036**
(13) DIVIDEND DECLARED	9106	2883	2584
(14) DIVIDEND TAX	1548	431	363
(15) RETAINED PROFIT (12-13-14)	**13699**	**-10593**	**-21983**

CONTRACT & CONSTRUCTION SERVICES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	818737	676724	1037403
(ii) CAPITAL EMPLOYED	915843	748830	442564
(iii) NET WORTH	-88666	-133467	-181313
(iv) COST OF PRODUCTION	813476	677071	489716
(v) COST OF SALES	819849	672454	485975
(vi) VALUE ADDED	685740	581397	394261
(vii) R&D EXPENDITURE	206	206	5
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	16515	17354	17191
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	21170	17802	16079
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	2.27	2.36	2.50
(ii) CURRENT RATIO	1.89	1.80	1.26
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	6.58	3.18	2.70
(iv) SUNDRY DEBTORS : SALES (No. of days)	83.57	80.66	84.38
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	205.12	179.57	43.71
(ii) SEMI / FINISHED GOODS : SALES	198.05	172.23	29.83
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	1.15	1.53	-0.17
		(%)	
(vii) SALES : CAPITAL EMPLOYED	87.50	86.15	100.61
(viii) PBDITEP : CAPITAL EMPLOYED	11.86	7.36	10.48
(ix) PBITEP: CAPITAL EMPLOYED	9.75	5.60	5.65
(x) COST OF SALE : SALES	102.31	104.24	109.14
(xi) MATERIAL COST : SALES	11.78	8.62	9.82
(xii) SALARY & WAGES : SALES	5.24	5.75	7.45
(xiii) R & D EXPENDITURE : SALES	0.03	0.03	0.00
(xiv) PBITEP : SALES	11.14	6.50	5.62
(xv) PBTEP : NET WORTH	-50.08	3.70	10.88
(xvi) NET PROFIT : NET WORTH	-27.47	5.45	10.50
(xvii) GROSS MARGIN : GROSS BLOCK	23.57	12.32	10.67

BBJ Construction Co. Ltd. (BBJCC)

1. Company Profile

BBJCC was incorporated in the year 1935 in 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 in India and selected foreign markets. 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 in the field of construction of steel bridges, fabrication of steel structures, industrial structures and civil construction. The steel girder bridge fabrication units viz. Heavy Plant Yard and Angus Works are located at Kolkata and Hooghly districts respectively of West Bengal. Project construction sites are located all over India.

3. Production / Operational Profile

The performance details of the services provided by the company are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Fabrication & Erection of Steel Bridges, Jetty and Marine Structure & Civil Construction	Rs. in crore	87.72	80.17	57.89	75.26

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	85.28	67.81	55.00	25.76
Cost of Production	77.26	71.82	58.36	7.57
Net Profit/Loss (-)	1.62	1.22	0.49	32.79
Net Worth	14.95	11.49	9.92	30.11
Paid up Capital	17.02	17.02	17.02	0.00
Share of Holding Co.	17.02	17.02	17.02	0.00

5. Key Performance Factors

The increase in turnover and profitability is attributed to execution of more orders and change in product mix, improved productivity, reduction in expenditure etc.

Fabrication, civil construction and erection are the three major activities which contributed about 51.69%, 24.64% and 17.69% respectively in total sales during 2007-08 as compared to 57.42%, 5.97% and 16.55% respectively during 2006-07. The share of marine income has, however, declined tremendously from about 20% to only 2.60%.

The Earning Per Share of the company was Rs.9.54 in the year 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 92 regular employees (executives 48, unionized supervisors 21, non-unionised supervisor one & workmen 23) as on 31.3.2008. 36.56% of the employees were having professional qualifications and 34.41% 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. 3 employees retired and 3 new employees joined the company during the year.

The number of Directors in the company as on 31.3.2008 was 4, out of which one each was full time Functional Director and Government / official Director and 2 part time Non-official Directors / professionals

7. Strategic Issues

As the work of steel bridge construction (Structural Steel Girders) is gradually shrinking, the company has successfully diversified into various allied engineering fields.

BBJCCL received plan assistance of Rs. 1.50 crore during 2007-08.

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.29.49 crore, all from Government Departments/ organizations and without any purchase preference support. In addition, orders worth Rs. 35 lakhs were export orders. The year ended with Orders in hand of around Rs.74.78 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 Industry 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. It became a subsidiary of Bharat Yantra Nigam Ltd. (BYNL) in 1987 which held its 99.10% equity. From 6.5.2008, consequent to the decision taken by the Government for closure and winding up of Bharat Yantra Nigam Limited(DHI's letter no. 7(2)/2002-PE.IV dated 30.4.2008), B&R is no more subsidiary 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, pot shell 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. The company has broken through in the overseas market in the Middle East after more than 20 years by securing jobs from Kuwait Oil Company and United Gulf Construction Company.

3. Production / Operational Profile

The construction activities comprise 96% of the total turnover. The production performance of the company was as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Marine Freight Container	Nos.	36 BH	20 BH	30 BH	29 BH
Fabricated Structure	MT	8214	5208	3953	5792

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	710.63	556.62	467.60	27.67
Cost of Production	715.77	605.50	506.81	18.21
Net Profit/Loss(-)	6.18	4.47	1.39	38.26
Dividend declared (as % of PBT)	3.55	1.39	2.85	154.48
Net Worth	97.09	91.38	72.02	6.25
Paid Up Capital	39.99	39.99	39.99	0.00
Share of Central Govt.	39.69	39.69	39.63	0.00

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.

Almost all sales of the company were domestic and 56.14% of that was made to Government Departments/organizations during 2007-08. The share of sales through purchase preference support was only about Rs. 11.43 crore i.e. 1.61% of the total turnover of Rs. 710.63 crore.

The profit of the company increased by 38.26% during 2007-08 as compared to the previous year mainly due to increase in turnover (27.67%) and reduction in cost.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.1.54 as against Rs. 1.12 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1439 regular employees (660 executives, 177 unionised supervisors & 602 workmen) as on 31.3.2008. 37.73% employees were having professional qualifications and 27.31% 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. 13 employees retired during the year. 10 skilled and one unskilled employees also left the company in attrition. Since the introduction of the VRS, 465 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 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 has drawn a comprehensive plan to increase its turnover from Rs. 700 crore to Rs. 1500 crore during the XIth Five Year Plan period. The strategy of the company will be to effectively and fruitfully utilize its resources so that it can get substantial business and increase the turnover and profitability.

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.

In the area of Energy Audit, various steps have been undertaken for improvement in line with the recommendations of the Energy Audit Report conducted by the External Experts.

Research & Development (R&D)

R&D activities of B&R include study of the existing business scenario as well as specific area where new products and services either by diversification or by upgradation of technology can be identified.The company is considering to invest more in R&D activities for pursuing continuous updation of business opportunities and quality standards.

The R&D expenditure incurred during the year 2007-08 was Rs. 6.78 lakhs which is 0.95% of the total turnover of Rs. 710.63 crore.

During 2007-08, the company booked orders worth Rs. 1429.35 crore. Substantial orders were received from the Government Departments/ organizations/PSEs, but the share of the private sector was also significant i.e. about 21%. The cumulative orders in hand after the end of the year 2007-08 were to the extent of Rs. 1875 crores. This placed the company in a comfortable position for formulating well planned production schedules.

Environment and Ecology

In order to maintain congenial environment and ecological balance at work place, every effort was made to keep work places accident and hazard free. Environment awareness programmes and monitoring of the same were held at regular intervals. Trees were planted along the boundary wall of the factory to arrest pollution and keep a clean environment. Besides imbibing the spirit of environment awareness among the employees, measures were taken to reduce wastage of water due to leakage and segregating waste from offices for disposal in environment friendly manner.

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 works 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 is 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 orders and shortage of working capital.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	35.10	23.20	8.73	51.29
Cost of prod.	48.65	38.01	22.92	27.99
Net Profit / Loss(-)	-13.75	-14.63	-13.83	-
Net Worth	-132.50	-118.74	-104.09	-
Paid up capital	6.97	6.97	6.97	0.00
Share of Central Govt.	6.97	6.97	6.97	0.00

4. Key Performance Factors

Surplus manpower and high rate of interest on Government Loans along with lack of orders have resulted in continuous losses. However, the performance of the HPL has improved during 2007-08 as compared to last year by recording increase in turnover as well as reduction in losses.

5. Human Resource Development

HPL employed 321 persons (executives 17 and non-executives 304) as on 31.3.2008. 9.35% employees come under the age bracket of 51 years and above. The retirement age in the company is 58 years. During the year, 6 employees retired after attaining the age of superannuation. The company is following IDA 1992 and CDA 1996 patterns of remuneration.

6. Strategic Issues

A proposal for revival of the HPL was referred to BRPSE for its consideration and making suitable recommendations to the Government in 2006. Since the data furnished in the proposal were old, the administrative Ministry was requested in September, 2006 to update the data. The Ministry informed on 10.8.2007 that HPL is in the process of appointing a Consultant (since has been engaged) and the revised revival proposal will be submitted after receipt of his recommendations. The final proposal is still awaited.

Hindustan Steelworks Const. Ltd. (HSCL)

1. Company Profile

HSCL was incorporated in the year 1964 under the Companies Act, 1956 with the 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 operational and maintenance jobs in steel plants and major project jobs in infrastructure sector. It 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:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Project construction	Rs. in crore	526.18	433.33	349.80	436.44

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	513.55	423.83	341.21	21.17
Cost of services	568.41	504.80	449.61	12.60
Net Profit / Loss(-) after adjustments	-26.72	-83.50	-85.97	-
Net Worth	-1248.84	-1226.85	-1164.47	-
Paid up capital	117.1	117.1	117.1	0.00
Share of Central Govt.	117.1	117.1	117.1	0.00

5. Key Performance Factors

The financial performance of the company improved during 2007-08 both in terms of turnover as well as reduction in losses over previous year. It is attributed to prior period adjustment towards interest on Govt. loan, reduction in VRS expenditure and higher achievement in projects implementation due to appropriate managerial application.

The Company secured new orders worth Rs.940 crore during 2007-08. It also recorded improvement in productivity as per employee income increased to Rs.35.6 lakh in 2007-08 as compared to Rs.26.9 Lakh in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1480 regular employees (executives 283 & non-executives 1197) as on 31.3.2008 as against 1612 employees as on 31.3.2007. 12.23% employees were having professional qualifications and 95.54% 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 employees. The average age of the executives of the company is about 54 years as on 31.3.2008.

HSCL is following IDA 1992 and CDA 1996 pattern of remuneration. A total of 115 employees retired during the year. 13 employees availed of VRS and an amount of Rs.0.33 crore was spent in this regard. Since the introduction of VRS in the company in 1986, total 1955 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 6, out of which 2 each were part time Non-official Directors / professionals and full time Functional Directors and Government / official Directors

7. Strategic Issues

Restructuring Plan

The company has been facing acute financial difficulty since long. Despite a capital restructuring undertaken in 1999, it is still in loss. The company has sent a proposal to its administrative Ministry for organizational, business and financial restructuring on the basis of the viability study conducted by M/s A.F. Ferguson & Co. M/o Steel has submitted a revised revival proposal on 11.1.2008 which is currently under consideration.

Order Book Position

The year ended with in hand Orders of around Rs.1450 crores. The company expects to secure work 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 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 segments of the company comprise of railways, highways, buildings and others. The brief details of major construction activities (having more than 5% contribution in turnover) are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Railways	Rs in crore	834	692	569	698.33
Highways	Rs. in crore	925	528	269	574.00
Building	Rs. in crore	89	149	102	113.33
Others	Rs. in crore	119	106	119	114.67

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1968.16	1474.81	1058.08	33.45
Cost of Services	1932.24	1432.05	999.03	34.93
Net Profit/Loss(-)	113.80	86.87	80.67	31.00
Dividend Declared (as % of PBT)	18.46	23.15	22.63	-20.27
Net Worth	948.93	874.48	829.30	8.51
Paid up capital	9.90	9.90	9.90	0.00
Share of Central Govt.	9.88	9.88	9.88	0.00

5. Key Performance Factors

The increase in turnover is attributed to higher contribution from Indian projects. Gross margin increased due to increase in turnover.

Earning Per Share was Rs. 114.95 as on 31.3.2008 as compared to Rs. 87.75 as on 31.3.07.

6. Human resource Development (HRD)

IRCON employed 1978 regular employees (executives 1555 & non-executives 423) as on 31.3.2008. 55.21% employees are having professional qualifications and 16.84% 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 patterns of remuneration. Total 8 employees retired during the year after attaining the age of superannuation. Further, 115 skilled and 85 unskilled employees also left the company on account of attrition. However, 187 skilled and 149 un-skilled new employees joined.

The total number of Directors in the company as on 31.3.2008 was 8, out of which two each were Government/Official Directors and Part time non-official Directors and remaining 4 were full time Functional Directors.

7. Strategic Issues

Project Implementation

The company has so far successfully completed 85 projects in several foreign countries and over 270 varied projects in different parts of India including difficult terrains like Kashmir etc.

Besides Metro and MRTS works, the company has diversified into the areas of optic fibre, real estate, land development, leasing etc.

Konkan Railway Corp. 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 objectives 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' CPSE 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 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 services by the company are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Passenger Transportation	Nos. in Million	34.84 (366.74)	32.99 (347.26)	30.17 (317.58)	32.67
Freight Transportation	NTKMs	2854.21 (63.42)	2090.12 (46.45)	1597.50 (35.50)	2180.61
RORO	No. of Trucks	24633 (88.61)	23727 (85.36)	18072 (75.77)	22144

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	501.02	657.00	621.48	-23.74
Cost of services	929.37	900.96	872.08	3.15
Net Loss(-)	-144.99	-233.28	-235.61	-
Net Worth	-2459.00	-2313.60	-2080.31	-
Paid up capital	803.46	803.07	803.07	0.05
Share of Central Govt.	411.29	411.29	411.29	0.00

5. Key Performance Factors

The company has two main segments namely Traffic and Projects. The traffic segment is showing losses where as project segment has shown marginal profits. Konkan Railway has recorded increase in other income from Investment as well as decrease in finance charges due to redemption of high-interest Bonds and reissue at lower rates. Further it has been able to reduce its loss due to running of more freight trains via Konkan Railway from north and movement of iron ore traffic.

6. Human Resource Development (HRD)

The enterprise employed 4304 regular employees (162 executives & 4142 non-executives) as on 31.3.2008 as against 4160 employees as on 31.3.2007. Around 9.11 % employees have professional qualifications and 2.97% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 40 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year 2007-08, 208 new employees recruited in the company and one person retired after attaining the age of superannuation.

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.

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 consideration. BRPSE has given its recommendation, which are under consideration of the Government.

Mineral Exploration Corp. Ltd. (MECL)

1. Company Profile

MECL was incorporated on 21.10.1972 under the Companies Act, 1956 mainly for carrying out detailed exploration of mineral potential deposits on a commercial basis, 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 the Business Development Centers at Delhi and Kolkata.

2. Industrial / Business Activities

MECL carries out exploration activities under two major heads, viz. 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.

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:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Exploratory drilling	Meters	205860 (120)	196969 (115)	178425 (104)	193751
Exploratory/ Developmental mining	Meters	6640 (160)	7811 (195)	8280 (207)	7577

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	90.86	76.30	78.87	19.08
Cost of Production	84.86	79.20	66.16	7.15
Net Profit/Loss(-)	6.11	59.57	16.21	-89.74
Net Worth	110.70	104.73	0.77	5.70
Paid Up Capital	119.55	119.55	73.75	0.00
Share of Central Govt.	119.55	119.55	73.75	0.00

5. Key Performance Factors

87% revenue of the company comes from exploration.

Turnover increased during 2007-08 compared to 2006-07 due to healthy order book position, continued efforts to increase productivity, gainful utilization of available resources, effective monitoring system, timely logistic support, more autonomy to project management etc.

Drilling productivity increased from 259m/drill/month during 2006-07 to 268m/drill/month during 2007-08.

Revenue per employee increased from Rs. 3.97 lakhs to Rs. 4.64 lakhs during the same period.

Payment of wage arrears belonging to 2003-04 & 2004-05, during 2007-08 acted as motivating factor resulting in maintaining upward trend in performance, but attributed for decrease in profit.

Use of diamond bit matching with strata condition / formation resulted in improvement in productivity.

The company is having 30% of market share of exploratory drilling in India.

6. Human Resource Development (HRD)

The enterprise employed 2006 regular employees (294 executives, 181 unionised supervisors & 1531 workmen) as on 31.3.2008. 7.58% employees were having professional qualifications and 50% 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, 84 employees comprising 23 executives, 10 supervisors and 51 workmen retired. In addition, 113 skilled and 4 unskilled employees left the company in attrition. 2 skilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 5, out of which 3 were whole time Functional Directors and 2 Government/ Official Directors..

7. Strategic Issues

New initiatives/business restructuring

MECL alongwith BRGM and on behalf of Directorate General of Hydrocarbons, Government of India has taken up studies for resource estimation in respect of syncrude oil potential in oil shale deposits in parts of Assam and Arunachal Pradesh..

The company continued exploration for evaporate on behalf of M/s ONGC Limited.

In order to complete the work in hand as per time schedule and requirement of the clients, MECL has outsourced some of the work after empanelling the agencies having technology know how for drilling and developmental mining, through Expression of Interest (EoI).

For expanding its activities and to enter into new areas in the field of mineral exploration, the company has entered into MOUs with different parties. It continued its efforts for modernization as well as diversification in the field of CBM investigation, supply of ballast to Railways and coal sampling and analysis work as a referee agency.

Research and Development

MECL's R&D efforts have 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.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

Environmental studies are being carried out in all projects and a chapter on the baseline status of environmental studies is incorporated in the geological reports.

Mumbai Railway Vikas Corporation Ltd. (MRVCL)

1. Company Profile

MRVC was incorporated on 12.07.1999 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 implementing rail infrastructure projects, integrating urban development plan of Mumbai with rail capacity and investments, undertaking commercial development of Railway land and air space. 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 Govt. of Maharashtra. Its Registered and Corporate offices are at Mumbai, Maharashtra.

2. Industrial / Business Activities

MRVC is one of the Central-State Governments Joint Venture involved in developing rail infrastructure project viz. 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 Govt. of Maharashtra in a 50:50 ratio. This being a service enterprise, there are no production activities.

4. Major Financial Highlights

(Rs. in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover/operating Income	5.14	4.42	3.70	16.29
Cost of service	10.44	7.04	5.83	48.30
Net Profit/Loss (-)	22.61	9.94	14.11	127.46
Net Worth	88.81	66.19	56.23	34.17
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

Turnover/operating income of the company increased by 16.29% during the year 2007-08 as compared to previous year. The profit increased on account of higher receipt of interest income and increase in Direct & General Charges.

The loan sanctioned by the Word 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 12A of the Income Tax Act, 1961.

Earning Per Share of the company was Rs. 900.41 as on 31.03.2008.

6. Human Resource Development (HRD)

The enterprise employed 149 regular employees (110 executives, 79 non-unionised supervisors and 31 workmen) as on 31.03.2008 as against 141 employees as on 31.03.2007. 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 31.03.2008 was 7, out of which 4 were full time Functional Directors, 2 Government / official Directors and One part time non-official Director.

7. Strategic Issues

The company aims at to integrate suburban rail capacity enhancement plans with urban development of Mumbai. MRVC is presently executing MUTP phase I at a sanctioned cost of Rs. 3480 crore, which is likely to be completed by June, 2009. (Railway Board has further sanctioned MUTP phase II at a total cost of Rs. 5300 crore vide letter dated 9.5.2008.)

Research & Development (R&D)

R&D is done through the Research and Design Standards Organization, Lucknow for inspection of materials and design modifications.

Budgetary support

All assets created under MUTP project are owned by Indian Railways and not by MRVC. Hence all funds received for MUTP project are neither long term loan nor Government grants, but funds received for execution of the project. During 2007-08, an amount of Rs. 248.69 crore has been received from Ministry of Railways and Rs. 190.22 crore from Government of Maharashtra.

National Buildings Construction Corporation Limited (NBCC)

1. Company Profile

NBCC was incorporated on 15th November, 1960 under the Companies Act, 1956 with the objective of becoming a leading company in the construction engineering and consultancy services and providing efficient and quality execution of projects. Its vision is to be widely admired and preferred construction services company by setting the highest standards in customer service, reliability, safety and environment, stewardship, and cost containment. NBCC is a Schedule "B" CPSE in Contract & Construction Services sector under the administrative control of Ministry of 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 and rendering project management consultancy. It has entered into the new segment of Energy Efficient Environment friendly Green Buildings and in a big way into construction of Solid Waste Management Projects. It has been selected as executing agency for construction of Rural Roads in Bihar & Tripura under Pradhan Mantri Gram Sadak Yojana (PMGSY) which is a National Level initiative to build and strengthen the country's rural road network and under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for establishing world class infrastructure in urban conglomeration in the States of Haryana, Tripura, Meghalaya, Bihar, Jammu & Kashmir, Sikkim and Assam. The company has Four Joint Ventures namely "Jamal – NBCC International (Proprietary) Ltd." in Botswana, IJM-NBCC-VRM in Delhi, AMC-NBCC in Agartala and NBCC-R.K. Millen & Co., Howrah with a share of 49%, 30% ,80.16% & 50% respectively.

3. Production / Operational Profile

The company has diversified into almost all fields of construction sector including highly specialized works like power plants, water treatment & sewage treatment plants, water supply pipe line work, road work, mass housing projects, engineering procurement and construction (EPC) projects. Due to vast experience and quality of services rendered by NBCC, a number of Central Government Ministries and various State Governments are utilizing the services of NBCC as their extended engineering arm. NBCC with 47 years of specialization in building construction has diversified into Real Estate Projects on commercial basis. It has already completed some large value real estate projects and presently undertaking prestigious projects in Delhi, Kolkata & Agartala. The segment-wise revenue earned by the company is given below:-

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Real Estate	Rs. in crore	585.90	153.73	43.18	260.94
Infrastructure	Rs. in crore	80.59	108.78	141.33	110.23
Civil construction including project management consultancy	Rs. in crore	1303.50	1197.45	1051.19	1184.05

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1969.99	1459.94	1235.70	34.94
Cost of Production	1609.86	1389.20	1277.53	15.88
Net Profit/Loss (-)	279.83	80.88	28.03	245.98
Dividend declared (as % of PBT)	13.48	2.41	0.00	458.56
Net Worth	335.32	150.93	73.32	122.17
Paid up Capital	90.00	120.00	120.00	(25)
Share of Central Govt.	90.00	120.00	120.00	(25)

5. Key Performance Factors

During 2007-08, the growth rate of the turnover was 35% compared to 10% of the construction industry. The reasons for performance improvement are attributed to increase in productivity, up to date price realization, reduction in overheads, technology changes, etc. The real estate income also contributed towards increase in profits.

Per employee profit increased from Rs. 3.31 lacs as on 31.03.2007 to Rs.11.72 lacs as on 31.03.2008, turnover from Rs.59.74 lacs to Rs. 82.50 lacs and net worth from Rs.15193 lacs to Rs. 33532 lacs on these dates. On the other side, ratios of salary and benefits to turnover increased from 3.17 to 3.92, prime cost to turnover decreased from 85.37 to 72.16 due to Real Estate business and excluding Real Estate the prime cost decreased from 89.30 to 85.08.

For the fourth consecutive year, the Company scored "Excellent" MOU rating and for the second consecutive year has won "SCOPE Award for Excellence & Outstanding Contribution to the Public Sector Management – in Medium PSE Category 2006-2007.

6. Human Resource Development (HRD)

The enterprise employed 2388 regular employees (executives 824 and non-executives1564) as on 31.03.2008. 25% employees were having professional qualifications and 33% employees come under the age bracket of 51 and above years.

The total number of Directors in the company as on 31.03.2008 way 5, out of which 3 were Functional Directors.

The retirement age in the company is 60 years. The company is following IDA 1997 and CDA 1996 patterns of remuneration. During the year, 7 skilled and 6 unskilled employees left the company.

7. Strategic Issues

The company is facing stiff competition both in domestic and international tenders due to diversification by companies, JV formation and participation by international firms.

National Projects Construction Corp. 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 contractors. It 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.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	711.59	721.80	577.66	-1.41
Cost of Production	754.46	757.42	625.16	-0.39
Net Profit/Loss(-)	-29.59	4.40	2.26	-772.50
Net Worth	-761.21	-650.68	-655.05	-
Paid up capital	29.84	29.84	29.84	0.00
Share of Central Govt.	28.79	28.79	28.79	0.00

5. Key Performance Factors

NPCC had shown profit in the year 2005-06 & 2006-07 after 18 years, it has no major capital scheme of its own in hand.

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 are being pursued aggressively.

6. Human Resource Development (HRD)

The enterprise employed 2110 regular employees (682 executives & 1428 non-executives) as on 31.3.2008. Around 89.38 % employees have professional qualifications and 25.12% employees come under the age bracket of 51 and above years.

7. Strategic Issues

Office of the Comptroller and Auditor General of India has named NPCC as one of the Central Government Companies which shows arrears in finalization of its accounts, which leads to non compliance of the provisions of Sections 166 and 210 of the Companies Act, 1956.

Restructuring Plan

NPCC was incurring losses on account of lack of orders, heavy interest burden, surplus manpower etc. A Revival plan recommended by the BRPSE is under consideration of 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

RVNL 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 through ADB funding, 11 through IRFC borrowings, 9 through "Capital Fund" of Railways, 11 through its own equity and 7 through project specific SPVs. One project is being implemented through full funding by Ministry of Shipping. Remaining 4 projects are at developmental 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

RVNL is implementing four types of projects namely doubling of tracks (1811 Km), gauge conversion (1585 Km), laying new lines (493 Km) and railway electrification (1906 Km). The total length of these projects is 5795 Kms. The performance details of major services rendered by the company are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
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
	2007-08	2006-07	2005-06	2006-07
Turnover	1423.11	985.26	4.65	44.44
Cost of services	1403.44	984.71	13.67	42.52
Net Profit / Loss(-)	28.43	11.27	1.89	152.26

Dividend declared (as % of PBT)	12.71	0.00	0.00	1270.97
Net Worth	2119.09	1676.00	1149.23	26.44
Paid up capital	2015.02	1150.02	950.00	75.22
Share of Central Govt.	2015.02	1150.02	950.00	75.22

5. Key Performance Factors

The increase in profit is attributed to increase in turnover and accounting of the interest earned from short term deposits in the P&L Account.

RVNL completed 155 Kms. of new lines, 795 Kms. of gauge conversion, 276 Kms. of doubling and 954 Kms. of railway electrification including the area of 10 projects completed so far till 31.3.2008. This is approximately 38% of the total assigned length of 46 projects.

6. Human Resource Development (HRD)

The enterprise employed 247 regular employees (executives 232 & non-executives 15) as on 31.3.2008 as against 167 employees as on 31.3.2007. 69.64% employees were having professional qualifications and 9.72% employees come under the age bracket of 51 and above years.

The average age of the employees is 37 years as on 31.3.2008.

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 31.3.2008 was 10, out of which 4 were part time Non-official Directors / professionals, 4 full time Functional Directors and 2 Government / official Directors including part 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 relating 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 31.3.2008, 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 Corpon. 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.	Power Finance Corporation	1986
6.	Indian Railway Finance Corporation Ltd.	1986
7.	Indian Renewable Energy Devt. Agency Ltd.	1987
8.	National Scheduled Castes Finance & Devp. Corpn.	1989
9.	National Backward Classes Finance & Devp. Co.	1992
10.	National Minorities Devp. & Finance Corpn.	1994
11.	National Safai Karamcharis Finance & Devp. Corpn.	1997
12.	National Handicapped Finance & Devpt. Corpn.	1997
13.	National Scheduled Tribes Finance & Devp. Corpn.	2001
14.	Balmer Lawrie Investments Ltd.	2001
15.	Kumarakruppa Frontier Hotels Ltd.	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.

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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	Export Credit Guarantee Corpon. of India Ltd.	545.76	594.44
2.	Rural Electrification Corpn. Ltd.	3378.22	2651.70
3.	Housing & Urban Dev. Corpn. Ltd.	2724.67	2608.22
4.	National Film Dev. Corpn. Ltd.	30.16	22.46
5.	Power Finance Corporation	5029.28	3816.67
6.	Indian Railway Finance Corporation Ltd.	2596.96	2283.98
7.	Indian Renewable Energy Devt. Agency Ltd.	197.50	166.77
8.	National Scheduled Castes Finance & Devp. Corpn.	15.28	15.40
9.	National Backward Classes Finance & Devp. Co.	20.16	19.51
10.	National Minorities Devp. & Finance Corpn.	19.04	17.46
11.	National Safai Karamcharis Finance & Devp. Corpn.	6.22	5.89

12.	National Handicapped Finance & Devpt. Corpn.	2.32	1.78
13.	National Scheduled Tribes Finance & Devp. Corpn.	9.51	8.65
14.	Balmer Lawrie Investments Ltd.	0.00	0.00
15.	Kumarakruppa Frontier Hotels Ltd.	0.00	0.00
16.	India Infrastructure Finance Co. Ltd.	111.89	40.06
	Total	**14686.97**	**12252.99**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Export Credit Guarantee Corpon. of India Ltd.	479.44	369.70
2.	Rural Electrification Corpn. Ltd.	860.14	660.26
3.	Housing & Urban Dev. Corpn. Ltd.	373.73	300.30
4.	National Film Dev. Corpn. Ltd.	-2.76	-5.27
5.	Power Finance Corporation	1206.76	986.14
6.	Indian Railway Finance Corporation Ltd.	421.51	398.70
7.	Indian Renewable Energy Devt. Agency Ltd.	47.96	34.60
8.	National Scheduled Castes Finance & Devp. Corpn.	8.36	5.24
9.	National Backward Classes Finance & Devp. Co.	17.85	20.60
10.	National Minorities Devp. & Finance Corpn.	12.17	10.15
11.	National Safai Karamcharis Finance & Devp. Corpn.	1.02	3.12
12.	National Handicapped Finance & Devpt. Corpn.	1.87	2.22
13.	National Scheduled Tribes Finance & Devp. Corpn.	10.28	10.89
14.	Balmer Lawrie Investments Ltd.	13.97	9.29
15.	Kumarakruppa Frontier Hotels Ltd.	10.98	8.59
16.	India Infrastructure Finance Co. Ltd.	24.41	0
	Total	**3487.69**	**2814.53**

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 2007-08	2006-07
1.	No. of employees	13643	12604
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	21.82	9.78
	b. Medical facilities	25.52	23.10
	c. Others	20.03	12.04
3.	Capital cost of township *(Rs. in crore)*	74.05	45.57
4.	No. of houses constructed	2090	1730

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	1329000	1209000	1109000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	781495	704935	674703
OTHERS	39091	22375	8669
(B) SHARE APPLICATION MONEY	52852	34500	2750
(C) RESERVES & SURPLUS	1879775	1578815	1528384
TOTAL (A)+(B)+(C)	**2753213**	**2340625**	**2214506**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	4964176	4428475	3762804
(B) UNSECURED LOANS	7366040	6564570	5676072
TOTAL (A)+(B)	**12330216**	**10993045**	**9438876**
(1.3) DEFERRED TAX LIABILITY	514544	379888	224960
TOTAL (1.1)+(1.2)+(1.3)	**15597973**	**13713558**	**11878342**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	86691	84497	64372
(B) LESS DEPRECIATION	44850	43469	40776
(C) NET BLOCK (A-B)	41841	41028	23596
(D) CAPITAL WORK IN PROGRESS	1640	1520	7099
TOTAL (C)+(D)	**43481**	**42548**	**30695**
(2.2) INVESTMENT	3215436	2922234	2584427
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	220	57	96
(B) SUNDRY DEBTORS	9087549	1914	790
(C) CASH & BANK BALANCES	886616	941091	935612
(D) OTHER CURRENT ASSETS	219383	191250	137421
(E) LOAN & ADVANCES	3032172	10330207	8780988
TOTAL (A)+(B)+(C)+(D)+(E)	**13225940**	**11464519**	**9854907**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	559731	503570	394799
(B) PROVISIONS	337075	236242	212557
TOTAL (A+B)	**896806**	**739812**	**607356**
(2.5) NET CURRENT ASSETS (2.3-2.4)	12329134	10724707	9247551
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	4681	3798	3905
(2.7) DEFFRED TAX ASSETS	3591	18897	10918
(2.8) PROFIT & LOSS ACCOUNT (Dr)	1650	1374	846
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**15597973**	**13713558**	**11878342**

FINANCIAL SERVICES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars		2007-08	2006-07	2005-06
(1)	**INCOME**			
(A)	SALES / OPERATING INCOME	1468697	1225299	1018526
(B)	EXCISE DUTY	23	42	49
(C)	NET SALES (A-B)	1468674	1225257	1018477
(D)	OTHER INCOME /RECEIPTS	60927	64447	54607
(E)	ACCRETION / DEPLETION IN STOCKS	0	0	0
	(I) TOTAL INCOME (C+D+E)	**1529601**	**1289704**	**1073084**
(2) EXPENDITURE				
(A)	PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	1660	1174	0
(B)	STORE & SPARES	12	15	3
(C)	POWER &FUEL	505	497	310
(D)	MANUFACTURING /DIRECT/ OPERATING EXP.	4516	8553	28299
(E)	SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	31257	17710	14969
(F)	OTHER EXPENSES	32383	53505	26743
(G)	PROVISIONS	29840	15007	16414
	(II) TOTAL EXPENDITURE (A TOG)	**100173**	**96461**	**86738**
(3)	PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (HI)	1429428	1193243	986346
(4)	DEPRECIATION	2020	1693	1374
(5)	DRE./PREL EXP. WRITTEN OFF	909	1312	1229
(6)	PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	1426499	1190238	983743
(7)	INTEREST			
(A)	ON CENTRAL GOVERNMENT LOANS	12906	12102	12122
(B)	ON FOREIGN LOANS	43777	28191	27643
(C)	OTHERS 844454	718954	597097	
(D)	LESS INTEREST CAPITALISED	0	0	0
(E)	CHARGEDTOP&L ACCOUNT (A+B+C-D)	901137	759247	636862
(8)	PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	525362	430991	346881
(9)	TAX PROVISIONS	176301	149768	91206
(10)	NET PROFIT / LOSS(-) BEFORE EP (8-9)	349061	281223	255675
(11)	NET EXTRA -ORD. ITEMS	292	-230	-4745
(12)	NET PROFIT /LOSS (10-11)	348769	281453	260420
(13)	DIVIDEND DECLARED	100901	83292	80034
(14)	DIVIDEND TAX	17393	12509	11162
(15)	RETAINED PROFIT (12-13-14)	230475	185652	169224

FINANCIAL SERVICES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT12581168	11158929	9513106	
(ii) CAPITAL EMPLOYED	12370975	10765735	9271147
(iii) NET WORTH	2746882	2335453	2209755
(iv) COST OF PRODUCTION	1004239	858713	726203
(v) COST OF SALES	1004239	858713	726203
(vi) VALUE ADDED	1466497	1223571	1018164
(vii) R&D EXPENDITURE	84	70	25
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	3287	3289	3326
(ix) AVG. MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	79244	44872	37505
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	4.48	4.70	4.26
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	14.75	15.50	16.23
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	434.87	362.80	296.56
(iv) SUNDRY DEBTORS : SALES (No. of days)	2258.47	0.57	0.28
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	0.05	0.02	0.03
(ii) SEMI / FINISHED GOODS : SALES	0.00	0.00	0.00
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	6.59	7.23	-26.09
		(%)	
(vii) SALES : CAPITAL EMPLOYED	11.87	11.38	10.99
(viii) PBDITEP : CAPITAL EMPLOYED	11.55	11.08	10.64
(ix) PBITEP : CAPITAL EMPLOYED	11.53	11.06	10.61
(x) COST OF SALE : SALES	68.38	70.08	71.30
(xi) MATERIAL COST : SALES	0.11	0.10	0.00
(xii) SALARY & WAGES : SALES	2.13	1.45	1.47
(xiii) R&D EXPENDITURE : SALES	0.01	0.01	0.00
(xiv) PBITEP : SALES	97.13	97.14	96.59
(xv) PBTEP : NET WORTH	19.13	18.45	15.70
(xvi) NET PROFIT : NET WORTH	12.70	12.05	11.79
(xvii) GROSS MARGIN : GROSS BLOCK	1648.88	1412.17	1532.26

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 dis-investment of IBP Co. Ltd., wherein the share holding of IBP Co. in Balmer Lawrie & Co. Ltd. was de-merged in favour of BLIL with effect from 15.10.2001. BLIL is an un-categorized PSE in Financial Services sector under the administrative control of M/o Petroleum & Natural Gas 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 exchanges.

3. Production/Operational Profile

The Company is a Non Banking Finance Company under Section 45(I)(f) of the Reserve Bank of India Act, 1934. The Company does not carry on any business activity except the specific service as stated above. On a *suomoto* application, the Company is exempted by the Reserve Bank of India from complying with the provisions of compulsory registration and maintenance of liquid assets.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover operating income	0.00	0.00	0.00	0.00
Cost of Services	0.37	0.36	0.32	2.78
Net Profit/Loss (-)	13.97	9.29	5.56	50.38
Dividend declared (as % of PBT)	70.11	66.10	60.50	6.06
Net Worth	40.99	38.15	36.06	7.44
Paid-up Share 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 source of income of the company is from dividend received from its subsidiary Balmer Lawrie & Co. Ltd. and interest income from bank deposits. The variation in financial performance is due to variation in dividend received.

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 services 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 31.03.2008 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-realization 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 follow:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Business covered	Rs. in crore	922183	428841	437883	596302
Premium Income	Rs. in crore	668.37	617.66	577.33	621.12
Claims paid	Rs. in crore	420.01	372.26	386.59	392.95
Recoveries made	Rs. in crore	157.05	210.20	125.25	164.17

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	545.76	594.44	543.05	-8.19
Cost of Services	71.39	258.49	305.14	-72.38
Net Profit/Loss(-)	479.44	369.70	221.76	29.68
Dividend declared (as% of PBT)	20.99	22.55	11.08	-6.92
Net worth	1798.24	1429.14	1098.47	25.83
Paid up capital	900.00	800.00	700.00	12.50
Share of Central Govt.	900.00	800.00	700.00	12.50

5. Key Performance Factors

Despite decrease in operating income by about 8.19%, the operating profit of ECGC increased by 38.47% due to ceding a commission amounting to Rs. 35.48 crore on reinsurance and a very significant decline in net claims by 108.54% incurred during the year over previous year.

The available solvency ratio has improved from 11.41 to 18.90 due to further enhancement of shareholders funds by induction of fresh equity and addition to reserves and surplus.

At the end of 2007-08, there were 12,533 policies including transfer guarantees in force. Premium income earned on Short Term credit insurance policies issued to exporters during the year was Rs. 205.39 crore recording a growth of 7.56% over previous year. Claims paid during the year under ST policies amounted to Rs. 133.88 crore as against Rs. 120.10 crore in the previous year registering a growth of 11.47%.

Customer-specific covers tailor-made to meet the specific requirements of high-value policyholders introduced in 2006-07 in very small way evinced good growth prospects during the year both in terms of number of new exporters attracted and in the value of business offered for cover under the scheme.

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.47.70 in 2006-07 to Rs.59.31 in the year 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 590 regular employees (executives 531 & non-executives 59) as on 31.3.2008 as against 608 employees as on 31.3.2007. 4.58% employees were having professional qualifications and 29.83% employees come under the age bracket of 51 and above years. However average age of the employees in the company is 45 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 19 employees retired during the year. In addition, 20 skilled employees also left the company in attrition. However, 2 new skilled employees joined during the year.

The total number of Directors in the company as on 31.3.2008 was 6, out of which 2 were Government / Official Directors, 3 part time Non-official Directors / professionals and one full time functional Director.

7. Strategic Issues

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.

ECGC has an inbuilt mechanism for a continuous process of review and revision of country classifications in the light of on-going economic and political situation in the country.

Housing & Urban Development Corp. 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, to subscribe to the debentures and bonds to be issued by the State Housing (and/ or Urban Development) Boards, Improvement Trusts, Development Authorities etc. specially for the purpose of housing and urban development programmes 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

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 operates through its Corporate office, a Training and Research Wing, a Zonal Office, 20 Regional offices,10 development offices and 41 home loan offices in 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 5 joint ventures (JV) in infrastructure development sector with share holding raising from 25% to 50%.

3. 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 2006-07
	2007-08	2006-07	2005-06	
Turnover /Operating Income	2724.67	2608.22	2297.99	4.46
Cost of Services	2170.56	2151.55	1918.54	0.88
Net Profit/ Loss (-)	373.73	300.30	260.24	24.45
Dividend declared (as % of PBT)	12.20	20.29	10.44	-39.88
Net Worth	4162.68	3878.22	3589.83	7.33
Paid-up Share Capital	2001.90	2001.90	2001.90	0.00
Share of Central Govt.	2001.90	2001.90	2001.90	0.00

5. Key Performance Factors

The increase in profitability was due to increase in additional income on account of Default Resolution Package to Government of Orissa and Meghalaya State Housing Board, higher releases in the State of Andhra Pradesh and Gujarat, as also due to increase in consultancy rental income. Redemption of Infrastructure Bonds and fresh borrowing were kept at minimum level so as to bring down the interest expenditure.

The Earning Per Share(EPS) was Rs. 186.69 as on 31.3.2008.

6. Human Resource Development (HRD)

The enterprise employed 1063 regular employees (executives 509, non-unionised supervisors 52 and workmen 502) as on 31.3.2008 as against 1084 employees as on 31.3.2007. 44.87% employees were having professional qualifications and 14.86% 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. 9 employees retired during the year on superannuation and 2 skilled employees left the services of the company.

The total number of Directors in the company as on 31.3.2008 was 8, out of which 3 each were full time Functional Directors and part time Non-official Directors and 2 Government / official Directors.

7. Strategic Issues

The company aims at 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.

The company was having non-performing assets (principal outstanding) of about Rs. 2010.13 crore including Rs. 106.72 crore on account of Housing and Rs. 950.63 crore on UIF as on 31.3.2008. Out of this, the share of Government was Rs. 952.78 crore on housing and Rs. 650.52 crore on UIF.

In order to make these assets perform, various steps such as regular follow up, legal action, out of Court settlement, enforcement of guarantee etc. are being taken.

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 New Delhi.

2. Industrial / Business Activities

IIFCL is providing financial assistance 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.

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.

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 2007-08 as compared to 2006-07 are as follows:

Sector		No. of projects (Rs. in crore) (during previous year)	Loan approved project cost (Rs. in crore)	Overall
Roads	2007-08	9	1981	10696
	2006-07	(32)	(3207)	(18007)
Power	2007-08	9	5334	41270
	2006-07	(11)	(3903)	(31188)
Airport	2007-08	1	1000	8890
	2006-07	(1)	(1150)	(5826)
Seaports	2007-08	2	230	1546
	2006-07	(2)	(150)	(1210)
Urban infrastructure		1	14	70
Total	2007-08	32	8559	62472
	2006-07	(47)	(8410)	(56231)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	111.89	40.06	0.00	179.31
Cost of Production	87.07	34.53	0.00	152.16
Net Profit /Loss(-)	24.41	0.00	0.00	-
Net Worth	829.39	105.10	0.00	689.14
Paid Up Capital	300.00	100.00	0.00	200.00
Share of Central Govt.	300.00	100.00	0.00	200.00

5. Key Performance Factors

During 2007-08, IIFCL sanctioned financial assistance of Rs.8559 crores for 32 infrastructure projects ivolving total project cost of Rs.62472 crore across various states in the country. The highest number of projects were assisted in the state of Tamil Nadu(14) followed by Maharashtra and Uttar Pradesh (9 each). However, in value terms, Gujarat was the highest (Rs. 3445 crore).

During the year the company disbursed Rs. 1542 crore in 36 projects.

Of the 78 projects financed by the company so far, 65 projects representing 83%, have achieved financial closure and documents have been executed. The total loan sanctioned to these projects amounted to Rs. 14424 crore.

IIFCL has participated in a Pooled Municipal Debt Obligation(PMDO) Facility as a co-sponsor with a committed contribution of Rs. 150 crore.

During the year, the company mobilized resources through a long term loan of Rs. 1000 crore from Life Insurance Corporation of India, a loan of Rs. 1500 crore with tenure of 15 years from National Small Savings Fund(NSSF), and through market borrowing by way of issuance of long term bonds amounting to Rs. 200 crore.

6. Human Resource Development (HRD)

The enterprise employed 19 regular employees (executives 16, non-unionized supervisors 2 and workman 1) as on 31.3.2008 as against 15 employees as on 31.3.2008. About 15.79% employees were having professional qualifications. Around 21.05% persons were within the age group of 51 and above years. During the year, one skilled employee joined the company.

The total number of Directors in the company as on 31.3.2008 was 4, out of which one each were part time Non-official Director / professional and full Time Functional Director and 2 Government / official Directors.

7. Strategic Issues

In pursuance to the announcement made in the Union Budget 2007-08, a wholly owned overseas subsidiary namely IIFC(UK) Ltd. has been incorporated at London on 7.2.2008 with the objective of borrowing funds from the RBI and provide foreign currency loans to Indian infrastructure company for meeting their capital expenditure for import solely outside India.

The company could not avail ECB of US$ 250 million from Standard Chartered and Calyon Bank as the decision regarding jurisdiction was delayed and both the banks exited the arrangements on account of adverse market conditions. Since the jurisdiction issue is yet to be resolved, to raise balance US$ 250 million from Sumitomo Banking Corporation and Mizuho Corporation Bank is also difficult. It is also unlikely to draw US$ 600 million being initiated by the company from World Bank during the current year. Hence the resource mobilization of the company may remain Rs. 2300 crore only instead of Rs. 5000 crore projected earlier.

Indian Railway Finance Corp. Ltd. (IRFC)

1. Company Profile

IRFC was incorporated on 12.12.1986 and received the certificate of commencement of business on 23rd December, 1986. It is a Public Financial Institution notified under section 4A of the Companies Act, 1956. The main objective of the company is 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' / CPSE 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 the market borrowing arm of Ministry of Railways (MOR). The Annual Plan Outlay of the Ministry of Railways (as indicated in the Railway Budget) is met through three sources Internal Generation, Budgetary Support from the Ministry of Finance and Extra Budgetary Resources. IRFC is a Special Purpose Vehicle of the Ministry of Railways set up to meet its Extra Budgetary Resources (EBR). MOR notifies Annual Borrowing target to the IRFC each year. On receipt of the annual borrowing target from MOR, IRFC taps both the domestic and overseas financial market and transfer the same to MOR. The funds transferred by IRFC to MOR are used for procurement of Rolling Stock Assets including wagons, coaches and locomotives which are leased out to Railways through a 30 years financial lease agreement executed with them. Till date, IRFC has created Rolling Stock assets worth Rs. 44,153.92 Crore for Indian Railways.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2596.96	2283.98	1892.00	13.70
Cost of services	1984.77	1672.32	1514.62	18.68
Net Profit/Loss(-)	421.51	398.70	333.88	5.72
Dividend declared (as % of PBT)	15.62	26.16	29.70	-40.26
Net Worth	2425.56	2121.25	2095.76	14.35
Paid up capital	500	232	232	115.52
Share of Central Govt.	500	232	232	115.52

4. Key Performance Factors

Since IRFC is a finance company its operating income is derived from interest on loans, deposits and advances.

Discounting the impact of one time realization of Rs. 44.53 crore, which accrued to the company in the previous fiscal, the year-to-year profit growth was 19.01%. The increase in profitability is attributed to prudent financial management and mobilization of funds through innovative / diversified funding sources. The direct assignment of lease receivables transaction executed with MOR has resulted upfront gain of Rs. 27.78 crore for the company. Proactive risk management strategy has helped the company registering an exchange rate variation gain of Rs. 14.05 crore and realizing an interest saving of Rs. 22.30 crore through various derivative products. Further, the company continues to maintain its efficiency in operations reflected in an enviable over head to turn over ratio of 0.12%.

5. Human Resource Development (HRD)

The enterprise employed 20 regular employees as on 31.3.2008. 30% employees were having professional qualifications. 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 31.3.2008 was 5, out of which one was part time Non-official Director / professional, two Part time Government / Official Directors and two full time Functional Directors.

Indian Renewable Energy Dev. Agency Ltd. (IREDA)

1. Company Profile

IREDA was incorporated on 11.3.1987 under the Companies Act, 1956 with the 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 Energy 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 and energy efficiency and environmental technologies for sustainable development. The company has one financial Joint Venture namely MP Wind Farms Ltd. with an investment of Rs.12 lakhs in equity.

3. Production / Operational Profile

IREDA provides financial assistance and services for promotion of non-conventional energy resources. Till 31.3.2008, IREDA had sanctioned loan of Rs. 8865.65 crore for 1845 projects and disbursed an amount of Rs. 4983.10 crore. The position during last three years is given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Loan sanctioned	Rs. in crore	826.15	588.51	505.83	640.16
Disbursements	Rs. in crore	553.64	410.87	302.51	444.83
Repayment by Borrowers	Rs. in crore	262.00	266.00	345.21	291.07

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	197.27	166.35	155.54	18.59
Cost of Production	173.32	137.55	159.21	26.01
Net Profit/Loss(-)	47.96	34.60	30.65	38.61
Dividend declared (as % of PBT)	13.04	7.35	17.44	77.42
Net Worth	818.65	731.96	678.59	11.84
Paid Up Capital	490.00	400.00	400.00	22.50
Share of Central Govt.	490.00	400.00	400.00	22.50

5. Key Performance Factors

The level of net non performing assets was 11.28% during 2007-08 as against 12.52% during 2006-07. The decrease in NPA was due to recovery by way of OTS/SARFAESI/ Rescheduling and regular follow up. The company could recover an amount of Rs. 57.32 crore including Rs. 11.72 crore of written off loans.

The Earning Per Share(EPS) of the company was Rs. 103.91 as against Rs. 85.79 during 2006-07.

During 2007-08, IREDA received budgetary support of Rs. 50 crore in the form of equity.

6. Human Resource Development (HRD)

The enterprise employed 115 regular employees (executives 80, non-unionized supervisors 6 & workmen 29) as on 31.3.2008. 52.17% employees were having professional qualifications and 12% 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 31.3.2008 was 8 out of which 2 were Government / official Directors, 3 Part Time Non-official Directors and one Full Time Functional Director. ?????

7. Strategic Issues

IREDA has diversified into fee based activities. It is also taking initiatives for raising the resources at cheaper rate and recovery of the dues from borrowers.

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 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.00	10.51	0.00
Cost of Production	0.47	0.46	0.58	2.17
Net Profit/Loss(-)	10.98	8.59	5.61	27.82
Dividend declared (as % of PBT)	0.00	37.64	39.27	-100.00
Net Worth	27.65	14.31	10.13	93.22
Paid Up Capital	0.98	0.97	0.97	1.03
Share of Holding Co.	0.88	0.97	0.97	-9.28

4. Key Performance Factors

Most of its revenues (lease rentals) become a distributable net profit.

The performance improved because of increase in lease rent and interest on FDR.

5. Human Resource Development

The enterprise had a workforce of 4 employees as on 31.3.2008. 25% of the employees were in managerial category. The total number of Directors is 3 and are all Government/official 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 years, 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.

National Backward Classes Finance and Development Corp. (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 income limit. 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 income limit 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 Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Disbursements of Loans	Rs. in crore	141.81	133.82	97.63	124.42

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	20.16	19.51	21.74	3.33
Cost of Production	6.95	5.16	9.92	34.69
Net Profit/Loss(-)	17.85	20.60	15.31	-13.35
Net Worth	710.79	661.85	618.26	7.39
Paid Up Capital	491.35	448.35	435.35	9.59
Share of Central Govt.	491.35	448.35	435.35	9.59

5. Key Performance Factors

NBCFDC recorded increase in turnover by 3.33% and decrease in profitability by 13.35% during 2007-08 as compared to 2006-07. The profitability declined mainly because of making provision on loans for about Rs. 1.47 crore and waiving off penal charges amounting to about Rs. 27 lakhs and decrease in other income by about 90.19% from Rs. 2.50 crore in 2006-07 to Rs. 0.24 crore in 2007-08.

In order to cover maximum number of beneficiaries, 75% of the amount of term loans sanctioned in any financial year to a SCA are for those projects where NBCFDC loan component is below Rs.50,000 per unit.

During the year, the company received budgetary support of Rs. 35 crore as equity. In addition, the company received a plan assistance of Rs. 1.21 crore as grant.

The Earning Per Share (EPS) of the company during 2007-08 was -38.37 as compared to Rs.47.03 during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 49 regular employees (executives 19 & non-executives 30) as on 31.3.2008. 22% employees were having professional qualifications and 10% 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 31.3.2008 was 10, out of which 9 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 artisans to take part in the exhibitions and showcase their inherent skill to the market. During the year 2006-07, the NBCFDC participated in 14 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 Corp. Ltd. (NFDC)

1. Company Profile

NFDC was incorporated on 11.05.1975 under the Companies Act, 1956 with an objective to plan, promote and organize 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 thereby the company 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 segments of the company are as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Financial Activities	Rs. in crore	0.67	0.20	-	-
Film Distribution	Rs. in crore	23.60	19.50	6.59	16.56
Service projects	Rs. in crore	6.03	3.09	2.97	4.03
Other	Rs. in crore	-	1.72	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	30.16	22.46	11.80	34.28
Cost of production	35.47	29.09	35.39	21.93
Net Profit/Loss(-)	-2.76	-5.27	2.40	-
Net Worth	-2.75	-0.20	4.86	-
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 34.28% during 2007-08 as compared to previous year. Although all the three segments have recorded growth, the major contribution was from the revenue generated by distribution of films.

The performance of NFDC is affected because of lack of working capital and accumulated liabilities of previous years, high administrative expenses, recession in business activities and changing market dynamics.

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. Easy availability of improved technology in the industry is an impediment to NFDC's business.

All efforts are being made to commercially exploit existing equipment to the optimum level.

6. Human Resource Development (HRD)

The enterprise employed 211 regular employees (executives 121 and non-executives 90) as on 31.3.2008. About 3.79% employees were having professional qualifications and around 32.70% 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.

Total number of Directors in the company, as on 31.3.2008 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 towards 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.

NFDC also aims at 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.

National Handicapped Finance & Dev. Corp. (NHFDC)

1. Company Profile

NHFDC was incorporated on 24.1.1997 under the Companies Act, 1956 with the objective of serving as catalyst in the economic & social development of persons with disability. NHFDC is a Schedule-'C' CPSE 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 (SCAs).

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 year
	2007-08	2006-07	2005-06	
Term Loans to SCAs	168.55	141.51	115.64	141.90
Term Loan under MFS	4.04	2.64	2.56	3.08
Sanctioned	33.81	27.31	-	-
Disbursed	28.44	25.94	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2.32	1.78	1.67	30.34
Cost of service	1.65	1.08	0.95	52.78
Net Profit/Loss(-)	1.87	2.22	2.01	-15.77
Net Worth	115.97	104.10	90.38	11.40
Paid up capital	86.80	79.80	68.30	8.77
Share of Central Government	86.80	79.80	68.30	8.77

5. Key Performance Factors

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 SCAs for 9 schemes of different amounts. Three SCAs from Jharkhand, Gujarat and Meghalaya have separately entered into agreement with the corporation during the year 2007-08.

The company received budgetary support of Rs. 7 crore as equity under Plan fund during 2007-08.

6. Human Resource Development

The company employed 24 employees (10 executives and 14 non-executives) as on 31.3.2008. During the year, two employees left the company in attrition and five new employees recruited at various levels as the corporation was short of staff. About 25% employees have professional qualifications. The average age of the employees is 36 years.

There were 2 Directors on the Board of the company and of them one each was full time Functional Director and Government / Official Director.

7. Strategic Issues

The corporation is pursuing with the respective state Government authorities in other states where the Channelsing Agency is yet to be functional for implementing schemes of the corporation.

National Minorities Development Finance Corporation(NMDFC)

1. Company Profile

NMDFC was incorporated on 30.09.1994 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 Minorities Affairs with 65% shareholding by the Government of India, 26% by the State Governments and 9% by the Group & individuals having interest in Development of Minorities. 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 income limit at concessional rate of interest for self employment ventures and technical and professional education, with preference to women and occupational groups, through 34 operational State Channellising Agencies (SCAs) in 26 States and two Union Territories in the country.

3. Production / Operational Profile

The major schemes implemented by NMDFC are Term Loan, Margin Money, Micro Credit, Interest Fee 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	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Disbursements of Loans	Rs. in crore	144.12	112.75	108.12	121.66

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	19.04	17.46	17.04	9.05
Cost of Services	7.58	8.82	7.79	-14.06
Net Profit/ Loss (-)	12.17	10.15	10.92	19.90
Net Worth	670.15	574.42	529.21	16.67
Paid up Capital	552.91	471.87	422.31	17.17
Share of Central Govt.	445.37	375.36	344.57	18.65

5. Key Performance Factors

Income of the company increased from Rs. 10.15 crore during 2006-07 to 12.17 crores during 2007-08 due to less provision on loans and advances as compared to previous year.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 24.05 as compared to Rs. 22.61 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 34 regular employees (executives 18 and non-executives 16) as on 31.3.2008. 35.29% employees were having professional qualifications and 5.88% 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 patterns of remuneration.

The total number of Directors in the company as on 31.3.2008 was 10, out of which one was part time Non-official Director/professional.

7. Strategic Issues

Since NMDFC is a community welfare organisation, it receives funds from the Government of India and the State Governments for promoting economic and developmental activities amongst the Minorities. During the year the company received a budgetary support of Rs. 83.56 crore as equity.

National Safai Karamcharis Finance & Development Corp. (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 / Scavengers 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 the poverty line through 26 State

Channelising Agencies (SCAs) nominated by State Governments / UTs. The financing schemes include term loan, 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 Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Share Capital Received	Rs. in cr.	45.65	11.00	31.58	29.41
Term Loan Disbursed	Rs. in cr.	-	35.55	29.81	-
Beneficiaries covered	Nos.	-	2596	4390	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	6.22	5.89	5.45	5.60
Cost of service	4.64	2.69	3.05	72.49
Net Profit/Loss(-)	1.02	3.12	2.36	-67.31
Net Worth	225.27	203.34	175.23	10.78
Paid up capital	199.99	154.34	143.34	29.58
Share of Central Govt.	199.99	154.34	143.34	29.58
EPS in Rs.	5.80	20.39	18.41	

5. Key Performance Factors

NSKFDC 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 2007-08, the company received a plan assistance of Rs. 45.65 crores as equity support.

The Government of India has launched a new self employment scheme for rehabilitation of manual Scavengers all over the country. NSKFDC has been allotted the states of Maharashtra, Rajasthan, Madhya Pradesh, Tamilnadu, Pondicherry, Gujarat, Andhra Pradesh, Meghalaya, Nagaland, Jharkhand, Karnataka and Orissa for this scheme.

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.

6. Human Resource Development (HRD)

The company employed 11 regular employees (executives 7 and non-executives 4) as on 31.3.2008. During the year, 6 new employees joined the company. In addition, the corporation also employed 8 contract workers. 36.36% of the employees have professional qualifications. The average age of the employees is 38 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 31.3.2008 was 10, out of which 6 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.515 crore.

National Scheduled Castes Finance& Development Corp. (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 Government. Beneficiaries are required to pay 4-8% p.a. interest depending upon the scheme and extent of loan. The company also provides advisory services to the target group and arranges Exhibition-cum-Fairs for marketing the products of beneficiaries. It 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 company has circulated Lending Policy Document with clear stipulations and formats along with responsibilities to all SCAs and agencies for implementation.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	15.28	15.40	15.99	-0.78
Cost of Production	8.49	12.08	12.65	-29.72
Net Profit / Loss(-)	8.36	5.24	7.71	59.54
Net Worth	601.71	550.36	508.12	9.33
Paid up capital	408.80	388.80	351.80	5.14
Share of Central Govt.	408.80	388.80	351.80	5.14

5. Key Performance Factors

The turnover of the company constitutes of interest on loan. The variation in income and profitability depends upon disbursement of loans. The loan limit under Micro Credit Schemes has been raised from Rs. 25,000 to Rs.30,000/- per unit w.e.f. 1.10.2006. Further, lending policy has been made flexible and liberal to empower SCAs to sanction schemes based on local needs and beneficiaries choice.

NSFDC has been awarded ISO 9001:2000 certification by Bureau of Indian Standards in 2007-08 on fulfillment of all requirements for Quality Management Systems.

During the year, the company received a budgetary support of Rs.20 crore in the form of equity.

6. Human Resource Development (HRD)

The company employed 86 regular employees (executives 41 & non-executives 45) as on 31.3.2008. About 15.12% employees were having professional qualifications and 11.63% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 41 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year 5 new employees joined the company.

The total number of Directors in the company, as on 31.3.2008 was 10, out of which 9 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

Timely and periodic monitoring of the schemes for increase in fund utilization level by the SCAs and recovery from the beneficiaries is the priority area. The company has undertaken impact evaluation studies of its schemes through independent agencies.

Special awareness campaign and preparation / implementation of District Credit Plans in SC concentrated districts has been launched.

NSFDC has established linkages with corporate sector to mobilize resources for conducting skill development programmes for the target group.

National Scheduled Tribes Finance and Development Corporation (NSTFDC)

1. Company Profile

National Scheduled Tribes and Finance Development Corporation (NSTFDC) was incorporated on 10.04.2001, by bifurcating erstwhile National Scheduled Castes and Scheduled Tribes Finance and Development Corporation (NSFDC), with the 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 with 100% shareholding by the Government of India. Its Registered and Corporate office is at 15, NBCC Tower, Bhikaji Cama Place, New Delhi.

2. Industrial/ Business Activities

NSTFDC provides concessional financial assistance for viable income generating schemes/ projects costing upto Rs. 10 Lakhs per unit and upto Rs. 25 Lakhs 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 below 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 Products/ Services	Units	Production during 2007-08	2006-07	2005-06	Average of three years
Sanctions					
Income Generating Activities	Rs. in Crores	118.40	91.93	67.52	92.62
Marketing Support Assistance	Rs. in Crores	13.00	13.50	12.50	13.00
TOTAL	Rs. in Crores	131.40	105.43	80.02	105.62
Disbursement					
Income Generating Activities	Rs. in Crores	67.06	66.21	51.06	61.44
Marketing Support Assistance	Rs. in Crores	13.40	13.80	8.50	11.90
TOTAL	Rs. in Crores	80.46	80.01	59.56	73.34

4. Major Financial Highlights

(Rs. in crores)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turn over	9.51	8.65	15.12	9.94
Cost of Production	7.43	5.72	6.17	29.90
Net Profit/ Loss (-)	10.28	10.89	8.83	-5.60
Net Worth	346.96	336.73	325.84	3.04
Paid Capital	230.50	230.50	230.50	0.00
Share of Central Govt.	230.50	230.50	230.50	0.00

5. Key Performance Factors

NSTFDC provides financial assistance for viable income generating activities for economic development of Scheduled Tribes. The financial assistance is extended through SCA's at concessional interest rates which in turn extend to the target beneficiaries at the rate of 4% to 8% based on cost of schemes.

In order to meet small loan requirement of Scheduled Tribes, the Corporation introduced Micro Credit Scheme for Self Help Groups during the year. Under the scheme, financial assistance to the extent of Rs.15000/- per member and upto Rs. 3.00 Lakhs per SHG is extended by NSTFDC. Further, in order to increase the reach of NSTFDC, Corporation had executed agreement with Syndicate Bank and sanctioned/released Rs.7.00 crores. Further, the Corporation has executed General Refinance Agreement with Dena Bank and State Bank of Saurashtra and is having discussion with other leading PSU banks viz.

Indian Bank, UCO Bank, Union Bank of India and Vijaya Bank.

During the year, the Corporation had also conducted National Workshop of State Govt. and State Channelising Agencies (SCAs). Based on feedback received from SCAs, NSTFDC has further simplified its lending policy.

In order to encourage the SCAs for timely repayment of dues, the Corporation has introduced an incentive scheme as “Rebate on Interest”. During the year, the Corporation paid back an amount of Rs. 13.26 lakhs to SCAs as rebate on interest.

The Earning per Share (EPS) of the company during 2007-08 was Rs. 44.39 as against Rs. 47.24 in the previous year.

6 Human Resource Development (HRD)

NSTFDC employed 54 regular employees (executives 14 and non-executives 40) as on 31.3.2008 as against 59 employees as on 31.3.2007. All the employees at executive level are having qualification commensurate with their job profile.

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 31.3.08 was 6, out of which 5 are Government/ Official Directors and one full time Functional Director.

7. Strategic Issues

In order to scale up activities of NSTFDC and also to reach rural ST population, the corporation is making all endeavors to identify new channels.

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 financial, technical and managerial areas 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 financial products and services for power projects, power transmission and distribution works, renovation and modernization of power plants, system improvement and energy conservation, maintenance and repair of capital equipment, technical and managerial studies, computerisation etc.

PFC has two Regional Offices at Chennai and Mumbai and 9 subsidiary companies namely 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, 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	5029.28	3816.67	3125.56	31.77
Cost of Services	3257.56	2416.10	1872.61	34.83
Net Profit/Loss(-)	1206.76	986.14	970.95	22.37
Dividend declared (as% of PBT)	22.54	17.19	28.81	31.13
Net worth	9329.85	8593.09	8138.48	8.57
Paid up capital	1147.77	1147.77	1030.45	-
Share of Central Govt.	1030.45	1030.45	1030.45	-

5. Key Performance Factors

The increase in turnover and profitability is attributed to increase in loan assets and increase in spreads (difference of lending and borrowing rates). The total loan assets grew by 17.46% to Rs. 51568 crore as on 31.3.2008 as compared to Rs. 43903 crore as on 31.3.2007.

With reduction of the deduction u/s 36(1)(viii) of the Indian Income Tax Act in respect of creation of a special reserve on the income derived from long term business of the companies from 40% to 20%, the corporate tax for the company increased by 5% in 2007-08 over previous year. In addition to existing competitors like REC and Financial Institutions, banks are also now lending to power projects at competitive rates.

During 2007-08, PFC raised loan against Government guarantee amounting to Rs. 36.47 crore. The total cumulative Government guarantee amount was Rs. 475.84 crore as on 31.3.2008.

The share price of the company varies between Rs.101.20 to Rs.297.20 during 2007-08. The average share price was Rs.199.20.

6. Human Resource Development (HRD)

The enterprise employed 307 regular employees (executives 184 & non-executives 123) as on 31.3.2008. 50% of the employees are having professional qualifications and 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, 3 skilled employees left the company and 11 new skilled people joined. The total number of Directors in the company as on 31.3.2008 was 10, out of which 5 were Non-official Directors.

7. Strategic Issues

The Ultra Mega Power Projects

The Ultra Mega Power Projects (UMPP) initiated by the Government of India has placed new responsibilities and opened up growth opportunities for PFC. India's power sector has crossed the inflection point in terms of huge generation capacities of 4000 MW each through UMPP entailing super critical technology and requiring an investment of about 16000 crore for a single project. Through tariff based competitive bidding process, PFC has already awarded 3 such projects to the successful bidders.

PFC formally launched a 100% owned subsidiary namely PFC Consulting Limited (PFCCL) on 31.3.2008 for providing consulting services. The company was incorporated on 25.3.2008. It will provide focused attention to consultancy services to address the clients needs more effectively.

PFC has signed MOU with the State nodal agencies of Maharashtra and Karnataka and Indian Renewable Energy Development Agency (IREDA) to promote and finance renewable energy projects in the country.

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.

Rural Electrification Corporation Limited (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' / Navratna PSE in Financial Services sector under the administrative control of Ministry of Power with 81.82% 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 of 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 two 100% owned subsidiary companies namely :

(i) REC Transmission Projects Co. Ltd.

(ii) REC Power Distribution Co. Ltd.

3. Production / Operational Profile

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

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Mobilization of resources	Rs. Crore	8377	9438	9063	8959
Loan sanctioned (excluding Grants under RGGVY)	Rs. Crore	46770	28630	16597	30666
Disbursement (including Grants under RGGVY)	Rs. Crore	16304	13733	8007	12681
Recoveries	Rs. Crore	9042	6585	5434	7020

4. Major Financial Highlights (Rs. in crore)

(Rs. in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Operating Income/turnover	3378.22	2651.70	2071.31	27.40
Cost of service	2224.67	1851.13	1415.08	20.18
Net Profit	860.14	660.26	726.01	30.27
Dividend declared (as % to PBT)	19.62	17.65	23.04	11.16
Net worth	5367.71	4012.71	4198.33	33.77
Paid up capital	858.66	780.60	780.60	10.00
Share of Central Govt.	702.54	780.60	780.60	-10.00

5. Key Performance Factors

Over the past decade, the Corporation had sustainable growth in almost all the performance parameters and the performance for the year 2007-08 has been outstanding breaking all previous records since inception.

The increase in turnover and profitability is attributed to higher level of financing activities undertaken and interest income of Rs.3360 crores. The recovery rate during the year was 98.42%.

Profit before Tax was Rs.1312 crore in 2007-08 in comparison to Rs.1006 crores in 2006-07 showing a growth of 30.42%.

The Earning Per Share (EPS) of the Company during 2007-08 was Rs.10.94 as against Rs.8.46 during 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 699 regular employees(executives 364 & workmen 335) as on 31.3.2008. The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. A total of 12 employees retired and 33 new employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 8, out of which one was Government Nominee Director, 3 whole time Functional Directors and 4 Independent / Part-Time Non-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 (subject to approval of shareholders) 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.

18

INDUSTRIAL DEVELOPMENT & TECH. CONSULTANCY SERVICES

As on 31.3.2008, 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 Development Corpn.	1953
2.	National Small Industries Corpn. Ltd.	1955
3.	Engineers India Ltd.	1965
4.	Wapcos Ltd.	1969
5.	Engineering Projects (India) 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 (India) 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	National Research Development Corpn.	7.30	4.27
2.	National Small Industries Corpn. Ltd.	402.29	326.45
3.	Engineers India Ltd.	721.87	570.12
4.	WAPCOS Ltd.	160.05	128.10
5.	Engineering Projects (India) Ltd.	851.02	763.26
6.	MECON Ltd.	486.53	373.58
7.	RITES Ltd.	617.53	592.89
8.	Central Mine Planning & Design Institute Ltd.	195.96	160.32
9.	Telecommunications Consultants (India) Ltd.	386.34	382.59
10.	Educational Consultants (India) Ltd.	41.10	33.01
11.	HSCC (India) Ltd.	17.40	16.78
12.	Certification Engineers International Ltd.	19.94	15.86
13.	Broadcast Engg. Consultants India Ltd.	27.91	24.25
14.	National Informatics Centre Services Incorporated	117.17	99.84
15.	Indian Oil Technologies Ltd.	1.91	1.58
	Total	**4054.32**	**3492.90**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	National Research Development Corpn.	0.65	0.11
2.	National Small Industries Corpn. Ltd.	4.06	2.84
3.	Engineers India Ltd.	194.60	142.99
4.	WAPCOS Ltd.	15.14	11.87
5.	Engineering Projects (India) Ltd.	17.53	15.30
6.	MECON Ltd.	33.32	20.38
7.	RITES Ltd.	103.82	118.18
8.	Central Mine Planning & Design Institute Ltd.	2.85	2.59
9.	Telecommunications Consultants (India) Ltd.	13.05	19.82
10.	Educational Consultants (India) Ltd.	2.70	2.79
11.	HSCC (India) Ltd.	8.36	7.98
12.	Certification Engineers International Ltd.	6.47	5.12
13.	Broadcast Engg. Consultants India Ltd.	14.49	5.24
14.	National Informatics Centre Services Incorporated	47.36	37.73
15.	Indian Oil Technologies Ltd.	0.97	0.72
	Total	**465.37**	**393.66**

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 2007-08	Social Overheads & Township 2006-07
1.	No. of employees	13643	12604
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	21.82	9.78
	b. Medical facilities	25.52	23.10
	c. Others	20.03	12.04
3.	Capital cost of township *(Rs. in crore)*	74.05	45.47
4.	No. of houses constructed	2090	1730

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	155390	139590	134390
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT,	50375	38975	35204
OTHERS	2599	2599	2598
(B) SHARE APPLICATION MONEY	0	14335	0
(C) RESERVES & SURPLUS	250022	211907	202034
TOTAL (A)+(B)+(C)	**302996**	**267816**	**239836**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	10681	10849	8643
(B) UNSECURED LOANS	26563	24875	34112
TOTAL (A)+(B)	**37244**	**35724**	**42755**
(1.3) DEFERRED TAX LIABILITY	106	283	292
TOTAL (1.1)+(1.2)+(1.3)	**340346**	**303823**	**282883**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	78711	72900	68958
(B) LESS DEPRECIATION	38886	37420	35462
(C) NET BLOCK (A-B)	39825	35480	33496
(D) CAPITAL WORK IN PROGRESS	3705	1626	1093
TOTAL (C)+(D)	**43530**	**37106**	**34589**
(2.2) INVESTMENT	35119	27391	23966
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	207378	173150	142001
(B) SUNDRY DEBTORS	126777	129559	123378
(C) CASH & BANK BALANCES	348901	271572	216568
(D) OTHER CURRENT ASSETS	39487	32384	42474
(E) LOAN & ADVANCES	178589	117785	102302
TOTAL (A)+(B)+(C)+(D)+(E)	**901132**	**724450**	**626723**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	629807	487033	393749
(B) PROVISIONS	53533	43395	54662
TOTAL (A+B)	**683340**	**530428**	**44841 1**
(2.5) NET CURRENT ASSETS (2.3-2.4)	217792	194022	178312
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	641	1665	4028
(2.7) DEFFRED TAX ASSETS	15384	12201	8294
(2.8) PROFIT & LOSS ACCOUNT (Dr)	27880	31438	33694
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**340346**	**303823**	**282883**

INDUSTRIAL DEVEPLOMENT & TECH.CONSULTANCY SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars		2007-08	2006-07	2005-06
(1) INCOME				
	(A) SALES /OPERATING INCOME	405432	349290	324601
	(B) EXCISE DUTY	3700	5928	1963
	(C) NET SALES (A-B)	401732	343362	322638
	(D) OTHER INCOME /RECEIPTS	47532	35419	30394
	(E) ACCRETION / DEPLETION IN STOCKS	2328	-3814	4555
	(I) TOTAL INCOME (C+D+E)	**451592**	**374967**	**357587**
(2) EXPENDITURE				
	(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	79661	69939	57265
	(B) STORE & SPARES	7625	9100	5279
	(C) POWER &FUEL	1735	1469	1817
	(D) MANUFACTURING /DIRECT/ OPERATING EXP.	108007	101335	1 1 5904
	(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	102009	70132	63272
	(F) OTHER EXPENSES	70126	55841	51683
	(G) PROVISIONS	6462	5056	5292
	(II) TOTAL EXPENDITURE (A TO G)	**375625**	**312872**	**300512**
(3)	PROFIT BEFORE DEP.JNT..TAXES & EP(PBDITEP) (l-ll)	75967	62095	57075
(4)	DEPRECIATION	3362	3013	3598
(5)	ORE. /PREL EXP. WRITTEN OFF	872	1976	2845
(6)	PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	71733	57106 _	50632
(7)	INTEREST			
	(A) ON CENTRAL GOVERNMENT LOANS	223	46	102
	(B) ON FOREIGN LOANS	548	540	502
	(C) OTHERS 2214	1970	1828	
	(D) LESS INTEREST CAPITALISED	0	0	0
	(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	2985	2556	2432
(8)	**PROFIT BEFORE TAX & EP (PBTEP) (6-7E)**	**68748**	**54550**	**48200**
(9)	TAX PROVISIONS	24127	16818	14878
(10)	NET PROFIT / LOSS(-) BEFORE EP (8-9)	44621	37732	33322
(11)	NET EXTRA -ORD. ITEMS	-1916	-1634	-2243
(12)	**NET PROFIT /LOSS (10-11)**	**46537**	**39366**	**35565**
(13)	DIVIDEND DECLARED	10343	10952	7911
(14)	DIVIDEND TAX	1711	1668	1111
(15)	**RETAINED PROFIT (12-13-14)**	**34483**	**26746**	**26543**

INDUSTRIAL DEVEPLOMENT & TECH.CONSULTANCY SERVICES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	77740	84976	69897
(ii) CAPITAL EMPLOYED	257617	229502	211808
(iii) NET WORTH	274475	234713	202114
(iv) COST OF PRODUCTION	382844	320417	309387
(v) COST OF SALES	380516	324231	304832
(vi) VALUE ADDED	315039	259040	262832
(vii) R&D EXPENDITURE	1593	1564	234
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	13643	12604	13167
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	62309	46369	40045
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	0.12	0.13	0.18
(ii) CURRENT RATIO			
(CURRENTASSET : CURRENT-LIABILITY)	1.32	1.37	1.40
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	5.57	4.93	4.33
(iv) SUNDRY DEBTORS : SALES (No. of days)	115.19	137.72	139.58
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	188.42	184.06	160.65
(ii) SEMI / FINISHED GOODS : SALES	185.64	181.47	158.32
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (IGOR)	0.44	1.43	0.91
		(%)	
(vii) SALES : CAPITAL EMPLOYED	155.94	149.61	152.33
(viii) PBDITEP : CAPITAL EMPLOYED	29.49	27.06	26.95
(ix) PBITEP : CAPITAL EMPLOYED	27.84	24.88	23.90
(x) COST OF SALE : SALES	94.72	94.43	94.48
(xi) MATERIAL COST : SALES	19.83	20.37	17.75
(xii) SALARY & WAGES : SALES	25.39	20.43	19.61
(xiii) R&D EXPENDITURE : SALES	0.40	0.46	0.07
(xiv) PBITEP : SALES	17.86	16.63	15.69
(xv) PBTEP : NET WORTH	25.05	23.24	23.85
(xvi) NET PROFIT : NET WORTH	16.95	16.77	17.60
(xvii) GROSS MARGIN : GROSS BLOCK	96.51	85.18	82.77

Broadcast Engineering Consultants India Ltd. (BECIL)

1. Company Profile

BECIL was incorporated on 24.3.1995 under the Companies Act, 1956 with an objective to provide consultancy in Broadcast Engineering and share the expertise of AIR and Doordarshan with Indian companies. It is a Schedule-'C' Miniratna CPSE 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 & satellite broadcasting, MMDS, CATV network, data broadcasting and studios including acoustics, audio-Video systems. It also undertakes the operation and maintenance of broadcast systems of all types and descriptions. The company provides flexible, tailor made solutions to every customer's unique requirements.

3. Production/operational profile

The operational performance of major services rendered by the BECIL are given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Consultancy	Rs. in crore	10.90	7.98	5.23	8.04
Contract income	Rs. in crore	1.93	0.06	0.06	0.68
Sales	Rs. in crore	15.08	16.20	24.40	18.56

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	27.91	24.25	29.69	15.09
Cost of Service	20.69	29.78	27.61	-30.52
Net Profit	14.49	5.24	1.39	176.53
Dividend declared (as % of PBT)	20.11	13.11	11.84	53.37
Net Worth	20.25	9.39	6.98	115.65
Paid up capital	1.37	1.37	1.37	0.00
Share of Central Govt.	1.37	1.37	1.37	0.00

5. Key Performance Factors

During the year 2007-08, the company commissioned Common Transmitter Infra-structure (CTI) for 148 Private FM Channels in the country under FM Phase-II Scheme launched for Private FM Broadcasters by Government of India.

BECIL has diversified its activities into supply of Communication and Security equipments, setting up TV Studios for distance education and content monitoring etc.

Out of orders received for establishing 5 FM Towers from the Ministry of Information and Broadcasting, Towers at four places namely Jaipur, Delhi, Chennai and Hyderabad have been commissioned and construction of new Tower at Kolkata is held up due to non-availability of clear land. Further, the company has completed setting up Multi Media Studio in Rashtrapati Bhawan, setting up TV Studio for EDUSET Networking programme at Delhi College of Engineering, etc.

The company has executed the various projects in Afghanistan entrusted by M/o External Affairs under Government of India (GOI) Aid Programme.

It has also established Community Radio Stations, designed to provide a limited coverage in a city by a small power FM transmitter for the benefit of a community, for a number of institutions.

6. Human Resource Development (HRD)

The enterprise employed 11 regular employees (executives 5, non-unionized supervisors 4 and workmen 2) as on 31.3.2008. 36.36% employees were having professional qualifications as well as falling within the age bracket of 51 and above years. However, the average age of the employees is 40 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 31.3.2008 was 4, out of which 2 each were full Time Functional Directors and Government / official Directors**.**

With the growth of broadcasting sector, there has been considerable increase in the demand of trained technical manpower. BECIL has special initiates in this regard by organizing a training course for Private FM Broadcasters.

7. Strategic Issue

After the commissioning of various Private FM Stations in the country, the company has been entrusted with responsibility of content monitoring of Private FM Channels. As such company is working on a scheme to monitor Private FM Channels from a Central location.

The company has recently received biggest single value order worth Rs.58.03 crore from All India Radio for Supply, Testing, Commissioning & Training for 2 nos. of 1000 kW MW Super Power Medium wave transmitter for All India Radio Rajkot & Chinsurah.

Future Business Activities / Order Book Position

The GOI is in the process of launching FM Phase-III scheme, as such management expects increase in business after the launch of this scheme. The FM Phase-III scheme will cover 237 cities and will provides approximately 700 channels in B, C, D category cities. In addition launch of DTT, Mobile TV, IPTV and upcoming commonwealth games has increased business opportunities for the company.

Central Mine Planning & Design Institute Ltd. (CMPDIL)

1. Company Profile

CMPDIL was incorporated on 01.11.1975 under the Companies Act, 1956 with the 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. The company is a Schedule-'B' / CPSE in Industrial Development and Technical Consultancy services sector under the administrative control of Ministry of Coal. its Registered and Corporate offices are at Ranchi, Jharkhand. It is a 100% subsidiary of Coal India Ltd. (CIL).

2. Industrial / Business activities

CMPDIL is providing consultancy and other allied services in the field of geological exploration, Project Planning & Design, Engineering Services in the field of designing system and sub-system for mines, beneficiation and utilisation plants, coal handling plants, power supply systems, workshops and other units, architectural planning & design etc. It is operating through its headquarters at Ranchi and seven regional institutes located at Dhanbad and Ranchi (Jharkhand), Bilaspur (Chhattisgarh), Singrauli (Madhya Pradesh), Asansol (West Bengal), Nagpur (Maharastra) and Bhubaneswar (Orissa). The company rendered consultancy services to seven coal producing subsidiary companies of Coal India Ltd.(CIL) and to non-CIL clients like NALCO, TATA STEEL, HINDALCO, GMDC, SAIL-ISP, OMC, CEA DGH HPGCL, CSEB etc. It also handled specialised assignments of Ministry of Coal and CIL.

3. Production / Operational Profile

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Drilling	000' Mtrs	209	206	200	205
Project Reports etc.	Nos.	264	242	274	260

4. Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	195.96	160.32	145.79	22.23
Cost of Services	193.51	158.56	144.79	22.04
Net Profit / Loss (-)	2.85	2.59	1.42	10.04
Net Worth	63.87	63.00	60.62	1.38
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

The overall performance of the company improved consecutively over the last three years. Turnover and profitability improved by 22.23% and 10.04% respectively during 2007-08 as compared to previous year. The increase in turnover was due to increase in volume, rates and price realization.

6. Human Resource Development (HRD)

The enterprise employed 3048 regular employees (760 executives, 668 unionised supervisors and 1620 workmen) as on 31.03.2008.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 73 persons retired on attaining the age of superannuation, 103 skilled and 4 unskilled employees left the company in attrition and 8 employees availed of VRS. 1 skilled and 20 unskilled employees joined newly.

The total number of Directors on the Board of the Company as on 31.3.2008 was 12 comprising 5 Functional Directors including the C&MD, 4 part time Non-Official Directors and 3 Government Directors.

7. Strategic issues

Project implementation

Following is the status of the projects undertaken during the XI Plan:

i)	Projects on-going as on 1.4.2007	36
ii)	Projects sanctioned by Government of India during 2007-08	09
iii)	Projects completed during 2007-08	10
iv)	Project terminated during 2007-08	01
v)	Projects on-going as on 31.12.2008	34

Environmental Management Services

These services are being offered since 1992 and cover all round support to mining and mineral industry for environmental management during their planning and operations, including laboratory and test support**.**

Management System Services

These services are being offered since 1997 and cover complete range of consultancy and support for creation, implementation and certification of various standardized management systems, e.g. ISO 9001, (Quality Management System) and its industry specific translations, ISO 14001 (Environmental Management System), OHSAS18001 (occupational health and safety management) , and SA 8000 (social accountability management.)

Certification Engineers International Ltd. (CEI)

1. Company Profile

CEI was incorporated on 26.10.1994 under the Companies Act, 1956 with the 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.

CEI is a Schedule 'C' CPSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Petroleum and Natural Gas. Its Registered office is 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	19.94	15.86	17.63	25.73
Cost of service	11.31	9.16	8.36	23.47
Net Profit/Loss(-)	6.47	5.12	6.36	26.37
Dividend declared (as % of PBT)	24.49	25.25	19.92	-3.04
Net Worth	27.56	24.01	21.17	14.79
Paid up capital	1.00	1.00	1.00	0.00
Share of Holding Co.	1.00	1.00	1.00	0.00
EPS in Rs.	64.70	51.20	63.60	26.37

4. Key Performance Factors

The income from services rendered by the company during 2007-08 has gone down by 10.1% i.e to Rs. 15.85 crore from Rs. 17.63 crore in the previous year, mainly due to lack of progress of LSTK projects as per schedule, delay in awarding certification contracts and considerable reduction in man day realizations due to higher competition. Similarly the profitability has also gone down by 26.37%.

During 2007-08, the work on 7 major assignments from ONGC, GSPL and GWSSB progressed well. The company secured 3 more assignment viz (i) certification assignment for BB-BL-RP Project and C-series project from ONGC, (ii) third party inspection (TPI) assignment for PM 3A&3B, Kalvad-Lalpur and Jamjodhpur-Bhanvad Pipeline Project of GWSSB, and (iii) Inspection of HSAW Pipe at China for Reliance Gas Transportation Infrastructure Limited.

5. Human Resource Development (HRD)

The enterprise employed 60 regular employees as on 31.3.2008. 98.33% of the employees were having professional qualifications and all employees were below 51 years. The average age of the employees is 33 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year, 9 skilled employees left the company in attrition and 23 new skilled employees joined .

The total number of Directors in the company as on 31.3.2008 was 4 and all being 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 counter the pressure of reduced average realizations and higher man power cost due to pay revision. Further aggressive marketing strategies are being pursued for improvement in man-day realization and existing market share in concerned areas of business.

The company is also exploring the possibility of securing Certification & TPI jobs from other sectors and main contractors and enhancing its service portfolio to include areas concerning environment, plant operation & safety, specialized engineering analysis etc.

Order Book Position

The order book position of the Company is Rs.24.64 crores as on 31.03.2008, which comprises the in-progress portion of the orders from ONGC, GSPL and GWSSB .

Ed. CIL (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, nationally and internationally, in system design, resource development, research and evaluation studies and management development, 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 CPSE 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 institutions and secondment of Indian teachers/experts abroad, conducting education fairs, seminars-cum-counselling 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 main segments viz Human Resource Development, Institutional Development and Technical Assistance. The performance details in these services are as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Human Resource Development: Placement	Rs. in crore	14.74	9.73	9.08	11.18
Secondment	Rs. in crore	0.56	0.74	0.94	0.75
Testing	Rs. in crore	2.10	4.68	5.47	4.08
Institutional Development	Rs. in crore	6.85	8.35	14.42	9.87
Technical Assistance: Educational Aids	Rs. in crore	0.35	0.26	0.81	0.47
Other Projects	Rs. in crore	16.50	9.26	8.56	11.44

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	41.10	33.01	39.29	24.51
Cost of Services	41.19	31.55	37.89	30.55
Net Profit / Loss(-)	2.70	2.79	2.48	-3.23
Dividend declared (as % of PBT)	29.07	21.69	18.12	34.01
Net Worth	15.72	14.17	12.53	10.94
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

Major contribution in revenue generation was made by placement of human resources and providing technical assistance which formed 35.86% and 41% respectively during 2007-08. The turnover increased by Rs. 8.09 crore i.e. 24.51% during the year over 2006-07. However the profitability of the company declined during 2007-08 mainly due to increase in project costs as well as employee cost.

6. Human resource Development (HRD)

The enterprise employed 84 regular employees (executives 51 & non-executives 33) as on 31.3.2008. About 19.05% employees were having professional qualifications and around 6% employees come under the age bracket of 51 and above years.

Retirement age in the company is 60 years. Ed CIL is following IDA 1997 pattern of remuneration. During the year one new employee joined the company.

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

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.

Engineering Projects (India) Ltd.(EPIL)

1. Company Profile

EPI was incorporated in the year 1970 with the main objective to undertake turnkey projects and consultancy services in India and abroad. EPI is the first Indian Company to undertake large civil and industrial projects abroad. EPI is a profit making, dividend paying Mini Ratna Category-II Central Public Sector Enterprise in Industrial Development and Technical Consultancy Services sector under the administrative control of the Ministry of Heavy Industries & Public Enterprises with 100% shareholding by the Government of India. It has its Registered Office, Corporate Office and Northern Regional Office at Core-3, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi and other Regional / Zonal Offices at different geographical locations viz. Mumbai, Kolkata, Chennai, Hydrabad and Bangalore to under take operations across India. EPI has pan-India presence with about 68 offices at project sites spread all over the country.

2. Industrial/Business Activities

EPI is engaged in the field of execution of large and multi-disciplinary industrial & construction projects on turnkey basis and project consultancy services in the areas like Civil and Structural Work, Metallurgical sector, Water Supply and Environmental Engineering, Defence, Housing, Townships, Hospitals & Institutional Buildings, Coal & Material Handling Systems, Industrial & Process Plants, Oil and Petrochemicals, Transmission Lines/Sub Stations, Irrigation, Dams & Canal works, Roads & Highways, Shore Protection Works, Airports, Sports Stadia, Mining projects etc.

3. Production/Operational Profile

EPI provides integrated services from concept to commissioning of projects which include the specialized activities such as Feasibility Studies & Detailed Project Reports, Design and Engineering, Supply of Plant & Equipment, Quality Assurance, Construction & Erection, Trial run and Commissioning, Operation and Maintenance and Overall Project Management in almost all areas of engineering, consultancy and construction.

4. Major Financial Highlights

(Rs.in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	851.02	763.26	636.32	11.50
Cost of Services	849.86	763.35	640.22	11.33
Net Profit/Loss (-)	17.53	15.30	12.39	14.58
Dividend declared (as % of PBT)	31.47	33.86	45.33	-7.07
Net Worth	107.78	103.99	94.73	3.64
Paid up Capital	35.42	35.42	35.42	0.00
Share of Central Govt./Holding Company	35.42	35.42	35.42	0.00

5. Key Performance Factors

The Company has been improving its performance consistently and earning net profit since 2000-01. During the year 2007-08, the turnover of the Company increased by 11.50% and profit (PBT) by 14.70% as compared to previous year. It secured 21 projects amounting to Rs 1037.90 crores during the year.

The per employee productivity value of Rs 1.71 crore during the year is one of best in the Indian Engineering & Construction Industry.

The Earning Per Share (EPS) of the Company during 2007-08 was Rs 19.28.

6. Human Resource Development (HRD)

The Company employed 496 regular employees (402 executives and 94 non-executives) as on 31.03.2008 as against 469 employees as on

31.03.2007. Majority of the employees are having professional qualifications.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 patterns of remuneration. A total of 38 employees retired and 68 new employees joined the company during the year.

The total number of Directors in the company as on 31.03.2008 was 7, out of which 3 were part time non-official Directors (Independent Directors), 2 part time official Directors (Government nominees) and 2 functional Directors (Whole time Directors)

7. Strategic Issues

EPI consolidated its operations by reducing small value projects by concentrating on their expeditious completion, thus optimising utilisation of its resources. EPI is concentrating its efforts towards securing large value projects and projects in new / identified thrust areas. As a result, average project size of EPI has gone up from Rs. 33.25 crores in March, 2007 to Rs. 44.00 crores in March, 2008. This has resulted in reduction in cost and increase in margins.

EPI was successful in securing projects in the new areas such as Irrigation Projects and Water Supply and in securing higher fee based Deposit works.

Special emphasis was laid on developing workload in North-East Region, which holds high potential. A special cell for exclusively handling marketing and execution of projects in the North-East Region was established. Projects valuing over Rs 400.00 crores was secured in North East Region.

EPI signed MoU with Venture Capital firms for taking up projects on PPP/BOT basis.

As on 31st March, 2008, the Company had 68 projects valued at Rs. 3300 crores in hand and balance work on these projects was worth Rs. 2038 crores.

8. Environmental Initiatives

EPI is one of the first construction & contracting companies in India to get certification for ISO 9001:2000 (Quality Management System) and ISO 14001:2004 (Environment Management System). The certification covers all areas of operation of the company.

Engineers India Limited (EIL)

1. Company Profile

EIL was incorporated in 1965 under the Companies Act 1956 for providing design, engineering and related project management and consultancy services for setting up hydrocarbon and processing industry plants in the country. EIL's corporate vision is "*to be a world class globally competitive EPC and total solutions Consultancy Organization.*"

EIL is a schedule 'A' / Mini Ratna CPSE in the Industrial Development and Technical Consultancy Services sector under the administrative control of Ministry of Petroleum & 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 project engineering consultancy and EPC contracting services in India and abroad. EIL has its Head Office in New Delhi, Regional offices in Chennai, Kolkata and Vadodara and a Branch office in Mumbai. It has inspection offices at all major equipment manufacturing locations in India and a wholly owned subsidiary in India viz. Certification Engineers International Ltd for undertaking independent certification and third party inspection assignments. Outside India, EIL has an engineering office in Abu Dhabi which is the hub for Middle East, a marketing office in Saudi Arabia, inspection offices in London and Milan and a wholly owned subsidiary, EIL Asia Pacific Sdn. Bhd. in Malaysia.

3. Production/Operational Profile

The service range of the company comprises of conceptualizing, designing, engineering, procurement, project management, construction management and commissioning assistance in the hydrocarbon, mining and metallurgy, and infrastructure sectors. The performance details of major services are as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Consultancy and Engineering	Rs. in crores	621.44	488.75	425.61	511.93
Lumpsum Turnkey Projects (LSTK)	Rs. in crores	116.31	82.33	364.87	187.84

Note: Above figures include work-in-progress

4. Major Financial Highlights

(Rs. in crores)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	721.87	570.12	792.66	26.62
Cost of Services	577.02	448.99	655.51	28.52
Net Profit/Loss (-)	194.60	142.99	138.64	36.09
Dividend Declared (as % of PBT)	20.85	26.11	22.28	-20.14
Net Worth	1151.66	1030.81	943.32	11.72
Paid-up Capital	56.16	56.16	56.16	0.00
Share of Central Government/Holding Company	50.77	50.77	50.77	0.00

5. Key Performance Factors

The Company's turnover during the year increased by 27% as compared to last year with both the consultancy & engineering and LSTK segments recording year-to-year growth rates of over 27% and 41% respectively. The increased turnover coupled with enhanced operational efficiency and cost control measures enabled the net profit of the company to increase by over 36% when compared with last year.

Earning Per Share of the company was Rs. 34.65 during 2007-08 compared to Rs. 25.46 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 2804 regular employees (executives 2386 and non- executives 418) as on 31.3.2008. 65.23% employees have professional qualifications.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 patterns of remuneration. During the year 264 skilled and 2 unskilled employees left the company and 520 new skilled employees joined.

The total number of Directors on the Board of the company as on 31.3.2008 was 11, comprising 6 Functional Directors including the C&MD, 4 part time Non-Official Directors and one Government Director.

The company is addressing the issue of attrition through the two pronged strategy of quantum recruitment, technical upgradation and imparting multi-tasking training to its employees for which it has various ongoing initiatives. During the year, about 2000 employees were imparted training in technical functions and managerial skills at rate of 2.2 training mandays per employee as against 1.5 in 2006-07.

7. Strategic Issues

The formation of JVs and modernization are envisaged to strengthen organizational capabilities for securing and executing overseas and domestic consultancy business and LSTK projects. During the year, Government approval was pursued for the MOUs signed for forming joint venture with Tata Projects and M/s. Tecnimont, Italy in the previous year. The approval was received during the financial year 2007-08 for forming the joint venture with M/s. Tata Projects Limited while approval for the joint venture with M/s. Tecnimont, Italy was received in July, 2008. While the JV with M/s Tata Projects Ltd. – M/s TEIL Projects Limited- has since been incorporated, the formation of the JV with M/s Tecnimont is in progress.

The thrust of EIL is on improving productivity both by continuous work process improvements and by enhanced use of IT hardware and software. In this direction, the company's comprehensive IT plan envisages implementation of (i) state-of-the-art Document Management System, (ii) connecting all major offices on MPLS-VPN for secured data transfer, (iii) upgrading LAN environment and (iv) setting up additional video conferencing facilities.

Research & Development

The R&D Division of the Company pursued its initiatives towards optimization of acquired technologies and betterment of open art technologies and development of new processes and equipment design. These developmental activities are undertaken at the R&D Centre in Gurgaon and in association with institutes/ organizations like IIP, CHT, Indian Oil Corporation (IOC) (R&D), etc.. During the year, two R&D projects relating to design methodology for oxygen enrichment and improved CFC based LPG treating process were completed. Besides, the CFC technology developed in association with IOC (R&D) was granted a US Patent. The R&D expenditure during the year was Rs.6.80 crore which constituted 0.94% of turnover.

Corporate Governance

EIL persues values of transparency, professionalism & occountability. It has practical good corporate governance by maintaining transparency in all its operations, making disclosures & enhancement of all shareholder's values with the framework of law & regulations.

HSCC (India) Ltd.

1. Company Profile

HSCC was incorporated on 30.3.1983 under the Companies Act, 1956 with the 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 a Schedule 'C', Miniratna CPSE 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 of India. 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. The operating results during last three years are given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Consultancy Fee	Rs. in crores	17.40	16.78	18.45	17.54
Interest and other income	Rs. in crores	13.56	8.45	7.85	9.95

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover/ Operating Income	17.40	16.78	18.45	3.69
Cost of Services	17.56	12.68	11.57	38.49
Net Profit / Loss(-)	8.36	7.98	9.62	4.76
Dividend Declared (as % of PBT)	15.52	16.57	14.66	-6.34
Net Worth	58.55	52.71	47.13	11.08
Paid up capital	1.60	1.60	1.60	0.00
Share of Central Govt./ Holding Company	1.60	1.60	1.60	0.00

5. Key Performance Factors

As compared to last year the company recorded improvement in performance parameters like turnover, operating profit, per employee turnover, EPS etc. While turnover increased by 3.69% over the previous year, the net profit increased by 4.76% during this period. The EPS increased from Rs. 499 as on 31.3.2007 to Rs. 523 as on 31.3.2008.

During the year 2007-08, the company has been awarded the work of rendering consultancy services for design & engineering, project management and procurement of medical equipments, drugs & pharmaceuticals etc. for quite a few prestigious projects which include 22 projects relating to Architectural Planning, Design Engineering & Project Management services, 15 projects relating to Procurement Management services and 5 projects relating to Studies and Training services. The company secured some prestigious projects from State Governments and various civil works projects under the Prime Minister's Swasthya Sewa Yojna etc. Further, the efforts are also on to tap the projects in the public and private sector, where large investments are expected in the near future.

During 2007-08, HSCC made Strategic Alliances with M/s Manpower Corporation Limited, Chennai for technical assistance for deputation/ export of Medical/Paramedical manpower abroad and with M/s Educational Consultants India Limited, NOIDA for placement of international students in Indian Medical Institutions, design and implementation of projects for establishment of medical institutions within country and abroad & for consortium bidding for internationally funded projects etc.

6. Human Resource Development (HRD)

As on 31.3.2008, the company employed 132 regular employees (executives 103 & non-executives 29). About 65% employees were having professional qualifications. 9.85% 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 patterns of remuneration. One employee retired during the year on superannuation and 41 new skilled employees joined.

The total number of Directors in the company as on 31.3.2008 was 4, out of which 2 were Government/ official Directors**.**

7. Strategic Issues

The company aims at 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. Thrust is on diversifying and expanding the operations as also client base.

During the year the Board of Directors decided to increase the Authorised Capital to Rs. 5.00 crore for further capitalization of reserves. No objection in this regard has been obtained from the administrative Ministry and is being placed to Shareholders for their consideration and approval.

Towards good corporate governance practices, emphasis is being laid on facets of observing transparency, accountability and proper disclosure.

New Order Booked (Fee)

During the year, the company booked new orders (fee) around Rs.19.26 Crores.

IndianOil Technologies Ltd. (ITL)

1. Company Profile

IOTL was incorporated on 20.6.2003 under the Companies Act, 1956 with an objective to market the entire range of technologies developed at Indian Oil's R&D Centre at Faridabad, Haryana for the benefit of stakeholders. ITL is an uncategorised PSE in Industrial Development and Technical Consultancy Services sector under the administrative control of M/o Petroleum & Natural Gas. Its Registered office is at New Delhi and Corporate office at Faridabad, Haryana. The company is a 100% subsidiary of Indian Oil Corporation Limited (IOCL).

2. Industrial / Business Activities

ITL is the technology-marketing arm for the entire range of technologies developed by IOCL R&D Center, Faridabad, which has developed several technologies and technical expertise both in petroleum refining and lubricants. Indian Oil R&D, through ITL, offers a bouquet of technologies, products, processes and solutions that are aimed at improving performance and profitability.

ITL is capable of providing consultancy services for revamp of open art units like Diesel Hydrotreating unit, sour water stripper, Amine regenerator, crude distillation, Naphtha splitter units etc.; to assist in production of modified asphalt, bitumen emulsion, crumb rubber modified bitumen and multi grade bitumen; and regularly carrying out catalyst evaluation and management for hydrotreater, reformer and FCC units for several Indian and overseas refineries. ITL has capability to provide detailed crude oil evaluation, refinery profitability studies, refinery integration and value addition, refinery process models, lubricant formulations technology for Automotive, Industrial and Metal working applications, oily sludge management, quality control and evaluation of Biodiesel.

ITL has been offering consultancy services abroad in the areas of lubricant formulation technology, selected refining processes, material failure analysis, remaining life assessment of equipment and installations, setting up of R&D laboratories etc.

The company is well recognized in industry as technical training provider in refining processes, lubricant and fuel technology. ITL also conducts/ imparts training in the areas of FCC, Hydroprocessing, Catalytic Reforming, Delayed coking, Simulation and Modeling, Bio-remediation, Crude Assay, Material Failure Analysis, Remaining Life Assessment, Analytical techniques, Lubricants & grease etc. covering the basics, operations, plant trouble shooting and technical solutions. In the recent past ITL carried out such trainings modules in Kuwait, Iran etc.

3. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	1.91	1.58	0.89	20.89
Cost of Services	0.57	0.52	0.61	9.62
Net Profit/Loss(-)	0.97	0.72	0.20	34.72
Dividend declared (as % of PBT)	18.79	0.00	0.00	1879.19
Net Worth	2.52	1.87	1.14	34.76
Paid Up Capital	0.55	0.55	0.55	0.00
Share of Central Govt./ Holding Co.	0.55	0.55	0.55	0.00

4. Key Performance Factors.

Total income has grown by 21 % over the previous year while the net profit after tax has shown a jump of about 35% over the same period.

Approximately 31% of the total revenue has been realized by sale of services and licensing to foreign companies.

A dividend of 50% of equity was declared for the first time.

5. Human Resource Development (HRD)

The enterprise employed 5 regular employees (executives 4 & non-executive 1) as on 31.3.2008. 80% of the employees were having professional qualifications. 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.

6. Strategic Issues.

ITL had established contacts with various overseas refineries, particularly in Middle East and Gulf to spread the message about the offerings from the company. As a business strategy, ITL has selected technical training as a growth tool which has started showing positive results and it has been able to secure some business from these companies.

MECON LIMITED (MECON)

1. Company Profile

MECON was incorporated on 31.3.1973 under the Companies Act, 1956 with the objective to reduce the dependency on foreign consultants and building indigenous capability for designing and consultancy for steel plants in the country and to absorb and assimilate technologies available in different developed countries and to adopt them to suit Indian conditions. 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 of India. 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 for the iron and steel industries including setting up of the integrated steel plants. It has also diversified into other sectors of economy like oil & gas, power, infrastructure etc. In addition to Head Office at Ranchi, the company has Regional engineering office at Bangalore and New Delhi and around 20 project site offices and liaison offices spread all over the country.

The company has two financial joint ventures namely Neelanchal Ispat Nigam Limited and Metallurgical & Engineering Consultants (Nigeria) Limited.

3. Operational profile:

MECON has till date completed over 2800 engineering consultancy and 120 EPC/ turnkey assignments covering wide range of projects worth more than Rs. 300 billion. The details of business of the company during last three years are given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Metals					
Consultancy	Rs. in crores	501.67	309.00	203.50	338.06
EPC	Rs. in crore	620.13	20.44	1.40	213.99
Power					
Consultancy	Rs. in crores	17.3	70.29	24.47	37.35
EPC	Rs. in crore	-	-	-	-
Oil & Gas					
Consultancy	Rs. in crores	18.17	16.65	24.46	19.76
EPC	Rs. in crore	11.45	-	-	-
Infrastructure					
Consultancy	Rs. in crores	71.13	15.03	15.83	34.00
EPC	Rs. in crore	-	0.06	249.90	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	486.53	373.58	257.75	30.23
Cost of Services	460.75	372.64	276.16	23.64
Net Profit/Loss(-)	33.32	20.38	16.12	63.49
Dividend declared (as % of PBT)	2.30	0.00	0.00	230.47
Net Worth	-4.07	-107.91	-178.84	-
Paid up capital	103.14	40.14	2.42	156.95
Share of Central Govt./Holding Company	103.14	40.14	2.42	156.95

5. Key Performance Factors

Effective marketing thrust resulted in improved order booking. The company has booked large value orders in consultancy and supply which led to significant increase in revenue.

MECON is an ISO: 9001- 2000 accredited company, registered with WB, ADB, EBRD, AFDC and UNIDO, has wide exposure and infrastructure for carrying out engineering, consultancy and project management services for mega projects encompassing architecture & town planning, civil works, structural works, electric, air conditioning & refrigeration, instrumentation, utilities, material handling & storage, computerization etc. MECON has collaboration agreements with leading firms from the USA, Germany, France, Italy, Russia, etc. in various fields.

The company possess its own campus wide networking based on fibre optic backbone with Gigabit enabled switches supported by five servers, HP 9000/817 and HP9000/K Series mini computers, a host of LANS, PCs, latest facilities of CAD/CAM, Intergraph Plant Design System, latest software, other design & engineering aids necessary for computerized engineering/ drafting/ documentation works.

In order to improve performance, endeavor was made to increase revenue from consultancy & supply projects and also to cut costs.

5. Human Resource Development (HRD)

MECON has a large set up with about 1714 strong workforce (1515 executives and 199 non-executives), of which about 1112 are graduate / postgraduate engineers in various technical disciplines. 66.39% of the employees were having professional qualifications and 41.48% of employees come under the age bracket of 51 and above years. However, the average age of the employees is 46 years.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During the year 2007-08, 93 employees left the company on account of attrition. Till 31.03.2008, 947 persons availed of VRS. During the year 187 new employees also joined the company.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 5 were full Time Functional Directors, 2 were Government / official Directors and 3 were Non-Official Directors / Professionals.

6. Strategic Issue

Business Restructuring

Business was re-structured into four strategic Business Units covering Metals, Oil & Gas, Power and Infrastructure.

Financial restructuring / revival scheme has been considered by Government of India during 2006-07 for total budgetary support of Rs.100.72 crore in the form of Equity Share of Rs.37.72 crores and Non-Cumulative Redeemable Preference Share of Rs.63.00 crores. In addition, 50% Interest subsidy on VRS Loan and waiver of Guarantee Fee on VRS Loan have also been granted by Government of India. The restructuring also include Manpower resource optimization through right sizing.

Under business restructuring, the company has already gone ahead with formation of 4 SBUs : Metals (Iron & Steel), Oil & Gas, Power and Infrastructure and Shared Services Divisions. With the company migrating to the concept of Strategic Business Units on a multi-locational basis, thrust is being directed towards technical strengthening of various SBUs including formulation of technology mission; organizing training, and plant installation visits of engineers overseas where state-of-the-art technologies have been implemented .

R&D initiatives

MECON is equipped with laboratories including electrotechnical laboratory (ETL), environmental laboratory and R&D laboratory. The company has developed / assimilated a number of technologies / processes. It is taking initiatives for acquiring new technologies by entering into MOUs/ agreements with reputed foreign companies in various areas of operations. In addition, the company is also resorting to consortium working philosophy with leading foreign and Indian companies by way of entering into strategic alliances with them.

Non-performing/surplus assets

The company is having non-performing office building at WTC, Mumbai re-valued at Rs. 4.41 crore as on 31.03.2000. Disposal procedure is being followed and kept in the books of account as 'Assets Retired from Active Use'.

National Informatics Centre Services Incorporated (NICSI)

1. Company Profile

NICSI was incorporated in 1995 under Section 25 of 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. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

NICSI is engaged in promoting economic, scientific, technological, social and cultural development of India by promoting, assisting and streamlining the creation, adaptation, absorption, application, dissemination, growth and utilization of Information Technology including computer Technology, computer communication networks, informatics, digital automation and computer aided modernization in various facets of Government and Society including local self governments, educational institutions, financial institutions, societies, libraries, research institutions, etc. in public, private and cooperative sectors through non-commercial and commercial applications of the know how methodologies, software, hardware, database, information base, knowledge base, expertise, infrastructure, Value Added Telecom services etc.

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 details of purchases and sales of the company are as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Purchases:					
Software	Nos.		23582	62113	-
Routers/ Switches	Nos.		3766	1699	-
Sales:					
Software	Nos.		2376	1963	-
Routers	Nos.		121	144	-

NA – Not Applicable

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	117.17	99.84	60.75	17.36
Cost of services	124.11	110.56	67.04	12.26
Net Profit/Loss(-)	47.36	37.73	24.08	25.52
Net Worth	191.96	144.61	106.87	32.74
Paid up capital	2.00	2.00	2.00	0.00
Share of Central Govt.	2.00	2.00	2.00	0.00
EPS in Rs.	236.80	188.65	120.40	25.52

5. Key Performance Factors

All the clients of the corporation are Government Departments / organizations. The increase in turnover and profitability is attributed to higher sales.

The company has huge cash and bank balances amounting to Rs.391.02 crore and reserves amounting to Rs.142 crore as on 31.3.2008.

The NICSI being a Section 25 company is exempted from paying dividend.

6. Human Resource Development (HRD)

The enterprise employed 38 regular employees (executives 34 and non-executives 4) as on 31.3.2008 as against 37 employees as on 31.3.2007. About 89% of the employees are having professional qualifications. 92% of the employees come under the age bracket of 36 and 50 years. The company is following CDA pattern of remuneration.

Total number of Directors in the company as on 31.3.2008 was 10 and all were Government / official Directors.

7. Strategic Issues

The main objectives of the Company are :

- To promote use of Information & Communication Technology (ICT) in Government.
- To support faster implementation of ICT projects.
- To procure hardware, software and support services for Government organizations at competitive rates through tendering and/or strategic alliance/ agreements with leading ICT and management organizations.
- To help in the promotion and adoption of new technology in the area of ICT-enabled change management.
- To support creation of expertise within Government in the frontier areas of ICT and ICT-enabled change management.

National Research Development Corporation (NRDC)

1. Company Profile

National Research Development Corporation (NRDC) was incorporated on 31st December, 1953 under the then Companies Act, Section 25 corresponding to the present Companies Act, 1956. The primary objective of the company is to act as a catalyst to promote, develop and commercialize the technologies / knowhow / 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 it has a Regional Office at Bangalore.

2. Industrial / Business Activities

NRDC was established to promote and commercialize indigenously developed R&D technologies into fruitful products and processes.

NRDC is engaged in providing technical, commercial and financial solutions needed for closing gaps in the "innovation chain" through which an idea, invention or process is converted into a product in the market by way of adding value to the indigenous technologies; providing intellectual property rights (IPR), consultancy, etc. and licensing them to entrepreneurs.

The company facilitates trade and business in science and technology in India and abroad, encourages advancement of research, propagates 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 Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Royalty from Licensing	Rs. in crores	3.16	3.13	2.44	2.91
Lumpsum premia	Rs. in crores	1.03	0.99	1.36	1.13
Consultancy / Other Income	Rs. in crores	4.64	1.23	1.21	2.36
Total	Rs. in crores	8.83	5.35	5.01	6.40
Licence Agreements	Nos.	41	44	39	41

4. Major Financial Highlights

(Rupees in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	7.30	4.27	3.93	70.96
Cost of services	7.86	5.01	4.75	56.89
Net Profit/Loss(-)	0.65	0.11	0.13	490.91
Net Worth	9.94	9.64	9.41	3.11
Paid up Capital	4.42	4.42	4.4	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 costs.

During 2007-08, 59 new processes were assigned to the Corporation for commercialization from various R&D laboratories and Universities as compared to 39 in 2006-07.

The thrust given by NRDC to its export activity has resulted in its being successful in obtaining a foothold in Africa by establishing demonstration center at Ivory Coast and executing two projects abroad viz. Fuel briquette plant at Nigeria and a Cashew Processing Plant at Cote d' Ivoire. This will help in creating a brand image for the Country as well as open new business opportunities for small and medium enterprises.

6. Human Resource Development (HRD)

The enterprise employed 95 regular employees (executives 42 and non-executives 53) as on 31.3.2008 as against 98 employees as on 31.3.2007. 25% of the employees were having professional qualifications. 38% of employees come under the age bracket of 50 years and above.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 patterns of remuneration. Three skilled employees left the company during the year.

The total number of Directors in the company as on 31.3.2008 was 2, out of which one was Government Director and other was full time Functional Director.

7. Strategic Issues

Several agencies and Govt. Departments have started their own technology transfer cells in India thereby posing competition for NRDC. However NRDC being a five decade old organization has mastered the nuances of technology transfer and has devised newer ways of capturing the market through innovative market strategies for better commercialization.

The Corporation under the competitive business environment has identified the following strategic initiatives which would lead towards the growth of the Organization: -

- Developing pro-active system of innovation and knowledge transfer
- Developing digital knowledge base
- Honing physical network of linkages and alliances
- Developing early stage linkages between the research institutes and Industry through the knowledge Management System
- Supporting each alliance with market intelligence, direction for research and development and, if necessary, external funding
- Support platform for technology developers and innovators
- Facilitate interdisciplinary and fusion research
- Recognition of meritorious technology innovators
- Focus and support new knowledge
- Consulting Services
- Technology Hub for National R&D
- Prime Centre for technology commercialization
- Value addition by developing Basic Engineering Design Package
- Support technology through Angel Funding
- Incubation facilitation
- Thrust on Export of Technology
- Strong IPR network and Legal Assistance

Research & Development (R&D)

For the up-gradation of technology, each year NRDC selects a few projects under its Priority Projects programme with the following objectives:

- Select projects on the basis of market potential, technology supply considerations, and export potential for sponsorship.
- Sponsor time bound R&D development projects.
- Identify and associate Industry for quick and effective utilization of technology so developed.

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 and industry related small scale services/business enterprises in the country. The company is aimed at to be a premier organization in the country for 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 assisting small enterprises with a set of specially tailored schemes such as facilitating support services in marketing, credit, technology, and other services. It operates through its 9 Zonal Offices and 33 Branch Offices, 14 sub-offices, 10 business development extension offices, 5 technical service centres, 3 extension centres and 2 software technology parks spread across the country. The marketing services comprise consortia and tender marketing, single point registration for Government purchase, exhibitions and technology fairs, buyer-seller meets, export of projects and products, financing for procurement of raw material, internal marketing, exports and bill discounting etc. NSIC is operating a Performance and Credit Rating scheme through empanelled agencies like ICRA, ONICRA, Duns & Bradstreet (D&B), CRISIL, FITCH, CARE and SMERA. The technology support services include advising on application of new techniques; material testing facilities through accredited laboratories; product design including CAD; and common facility support in machining, EDM, CNC, etc.; energy and environment services; and skill upgradation through classroom and practical training. The other support services include Infomediary, membership benefits, software technology parks, technology business incubators, small enterprise establishment programme, international cooperation, international consultancy services, insurance of export credit for micro and small enterprises etc.

3. Production / Operational Profile

The details of earnings/income through the services rendered by the NSIC or received as grants/subsidies are as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Marketing/Raw material distribution	Rs. in crores	400.12	302.66	NA	-
Technical Service Centre	Rs. in crores	2.17	1.99	NA	-
Lease rentals	Rs. in crores	0.11	0.26	NA	-
Grants/ subsidies	Rs. in crores	13.60	17.66	NA	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	402.29	326.45	264.17	23.23
Cost of services	474.70	391.12	319.32	21.37
Net Profit/Loss(-)	4.06	2.84	1.25	42.96
Dividend declared (as % of PBT)	12.33	11.70	0.00	5.34
Net Worth	95.35	85.80	63.76	11.13
Paid Up Capital	232.99	217.99	217.99	6.88
Share of Central Govt.	232.99	217.99	217.99	6.88

5. Key Performance Factors

During 2007-08, all technical centres of NSIC first time operated without getting any grants. The business in respect of distribution of raw material recorded an increase of 34.79%; portfolio of raw material assistance against bank guarantees registered a growth of 88%, Government purchases and infomediary recorded a growth of 27%, and financing income increased by 66.48% during the 2007-08 over 2006-07.

NSIC has set in motion the organizational changes which will ensure future sustainability and profitability of the company.

The company reduced its exposure in financing and shifted to non-financing schemes such as distribution of raw material, marketing of the products of small enterprises, Government Purchase Registration Income from STP(s) and exhibitions, infomediary services, godown operations, tie-up with banks for facilitating credit required by SSI units, tie-up with ECGC, etc.

During 2007-08, the company made export sales to the tune of Rs. 2.16 crore against 19 orders received from Dubai, Sharjah, South Africa and Srilanka.

Earning Per Share of NSIc was Rs. 1.77 during 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 850 regular employees as on 31.3.2008 as against 860 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. Since the introduction of VRS a total of 767 employees have retired under the scheme.

During the year NSIC identified unutilized manpower and after imparting them in-house training-cum-motivational programme, they were redeployed in the recently opened new offices.

Total number of Directors in the company as on 31.3.2008 was 10, out of which 5 were part time Non-official Directors / professionals, 3 Full time Functional Directors and 2 Government/Official Directors..

7. Strategic Issues

NSIC increased its reach by opening offices in various new areas. It has signed MOU with over 50 Industry Associations to provide service at doorsteps of the MSEs. The company has also made arrangements with bulk manufacturers like Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Hindustan Copper Limited, Chennai Petroleum Corporation Limited, and Sterlite Group for procuring raw material like steel, aluminium, copper, bitumen, zinc etc. The company is amking arrangements with Gas Authority of India Limited, Indian Oil Corporation Limited and Coal India Limited for material handling arrangement with respect to LDPE/HDPE, BITUMEN AND COAL. NSIC is also operating godowns at Tarapur, Delhi, Faridabad, Bangalore, Badli and Silvasa to facilitate small enterprises to make them available the required material at ease.

NSIC received Government guarantee for loans amounting to Rs. 4.04 crore during 2007-08. It also received plan budgetary support of Rs. 20.00 crore during the year.

RITES LIMITED

1. Company Profile

RITES was incorporated on 26th April, 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– 'A' / Mini Ratna Category-I CPSE in Infrastructure Development and Technical Consultancy Services sector under the administrative control of Ministry of Railways, with 100% Shareholding by the Government of India. Its Registered office is at 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 two Subsidiary Companies namely M/s RITES (AFRIKA) Proprietary Limited in Botswana and M/s Tanzania Railways Limited in Tanzania and four financial joint ventures namely Geoconsult - RITES, (India) , RICON, (India), CCFB (Mozambique) for concessioning of Rail Network, and Ganga Expressway Consultants Pvt. Ltd for development of eight lane access control expressway, with share of interest of 13%, 51%, 26% and 25% respectively.

3. Production / Operational Profile

The service range of the company comprises of Consultancy, Export Sales Inspection and Lease

Services etc, the quantum of which are as under :

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Consultancy	Rs. Crore	298.34	219.92	253.98	257.41
Export Sales	Rs. Crore	208.31	252.80	96.09	185.73
Inspection	Rs. Crore	54.79	48.14	34.82	45.92
Lease Services	Rs. Crore	19.08	12.74	9.48	13.77
Others	Rs. Crore	80.18	32.72	32.04	48.31

4. Major Financial Highlights

(Rs in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover (Operating)	617.53	592.39	414.09	4.16
Cost of Services	496.70	348.95	337.83	42.34
Net profit/ Loss(-)	103.82	118.18	99.16	-12.15
Dividend Declared (as % of PBT)	12.31	23.28	14.83	-47.10
Net worth	538.12	459.62	387.26	17.08
Paid up capital	40.00	4.00	4.00	900.00
Share of Central Govt/ Holding Company	40.00	4.00	4.00	900.00

5. Key Performance Factors

The Earning Per Share (EPS) of the company during the year 2007-08 was Rs. 25.95 per share of Rs. 10 as against Rs. 2954 per share of the Rs. 100 in the previous year. (As company issued Bonus Share of Rs 36 crore comprising of 3.6 crore shares of Rs 10 each and also split 4 lakh Equity Shares of face value of Rs. 100 each into 40 lakh Equity Shares of face value of Rs. 10 each during the year).

6. Human Resource Development (HRD)

The enterprise employed 2173 regular employees (executives 1625 and non- executives 548) as on 31st March, 2008. 56% of the employees were having professional qualifications. 17% 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 12 employees retired and 92 new employees recruited during the year.

Total number of Directors in the company as on 31st March, 2008 was 11, comprising of 4 Part time Non-official Independent Directors/ Professionals, 3 Government / official Directors and 4 Full time Functional Directors including MD.

7. Strategic Issues

Project Implementation

The Tanzania Railway Concession project taken over by the company during the year 2007-08 has been implemented on a new structure through a concession company in which, equity holding by RITES & Govt of Tanzania (GOT) is 51% & 49% respectively with a concession period of 25 years. The network is 2700 km and spread through the length/breadth of Tanzania carrying both passengers and freight traffic. The concession company by name of Tanzania Railways Limited has been incorporated on 25th May, 2007. The operations of the Company have commenced in October, 2007.

Research & Development (R&D)

RITES is basically a consultancy organization and as such there is very little input of Capital / Equipments. The technical skills of experts are regularly updated to keep them abreast of latest State of Arts technologies in their respective fields. As such, no fundamental research is relevant to the nature of its businesses.

The company is improving its efficiency gradually by way of Technological upgradation. Steps taken towards Technology upgradation at R&D stage are (i) Design and Development of Cape Gauge DMU Train sets for Angola, (ii) Design and Development of Cape Gauge Self-Propelled Accident Relief Train for Angola, (iii) Detailed proposal for Development of locomotive, Crash Worthiness and occupant protection (crew and passengers) for Indian Railways.

Environment and ecology

The company is in consultancy business and operating from its various offices has no significant impact on environment. Company as a part of Consultancy services to its clients ensures that rules concerning environmental protection are complied with. In RITES own buildings, all the relevant environmental rules are complied with and periodic inspections are carried out to ensures continued compliance. By design, the buildings are energy efficient and measures are being adopted for conservation of energy.

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 CPSE in Industrial Development and Technical Consultancy services sector under the administrative control of M/o Communications 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

TCIL is undertaking turnkey projects in all fields of telecommunication & information technology in India and abroad. The core competence of the Company is in Core and Access Network Projects, Telecom Software, Switching and Transmission Systems, Cellular Services, Rural Telecommunications, Optical Fibre based Backbone Transmission Systems, IT and Networking solutions, e-Governance, Civil and Architectural Consultancy for Cyber Cities, Telecom Complexes, etc. The Company has also diversified into Road Construction.

The company operates through its 3 Regional Offices and 12 Overseas based offices / branches. It 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.

3. Operational Profile

The sector-wise sales / turnover of the company is as follows:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Telecom	Rs. in crore	252.62	285.55	395.69	311.29
Roads	Rs. in crore	162.26	125.06	87.81	125.04

4. Major Financial Highlights

(Rs in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	386.34	382.59	453.49	0.98
Cost of Services	411.36	404.67	466.10	1.65
Net Profit/Loss(-)	13.05	19.82	32.80	-34.16
Net Worth	400.00	397.87	396.65	0.54
Paid up capital	28.80	28.80	28.80	0.00
Share of Central Govt.	28.80	28.80	28.80	0.00
EPS in Rs.	4.53	6.88	11.39	-34.16

5. Key Performance Factors

The reasons for variation in performance include delay in executing the contract and release of mobilization advance of Pan – Africa Project, slow progress of DGLL Project due to client not agreeing to cost escalation being demanded by civil contractor, delay in availability of sites by NHAI in road construction project and decrease in margins due to fierce competition.

About 70% revenue of the company comes from turnkey projects followed by Construction Services 14% and Trading 1.61%. While the sales / turnover of the company have been constantly decreasing in the core sector of telecom, it is increasing in the same way from road construction etc.

6. Human Resource Development

The enterprise employed 931 regular employees (executives 493 and non-executives 400) as on 31.3.2008. About 40% of the employees were having professional qualifications and around 24% employees come under the age bracket of 51 and above years. The average age of the employees in the company is 44 years and the retirement age is 60 years. The company is following IDA 1997/CDA1996 patterns of remuneration. A total of 16 employees retired and 10 skilled employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 6, out of which 4 were full time Functional Directors and 2 Government/Official Directors.

7. Strategic issues

The company has diversified in hi tech area like WLL, Fiber to the Home, Cyber cities, Cyber Park, E medicine and e-education and Road construction.

WAPCOS (India) Ltd. (WAPCOS)

1. Company Profile

WAPCOS Limited was incorporated on June 26th, 1969 under the Companies Act. 1956. WAPCOS has been providing consultancy services in all facets of Water Resources, Power and Infrastructure Sectors in India and abroad. WAPCOS is a Schedule-B Mini Ratna 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

Main fields of specialisation of the company cover Irrigation and Drainage, Flood Control and Land Reclamation, River Management, Dams, Reservoir Engineering and Barrages, Integrated Agriculture Development, Watershed Management, Hydropower and Thermal Power Generation, Power Transmission and Distribution, Rural Electrification, Ground Water Exploration, Minor Irrigation, Water Supply and Sanitation (Rural and Urban), Environmental Engineering including Environmental Impact Assessment and Environmental Audit, Ports and Harbours and Inland Waterways, Rain Water Harvesting, Survey & Investigations, Human Resource Management, System Studies and Information Technology.

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. Segment-wise performance of the company is given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Consultancy and Engineering	Rs. in crore	81.98	61.76	58.38	67.37
Turnkey	Rs. in crore	78.07	66.34	52.81	65.74

4. Major Financial Highlights

(Rs. in Crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	160.05	128.10	111.91	24.94
Cost of Services	141.25	116.63	96.11	21.11
Net Profit/Loss(-)	15.14	11.87	9.61	27.55
Dividend declared (as % of PBT)	13.59	13.50	12.22	0.68
Net Worth	65.54	57.55	48.41	13.88
Paid up Capital	2.00	2.00	2.00	-
Share of Central Govt./ Holding Company	2.00	2.00	2.00	-

5. Key Performance Factors

The increase in profitability of the company is attributed to higher turnover. About 63% of the turnover is from foreign services while about 64%

profit is earned in India. With regard to segment wise performance, larger part of the turnover comes from the Lump sum Turnkey projects; the Consultancy and Engineering projects contribute substantially in profit.

The Earning Per Share (EPS) of the company during 2007-2008 was Rs. 757.03 as against Rs. 594 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 488 regular employees (274 executives, 68 non-unionised supervisors & 146 workmen) as on 31.3.2008. 43.5% of the employees were having professional qualifications. 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 pattern of remuneration. 9 employees retired during the year. 49 new employees joined during the year.

7. Strategic Issues

New Initiatives

WAPCOS has also been venturing into newer fields such as Software Development, City Development Plans, Financial Management System, Technical Education, Quality Control and Construction Supervision, Roads & Bridges. The Company has recently amended its Memorandum of Association to include the business of commissioning services for developmental projects in India and abroad.

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

WAPCOS has successfully completed/completing consultancy assignments in 40 countries and is registered with various international funding agencies for participating in the projects by funded World Bank/International Bank for Reconstruction and Development, African Development Bank, Asian Development Bank, Food and Agriculture Organisation, International Fund for Agricultural Development, United Nations Development Program, World Health Organisation, West African Development Bank, Indian Technical and Economic Cooperation (ITEC) Programme, Overseas Economic Cooperation Fund, Japan Bank for International Cooperation(JBIC) etc. Besides the Indian business, WAPCOS is currently engaged in providing consultancy services in Afghanistan, Bhutan, Cambodia, Ethiopia, Eritrea, Laos, Lesotho, Mozambique, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe**.**

Research & Development

R&D in a consultancy organization is dependent on policies and initiatives of the Government and funding agencies. The company keeps track of 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 Order Booking in hand of Rs. 251 crores.

19 TELECOMMUNICATION SERVICES & INFORMATION TECH. SERVICES

As on 31.3.2008, there were 4 Central public sector enterprises in the Telecommunication Services & Infomation 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Mahanagar Telephone Nigam Ltd.	4722.52	4909.32
2.	Bharat Sanchar Nigam Ltd.	32359.53	34616.21
3.	Millennium Telecom Ltd.	0.00	0.00
4.	Railtel Corporation India Ltd.	188.60	112.96
	Total	**37270.65**	**39638.49**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Mahanagar Telephone Nigam Ltd.	586.89	681.74
2.	Bharat Sanchar Nigam Ltd.	3009.39	7805.87
3.	Millennium Telecom Ltd.	0.28	0.03
4.	Railtel Corporation India Ltd.	56.14	40.85
	Total	**3652.70**	**8528,49**

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 2007-08	2006-07
1.	No. of employees	355850	369356
2.	Social overheads: *(Rs. 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 *(Rs. 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.

TELECOMMUNICATION SERVICES
BALANCE SHEET

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	1940000	1940000	1940000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	1317531	567531	1308877
OTHERS	27851	777851	27851
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	8696662	8544979	7886572
TOTAL (A)+(B)+(C)	**10042044**	**9890361**	**9223300**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	12600	14700	9200
(B) UNSECURED LOANS	349305	566870	740895
TOTAL (A)+(B)	**361905**	**581570**	**750095**
(1.3) DEFERRED TAX LIABILITY	179705	186650	231563
TOTAL (1.1)+(1.2)+(1.3)	**10583654**	**10658581**	**10204958**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	14115313	13461650	12738302
(B) LESS DEPRECIATION	7952088	6968310	5986412
(C) NET BLOCK (A-B)	6163225	6493340	6751890
(D) CAPITAL WORK IN PROGRESS	368398	339685	453014
TOTAL (C)+(D)	**6531623**	**6833025**	**7204904**
(2.2) INVESTMENT	75738	46140	61876
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	338156	265066	292795
(B) SUNDRY DEBTORS	643582	735732	772292
(C) CASH & BANK BALANCES	4400796	3939578	3267836
(D) OTHER CURRENT ASSETS	161605	125194	73129
(E) LOAN & ADVANCES	1763701	1 749050	1983790
TOTAL (A)+(B)+(C)+(D)+(E)	**7307840**	**6814620**	**6389842**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	2196429	2121574	2068970
(B) PROVISIONS	1151160	1059498	1398816
TOTAL (A+B)	**3347589**	**3181072**	**3467786**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**3960251**	**3633548**	**2922056**
(2.6) DEFERRED REVENUE/ PRE. EXPENDITURE	16031	145265	11435
(2.7) DEFFRED TAX ASSETS	11	0	0
(2.8) PROFIT & LOSS ACCOUNT (Dr)	0	603	4687
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**10583654**	**10658581**	**10204958**

TELECOMMUNICATION SERVICES
PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	3727065	3963849	4175604
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	3727065	3963849	4175604
(D) OTHER INCOME /RECEIPTS	631294	577401	457221
(E) ACCRETION / DEPLETION IN STOCKS	0	0	0
(I) TOTAL INCOME (C+D+E)	**4358359**	**4541250**	**4632825**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	0	0	0
(B) STORES SPARES	0	0	0
(C) POWER &FUEL	179715	168482	151475
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	366380	707600	889178
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	1046885	913387	933529
(F) OTHER EXPENSES	1052173	640373	476718
(G) PROVISIONS	69404	139112	170614
(II) TOTAL EXPENDITURE (A TO G)	**2714557**	**2568954**	**2621514**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	1643802	1972296	2011311
(4) DEPRECIATION 1043821	983762	1005433	
(5) ORE. / PREL. EXP. WRITTEN OFF	0	0	50
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	599981	988534 _	1005828
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	84521	75976	106333
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 4353	4264	7010	
(D) LESS INTEREST CAPITALISED	0	458	643
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	88874	79782	112700
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**511107**	**908752**	**893128**
(9) TAX PROVISIONS	166736	67482	-39874
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	344371	841270	933002
(11) NET EXTRA -ORD. ITEMS	-20899	-11579	-17975
(12) NET PROFIT /LOSS (10-11)	**365270**	**852849**	**950977**
(13) DIVIDEND DECLARED	175700	142700	142700
(14) DIVIDEND TAX	29861	22205	20013
(15) RETAINED PROFIT (12-13-14)	**159709**	**687944**	**788264**

TELECOMMUNICATION SERVICES
MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1707285	1899748	2074323
(ii) CAPITAL EMPLOYED	10123476	10126888	9673946
(iii) NET WORTH	10026013	9744493	9207178
(iv) COST OF PRODUCTION	3847252	3632498	3739697
(v) COST OF SALES	3847252	3632498	3739697
(vi) VALUE ADDED	3547350	3795467	40224129
(vii) R&D EXPENDITURE	0	0	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	355850	369356	378274
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	24516	20608	20566
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.04	0.06	0.08
(ii) CURRENT RATIO	2.18	2.14	1.84
(CURRENTASSET : CURRENT-LIABILITY)			
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	4.62	5.34	5.32
(iv) SUNDRY DEBTORS : SALES (No. of days)	63.03	67.75	67.51
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	33.12	24.41	25.59
(ii) SEMI / FINISHED GOODS : SALES	1.60	1.57	1.62
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.01	-2.14	2.49
		(%)	
(vii) SALES : CAPITAL EMPLOYED	36.82	39.14	43.16
(viii) PBDITEP : CAPITAL EMPLOYED	16.24	19.48	20.79
(ix) PBITEP: CAPITAL EMPLOYED	5.93	9.76	10.40
(x) COST OF SALE : SALES	103.22	91.64	89.56
(xi) MATERIAL COST : SALES	0.00	0.00	0.00
(xii) SALARY & WAGES : SALES	28.09	23.04	22.36
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	16.10	24.94	24.09
(xv) PBTEP : NET WORTH	5.10	9.33	9.70
(xvi) NET PROFIT : NET WORTH	3.64	8.75	10.33
(xvii) GROSS MARGIN : GROSS BLOCK	11.65	14.65	15.79

Bharat Sanchar Nigam Ltd. (BSNL)

1. Company Profile

BSNL was incorporated on 15.9.2000 under the Companies Act, 1956 with an 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 provides telecom services all over the country except Delhi and Mumbai. It operates through 24 Telecom Territorial Circles and 2 Metro Districts at Chennai & Kolkata besides 19 Non-Territorial Circles covering the whole country with 38158 telephone exchanges. 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 telephonic services of the company taken together (fixed and cellular) was 84% as against 82% during 2006-07. The performance details of major services provided are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Basic Telephone connections	Nos. in Lakhs Lines	315.52 (67)	337.39 (71)	354.23 (75)	335.71
Mobile connections Lines	Nos. in Lakhs	362.09 (113)	274.29 (102)	171.64 (89)	269.34
WLL	Nos. in Lakhs Lines	45.78 (64)	35.56 (66)	25.73 (65)	35.69
Broadband connections	Nos. in Lakhs Lines	20.32 (59)	9.77 (91)	5.86 (100)	11.98
Production from Telecom Factories	Rs. in crore	388.03	338.59	-	-

Table given below indicates the market share of the company in the various services being rendered by it. It is observed that the market share is coming down year after year mainly due to induction of private operators.

	% of Market Share		
	2007-08	2006-07	2005-06
Basic Telephone connections	80.05	82.75	85.22
Mobile connections	18.82	22.59	24.80
WLL	6.69	7.97	8.66
Total	24.10	31.29	39.27

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	32359.53	34616.21	36138.94	-6.52
Cost of services	33636.43	31465.66	31907.06	6.90
Net Profit / Loss(-)	3009.39	7805.87	8939.69	-61.45
Dividend declared (as % of PBT)	33.96	14.24	14.21	138.43
Net Worth	88128.25	85717.34	80756.51	2.81
Paid up capital	12500.00	12500	12500.00	0.00
Share of Central Govt.	12500.00	12500.00	12500.00	0.00

5. Key Performance Factors

In pursuance to the Government policy for spreading teledensity for fostering the overall growth and for providing affordable and dependable communication mode to the common man, BSNL offers competitive and innovative tariff plans. Further deductions in local, STD and ISD segments have been made during 2007-08.

During the year the company added 350 new telephone exchanges for upgradation of its network. It has the largest Optical Fibre Cable network in the country. While the fixed telephone connections decreased by 6.93% during 2007-08 compared to previous year, the Cellular Mobile, WLL and Broadband internet connections increased by about 25.36%. This shows that the customer preferences have changed with the time from land line to improved modern telecom services.

Turnover and profitability of the company recorded reverse trend during 2007-08 due to the change in customer preferences.

The rural operation business of the company accounts for around 35.36% of BSNL's business. There is no telephone company in India which is providing connectivity to such a large population in rural areas. Out of 5.93 lakh villages in the country, 5.19 lakh villages have already been provided telephone facility by BSNL by 31st March, 2008.

During 2007-08, BSNL's Telecom factories supplied 4099 nos. of GSM Towers and 56.97 lakh SIM Cards.

Despite reduction in market share over the years BSNL still holds number one position in terms of overall market share among the various telecom operators. To increase its market share and presence in the market, BSNL is following a multi-pronged strategy.

During the year, BSNL has paid Rs.3000 crores to the Government towards repayment of the Government loan of Rs.7500 crore.

6. Human Resource Development (HRD)

The enterprise employed 308086 regular employees (executives 58407 & non-executives 249679) as on 31.3.2008. The retirement age in the company is 60 years and the average age of the employees was 48 years as on 31.3.2008. It is following CDA 1996 & IDA 1997 pattern of remuneration. A total of 8998 employees retired during the year on attaining the age of superannuation and 4936 employees recruited.

With the induction of new technology & as per business needs of the company, the existing staff is redeployed after imparting training in the areas of Mobile & Broadband, Marketing & Sales and Customer Support.

The talent pool of BSNL created by human resource initiatives is an aggregation of diverse and disparate skill sets and effective management of this pool is the parallel challenge in HR domain.

The total number of Directors in the company as on 31.3.2008 was 11, out of which 2 were Government / official Directors, 3 part time Non-official Directors / Professionals and 6 full time Functional Directors.

7. Strategic Issues

Opening up of the sector to many players has ushered in an era of high competition. The three key drivers of the fast growth in the mobile segment remain the reduced cost of entry into the sector, reduced cost of ownership and expanding coverage. Despite being a late entrant in the Mobile segment BSNL has been competing with major operators in Cellular mobile services.

Daily changes in the technologies coupled with other economic factors have put greater pressure on the operations of the company.

BSNL Board have in their 110th meeting held on 20.04.2008 voluntarily desired to implement corporate governance norms from the financial year 2008-09. The issue of listing of BSNL on the Stock Exchanges is also under active consideration of DOT.

Owing to the recommendation for abolition of ADC regime w.e.f. 1.4.2008, the BSNL may have substantial loss of revenue during 2008-09. Further, the new spectrum norms being prescribed by the Government/Regulator may lead to increase in CAPEX in addition to undue delays in roll out.

Increase in number of licenses in Telecom sector will make the scenario fiercer, which may result in further reduction in ARPU levels. However, growth in per capita income has given impetus for telecom growth, which provided greater opportunities to the company to diversify and grow in the competitive market.

Since its inception, the gross fixed assets of the Company have been doubled despite severe competition and phenomenal decline in the telecom tariff.

Project Implementation

The expansion plans of BSNL are aimed at to (i) connect all villages having population more than 1000; (ii) introduce 3 G technology to enable high speed data transfer applications; (iii) introduce new value added services such as Mobile TV, Mobile Broadband, MMS etc., using new technology networks; and (iv) providing end to end total telecom solutions using mobile technology.

An additional investment of Rs. 60,000 crores have been made in the National Telecom Infrastructure over and above Rs. 53,000 crores which was transferred to the Company by the Government of India at the time of corporatization. The major ongoing projects include Roll out of 30 Million GSM Mobile lines for 2G & 3G, 3.2 Million CDMA WLL lines, 1.84 Million Broadband lines on ADSL2+., and 0.40. Million Broadband lines through Wi-Max., introduction of 200 Kilo Ccts. IP TAX and High capacity DWDM systems (40 channel-10G & 32 channel-2.5G).

Other Development Plans of BSNL include Tender for 93 Million GSM Mobile lines for next three years, addition of 6.6 Million Broadband connections on ADSL2+ & Wi-Max technology, introduction of very high speed DWDM systems (80Gb/s), and 5.5 lakh ports of GPON 1.5 lakh of GE-PON under FTTH, procure 6476 KC of IP TAX in next 2 years, and 1 million Class 5 NGN lines for replacement of life expired switches, imlementation of CDR based Customer Care and Convergent Billing system and Countrywide Enterprise Resource Planning (ERP) System, introduction of VoIP and new Value Added Services on Mobile/Landline.

Research & Development (R&D)

BSNL does not have any R&D unit until now. However, it has signed a MOU with IIT, Kanpur for providing Research & Development in the field of Telecom activities. This MOU is a tripartite agreement among DOT, BSNL & IIT Kanpur.

Mahanagar Telephone Nigam Ltd. (MTNL)

Company Profile

MTNL was incorporate 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 for areas of operations and to up-grade the same. MTNL is a Schedule ‘A’ / Navratna CPSE in Tele-communications 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.

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 552 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% 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.

Operational Profile

The operational performance of the company is given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Basic and other services	Rs. in crore	3995.92	4203.32	5062.75	4420.73
Cellular in crore	Rs.	882.19	774.14	594.29	750.21

Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4722.52	4909.32	5560.98	-3.81
Cost of Services	4698.28	4790.17	5419.63	-1.92
Net Profit / Loss (-) after adjustments	586.89	681.74	580.29	-13.91
Dividend declared (as % of PBT)	39.89	31.79	37.54	25.49
Net Worth	11762.18	11407.65	11122.52	3.11
Paid up capital	630.00	630.00	630.00	0.00
Share of Central Govt.	354.37	354.37	354.37	0.00

Key Performance Factors

During 2007-08 the profitability of the company declined by about 14% and turnover by 4% due to heavy competition with the private operators resulting pressures on margins.

Although 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' but the business in basic services declined by 4.93% during 2007-08 compared to previous year. It continued to provide a sustained push to mobile services through an expanding network and a large range of services.

In the past 20 years, the company has taken rapid steps to emerge as India's leading and one of Asia's largest telecom operating company.

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 services is getting popularity among the customers of Delhi and Mumbai, resulting in huge demand for new connections.

Human Resource Development

MTNL employed 47422 persons as on 31.3.2008 (6599 Group 'A' & 'B" and 40823 others). There is 20% attrition rate among the young executives recruited for specialized jobs. MTNL has not furnished information on the age profile of its employees.

There were 8 Directors on the Board of MTNL as on 31.3.2008, out of which 4 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.

Strategic Issues

Reduction of tariff and 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 other taxes and duties levied on all other businesses. The Government is considering granting spectrum for 3G services at additional fee. This will have adverse impact on the cost of services and the prices of MTNL.

The activities of MTNL are confined only to two cities i.e. Delhi and Mumbai, it is not in a position to expand its telecom services beyond the area of jurisdiction.

The staff cost of MTNL is about 34.26% of the revenue generated while it is about 7% for other operators. The staff cost may in fact become even higher as wage negotiations are now due as per the earlier wage agreement which was for 10 years. This is major risk the company is facing.

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. It is an un-categorized CPSE in Telecommunication and Information Technology Services sector under the administrative control of M/o Communication and Information Technology, D/o Tele-communications. Its Registered and Corporate offices are 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 has 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 2006-07
	2007-08	2006-07	2005-06	
Turnover	0.00	0.00	0.00	0.00
Cost of Services	0.08	0.17	0.17	(52.94)
Net Profit/Loss(-)	0.28	0.03	0.06	833.33
Net Worth	4.50	5.03	5.22	(10.54)
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 last two years i.e. 2007-08 & 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 employed 38 persons as on 31.3.2008.

RailTel Corporation of India Ltd. (ReilTel)

1. Company Profile

RailTel was incorporated on 26.09.2000 under the Companies Act, 1956 with the main objective of expeditiously modernizing Railways' train control, operational safety systems & network, creating nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, internet and IT enabled value added services, and generating revenue for implementing Railways' developmental 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 with 100% shareholding by the Government of India. 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 and has so far provided 28 Gbps capacity as its OFC backbone to facilitate reach of telecom in rural and remote areas of the country. The performance details are given below:

Major Products/ Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Network leased	EIs	14024 (28Gbps)	7696 (15Gbps)	2432 (5Gbps)	8050

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	188.60	112.96	56.12	66.96
Cost of Services	137.73	68.98	70.11	99.67
Net Profit/Loss(-)	56.14	40.85	-10.27	37.43
Dividend declared (as % PBT)	8.05	-	-	-
Net Worth	365.20	314.91	187.53	15.47
Paid Up Capital	320.94	320.94	234.40	0.00
Share of Central Govt.	320.94	320.94	234.40	0.00

5. Key Performance Factors

The turnover and profit of the company increased by about 67% and 37% respectively during 2007-08 as compared to previous year. This is attributed to progress in building its network infrastructure and sales and marketing activities.

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 services, 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 2007-08 was Rs.1.75.

6. Human Resource Development (HRD)

The enterprise employed 393 regular employees (executives 373 and Workmen 20) as on 31.3.2008 as against 321 employees as on 31.3.2007. 30.53% of the employees were having professional qualifications and 3.82% 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 31.3.2008 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 the railway tracks.

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 2008-09.

Research & Development (R&D)

RailTel has provided cyber café at 26 Railway stations during the year. 27 Railway stations have become operational with Wi-Fi internet services in 2007-08.

TOURIST SERVICES

As on 31.3.2008, 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 Corpon. 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 and 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	India Tourism Dev. Corpn. Ltd.	436.84	528.48
2.	Hotel Corpn. of India Ltd.	55.77	60.79
3.	Ranchi Ashok Bihar Hotel Corpn. Ltd.	2.88	2.35
4.	Utkal Ashok Hotel Corpn. Ltd.	0.00	0.02
5.	Assam Ashok Hotel Corpon. Ltd.	3.56	10.95
6.	Donyi Polo Ashok Hotel Ltd.	1.87	1.49
7.	Madhya Pradesh Ashok Hotel Corpn. Ltd.	4.12	2.13
8.	Pondicherry Ashok Hotel Corpn. Ltd.	1.16	2.08
9.	Indian Railway Catering and Tourism Corpn. Ltd.	511.83	421.34
	Total	**1018.03**	**1029.63**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	Net Profit/Loss 2006-07
1.	India Tourism Dev. Corpn. Ltd.	67.45	45.56
2.	Hotel Corpn. of India Ltd.	-24.97	-12.71
3.	Ranchi Ashok Bihar Hotel Corpn. Ltd.	1.06	0.3
4.	Utkal Ashok Hotel Corpn. Ltd.	-1.21	-1.19
5.	Assam Ashok Hotel Corpon. Ltd.	-2.08	-0.33
6.	Donyi Polo Ashok Hotel Ltd.	0.44	0.23
7.	Madhya Pradesh Ashok Hotel Corpn. Ltd.	0.39	0.39
8.	Pondicherry Ashok Hotel Corpn. Ltd.	0.46	0.59

9.	Indian Railway Catering and Tourism Corpn. Ltd.	-57.66	20.23
	Total	**-16.12**	**53.07**

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	
		2007-08	**2006-07**
1.	No. of employees	4885	9906
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	0.01	0.13
	b. Medical facilities	0.00	0.77
	c. Others	0.00	0.29
3.	Capital cost of township *(Rs. 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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	25660	18020	18020
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	8075	8075	8075
OTHERS	5709	5709	5709
(B) SHARE APPLICATION MONEY	7300	15	0
(C) RESERVES & SURPLUS	30168	24294	21042
TOTAL (A)+(B)+(C)	**51252**	**38093**	**34826**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	444	455	510
(B) UNSECURED LOANS	1305	1304	1257
TOTAL (A)+(B)	**1749**	**1759**	**1767**
(1.3) DEFERRED TAX LIABILITY	267	218	248
TOTAL (1.1)+(1.2)+(1.3)	**53268**	**40070**	**36841**
2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	26614	23925	22463
(B) LESS DEPRECIATION	14701	13681	12798
(C) NET BLOCK (A-B)	11913	10244	9665
(D) CAPITAL WORK IN PROGRESS	555	423	310
TOTAL (C)+(D)	**12468**	**10667**	**9975**
(2.2) INVESTMENT	811	812	817
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	3084	3037	5211
(B) SUNDRY DEBTORS	31825	26524	13786
(C) CASH & BANK BALANCES	49114	43110	28696
(D) OTHER CURRENT ASSETS	1300	736	783
(E) LOAN & ADVANCES	25830	25872	20370
TOTAL (A)+(B)+(C)+(D)+(E)	**111153**	**99279**	**68846**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	63233	62965	39035
(B) PROVISIONS	11798	11826	7475
TOTAL (A+B)	**75031**	**74791**	**46510**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**36122**	**24488**	**22336**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	259	296	582
(2.7) DEFFRED TAX ASSETS	1002	1002	714
(2.8) PROFIT & LOSS ACCOUNT (Dr)	2606	2805	2417
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**53268**	**40070**	**36841**

TOURIST SERVICES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakhs)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES / OPERATING INCOME	101803	102963	67145
(B) EXCISE DUTY	332	288	0
(C) NET SALES (A-B)	101471	102675	67145
(D) OTHER INCOME / RECEIPTS	5975	5628	4012
(E) ACCRETION / DEPLETION IN STOCKS	-39	-23	227
(I) TOTAL INCOME (C+D+E)	**107407**	**108280**	**71384**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	48223	51571	18887
(B) STORE & SPARES	823	42	4133
(C) POWER & FUEL	5046	3599	3314
(D) MANUFACTURING / DIRECT / OPERATING EXP.	16204	3280	2459
(E) SALARY,WAGES & BENEFITS / EMPLOYEE EXP.	25683	22120	15646
(F) OTHER EXPENSES	889	17161	16946
(G) PROVISIONS	200	409	347
(II) TOTAL EXPENDITURE (A TO G)	**97068**	**98182**	**61732**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (I-II)	10339	10098	9652
(4) DEPRECIATION	1494	1149	883
(5) DRE. / PREL. EXP. WRITTEN OFF	0	32	416
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	8845	8917	8353
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	0	0
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS	102	101	328
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	102	101	328
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**8743**	**8816**	**8025**
(9) TAX PROVISIONS	1309	3421	1781
(10) NET PROFIT / LOSS(-) BEFORE EP **(8-9)**	7434	5395	6244
(11) NET EXTRA -ORD. ITEMS	1205	88	60
(12) NET PROFIT / LOSS (10-11)	**6229**	**5307**	**6184**
(13) DIVIDEND DECLARED	435	1770	418
(14) DIVIDEND TAX	74	290	56
(15) RETAINED PROFIT (12-13-14)	**5720**	**3247**	**5710**

TOURIST SERVICES

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
I. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	21280	14807	14634
(ii) CAPITAL EMPLOYED	48035	34732	32001
(iii) NET WORTH	48387	34992	31827
(iv) COST OF PRODUCTION	98664	99464	63359
(v) COST OF SALES	98703	99487	63132
(vi) VALUE ADDED	47340	47440	41038
(vii) R & D EXPENDITURE	1	1	0
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	4885	9906	10482
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	43813	18608	12439
B. MANAGEMENT RATIO			
(i) DEBT : EQUITY	0.03	0.05	0.05
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.48	1.33	1.48
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	2.12	1.02	0.92
(iv) SUNDRY DEBTORS : SALES (No. of days)	114.48	94.29	74.94
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	11.09	10.80	28.33
(ii) SEMI / FINISHED GOODS : SALES	0.78	1.57	1.20
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	-10.90	0.08	0.70
		(%)	
(vii) SALES : CAPITAL EMPLOYED	211.24	295.62	209.82
(viii) PBDITEP : CAPITAL EMPLOYED	21.52	29.07	30.16
(ix) PBITEP : CAPITAL EMPLOYED	18.41	25.67	26.10
(x) COST OF SALE : SALES	97.27	96.90	94.02
(xi) MATERIAL COST : SALES	47.52	50.23	28.13
(xii) SALARY & WAGES : SALES	25.31	21.54	23.30
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	8.72	8.68	12.44
(xv) PBTEP : NET WORTH	18.07	25.19	25.21
(xvi) NET PROFIT : NET WORTH	12.87	15.17	19.43
(xvii) GROSS MARGIN : GROSS BLOCK	38.85	42.21	42.97

Assam Ashok Hotel Corp. 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. 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. Govt. of Assam hold 49%.

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 room occupancy profile is as follows:

Major Products/ Services	Units	Room occupancy			Average of three years
		2007-08	2006-07	2005-06	
Room occupancy	%	34	48	47	43

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3.56	10.95	4.00	-67.49
Cost of Services	5.63	10.85	3.68	-48.11
Net Profit/Loss(-)	-2.08	-0.33	0.23	-
Net Worth	-3.49	-1.40	-1.07	-
Paid Up Capital	1.00	1.00	1.00	0.00
Share of Holding Company	0.51	0.51	0.51	0.00

5. Key Performance Factors

The company recorded overall downward trend in performance during 2007-08 as compared to 2006-07. While room occupancy declined by about 29%, turnover declined by about 67% and losses increased by 530% . The reason for decline in room occupancy and food sales is attributed to 25 rooms being out of operation for renovation from August to October, 2007 and the expenditure amounting to Rs. 1.38 crore incurred in this regard affected the profitability adversely.

6. Human Resource Development (HRD)

The enterprise employed 78 regular employees (executives 5, unionized supervisors 8 and workmen 65) as on 31.3.2008. 1.28% of the employees were having professional qualifications. 3.85% 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 and CDA 1996 patterns of remuneration.

7. Strategic Issues

The Hotel Brahmaputra Ashok, built with traditional Assamese décor, is positioned as the first 5 Star property of the North East with facilities as comparable in the other economic hubs of the country.

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 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 details of room occupancy of the company are as follows:

Major Products/ Services	Units	Room occupancy during			Average of three years
		2007-08	2006-07	2005-06	
Room days sold	Nos.	4983 (76)	4993 (76)	3540 (54)	4505

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1.87	1.49	1.37	25.50
Cost of Services	1.25	1.18	1.13	5.93
Net Profit/Loss(-)	0.44	0.23	0.19	91.30
Dividend declared (as % of PBT)	26.67	55.56	64.29	-52.00
Net Worth	1.35	1.16	1.16	16.38
Paid up capital	1.00	1.00	1.00	0.00
Share of Holding Company	0.51	0.51	0.51	0.00

5. Key Performance Factors

The company has submitted provisional information for 2007-08. The increase in turnover and profitability is attributed to higher revenue earnings.

6. Human Resource Development (HRD)

The enterprise employed 39 regular employees (executives 6 and non-executives 33) as on 31.3.2008. All the employees come under the age bracket of below 51 years. The average age of the employees was 32 years. The company is following IDA 1997 and CDA 1996 patterns of remuneration. The retirement age is 58 years.

The total number of Directors in the company as on 31.3.2008 was 7 and all were Government / official Directors.

Hotel Corporation of India Ltd. (HCI)

1. Company Profile

HCI was incorporated in 1971 under the Companies Act, 1956 as a wholly owned subsidiary of Air India Ltd.(now has been merged with National Aviation Corporation of India Ltd.) with an objective to carry on the business of Hotels and Flight Catering Services. HCI is a Schedule-'C' / CPSE in Tourist Services sector under the administrative control of M/o Civil Aviation. Its Registered office is 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. Production / Operational Profile

The revenue earning in different segments is given below:

Major Products/ Services	Units	Revenue earnings during			Average of three years
		2007-08	2006-07	2005-06	
Room sales	Rs. in crore	24.28	25.26	-	-
F&B sales	Rs. in crore	5.73	6.19	-	-
Other services	Rs. in crore	0.49	0.65	-	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	55.77	60.79	50.95	-8.26
Cost of services	77.07	78.70	61.63	-2.07
Net Loss(-)	-24.97	-12.71	-3.04	-
Net Worth	70.77	91.91	108.45	-23.00
Paid up capital	40.60	40.60	40.60	0.00
Share of Holding Company	40.60	0.00	40.60	0.00

5. Key Performance Factors

During the year, the company undertook renovation of 127 guest rooms and other related works at Centaur Hotel Delhi. As a result, there has been a drop in revenue. The company offered VRS to 157 employees at Centaur Lake View Hotel, Srinagar, at an outflow of Rs.8.85 crores. As a result, the loss of the company increased during 2007-08 as compared to the previous year.

6. Human Resource Development (HRD)

The enterprise employed 1486 regular employees (executives 291 and non-executives 1195) as on 31.3.2008 as against 1664 employees as on 31.3.2007. 0.24% employees were having professional qualifications. 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. During the year, total 31 employees retired / resigned / expired. VRS was introduced at Centaur Lake View Hotel, Srinagar during 2007-08 and 147 employees availed of the scheme.

The total number of Directors in the company, as on 31.3.2008 was 4, out of which one each were part time Non-official Director / professional and full time Functional Director and 2 Government / official Directors.

6. Strategic Issues

As per the "in principle" sanction received from the M/o Civil Aviation, the company is in the process of giving the running of its two Units i.e. Centaur Lake View Hotel, Srinagar and Chefair Flight Catering, Mumbai to professionals on Management Contract. The company has appointed a management consultant to assist in the selection of the parties. Expression of interest has been called for from interested parties and the same are shortlisted by the Management Consultant which is under review by the company.

India Tourism Dev. Corp. 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 namely Assam Ashok Hotel, Guwahati, Ranchi Ashok Bihar Hotel, Ranchi, Utkal Ashok Hotel, Puri, Pondicherry Ashok Hotel, Pondicherry, M.P. Ashok Hotel, Bhopal and Donyi Polo Ashok Hotel.

3. Production / Operational Profile

The performance details of major services being rendered by the ITDC have not been provided.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	436.84	528.48	351.30	-17.34
Cost of Services	399.19	491.92	321.45	-18.85
Net Profit/Loss(-)	67.45	45.56	45.79	48.05
Dividend declared (as % of PBT)	0.00	19.33	0.00	-100.00
Net Worth	349.56	208.74	176.25	67.46
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 performance of ITDC in terms of turnover declined by 17.34% during 2007-08 as compared to last year, but the profit increases by 48% mainly due to decrease in the cost of services by 18.85% other income amounting to Rs. 33.42 crore earned by the company from different sources. The shares of the company are listed in the Stock Exchange but not traded.

6. Human Resource Development (HRD)

The enterprise employed 2535 regular employees as on 31.3.2008 as against 2854 employees as on 31.3.2007. The company is following IDA 1997 pattern of remuneration.

The total number of Directors in the company as on 31.3.2008 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 Corp. 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 passenger 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 and reservation networking through Internet technology, hospitality, travel and tourism by way of best industry practices. The company operates through its two operating Railneer water bottling plants at Delhi and Danapur (Bihar), 6 Zonal offices and the Internet Ticketing/E Ticketing Office at 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	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Packaged	000	40645	35112	33211	36323
drinking water	Bottles of 1000 ml.	(86.00)	(73.89)	(69.89)	(76.59)
Departmental catering	Rs. in crore	159.40	156.18	112.59	142.72
Internet ticketing	Rs. in crore	38.93	23.44	11.37	24.58
Licensee catering	Rs. in crore	289.20	219.44	118.93	209.19
Package tourism	Rs. in crore	9.72	11.36	6.26	9.11

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	511.83	421.34	258.21	21.48
Cost of Services	572.42	403.31	238.63	41.93
Net Profit/Loss(-)	-57.66	20.23	19.78	-385.02
Dividend declared (as % of PBT)	-9.19	13.33	12.65	-168.94
Net Worth	78.85	62.96	47.22	25.24
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 21.48% increase in turnover during 2007-08, the profitability declined because of imposition of Haulage cost of Rs. 30.00 crore by the Ministry of Railways and provision for pay revision arrears for Rs. 24.14 crore. Almost all the segments of revenue generation recorded a positive trend except package tourism.

6. Human Resource Development (HRD)

The enterprise employed 610 regular employees (executives 231, non-unionized supervisors 167 and workmen 212) as on 31.3.2008. 2.62% of the employees were having professional qualifications. 7.38% 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 patterns of remuneration. 32 new skilled employees joined during 2007-08.

The total number of Directors in the company, as on 31.3.2008 was 6, out of which 2 each were part time Non-official Directors, Government / official Directors and 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 has received the mandate from M/o Railways to set up “Rail Ratna” Brand of Budget Hotels at the locations of 100 Railway Stations across the country on Public Private Partnership (PPP) basis.

The company has a plan of launching luxury tourist trains with pan India itineraries, strategic tie-up for promoting tourism and catering business, tie up for providing hotel content on the tourism portal, focussed inputs for manpower deployment, procurement processes and standardization of services for static catering units, expansion of capacity of existing Railneer plants and setting up packaged drinking water plants at Mumbai and Tamilnadu, plan to replace existing old catering stalls with modular compact stalls of uniform design, modernization of existing base kitchens and setting up mini base kitchens 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.

M.P. Ashok Hotel Corp. 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 CPSE in Tourist Services sector under the administrative control of the M/o Tourism. Its Registered and Corporate office are 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 revenue generation through sales, services rendered etc. was as follows:

(Rs. in crore)

Particulars	Performance during			Average of three year
	2007-08	2006-07	2005-06	
Sales less returns	NA	1.09	0.74	NA
Services rendered	NA	1.62	1.30	NA
Interest on deposits	NA	0.02	0.01	NA
Other income	NA	0.26	0.33	NA

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	4.12	2.13	2.38	93.43
Cost of services	3.71	3.71	2.56	0.00
Net Profit / Loss(-)	0.39	0.39	-0.18	0.00
Net Worth	-2.17	-2.17	-2.82	0.00
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 accumulated losses were, however, more than its networth.

6. Human Resource Development (HRD)

The enterprise employed 64 regular employees (executives 2 & non-executives 62) as on 31.3.2008. about 1.56% of the employees were having professional qualifications. As on 31.3.2008 all the employees were below 51 years of age.

Pondicherry Ashok Hotel Corp. 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 the objective to promote and develop tourism in Pondicherry (now known as Puducherry). 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 and PIPDTC holds 49% shares.

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 opened on 06.02.1989.

3. Production / Operational Profile

Company operates Hotel Pondicherry Ashok with 20 rooms. Its income is from providing accommodation as well as provision of food and beverage.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	1.16	2.08	1.40	- 44.23
Cost of Services	1.89	1.68	1.38	12.50
Net Profit/Loss(-)	0.46	0.59	0.21	-22.03
Net Worth	0.85	0.43	-0.10	97.67
Paid Up Capital	0.60	0.60	0.60	0.00
Share of Holding Company	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 net worth of the company has turned to positive during the last two years.

6. Human Resource Development (HRD)

The enterprise employed 38 regular employees (executives 3, non-unionized supervisors 6 and workmen 29) as on 31.3.2008 as against 20 employees as on 31.3.2007. 13.79% 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 patterns of remuneration.

Total number of Directors in the company, as on 31.3.2008 was 7, all being part time Non-official Directors & Government / official Directors.

Ranchi Ashok Bihar Hotel Corp. 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 CPSE 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 details of room occupancy of the company are as follows:

Major Products/ Services	Units	Room occupancy during			Average of three years
		2007-08	2006-07	2005-06	
Room Occupancy	%	99	100	100	99.67

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2.88	2.35	1.83	22.55
Cost of services	2.65	2.08	1.95	27.40
Net Profit/Loss(-)	1.06	0.30	0.02	253.33
Net Worth	-1.54	-2.60	-2.90	-
Paid up capital	0.72	0.72	0.72	0.00
Share of Centrla Govt./ Holding Co.	0.37	0.37	0.72	0.00

5. Key Performance Factors

For the last three years the company is showing improvement in its operational performance, however, the accumulated losses of the company at the end of 2007-08 were still more than its net worth. The increase in turnover and profitability is attributed to higher sales as a result of renovation of rooms.

6. Human Resource Development (HRD)

The enterprise employed 48 regular employees (executives 8 and non-executives 40) as on 31.3.2008. 29.17% of the employees come under the age brackets of 51 and above years. 87% of the company's employees have professional qualifications.

The retirement age in the company is 58 years. It is following IDA 1997 and CDA 1996 patterns of remuneration.

Total number of Directors in the company as on 31.3.2008 was 6, out of which 5 were Government / official Directors.

7. Strategic Issues

The competition is going up due to entry of new hotels.

Utkal Ashok Hotel Corp. 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 close coordination between the center and the state efforts to disperse benefits of tourism in the State of Orissa and to relieve the direct strains on budgetary resources of the center and state by eliminating duplicate efforts. UAHCL is an un-categorised 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

Since Hotel Nilanchal Ashok Hotel has been closed, there were no operational activities in the company.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	0	0.02	0.01	-100.00
Cost of services	1.24	1.21	1.18	2.48
Net Profit/Loss(-)	-1.21	-1.19	-1.16	-
Net Worth	-10.31	-9.11	-7.92	-
Paid up capital	4.80	4.80	4.80	0.00
Share of Holding Co.	2.49	2.49	2.49	0.00

5. Key Performance Factors

The commercial operations of the company's unit have been closed since 31.3.2004. Further due to the financial crunch faced by the company, liability for salaries payable to employees from April, 2005 onwards could not be discharged. The matter is sub-Judice.

6. Human Resource Development (HRD)

The enterprise employed 55 regular employees (executives 41 and non-executives 14) as on 31.3.2008. 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 31.3.2008, there were 19 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.	MMTC Ltd.	1963
5.	MSTC Ltd.	1964
6.	Food Corpn. of India	1965
7.	Cotton Corpn. of India Ltd.	1970
8.	Jute Corpn. of India Ltd.	1971
9.	PEC 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. L.	1977
14.	STCL Ltd.	1982
15.	National Handloom Development Corporation Ltd.	1983
16.	Karnataka Trade Promotion Organisation	2000
17.	Tamil nadu Trade Promotion Organisation	2000
18.	NTPC Vidyut Vyapar Nigam Ltd.	2003
19.	Central Railside Warehousing Co. Ltd.	2007

2. The enterprises falling in this group are mainly engaged in following activities:

(i) to regulate trade in certain sensitive products;

(ii) to control and eliminate to the extent 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 availability 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)

SI. No.	Enterprise	Turnover 2007-08	Turnover 2006-07
1.	State Trading Corpn. of India Ltd.	15774.13	14335.27
2.	Central Warehousing Corpn.	684.91	632.32
3.	Handicrafts & Handloom Exports Corp. of India Ltd.	703.40	71.74
4.	MMTC Ltd.	26503.03	23346.14
5.	MSTC Ltd.	5054.94	2998.93
6.	Food Corpn. of India	46424.01	43999.69
7.	Cotton Corpn. of India Ltd.	1587.35	1666.32
8.	Jute Corpn. of India Ltd.	144.04	32.87

9.	PEC Ltd.	5671.56	4517.90
10.	HMT (International) Ltd.	25.00	31.45
11.	Central Cottage Industries Corpn. of India Ltd.	84.42	105.21
12.	India Trade Promotion Organisation	141.25	98.82
13.	North Eastern Handicrafts & Handloom Dev. Corpn. L.	9.15	9.36
14.	STCL Ltd.	2440.92	1009.04
15.	National Handloom Development Corporation Ltd.	614.57	417.16
16.	Karnataka Trade Promotion Organisation	4.33	3.23
17.	Tamil Nadu Trade Promotion Organisation	14.82	11.80
18.	NTPC Vidyut Vyapar Nigam Ltd.	776.37	861.35
19.	Central Railside Warehousing Co. Ltd.	11.59	0.00
	Total	**106669.79**	**94148.60**

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

(Rs. in crore)

SI. No.	**Enterprise**	**Net Profit/Loss**	
		2007-08	**2006-07**
1.	State Trading Corpn. of India Ltd.	124.46	88.27
2.	Central Warehousing Corpn.	136.91	88.70
3.	Handicrafts & Handloom Exports Corp. of India Ltd.	-7.09	-2.67
4.	MMTC Ltd.	200.48	126.80
5.	MSTC Ltd.	92.20	59.00
6.	Food Corpn. of India	0.00	0.00
7.	Cotton Corpn. of India Ltd.	22.55	15.51
8.	Jute Corpn. of India Ltd.	-13.80	-44.04
9.	PEC Ltd.	41.38	27.55
10.	HMT (International) Ltd.	0.85	1.37
11.	Central Cottage Industries Corpn. of India Ltd.	4.22	1.92
12.	India Trade Promotion Organisation	68.59	47.63
13.	North Eastern Handicrafts & Handloom Dev. Corpn. L.	-2.46	-2.47
14.	STCL Ltd.	28.85	12.00
15.	National Handloom Development Corporation Ltd.	0.85	1.04
16.	Karnataka Trade Promotion Organisation	2.56	0.98
17.	Tamil Nadu Trade Promotion Organisation	8.53	4.39
18.	NTPC Vidyut Vyapar Nigam Ltd.	19.05	6.51
19.	Central Railside Warehousing Co. Ltd.	0.18	0
	Total	**728.31**	**432.49**

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**	
		2007-08	**2006-07**
1.	No. of employees	53237	55564
2.	Social overheads: *(Rs. in crore)*		
	a. Educational	12.01	7.05
	b. Medical facilities	36.73	36.61
	c. Others	3.59	4.49
3.	Capital cost of township *(Rs. in crore)*	31.33	32.01
4.	No. of houses constructed	763	762

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	324500	292500	292500
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	272002	267239	266021
OTHERS	9983	5683	5633
(B) SHARE APPLICATION MONEY	995	995	995
(C) RESERVES & SURPLUS	395046	348937	308222
TOTAL (A)+(B)+(C)	**678026**	**622854**	**580871**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	4087044	4765266	4261143
(B) UNSECURED LOANS	163507	158771	152684
TOTAL (A)+(B)	**4250551**	**4924037**	**4413827**
(1.3) DEFERRED TAX LIABILITY	5122	651	717
TOTAL (1.1)+(1.2)+(1.3)	**4933699**	**5547542**	**4995415**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	304341	284604	256876
(B) LESS DEPRECIATION	134843	126228	118882
(C) NET BLOCK (A-B)	169498	158376	137994
(D) CAPITAL WORK IN PROGRESS	3026	9348	6650
TOTAL (C)+(D)	**172524**	**167724**	**144644**
(2.2) INVESTMENT	398948	1539100	43990
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	1883694	1602925	1437644
(B) SUNDRY DEBTORS	3516706	2876392	3771065
(C) CASH & BANK BALANCES	971095	400067	351736
(D) OTHER CURRENT ASSETS	153134	286177	127564
(E) LOAN & ADVANCES	195537	150409	199479
TOTAL (A)+(B)+(C)+(D)+(E)	**6720166**	**5315970**	**5887488**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	2274663	1439621	1068248
(B) PROVISIONS	118031	85028	67878
TOTAL (A+B)	**2392694**	**1524649**	**1136126**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**4327472**	**3791321**	**4751362**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	14537	24541	14569
(2.7) DEFFRED TAX ASSETS	9755	15935	9265
(2.8) PROFIT & LOSS ACCOUNT (Dr)	10463	8921	31585
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**4933699**	**5547542**	**4995415**

TRADING & MARKETING

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES / OPERATING IN INCOME	10666979	9414860	8121180
(B) EXCISE DUTY	0	123	52
(C) NET SALES (A-B)	10666979	9414737	8121128
(D) OTHER INCOME /RECEIPTS	177731	187378	88678
(E) APPRFTIPlM / DFPI FTICIM IN STOCKS	280994	166112	-128144
(I) TOTAL INCOME (C+D+E)	**11125704**	**9768227**	**8081662**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS/ CONSUMPTION OF RAW MATERIALS	9610140	8321995	6766852
(B) STORE & SPARES	128145	110965	86350
(C) POWER & FUEL	4116	3058	4598
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	545643	524569	68628
(E) SALARY.WAGES & BENEFITS / EMPLOYEE EXP.	181205	161649	155087
(F) OTHER EXPENSES	123021	161604	590664
(G) PROVISIONS	7853	12561	11776
(II) TOTAL EXPENDITURE (A TOG)	**10600123**	**9296401**	**7683955**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP (PBDITEP) (Ml)	525581	471826	397707
(4) DEPRECIATION 9122	8706	7559	
(5) DRE. / PREL. EXP. WRITTEN OFF	9909	12632	12376
(6) PROFIT BEFORE INT., TAXES & EP (PBITEP) (3-4-5)	506550	450488 _	377772
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	0	10	0
(B) ON FOREIGN LOANS	0	0	0
(C) OTHERS 401806	386112	325114	
(D) LESS INTEREST CAPITALISED	0	0	0
(E) CHARGEDTOP&L ACCOUNT (A+B+C-D)	401806	386122	325114
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**104744**	**64366**	**52658**
(9) TAX PROVISIONS	30256	20443	16933
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	74488	43923	35725
(11) NET EXTRA -ORD. ITEMS	1657	674	-56
(12) NET PROFIT /LOSS (10-11)	**72831**	**43249**	**35781**
(13) DIVIDEND DECLARED	13866	9192	7676
(14) DIVIDEND TAX	2356	1492	1075
(15) RETAINED PROFIT (12-13-14)	**56609**	**32565**	**27030**

TRADING & MARKETING

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	1148760	1138149	1143494
(ii) CAPITAL EMPLOYED	4496970	3949697	4889356
(iii) NET WORTH	653026	589392	534717
(iv) COST OF PRODUCTION	11020960	9703861	8029004
(v) COST OF SALES	10739966	9537749	8157148
(vi) VALUE ADDED	1205572	1144831	1135184
(vii) R & D EXPENDITURE	0	0	2
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	53237	55564	57079
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	28365	24244	22642
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	6.27	7.91	7.60
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	2.81	3.49	5.18
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	9.87	8.49	6.97
(iv) SUNDRY DEBTORS : SALES (No. of days)	120.33	111.51	169.49
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	64.46	62.14	64.61
(ii) SEMI / FINISHED GOODS : SALES	4.14	4.18	4.87
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	0.40	-0.59	-0.95
		(%)	
(vii) SALES : CAPITAL EMPLOYED	237.20	238.37	166.10
(viii) PBDITEP : CAPITAL EMPLOYED	11.69	11.95	8.13
(ix) PBITEP : CAPITAL EMPLOYED	11.26	11.41	7.73
(x) COST OF SALE : SALES	100.68	101.31	100.44
(xi) MATERIAL COST : SALES	90.09	88.39	83.32
(xii) SALARY & WAGES : SALES	1.70	1.72	1.91
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.00
(xiv) PBITEP : SALES	4.75	4.78	4.65
(xv) PBTEP : NET WORTH	16.04	10.92	9.85
(xvi) NET PROFIT : NET WORTH	11.15	7.34	6.69
(xvii) GROSS MARGIN : GROSS BLOCK	172.69	165.78	154.82

Central Cottage Industries Corp. 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, and assist Cottage Industries by organizing product sales 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 franchisee Showrooms at Gurgaon (Haryana) and Patna (Bihar).

3. Production / Operational Profile

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

Major Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Trading (Handicrafts & Handlooms)	Rs. in crore	84.93	105.20	69.59	86.57

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	84.42	105.21	69.59	-19.76
Cost of services	83.03	108.97	68.57	-23.80
Net Profit/Loss(-)	4.22	1.92	0.69	119.79
Dividend declared (as % of PBT)	31.31	152.00	3.92	-79.40
Net Worth	22.91	22.54	21.30	1.64
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 decline in turnover is mainly due to decline in special supply of Rs. 14 crores made to DGOS & Indian Airlines in previous year. There is decline in gross margin also due to decrease in sales, increase in Personnel cost and owing to implementation of accounting and pay revision provisions. However, the net profit has shown increase because of increase in interest income.

The Earning Per Share (EPS) of the company during 2007-08 was Rs.38.85 as against Rs.17.67 in the previous year.

During the year, the company received a non-plan assistance of Rs.30.51 lakhs as grant in aid from the Government for marketing /design of development projects.

6. Human Resource Development (HRD)

The enterprise employed 361 regular employees (executives 134, unionized supervisors 78 and workmen 149) as on 31.3.2008, as against 369 employees as on 31.3.2007. 2.77% employees were having professional qualifications.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. 8 employees retired during the year. Since the introduction of VRS, total 289 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 6, out of which 4 were Government / official Directors and one each full time Functional Director and part time Non-Official Director.

7. Strategic Issues

Steps were taken towards strengthening operations in emporia, improvements in merchandize cost control, setting up of Showroom on franchise basis in India and abroad and booking of bulk / institutional orders.

Central Railside Warehouse Company Limited (CRWCL)

1. Company Profile

CRWCL was incorporated on 10.7.2007 under the Companies Act, 1956 with the broad objectives of providing quality storage facility at transit nodes and to maximize the use of Railways assets so as to bring the economy of scales for customers, Railways and the company itself. Its main objectives consist of (i) to plan, develop, promote, acquire and operate Railside Warehousing Complexes/Terminals/Multimodal Logistics Hub on land leased from Railways or acquired otherwise; (ii) to promote and provide seamless supply chain management systems rail based logistics within India/abroad; (iii) to carry on business of Multimodal transport operations services within India and abroad by modes of transport to set up and manage disaggregation/ aggregation of cargo both for domestic/impex movement within India/abroad; and (iv) to provide state-of-the-art warehousing and handling facility in tune with technological up-gradation and the facilities offered by other competing modes of transport. Authorized Capital of the company is Rs. 150.00 crore and Paid up Capital Rs. 40.56 crore. It is a Schedule-'C' CPSE in Trading and Marketing Services sector, under the administrative control of M/o Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution. CRWCL is a subsidiary of Central Warehousing Corporation. Its Registered and Corporate offices are at New Delhi.

2. Industrial / Business Activities

CRWCL is engaged in promotion and development of Railside Warehousing Complexs/ Terminals/Multimodal Logistics Hub and providing seamless supply chain management system by better utilization of existing good-sheds of Railways. The Railways has identified 22 Railway Terminals for development of warehousing complexes. The company incurred an expenditure of Rs. 8.37 crore during 15 months of its operations mainly for the ongoing projects. 12 RWCs are already in operation in different parts of the country with a storage capacity of 205325 MT.

3. Production / Operational Profile

Till 30.11.2008, the company handled total 44372 wagons at 12 operating RWCs with a quantity of 4559 thousand MTs. CRWC earned Rs. 24.15 crore during 24.7.2007 to 30.9.2008 comprising Rs. 10.62 crore by way of warehouse charges, Rs. 12.96 crore as handling charges and Rs. 0.57 crore as other income. The net profit was Rs. 2.44 crore.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	11.59	0.00	0.00	1159.00
Cost of services	9.78	0.00	0.00	978.00
Net Profit/Loss(-)	0.18	-	-	1800.00
Net Worth	39.95	-	-	3995.00
Paid Up Capital	40.56	-	-	405600.00
Share of Holding Co.	40.56	-	-	-

5. Key Performance Factors

The first Annual Report has been prepared by the CRWC for the period 10th July, 2007(the date of incorporation) to 30.9.2008.

During the year 2007-08 there were not much operational activities as the company was at its formation stage.

6. Human Resource Development (HRD)

At the time of formation of the company the Government of India conveyed that the staff strength in first three years of its operations should be 15 Officers which should be taken on deputation/contract basis. Subsequently the administrative Ministry permitted to have two officers each for Railside Warehousing Complexes.

Presently the company is having 24 Officials on deputation from Central Warehousing Corporation besides 14 employees taken on cost recovery basis for assisting ongoing project work and operations.

The aim of the company is to have lean organization and outsource all non-core activities to give competitive edge in managing its business.

7. Strategic Issues

Projects Implementation

The company has completed RWC Ghaziabad and

Koodalnagar at a cost of Rs. 2.38 crore with storage capacity of 5500 MT and 12000 MT respectively. Further RWCs at Agra(U.P.) and Korrukkupet(TN) with estimated cost of Rs. 3.04 croe and Rs. 10.17 crore respectively are in progress. Tenders for RWC Korrukkupet (Phase II) with 19500 MT capacity; Dankuni (W.B.) with 13750 MT capacity and Dehri-on-Sone(Bihar) with 11700 MT capacity are in finale stage for award of work.

The CRWC is in the process of diversification of its activities in the areas of CRT operation, Parcel services and Mechanization of operations.

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 of 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 CPSE 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

CWC is engaged in providing services in the field of storage of agricultural produce and inputs and industrial trade through its 492 warehouses including 76 custom bonded warehouses. CWC also runs 3 Air Cargo complexes, 33 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%. It has set up one subsidiary namely Central Railside Warehouse Company Limited.

3. Operational Profile

The CWC has got 97.74 lakh MT capacity in its warehouses with utilization level of 71% to its credit. The details of major services provided by the CWC in terms of warehousing of commodities like foodgrains, fertilizers etc. are as follows:

Major Services	Units	Services provided during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Warehousing Facilities and allied services	Lakh Metric Tonnes	97.74 (71)	79.49 (77.78)	71.59 (71.32)	82.94

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	684.91	632.32	568.83	8.32
Cost of Services	608.33	550.94	510.09	10.42
Net Profit/Loss(-)	136.91	88.70	70.62	54.35
Net Worth	1164.50	1130.38	893.69	3.02
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

CWC is the largest public warehousing logistics organization in the world. In the year 2007-08, Corporation had taken two major initiatives i.e. formation of a subsidiary company namely Central Railside Warehouse Company Ltd. and also started Container Train operations.

The Corporation is not dependent upon any budgetary support from the Government of India and all its operations/construction plans are met out of its internal generation of resources.

6. Human Resource Development (HRD)

The enterprise employed 6059 regular employees (1383 executives and 4676 non-executives) as on 31.3.2008 as against 6192 as on 31.3.2007. About 3% employees of the company were having professional qualifications and around 49% employees come under the age bracket of 51 and above years. The average age of the company employees is 49 years.

The retirement age in the company is 60 years. It is following IDA 1997 /CDA 1996 patterns of remuneration. A total of 101 employees retired during the year on superannuation and 2 employees left the company in attrition.

Since the introduction of VRS in 1994, 2470 employees availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 8.

7. Strategic Issues

Service to Farmers:

In order to educate the farming community on storage and preservation of stocks at farm level and reduce the avoidable storage losses, CWC operates its Farmers Extension Service Scheme wherein the technical staff posted at its Warehouses visits the adjoining villages and train the farmers for complete transfer of knowledge on Post Harvest Technology. The Scheme is presently in operation through 237 rural based warehouses.

Central Warehousing Corporation has been providing Pest Control services under Disinfestations Extension Service Scheme launched in 1968 for the benefit of farmers, traders, exporters, importers, shipping agents, etc. to prevent the economic / health loss caused by various insect, pests, termites and rodents. Of late, CWC forayed into the pest control operation in railway coaches, pantry cars, aircrafts, hospitals, hotels and restaurants as well as export / import containers and ship fumigation. The Corporation has made substantial progress in this business and its revenue under this activity has grown from Rs.2.49 crores in the year 2001-02 to Rs. 11.80 crores in the year 2007-08.

Warehousing (Development & Regulations) Act, 2007

In order to encourage the farming community to avail of public warehousing facilities, CWC offers a rebate of 30% on storage charges for farmers' stocks. A Warehouse Receipt, which is a negotiable instrument, is issued to the farmers, who can obtain subsidized institutional credit on pledge of the same.

However, as the warehouse receipt is not fully negotiable instrument under the Negotiable Instrument Act, 1881, the commercial banks/ scheduled banks are not fully honoring the warehouse receipt while advancing loans against the pledge of these receipts as negotiable instrument. Moreover, there is no legal binding on the banks to treat the warehouse receipt as a negotiable instrument. Due to lack of legal force, the warehouse receipt has lost the element of negotiability and therefore, the main purpose of pledge financing has been defeated.

In order to overcome these problems, the Govt. has enacted Warehousing (Development & Regulation) Act, 2007 which inter alia provides for the regulation of warehousing business by registering the warehouses for issuing negotiable warehouse receipts, registration of accreditation agencies which would issue accreditation to the warehouse.

This will make the Warehouse Receipt a prime tool of trade and facilitate finance against it throughout the country, which shall result in providing considerable benefits both at the macro and micro levels and increase the liquidity in the rural areas, encourage scientific warehousing of goods, lower cost of financing, improve supply chains and better price risk management.

Future Plans

- During the year 2008-09, Corporation will be expanding its warehousing capacity by creating infrastructure at the surplus lands available and also by acquiring further land.
- Rail linked facility is being planned at Kalamboli (Maharashtra) to handle the domestic cargo.
- There is also a plan to expand the infrastructure at ICD-Loni which is under strategic alliance to handle the Exim Cargo.
- Auto market in India is expanding and there will be increased need for auto logistics. Corporation has planned for formation of a

new Company for auto logistics business.

- There is also a plan to invest in Port related infrastructure and setting up one more Management Warehouse abroad.
- After the introduction of Warehousing Development & Regulation Act 2007, Warehouse Receipt is going to become a Negotiable Instrument. For this purpose, formers' awareness programmes and training of the officials of the Corporation will be undertaken in a big way.
- Corporation will also be giving more emphasis on improvement in quality systems in the area of Environment Management and Occupational Health & Safety.
- Pest Control Business is another area where Corporation will expand its business. Efforts shall be made to increase these operations at the Airports, Railway Stations, Hospitals, industrial establishments and Govt. / Public Sector Organizations.
- Having started the Container Train Operations, Corporation would be going for increase in throughput by increasing the number of trains by way of leasing.

Research & Development

CWC is fully committed to maintain scientific preservation of goods received in the warehouses. Code of storage practices are being formulated, which will help in assessment of quality, methods of preservation, stacking pattern, nature of infestation, its control measures, etc. The Corporation has evolved storage practices for 207 commodities, which include agricultural produce, industrial chemicals and other notified commodities. The Corporation is also doing various trails on new chemicals in the field of pest control to evolve effective, less toxic and economic solutions to the pest problems. Earlier wooden crates were being used as dunnage in the warehouses. As a part of the eco-friendly approach of the Govt. of India, to avoid deforestation, the Corporation has tried alternate dunnage in the form of Poly Pallets, flexible unbaked laminated PVC flooring, street pallets, eco wud pallets, etc. The results have been quite encouraging.

In a bid to evolve non-chemical methods of pest control, the Corporation has done successful trails on Neem Preparation "AZADIRACHTIN" 1500 PPM, which can be fitted as a part of integrated storage pest management system. R&D Division has also carried out successful trials on fumigation of high value agro products using carbon di-oxide. These non chemical methods are likely to be more eco-friendly and viable alternative in control of storage pests particularly in organic food, which cannot be treated with any other pesticide. Based on the field trials, Corporation has introduced Multi-Layered Cross Laminated fumigation covers for effective and efficient fumigation.

The Cotton Corporation of India Ltd. (CCIL)

1. Company Profile

CCI was incorporated in 1970 under the Companies Act, 1956 with the objective to act as a canalizing agency for import of cotton particularly of long and extra long staple varieties. Subsequently, the role of the Corporation underwent changes on several occasions and currently the broad objectives include ensuring remunerative and competitive prices to the cotton farmers; supply of cotton to textile industry at 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. The CCIL 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 for 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 18 Branch offices and Corporate Office to cover 82 districts and 273 procurement centers in various cotton growing states.

3. Production / Operational Profile

The service segment of the company comprises of Purchase of kapas and Sale of FP bales & cotton seeds being by-products. The performance details of domestic cotton purchases, processing and sales during 2007-08 compared to last two years were as follows:

Major Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Purchases: Kapas	Lakh qntls.	48.93	26.45	27.12	34.17
Processing:					
Lint obtained	Lakh qntls.	16.37	26.45	27.12	23.31
FP Bales processed	Lakh bales	9.69	15.68	16.31	13.89
Cotton Seeds obtained	Lakh qntls	30.42	50.47	51.39	44.09
Sale: F.P.Bales	Lakh bales	14.08	15.51	23.95	17.85
Seeds	Lakh qntls.	30.58	51.80	55.71	46.03

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turn over	1587.35	1666.32	2158.20	-4.74
Cost of Services	1319.61	1732.71	1601.38	-23.84
Net Profit/Loss(-)	22.55	15.51	14.55	45.49
Dividend declared (as % of PBT)	14.66	20.42	21.87	-28.20
Net worth	302.20	285.49	275.83	5.85
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 mainly due to favourable market conditions and reduction in cost of services.

Steps are being taken to reduce the cost and increase the competitiveness of the products / services and diversify the product / service range including introduction of Scheme for Godown Storage Facility (GSF), evolving norms for Ginning & Packing, bringing down cost of borrowing, etc.

6. Human Resource Development (HRD)

The enterprise employed 1112 regular employees (executives 132 and non-executives 980) as on 31.3.2008. 3.24% employees were having professional qualifications and 38.22% 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 25 employees retired during the year and 37 new employees joined.

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, 229 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 under Mini Mission IV of TMC for augmenting infrastructure in the G&P factories. Against target of modernization / upgradation of 1000 ginning and pressing factories, 905 factories have been taken up for modernization.

Technology Mission on Cotton (TMC) is a joint effort of Ministry of Agriculture and the Ministry of Textiles under which CCIL is an implementing agency for improvement of marketing infrastructure, setting up of Farmer's Information Centers and upgrading & modernization of

G&P factories. The Corporation has also introduced a scheme for supply of cotton to mills at reasonable prices under Godown Storage Facility (GSF). Further, the Corporation has been nominated by Ministry of Agriculture as one of the nodal agencies for implementation of Frontline Demonstration (FLD) under Mini Mission II of Technology Mission on Cotton.

Food Corporation of India (FCI)

1. Company Profile

FCI was established in 1965 as per Food Corporation Act, 1964 with the objective of acting as a main agency of the Central Government for procurement, movement, storage and distribution of food-grains and to achieve the main objective of the food policy of the Government namely Price Support and Public Distribution System by maintaining buffer stocks of food-grains to ensure national food security. FCI is a Schedule-'A' CPSE 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	Units	Services provided during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Foodgrains	Rs. in crore	NA	NA	33588.68	-
Sugar	Rs. in crore	NA	NA	226.90	-
Gunnies	Rs. in crore	NA	NA	827.62	-
Stores and spares	Rs. in crore	NA	NA	8.81	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	46424.01	43999.69	44646.78	5.51
Cost of services	48965.15	46266.73	44146.03	5.83
Net Profit/Loss(-)	0.00	0.00	0.00	-
Net Worth	2385.68	2274.59	2173.77	4.88
Paid up capital	2498.42	2478.10	2465.91	0.82
Share of Central Govt.	2498.42	2478.10	2465.91	0.82

5. Key Performance Factors

FCI runs on "no profit no loss" basis. As the corporation has provided provisional information for 2007-08, information on the performance factors could not be given.

FCI is a facilitator for food security by way of providing of price support & market assurance to the farmers; ensuring steady food grain supplies to 5 Lakhs Fair Price Shops under PDS to cover 141 million APL / 67 million card holders; and ensuring food for all other Welfare Schemes.

The corporation has state of the art experience on food grain preservation / Warehousing / Transportation / Management.

During the year FCI received a plan assistance of Rs. 20 crore as against Rs.12.91crores received in 2006-07 as equity support. The details of subsidies released to FCI and incurred by them during last seven years are given below :

Food subsidy released to FCI and incurred by them (Rs. in crore)

Food subsidy released to FCI			Food subsidy incurred by FCI		
Year	Total	Against earlier years	For the Year	Subsidy incurred during the year	Status of Accounts
2001-02	16274.00	.-	16274.00	18005.00	Audited
2002-03	22673.72	.-	22673.72	25322.00	Audited
2003-04	23474.04	4545.86	18928.18	21587.00	Audited
2004-05	23280.00	4090.39	19189.61	20773.00	Audited
2005-06	19871.00	473.32	19397.68	21344.00	Un-Audited
2006-07	20786.21	1411.08	19375.13	24858.00	Prov. Estimates
2007-08	27759.68	5218.75	22540.93	31817.00	Prov. Estimates

6. Human Resource Development (HRD)

FCI employed 39361 regular employees (executives 6212 and non-executives 33149) as on 31.3.2008 as against 41358 employees as on 31.3.2007. FCI is following IDA 1997 pattern of remuneration. About 70% employees of the company are having professional qualifications and 99% employees come under the age bracket of 51 and above years.

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.

Having been acknowledged a major player in foodgrain management within the Country and abroad, FCI is now endeavoring to:

- Resource mobilisation to reduce burden on food subsidy.
- Better financial & Treasury Management.
- Improved stock inventory management real time on-line system through a recently launched IISFM (Integrated Information System for Foodgrains Management) in collaboration with NIC.
- Creation of Profit Centres.
- Upgradation of technology through interface with Agriculture Universities / Management Institutes.
- Use of 'A' Twill texture gunny bags as against 'B' Twill bags as a project to reduce losses in storage and transit.
- Multimodal transportation system through riverine / container.
- Micro level Inventory Management through focused weekly movement plans.
- Sustained corporate communication for improving image perceptions.

Handicrafts & Handlooms Exports Corp. India Ltd. (HHEC)

1. Company Profile

HHEC was incorporated in the year 1958 under the Companies Act, 1956 with the objective of developing trade by catalysing exports of handicrafts and handlooms products, and products of village industries. Since then the product range has spread from handicraft and handloom fabrics to hand-knitted carpets, fashion garments, gold jewellery and bullion import. 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. It is also involved in retail sales of handicrafts and handloom goods. Besides Regional / Branch Offices at Delhi, Chennai, Mumbai and Kolkata, HHEC has branches at Noida and Ahmedabad. The Corporation has 21 procurement centres in the country.

3. Production / Operational Profile

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

Major Services	Units	Services provided during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Exports (Direct & Indirect)	Rs. in crore	26.01	58.52	58.63	47.72
Imports	Rs. in crore	673.04	8.57	1004.17	561.93
Retail	Rs. in crore	4.55	4.65	2.33	3.84

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	703.40	71.74	1065.13	880.49
Cost of Services	748.07	79.88	1077.74	836.49
Net Profit/Loss(-)	-7.09	-2.67	0.64	-
Net Worth	14.64	21.74	24.39	-32.66
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 decline in exports is mainly in core thrust area as some of the major customers in textiles and garments at Chennai branch parted business relationship with the Corporation. The decline in jewellery exports was due to holding of one exhibition during the year as against two exhibitions held last year.

The increase in net loss as compared to last year was due to write down of Deferred Tax Assets by Rs. 2.53 crore as against recognition of Rs. 1.43 crore last year.

The turnover increased tremendously by about 880% during 2007-08 as compared to last year because of increase in bullion imports due to revival of business after re-defining the existing procedures with additional checks and balances.

6. Human Resource Development (HRD)

The enterprise employed 188 regular employees (executives 87 and non-executives 101) as on 31.3.2008 as against 199 employees as on 31.3.2007. 3% employees were having professional qualifications and 38% 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 11 employees retired during the year on superannuation and 3 skilled employees left the company. 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 31.3.2008 was 4, out of which 3 were Government / official Directors and one full time Functional Director.

7. Strategic Issues

In the recent past, the exports sector in general and more particularly the textiles and crafts exports were reeling under pressure due to appreciation of rupee, increase in input costs and competition from the neighbouring countries.

During 2007-08, the Government has taken various measures like enhancement in duty draw back/DEPB rates, lowering of interest on export credit and exemption of service tax on export related services. These measures along with depreciation of the rupee since May, 2008 will have positive impact on the export further leading to increase in profits of the Corporation.

Research & Development

HHEC contributed significantly to the revival of languishing crafts through identification and development of varied crafts clusters in different regions of India. The company undertakes development of in-house samples on continuous basis and to ensure quality control and timely delivery

Environment and Ecology

The corporation laid emphasis on textile, wherever possible, to eco-friendly fibres like cotton, silk, dyes etc.

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 business in India and abroad as exporters, importers and consultants and to undertake project works and technical services abroad, sale 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	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
HMT Products	Rs. in cr.	NA	10.21	8.17	-
Projects & Technical Services	Rs. in cr.	NA	13.27	2.43	-
Sale of Imports	Rs. in cr.	NA	6.51	3.46	-
Agency and others	Rs. in cr.	NA	1.17	0.77	-
Trading	Rs. in cr.	NA	0.29	0.06	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	25.00	31.45	14.89	-20.51
Cost of services	26.01	34.79	19.97	-25.24
Net Profit/Loss(-)	0.85	1.37	0.60	-37.96
Dividend declared (as % to PBT)	13.64	98.63	0.00	-86.17
Net Worth	22.10	21.42	20.88	3.17
Paid up capital	0.72	0.72	0.48	0.00
Share of Holding Co.	0.72	0.72	0.48	0.00

5. Key Performance Factors

There was no improvement in turnover and profitability due to problems in the availability of HMT products and technology needed for meeting the requirements of specific export markets.

6. Human Resource Development (HRD)

The enterprise employed 62 regular employees (executives 54 and non-executives 8) as on 31.3.2008 as against 65 employees as on 31.3.2007. About 29% employees were having professional qualifications and around 77% employees come under the age bracket of 51 and above years. The average age of the employees is 59 years. The company is following IDA 1997 pattern of remuneration.

Retirement age in HMT(I) is 60 years. One employee retired after attaining the age of superannuation. Since the introduction of VRS total 46 employees have availed of the scheme.

Total number of Directors in the company as on 31.3.2008 was 5, out of which 2 each were Pt. 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 the levels of operations.

The company is focusing on export of high value machines, projects and services. It is exploring opportunities underling 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.

India Trade Promotion Organisation (ITPO)

1. Company Profile

The 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 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 mission 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 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 2007-08, ITPO organized 37 foreign trade fairs including 2 exclusive Indian shows. Out of these 37 events, 10 events were held in Europe, 7 in Africa & Middle East region, 4 in Latin America, 11 in South East Asia including Far-East, 4 in USA and one in CIS region. Out of 37 events, 11 were general fairs, 24 were specialized fairs and 2 exclusive India Shows in Tokyo and Osaka. In addition, ITPO organized 19 fairs both national and international in India including two regional fairs in Shillong and Gurdaspur (Punjab) and 3 specialized fairs. As many as 102 events were organized in Pragati Maidan during 2007-08.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	141.25	98.82	132.31	42.94
Cost of services	127.21	93.44	105.75	36.14
Net Profit	68.59	47.63	65.19	44.01
Net Worth	543.37	474.61	426.27	14.49
Paid up capital	0.25	0.50	0.25	-50.00
Share of Central Govt.	0.25	0.25	0.25	0.00

5. Key Performance Factors

ITPO is a surplus generating organization. The major share of the revenue generated by the company is from the trade promotion activities held in India. The variation in turnover and profitability as compared to the previous year may be attributed to cyclical nature of business.

As ITPO is a section 25 company under Indian Companies Act, 1956, it is not entitled to declare any dividend and accounting standard -20.

6. Human Resource Development (HRD)

The enterprise employed 1147 regular employees (executives 294 & non-executives 853) as on 31.3.2008 as against 1170 employees as on 31.3.2007. About 4.01% employees were having professional qualifications and around 30.6% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 47 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, 8 other employees also left the company on account of attrition. 4 new employees joined the company during the year.

The total number of Directors in the company as on 31.3.2008 was 6, out of which 4 were Government / official Directors and 2 full time Functional Directors.

For development of human resources, In-house training programmes in the areas of productivity, motivation & morale, stress management, customer satisfaction, fire fighting etc. were organized for 283 employees during 2007-08.

7. Strategic Issues

ITPO has been approved by the Department of Commerce as an eligible Guarantee Organization for reimbursement of Marketing Development Assistance (MDA) grants of exporters who are also members of other Export Promotion Councils and participating in the events/fairs organized by the ITPO, effective from December, 2007. A MDA Cell has been accordingly created in ITPO as a part of Foreign Fairs Division.

During 2008-09, ITPO have scheduled 80 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 through a wide network of 171 Departmental Purchase Centers, 16 Regional Offices in 7 Jute Growing States with Head Office at Kolkata.

3. Operational Profile

Since the corporation has been involved in price support mechanism for jute growers, no operational data have been made available.

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	144.04	32.87	41.41	338.21
Cost of Production	200.57	163.24	67.68	22.87
Net Profit/Loss(-)	-13.80	-44.04	-17.77	-
Net Worth	-51.04	-37.24	6.80	-
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 touched the Minimum Support Price (MSP) as declared by GOI.

During the year under review, the Corporation could procure 7.66 lakh bales of raw jute.

The total Turnover of the Corporation under review is Rs. 144.03 crores. Operating results shows a Loss of Rs. 13.80 crore after charging Overhead cost, Rent, Insurance, Interest, depreciation and provision for leave encashment benefit on retired employees. After transferring the above loss in the Balance Sheet, the carried over amount is Rs.56.03 crore at the end of the year.

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 enterprise employed 2270 regular employees (executives 1163, unionised supervisors 57, non-unionised supervisors 32 and workmen 1018) as on 31.3.2008. 0.25% of the employees were having professional qualifications. 56.40% 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 and CDA 1996 patterns of remuneration. A total of 88 employees retired during the year under superannuation.

The total number of Directors in the company as on 31.3.2008 was 4, out of which 2 each were Government / official Directors and full time Functional Directors.

7. Strategic Issues

The Jute Corporation of India Limited ventured into various strategic initiative Projects for the benefit of the jute growers. The Govt. of India approved the Jute Technology Mission (Mini Mission III) with the objective to create a strong market linkage by establishing/upgrading marketing infrastructure and construction of departmental purchase centers of JCI to provide reliable and accessible market information, to assist the growers by proper marketing support for their produce so that they can get a market determined price for the same and to implement improved retting technology to the growers for production of super quality of fibre. Accordingly, the Development of Market Yards, Construction of DPC Premises, Construction of Retting Tanks, Development of Ribboner and Training to Jute Growers have been undertaken with a stipulation to implement the same in the next five years under the supervision of JCI, being the appointed implementing agency.

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 Karnataka Industrial Area Development Board(KIADB), a Government of Karnataka undertaking, 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 services group under the administrative control of M/o Commerce and Industry, D/o Commerce. Its Registered and Corporate offices are at Bangalore. KTPO is a joint venture subsidiary of India Trade Promotion Organisation (ITPO) which holds 51% 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 Services	Units	Services provided during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
Renting of exhibition space	M^2 days/ annum	-	277657 (13.3)	102509 (4.9)	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during 2007-08	2006-07	2005-06	% Change over 2006-07
Turnover	4.33	3.23	1.73	34.06
Cost of services	2.31	2.47	2.53	-6.48
Net Profit/Loss(-)	2.56	0.98	-0.80	161.22
Net Worth	13.22	10.47	9.45	26.27
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 2007-08 total 26 events were held and a rental income of Rs. 4.06 crore was earned. The important exhibitions include SAP Tech Ed 07, Fabrics and Associates, CISCO, The Hindu Opportunity Fair, ACREX, 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 3 & non-executives 1) as on 31.3.2008. About 50% employees were having professional qualifications and around 50% employees come under the age bracket of 51 and above years.

The total number of Directors in the company as on 31.3.2008 was 9, out of which one was full time Functional Director and 8 Government / official Directors.

7. Strategic Issues

Despite setting aside all disputes regarding the title of the land by the Supreme Court of India and the Karnataka High Court, the KIADB – the co-partner in the joint venture, has not executed the sale deed in favour of the KTPO, which resulted in the violation of the Joint Venture Agreement signed between the ITPO and KIADB wherein both the partners had to contribute 51% and 49% share respectively in equity of the KTPO.

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 skills 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 Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Metals & Industrial Raw Materials	(Rs. in crore)	1803	1887	1491	1727
Minerals	(Rs. in crore)	3495	2766	2561	2941
Fertilizer	(Rs. in crore)	4116	2263	1384	2588
Bullion	(Rs. in crore)	12999	13782	7921	11567
Agro	(Rs. in crore)	1784	594	450	943
Hydro Carbon	(Rs. in crore)	2174	1961	2496	2210
General Trade	(Rs. in crore)	70	23	59	51

4. Major Financial Highlights :

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	26503.03	23346.14	16393.39	13.52
Cost of Services	26817.10	23248.12	16526.41	15.35
Net Profit/Loss [-]	200.48	126.80	108.29	58.11
Dividend declared [as % of PBT]	13.76	12.96	14.68	6.21
Net Worth	1027.72	880.62	828.78	16.70
Paid-up Capital	50.00	50.00	50.00	0.00
Share of Central Government	49.67	49.67	49.67	0.00

5. Key Performance Factors :

Bullion trading is the major contributor in sales followed by Fertilizers and Minerals. However during 2007-08 the sales of bullions declined by 5.68% and that of NFM by 5.46% over the previous year. All the other items recorded increase in sales. The Agro business recorded an increase by over 200% during 2007-08 and that of Fertilizers 81.89%, Minerals 26.36%, and Hydro Carbon by 10.86% over the previous year.

MMTC achieved its highest ever business turnover during 2007-08, registering a growth of 13.52% over the previous year. The net profit of the company increased by 57.48% which is also highest since inception.

Despite pressure on the availability of ores for export and constraints of infrastructure and logistics coupled with stiff competition from exporters from Australia and Brazil, MMTC maintained its leadership position in mineral exports through aggressive marketing efforts, enhanced customer focus and tapping of emerging opportunities, especially in China., Japan and South Korea were the key markets for exports minerals from the company.

The company also realigned its strategies/business model for further consolidation of its activities in metals trade by tapping new markets/products, enhancing focus on core products/markets, entering into strategic alliances with producers of NFM, besides improving customer relationship management, unrelenting focus on institutional clientele and deeper market access.

In Coal & Hydro-carbons, MMTC achieved significant performance by adopting innovative strategies in offering value added services. In the general trade, the company has plans to focus on import of FMCG and raw materials, availing opportunities emerging out of special trading arrangement such as offset, barter and counter trade against bulk purchases by the Government.

The Earning Per Share of the company was Rs 40.10 during 2007-08.

6. Human Resource Development (HRD)

The enterprise employed 1946 regular employees (603 executives, 1219 unionised supervisors & 124 workmen) as on 31.3.2008. 16% employees were having professional qualifications. 34% 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. 10 skilled employees left the company in attrition. 35 new skilled employees joined during the year.

During the year, 29 employees retired under VRS. Since the introduction of VRS, a total of 2278 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 8, out of which 6 were full time Functional Directors and 2 Government/official Directors.

During 2007-08, MMTC imparted training to 1669 employees through programmes organized both in-house as well as external resources to enhance/upgrade their skills. There were 3393 training man days during the year.

7. 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 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 executing precious Metal Refinery and Medallion Unit. It also proposed to set up a retail jewellery showroom.

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.

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 the objective of working as diversified trading house with particular emphasis on bulk raw materials for steel industry and gradually build up tie-ups with international trading houses, develop warehousing system and logistics and to undertake disposal of scrap and secondary arisings etc. of organizations both in public sector and private sector. 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 undertakes disposal of ferrous / non-ferrous scrap and other secondary arising from integrated steel plants under SAIL, RINL etc. and for disposal of scrap and obsolete/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. The company 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 brief details of service segment of the company are as follows:

Major Services	Units	Services provided during (% capacity Utilization) 2007-08	2006-07	2005-06	Average of three years
(A) Marketing	Rs. in Cr.	6345	4179	4504	5009
Exports	Rs. in Cr.	261	27	28	105
Imports	Rs. in Cr.	4592	2924	3940	3819
Domestic Sale	Rs. in Cr.	1492	1228	-	-
(B)Selling Agency Activities	Rs. in Cr.	5579	3490	3211	4093

Sale of Scrap & Manganese	Rs. in Cr	1728	1175	-	-
Sale of Coal	Rs. in Cr	2906	2315	-	-
e-Procurement	Rs. in Cr	945	NIL	-	-
Total Volume (A+B)	Rs. In Cr.	11924	7670	7715	9103

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	5054.94	2998.93	4092.55	68.56
Cost of Services	5010.70	3067.57	4022.43	63.34
Net Profit/Loss(-)	92.20	59.00	54.68	56.27
Dividend Declared (as % of PBT)	13.74	13.07	12.79	5.12
Net Worth	270.65	199.96	154.74	35.35
Paid up capital	2.20	2.2	2.2	0.00
Share of Central Govt.	1.98	1.98	1.98	0.00

5. Key Performance Factors

Total volume of business on the marketing front was Rs. 6345 crore during 2007-08 as compared to Rs. 4179 crore achieved during 2006-07, recording a growth of almost 50%. In case of selling agency activities the total purchases during the same period were Rs. 5579 crore and Rs. 3490 crore respectively, a growth of almost 60%. Thus the total business of the company through these two segments increased by about 55%. The turnover and margins increased by 68% and 56% respectively during 2007-08 over the figures of 2006-07. Almost 90% business in the market segment is provided by two customers namely Coal and Steel.

The company has been able to increase its business volume by keeping the manpower almost at the same level over the last several years.

During the year, the company could acquire ISO 9001:2000 and 27001:2005 Certification for its e-commerce business. The main contributing factor for this success is considered to be the highly skilled and dedicated human resources of the company.

6. Human Resource Development (HRD)

The enterprise employed 292 regular employees (executive 136 & non-executive 156) as on 31.3.2008. About 26.37% employees were having professional qualifications and around 39.73% employees come under the age bracket of 51 and above years. The average age of the employees is 45 years. Retirement age in the company is 60 years. Total 4 employees retired during the year and 12 new employees recruited. The company is following IDA 1997 pattern of remuneration.

During the year approximately 33% executives were exposed to training both through in-house and institutional training programmes.

The total number of Directors in the company as on 31.3.2008 was 5, out of which 3 were part time Non-official Directors / professionals**.**

7. Strategic Issues

The company apprehends that the service charge rates are under severe pressure and the same will have to be brought down significantly for Coal India Limited. While the MSTC emphasized on making every effort to increase the volume of business, it apprehends fall in ratio of gross margin to sales.

In the area of e-com, MSTC has adopted a policy of creating e-marketing for select commodities with a view to ensure steady and regular supply of a particular commodity from as many as sources as possible so that a large number of customers could be registered. In case of e-procurement, effort are proposed to be made to concentrate on a few selling items which can be regularly purchased for various users in order to attract most of the producers to register themselves as sellers.

National Handlooms Development Corp. 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 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 Lucknow (U.P.)

2. Industrial / Business Activities

NHDCL is to ensure the availability of raw material like yarn, dyes and chemicals and handloom fabrics to handloom weavers. It undertakes developmental activities like technical, marketing, production and training to weavers / dyers and handloom personnel through its 2 Zonal Offices, 6 Regional Offices and 25 Branch Offices situated all over India.

3. Production / Operational Profile

The company is involved in promotional and development activities relating to handloom. The performance of the company during last three years is as follows:

Major Services	Units	Procurement/Trading during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Yarn	Rs. in crore	567.49	398.35	235.63	400.49
Dyes and Chemicals	Rs. in crore	18.98	17.30	15.46	17.25
Fabric	Rs. in crore	2.20	1.52	2.36	2.03

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	614.57	417.16	253.45	47.32
Cost of Services	616.09	435.37	263.77	41.51
Net Profit/Loss(-)	0.85	1.04	0.50	-18.27
Dividend declared (as % of PBT)	13.75	14.00	12.64	-1.79
Net Worth	27.78	27.49	26.84	1.05
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

The revenue earned by the company during 2007-08 increased due to increase in transactions of yarn by 42.46%, dyes and chemicals by 9.71% and fabric by 44.74% as compared to previous year, resulting in increase in the overall turnover by 41.32%. The increase in volume was due to catering to new customers and relocating the employees to field offices for generating new business.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 5.50 as against Rs.5.47 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 216 regular employees (executives 74, non-unionized supervisors 33 & workmen 109) as on 31.3.2008. 12.50% of the employees were having professional qualifications. 22.22% 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 2 employees retired after attaining the age of superannuation and 2 employees availed of VRS. Since the introduction of VRS, total 8 employees have availed of the scheme.

The total number of Directors in the company as on 31.3.2008 was 3, out of which two were Government Directors and one full time Functional Director.

North Eastern Handicrafts and Handlooms 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 handloom 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 provided by the company are as follows:

Major Services	Units	Value of Services Provide			Average of three years
		2007-08	2006-07	2005-06	
Purchases:					
Handicrafts	Rs. in crore	3.92	3.58	3.75	3.75
Handlooms	Rs. in crore	3.40	4.46	4.10	3.97
Yarn and others	Rs. in crore	0.02	0.02	-	-
Sales :					
Handicrafts	Rs. in crore	5.08	4.37	4.43	4.63
Handlooms	Rs. in crore	4.08	4.99	4.68	4.58

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	9.15	9.36	9.11	-2.24
Cost of Production	11.79	12.41	11.91	-4.99
Net Loss(-)	-2.46	-2.47	-2.63	-0.40
Net Worth	-23.15	-20.42	-17.92	13.37
Paid up capital	2	2	2	-
Share of Central Govt.	2	2	2	-

5. Key Performance Factors

The performance of the company in terms of turnover and profitability improved marginally. There was increase in expenditure on account of salary and wages, administrative overheads, rents etc. which affected the profitability.

6. Human Resource Development (HRD)

The enterprise employed 120 regular employees (executives 7 & non-executives 113) as on 31.3.2008 as against 131 employees as on 31.3.2007. About 1.53% of the employees were having professional qualifications and around 40% employees come under the age bracket of 51 and above years. The average age of the employees is 40 years.

The retirement age in the company is 60 years. It is following IDA 1997 and CDA 1996 pattern of remuneration. 10 employees availed of VRS and 1 employee retired on superannuation during the year. Since the introduction of VRS in 1994, 29 employees have availed of the scheme.

There were six Directors in the company, as on 31.3.2008.

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 and optimum capacity utilization.. The vision of the company is to be a catalyst in developing of wholesale power market in India enabling trading of surplus power. The company was granted category ‘E’ Trading License by Central Electricity Regulatory Commission (CERC) on 23rd July, 2004 for power trading. It crossed the trading volume of 1000MUs in October, 2004 and moved to category ‘F’ in 2004-05, the highest category of license.

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 Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Power Trading	MUs	3324	2664	1643	2544

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	776.37	861.35	434.46	-9.87
Cost of Production	767.11	871.18	439.07	-11.95
Net-Profit/Loss(-)	19.05	6.51	3.33	192.63
Dividend declared (as % of PBT)	13.80	41.41	39.45	-66.67
Net Worth	41.73	27.36	25.90	52.52
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

During 2007-08, NVVN traded 3324 million units of power representing about 16% of the total power trading volume in the country. It recorded about 25% increase in overall volume of power trading during the year over last year.

The company developed a good customer base and served over 28 Power Utilities in all the five electricity Regions of the country. The company worked out new strategies for trading of power and enhancing capacity utilization. Utilization of unrequisitioned surplus capacity from NTPC stations is one of these strategies. The other is utilization of power through Power Swap Arrangements. NVVN traded 1966 MUs under power swap arrangements and 185MUs of unrequisitioned surplus of NTPC stations during 2007-08.

Although the turnover of the company decreased by about 9.87%, the profit, increased tremendously by 192.63% during 2007-08 as compared to previous year. This is attributed mainly to increase in other income due to efficient fund management as well as reduction in cost of devices by 11.95%

The Earning Per Share (EPS) of the company during 2007-08 was Rs.9.52 as against Rs. 3.26 in the previous year.

6. Human Resource Development (HRD)

The enterprise employed 35 regular employees (executives 34 & workmen 1) as on 31.3.2008. About 91.43% employees are having professional qualifications. Around 31.43% 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 average retirement age was 47 years.

The total number of Directors in the company as on 31.3.2008 was 6, and all were part time Non-official Directors / professionals.

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.

1. Company Profile

PEC Ltd. was incorporated in April, 1971 as Public Sector Undertaking under Ministry of Commerce & Industry. Its primary mission is to_trade in the international market in a manner to create an image of quality, reliability, ethical values and sustained long term relationship with the customers and other business partners by export of engineering projects and equipment specially from small and medium enterprises; export/import and domestic trading of commodities, raw materials and bullion etc. and develop new products and markets.

PEC is a Schedule 'B', Miniratna CPSE in Trading and Marketing Services sector with 100% shareholding by the Government of India. The Registered Office of the Company is located at New Delhi. It is having 17 branch offices in major cities and ports of India.

2. Industrial / Business activites

The company is engaged in export of engineering project equipments specially from small and medium enterprises, besides domestic trade, export and import of bulk items viz. agro commodities, edible oil, bullion, industrial raw materials, etc. PEC is providing services in the field of export of equipment, capital goods, agricultural commodities, import & domestic trading of agricultural commodities, industrial raw materials and import of bullion. The scope of PEC's business activity not only covers export and import but also structuring of special trading arrangements, counter trade transactions, third country trading and domestic marketing.

3. Production / Operational Profile

The table showing the Sales turnover of the company for the last 3 years i.e. 2005-06, 2006-07 and 2007-08 is as under :-

(Rs. crore)

Major Services	Units	Trading during			Average of three years
		2007-08	2006-07	2005-06	
Export	903.68	356.77	382.63	547.69	
Import	4347.08	3830.55	3184.43	3787.35	
Domestic	420.81	330.59	158.37	303.26	
TOTAL	5671.57	4517.91	3725.43	4638.30	

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	5671.56	4517.90	3725.43	25.54
Cost of Production	6567.96	4637.40	3663.63	41.63
Net Profit/Loss [-]	41.38	27.55	13.25	50.20
Dividend declared [as % of PBT]	14.24	14.25	14.66	-0.06
Net Worth	126.07	95.22	74.65	32.40
Paid-up Capital	2.00	2.00	2.00	-
Share of Central Government	2.00	2.00	2.00	-

5. Key Performance Factors

The year 2007-08 was another significant year for PEC in terms of sales and financial performance, surpassing MOU targets. While sales turnover at Rs. 5671.57 crore was 26 per cent higher than previous year, exports at Rs. 903.68 crore registered a growth of 153 per cent. Profit before tax increased to record Rs. 61.76 crore from Rs. 41.86 crore last year, reflecting a growth of 48 per cent.

The Earning Per Share was Rs. 2068 during the year 2007-08 as compared to Rs. 1378 in the previous year.

6. Human Resource Development

PEC's work force was 182 as on 31st March, 2008.

Development through training continued to remain in focus. Training opportunities were offered to all levels of employees. During the year 43 employees were sponsored for training and seminars in India and abroad. PEC also conducted an in-house training programme on "international marketing, negotiating skills and relationship strategies".

During the year, 3 Management Trainees joined and 2 employees left on voluntary retirement.

Key initiatives

Over the years, business profile of PEC has changed with industrial raw materials, agro commodities and bullion constituting major part of its turnover and profit. Some of the key initiatives have been creating a distinctive and sustainable competitive advantage, diversifying into new markets and marketing of more products, on-line trading through commodity exchanges, reaching for higher volumes and continuing control over costs.

PEC has also built for itself a reputation for providing dedicated and efficient procurement services to the Government of India.

Credit Analysis

Fitch Rating India has assigned to PEC rating 'A' for long-term issuer and fund-based long term bank lines and 'F1' for fund-based and non-fund based working capital banking lines. The ratings reflect national as well as international expertise that PEC has gained with focus on exports, imports and third-country trading over a diverse portfolio of products, sustained revenue growth with substantially improved margins and significant increases in financial leverage on a sustainable basis.

State Trading Corporation 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. The company's mission is 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 stakeholders' value. Developing core competencies in selected areas of exports and exploit market opportunities in these areas is one of the present corporate objectives of the Corporation.

STC is a Schedule 'A', Mini Ratna Category – I PSE in Trading and Marketing Services sector under the administrative control of M/o Commerce and Industry, D/o Commerce. The Government of India holds 91.023% shareholding in STC. Its Registered and Corporate office is 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 activities of STC comprise exports, imports and domestic market operations. The items exported by the company include rice, tea, coffee, cashew, extractions, castor oil, sugar, maize, chemicals, pharmaceuticals, light engineering goods, construction materials, industrial lubricants, consumer goods, sports goods, processed foods, marine products, spices, textiles, garments, jute goods, leatherware, steel raw materials, iron ore and gold jewellery. Major items of imports by STC include bullion, wheat, hydrocarbons, minerals, metals, fertilizers, petrochemicals, edible oils, pulses, dry fruits, etc. The company arranges import 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 is a nodal agency to monitor counter trade and offset obligations arising from purchases made by the Government of India and is also involved in third country trading.

The segment-wise performance details are as under:

Major Services	Units	Trading provided during			Average of three years
		2007-08	2006-07	2005-06	
Imports	Rs. crore	10773	10692	5493	8986
Exports	Rs. crore	4002	2927	1095	2675
Domestic Sale	Rs. crore	999	716	537	751

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	15774.13	14335.27	7125.24	10.04
Cost of Services	15901.23	14694.80	7294.15	8.21
Net Profit/Loss [-]	124.46	88.27	38.95	41.00
Dividend declared [as % of PBT]	16.22	14.57	25.51	11.33
Net Worth	524.89	433.77	365.14	21.01
Paid-up Capital	60.00	30.00	30.00	100.04
Share of Holding Co.	54.61	27.30	27.30	100.04

5. Key Performance Factors

STC achieved growths of 50% in overall turnover (excluding the business of wheat imports handled on Govt. account), 37% in exports and 41% in net profit during 2007-08 as compared to last year.

The increase in profitability was the outcome of higher turnover, increase in trading margins particularly on exports and improved customer delivery services.

Earning Per Share was Rs.20.74 during 2007-08, as compared to Rs.14.71 in the previous year. The Company issued bonus shares in the ratio of 1:1 in the month of March’08 and thus doubled its paid-up equity to Rs 60 crore.

The Market price of the company’s share during the year was between Rs.141.50 to Rs.1744 as compared to Rs.93 to Rs.211 during the year 2006-07. The average share price during the year was Rs 943.

6. Human Resources Development (HRD)

The Corporation employed 906 regular employees (500 executives & 406 non-executives) as on 31.03.2008. About 20% employees were having professional qualifications. 45% 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, 15 new regular employees were recruited.

The total number of Directors in the company as on 31.03.2008 was 6, out of which 4 were functional directors and 2 were Government/Ex-Officio Directors.

7. Strategic Issues/New Initiatives

As a step towards continued diversification, STC signed MOU with a company specializing in Research & Development activities on improving the yield of Jatropha plants for production of bio-diesel. It has already initiated trial cultivation of bio-engineered, high yielding variety of jatropha in Namibia on an area of about 25 hectares.

STC imported about 13 lakh MT of wheat into the country on behalf of the Govt. of India to meet domestic shortages. It re-entered the castor oil business after a gap of several years and effected shipments worth Rs 14 crore.

STC signed offset agreements with CFM, Boeing and GE for monitoring offset obligation of US$ 69 million, 1.25 billion and 100 million respectively (Approx Rs 5676 crore).

With a view to integrating corporate social responsibility in its business operations, STC started domestic tea operations in Nilgiri district of Tamil Nadu under which it is directly procuring green tea leaves from small tea growers. The tea leaves are processed and tea is sold in domestic market under own brand ‘Tohfa’ and is also exported.

The company set up, through its subsidiary, STCL Ltd., a Chilli Processing Plant at Byadagi in Karnataka. Two more plants for pepper processing and Chilli Sterilisation are being set up in Siddapur, Karnataka and Chhindwara (M.P.) respectively. STC also acquired a plot of land at Paradip port for facilitating iron ore exports.

The company had Rs 964 crore worth of orders in hand as on 31.03.2008.

STCL Limited

1. Company Profile

STCL was incorporated on 23.10.1982 under the Companies Act, 1956 as 'Cardamom Trading Corporation Ltd.', which was renamed as 'Spices Trading Corporation Ltd.' in 1987 and further renamed as 'STCL Ltd.', in 2004. The main objectives are to trade spices and agricultural products in domestic and international markets, to process and cure spices and to manufacture spice products and agricultural products of international standards and to carry on domestic and international trade in all kinds of industrial goods, 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' CPSE in Trading and Marketing Services Group under the administrative control of Ministry of Commerce and Industry, Department of Commerce. Its Registered and Corporate offices are at Bangalore, Karnataka. STCL is a 100% subsidiary of The State Trading Corporation of India Ltd.

2. Industrial / Business Activities

STCL is engaged in trading of spices, agricultural commodities and supply of agriculture inputs to growers; to conduct Cardamom auctions; to import and export spices, agriculture commodities and other commodities and industrial inputs through its 10 branch offices situated at Bodinayakanur, Chennai, Kochi, Kumily, Vishakapatnam, Madikeri, Saklespur, Kushalnagar, Byadagi & New Delhi. It also has 6 sub-collection centres at Kumily Branch in Kerala.

3. Operational Profile

The segment-wise revenue of the company for the last three years is given below:

(Rs.in crore)

Particulars	Performance during			Average of three years
	2007-08	2006-07	2005-06	
Domestic Trading	619.93	386.51	322.00	442.81
Export Trading	1787.65	590.02	130.58	836.08
Auction Sales	33.33	32.51	18.20	28.01
Total	2440.91	1009.04	470.78	1306.91

4. Major Financial Highlights

(Rs.in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	2440.92	1009.04	470.78	141.91
Cost of Production	2420.10	1031.13	462.23	134.70
Net Profit/Loss [-]	28.85	12.00	5.98	140.42
Dividend declared [as % of PBT]	13.09	13.23	6.25	-1.09
Net Worth	51.29	28.69	18.24	78.77
Paid-up Capital	1.50	1.50	1.50	0.00
Share of Holding Co.	1.50	1.50	1.50	0.00

5. Key Performance Factors

The turnover of the company increased by 142% during 2007-08 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 changes effected in the marketing strategies over the years. STCL continued to have major share of exports in its total turnover followed by domestic sales.

While the profit before tax increased by 143% during 2007-08 over the previous year the profit after tax recorded a growth of 140% during this period.

Earning Per Share was Rs.1923 during 2007-08 as against Rs.800 in the previous year.

6. Human Resource Development

The company employed 54 persons as on 31.03.2008 (20 executives and 34 non-executives/ workmen.) The majority of the employees i.e., 33 were between age group of 36 to 51 years, 15 employees between 26 to 35 years and 6 employees were above 51 years. The retirement age is 60 years. 12 out of 54 employees were having professional qualifications. The company follows IDA 1997 pattern of pay scales.

During 2007-08, the company recruited 8 employees consisting of 4 executives, 2 supervisors and 2 workmen.

There were four Directors on the Board out of which one was full time Functional Director, one Government Official Director and another two were part-time non-functional Directors from holding company.

7. Strategic Issues:

STCL received a budgetary support of Rs.0.52 crores as grants in aid from Spices Board.

It has been recognized as 'Star Export House' by the DGFT based on its exports performance.

The Company has set up a Chilli Processing Plant at Byadgi, Haveri District, Karnataka at a cost of Rs.4.50 crores. The plant has commenced production from March, 2008. The plant has capacity to process 20 MTs of fresh fruit chillies per day. The Chilli processing plant will help STCL to reach out globally in exporting value added products to food processing, oil and oleoresin industries and thus enhance the competitiveness of the company in enlarging its scope for exports of other products.

STCL is establishing a steam sterilization unit with grinding and packing facility in the Spice Park developed by Spices Board at Chhindwara, Madhya Pradesh at an estimated project cost of Rs.8.04 crores for spices and other agricultural produce which will facilitate in terms of value addition as well as to help the growers/traders to realize better price for their produce. The unit is expected to commence trial production by end of September/October, 2008.

The Company is also establishing Pepper processing plant at Siddapura, Karnataka at a total cost of Rs.7.30 crores. This unit will have the capacity of clearing, grading and steam washing of 24 MTs of Pepper per day as well as steam sterilizing of 5 MTs of Pepper per day.

Tamil Nadu Trade Promotion Organization(TNTPO)

1. Company Profile

TNTPO was incorporated on 17.11.2000 as a joint venture between India Trade Promotion Organization (ITPO) and Tamilnadu Industrial Development Corporation Limited (TIDCO) under section 25 of the Companies Act, 1956 with a shareholding pattern of 51% and 49 % respectively. The main objectives are :

i) To promote, organize and participate in industrial trade and other fairs / exhibitions in India and abroad and to take all measures incidental thereto for promoting Indian industry and trade and enhance its global competitiveness.

ii) To organize trade fairs and exhibitions and invite wider participation in export promotion activities like:

- Buyers Sellers Meet
- Contact Promotion Programs
- India Promotions with Departmental stores

TNTPO is an uncategorized PSE in Trading and Marketing Services group under the Ministry of Commerce and Industry, Department of Commerce. The company is having its registered office at Chennai.

2. Business Activities:

TNTPO is engaged in promotion of trade and industry by renting out the exhibition halls and convention centre for Industrial Exhibitions, trade fairs, annual day functions, Award function, Product launch, Seminar, Conference and other business functions etc. and also to organize trade fairs and exhibitions in India and abroad and invite wider participation in export promotion activities like Buyer Seller meets; Contact Promotion Programmes; India Promotions with Departments stores such as:

- Product – Specific Promotions
- Product Development & Adaptation

- Undertake market studies to determine the market potential and export promotion measures to tap export opportunities.

TNTPO has a convention centre with facilities of international standards. The Convention Centre at Chennai is a multi-purpose hall with 6765 sq.mtrs of air conditioned space and offers a variety of conferencing and banquet rooms for 250 to 1500 delegates. It has been designed with ultra modern facilities like Infrared Digital Interpretation system, theatrical lighting system, digital audio-video system, modern fire protection and security system etc.

3. Operational Profile:

TNTPO is mainly facilitating the services for organizing trade fairs and exhibitions etc.,

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
No. of exhibitions	145	128	118	130

(Both in Convention centre & Halls)

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over
	2007-08	2006-07	2005-06	2006-07
Turnover	14.82	11.80	8.52	25.59
Cost of services	7.45	7.46	5.70	-0.13
Net Profit/Loss(-)	8.53	4.39	1.74	94.31
Net Worth	25.75	17.23	18.42	49.45
Paid up Capital	0.01	0.01	0.01	-
Share of Holding Co.	0.00	0.00	0.00	-

5. Key Performance Factors

The turnover of the company increased due to increase in the number of exhibitions by 13.28% and the profit increased by about 94% due to higher turnover and decrease in expenditure.

6. Human Resource Development:

Since TNTPO is seven years old company, the organization chart and service rules are yet to be framed. Only four employees were working on permanent basis, one on deputation basis and about 17 employees as daily rated casual employees on contract basis. About 60% employees were having professional qualifications and around 40% persons come under the age group of 51 and above.

The retirement age is 60 years. The company is following CDA pattern of remuneration.

7. Strategic Issues

During the year 2007-08, a new exhibition hall has been inaugurated in the company.

TNTPO was having 130 orders amounting to Rs. 11 crore as on 31.3.2008.

TRANSPORTATION SERVICES

As on 31.3.2008, there were 11 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.	Shipping Corporation of India Ltd.	1961
2.	Air India Charters Ltd.	1972
3.	Dredging Corpn. of India Ltd.	1977
4.	Airline Allied Services Ltd.	1983
5.	Pawan Hans Helicopters Ltd.	1985
6.	Container Corporation of India Ltd.	1988
7.	Airports Authority of India Ltd.	1996
8.	Ennore Port Ltd.	1999
9.	Air India Air Transport Services Ltd.	2003
10.	Fresh & Healthy Enterprises Ltd.	2006
11.	National Aviation Co. of India Ltd.	2007

2. The enterprises falling in this group are mainly engaged in providing transport services by Air, Road and Sea, management of national as well as international airports, creating and maintaining 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)

SI. No.	Enterprise	Turnover 2007-08	2006-07
1.	Shipping Corporatio of India Ltd.	3726.84	3703.44
2.	Air India Charters Ltd.	874.90	706.82
3.	Dredging Corpn. of India Ltd.	705.32	572.89
4.	Airline Allied Services Ltd.	262.81	336.07
5.	Pawan Hans Helicopters Ltd.	210.33	182.02
6.	Container Corporation of India Ltd.	3347.30	3048.08
7.	Airports Authority of India Ltd.	3890.87	2724.19
8.	Ennore Port Ltd.	128.02	101.05
9.	Air India Air Transport Services Ltd.	30.63	19.61
10.	Fresh & Healthy Enterprises Ltd.	16.21	4.75
11.	National Aviation Co. of India Ltd.	13638.35	0.00
	Total	**26831.58**	**11398.92**

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

(Rs. in crore)

SI. No.	Enterprise	Net Profit/Loss 2007-08	2006-07
1.	Shipping Corporation of India Ltd.	813.90	1014.58
2.	Air India Charters Ltd.	65.94	-70.53
3.	Dredging Corpn. of India Ltd.	154.82	188.73
4.	Airline Allied Services Ltd.	-59.16	-85.36
5.	Pawan Hans Helicopters Ltd.	23.17	9.53
6.	Container Corporation of India Ltd.	752.21	703.82

7.	Airports Authority of India Ltd.	844.73	859.86
8.	Ennore Port Ltd.	34.88	30.64
9.	Air India Air Transport Services Ltd.	-1.12	-0.23
10.	Fresh & Healthy Enterprises Ltd.	-18.14	-0.19
11.	National Aviation Co. of India Ltd.	-2226.16	0
	Total	**385.07**	**2650.85**

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**	
			2007-08	**2006-07**
1.	No. of employees		61596	1579286
2.	Social overheads: *(Rs. in crore)*			
	a.	Educational	18.06	13.98
	b.	Medical facilities	1388	1526
	c.	Others	194	1854
3.	Capital cost of township *(Rs. in crore)*		14798	9268
4.	No. of houses constructed		752040	720731

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	2007-08	2006-07	2005-06
AUTHORISED CAPITAL	347118	337000	337000
(1) SOURCE OF FUNDS			
(1.1) SHAREHOLDERS FUNDS			
(A) PAID-UP CAPITAL			
CENTRAL GOVT.	122459	162805	161405
OTHERS	27790	27792	27791
(B) SHARE APPLICATION MONEY	0	0	0
(C) RESERVES & SURPLUS	2309819	1362559	1171241
TOTAL (A)+(B)+(C)	**2460068**	**1553156**	**1360437**
(1.2) LOAN FUNDS			
(A) SECURED LOANS	668983	437350	357324
(B) UNSECURED LOANS	1615767	814169	282945
TOTAL (A)+(B)	**2284750**	**1251519**	**640269**
(1.3) DEFERRED TAX LIABILITY	22406	39845	39171
TOTAL (1.1)+(1.2)+(1.3)	**4767224**	**2844520**	**2039877**
(2) APPLICATION OF FUNDS			
(2.1) FIXED ASSETS			
(A) GROSS BLOCK	3989587	2976286	2900356
(B) LESS DEPRECIATION	1122248	1738807	1767926
(C) NET BLOCK (A-B)	2867339	1237479	1132430
(D) CAPITAL WORK IN PROGRESS	824239	622899	296442
TOTAL (C)+(D)	**3691578**	**1860378**	**1428872**
(2.2) INVESTMENT	97516	151196	53113
(2.3) CURRENT ASSETS , LOAN & ADVANCES			
(A) INVENTORIES	127494	105454	73344
(B) SUNDRY DEBTORS	408638	369544	349680
(C) CASH & BANK BALANCES	685370	749991	584091
(D) OTHER CURRENT ASSETS	71443	60593	87667
(E) LOAN & ADVANCES	731496	610495	511870
TOTAL (A)+(B)+(C)+(D)+(E)	**2024441**	**1896077**	**1606652**
(2.4) LESS : CURRENT LIABILITIES & PROVN.			
(A) CURRENT LIABILITIES	956202	843490	815111
(B) PROVISIONS	519134	439569	380042
TOTAL (A+B)	**1475336**	**1283059**	**1195153**
(2.5) NET CURRENT ASSETS (2.3-2.4)	**549105**	**613018**	**411499**
(2.6) DEFERRED REVENUE/ PRE.EXPENDITURE	1506	444	2280
(2.7) DEFFRED TAX ASSETS	159286	28695	18115
(2.8) PROFIT & LOSS ACCOUNT (Dr)	268233	190789	125998
TOTAL (2.1+2.2+2.5+2.6+2.7+2.8)	**4767224**	**2844520**	**2039877**

TRANSPORTATION SERVICES

PROFIT AND LOSS ACCOUNT

(Rs. in Lakh)

Particulars	2007-08	2006-07	2005-06
(1) INCOME			
(A) SALES /OPERATING INCOME	2683158	2582405	2552777
(B) EXCISE DUTY	0	0	0
(C) NET SALES (A-B)	2683158	2582405	2552777
(D) OTHER INCOME /RECEIPTS	284936	350974	95628
(E) ACCRETION / DEPLETION IN STOCKS	1150	6	0
(I) TOTAL INCOME (C+D+E)	**2969244**	**2933385**	**2648405**
(2) EXPENDITURE			
(A) PURCHASE OF FINISHED GOODS / CONSUMPTION OF RAW MATERIALS	3155	63014	41906
(B) STORES SPARES	116457	59575	66653
(C) POWER &FUEL	788487	727273	624600
(D) MANUFACTURING /DIRECT/ OPERATING EXP.	816093	643205	494630
(E) SALARY, WAG ES & BENEFITS / EMPLOYEE EXP.	465260	415186	387597
(F) OTHER EXPENSES	241879	572810	530982
(G) PROVISIONS	14358	14002	7002
(II) TOTAL EXPENDITURE (A TO G)	**2445689**	**2495065**	**2153370**
(3) PROFIT BEFORE DEP.,INT.,TAXES & EP(PBDITEP)(I-II)	523555	438320	495035
(4) DEPRECIATION	188235	166175	159098
(5) ORE. /PREL EXP. WRITTEN OFF	12	107	166
(6) PROFIT BEFORE INT., TAXES &EP (PBITEP) (3-4-5)	335308	272038	335771
(7) INTEREST			
(A) ON CENTRAL GOVERNMENT LOANS	30	54	2099
(B) ON FOREIGN LOANS	17212	1889	5124
(C) OTHERS 74132	39188	16422	
(D) LESS INTEREST CAPITALISED	0	18	189
(E) CHARGED TO P & L ACCOUNT (A+B+C-D)	91374	41113	23456
(8) PROFIT BEFORE TAX & EP (PBTEP) (6-7E)	**243934**	**230925**	**312315**
(9) TAX PROVISIONS	218590	97580	73759
(10) NET PROFIT / LOSS(-) BEFORE EP (8-9)	25344	133345	238556
(11) NET EXTRA -ORD. ITEMS	-13163	-62918	-14224
(12) NET PROFIT /LOSS (10-11)	**38507**	**196263**	**252780**
(13) DIVIDEND DECLARED	67870	60604	56521
(14) DIVIDEND TAX	11534	9120	7995
(15) RETAINED PROFIT (12-13-14)	**-40897**	**126539**	**188264**

TRANSPORTATION SERVICES

MANAGEMENT RATIO

Particulars	2007-08	2006-07	2005-06
A. INDICATORS			
1. GENERAL (Rs. in Lakhs)			
(i) INVESTMENT	2044516	1234606	795821
(ii) CAPITAL EMPLOYED	3416444	1850497	1543929
(iii) NET WORTH	2190329	1361923	1232159
(iv) COST OF PRODUCTION	2725310	2702460	2336090
(v) COST OF SALES	2724160	2702454	2336090
(vi) VALUE ADDED	1776209	1732549	1819618
(vii) R&D EXPENDITURE	53	16	148
II. HUMAN RESOURCES			
(viii) EMPLOYEES (OTHER THAN CASUAL) (Nos.)	61596	63939	63753
(ix) AVG.MONTHLY EMOLUMENTS PER EMPLOYEE (Rs.)	62945	54112	50664
B. MANAGEMENT RATIO			
(i) DEBT: EQUITY	0.93	0.81	0.47
(ii) CURRENT RATIO (CURRENTASSET : CURRENT-LIABILITY)	1.37	1.48	1.34
(iii) PBDITEP : TOTAL EMPLOYEMENT (Rs in Lakhs)	8.50	6.86	7.76
(iv) SUNDRY DEBTORS : SALES (No. of days)	55.59	52.23	50.00
(v) INVENTORY (No. of days)			
(i) TOTAL INVENTORY : SALES	17.34	14.90	10.49
(ii) SEMI / FINISHED GOODS : SALES	0.17	0.23	1.35
(vi) INCREAMENTAL CAPITAL OUTPUT RATIO (ICOR)	15.37	10.35	0.91
		(%)	
(vii) SALES : CAPITAL EMPLOYED	78.54	139.55	165.34
(viii) PBDITEP : CAPITAL EMPLOYED	15.32	23.69	32.06
(ix) PBITEP : CAPITAL EMPLOYED	9.81	14.70	21.75
(x) COST OF SALE : SALES	101.53	104.65	91.51
(xi) MATERIAL COST : SALES	0.12	2.44	1.64
(xii) SALARY & WAGES : SALES	17.34	16.08	15.18
(xiii) R & D EXPENDITURE : SALES	0.00	0.00	0.01
(xiv) PBITEP : SALES	12.50	10.53	13.15
(xv) PBTEP : NET WORTH	11.14	16.96	25.35
(xvi) NET PROFIT : NET WORTH	1.76	14.41	20.52
(xvii) GROSS MARGIN : GROSS BLOCK	13.12	14.73	17.07

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 un-categorised CPSE in Transportation services sector under the administrative control of M/o Civil Aviation. Its Registered office is at New Delhi and Corporate office at Mumbai, Maharashtra. AIATS is 100% subsidiary of National Aviation Company of India Limited.

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 earnings are given below:

(Rs. in crore)

Major Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Passenger Handling		NA	13.27	4.07	NA
Ramp Handling		NA	1.53	1.17	
Security Handling		NA	3.25	0.72	
Cargo Handling		NA	1.56	0.60	
Miscellaneous		NA	0.16	0.06	
Income					

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	30.63	19.61	6.56	56.20
Cost of Production	31.91	20.00	6.57	59.55
Net Profit/Loss(-)	-1.12	-0.23	0.01	-
Net Worth	-1.72	-0.67	-0.52	-
Paid Up Capital	0.05	0.05	0.05	0.00
Share of Holding Co.	0.05	0.05	0.05	0.00

5. Key Performance Factors

The major income of the company was from passenger handling. Turnover of the company increased by about 56% during 2007-08 over the period of previous year. The performance was further deteriorated during 2007-08 as the loss increased by about 367% over 2006-07 due to the increase in the cost of production by about 57% during the period.

6. Human Resources Development (HRD)

The enterprise had a workforce of 1345 employees as on 31.3.2008

7. Strategic issues

The company has been defaulting in timely finalization of accounts which resulted in delay in submission of the requisite information for preparation of the Public Enterprises Survey timely.

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 un-categorised CPSE in Transportation Services sector under the administrative control of M/o Civil Aviation. Its Registered and Corporate offices are at Mumbai, Maharashtra. AICL is a 100% subsidiary of National Aviation Company of India Ltd.

2. Industrial / Business Activities

AICL is engaged in providing various ground handling services. The company took a new dimension in setting up a Low Cost Service namely 'Air India Express' under its management and launched on 29th April, 2005 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)

Major Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Traffic		847.86	685.71	409.02	647.53
Handling, Servicing and Incidental		27.03	21.11	21.57	23.24
Others		285.41	81.69	1.79	122.96

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	874.90	706.82	430.59	23.78
Cost of Production	1170.18	779.96	427.54	50.03
Net Profit/Loss(-)	65.94*	-70.53	1.35	-
Net Worth	23.94	-42.01	28.53	-
Paid Up Capital	30.00	30.00	30.00	0.00
Share of Holding Co.	30.00	30.00	30.00	0.00

* Includes Deferred Tax

5. Key performance factors

Turnover of the company increased by 23.78% during 2007-08 as compared to previous year. The company not only turned to profit because of deferred tax liabilities but also recorded positive net worth during the year.

Deferred Tax is recognized on timing differences between book and taxable profit using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The Deferred Tax assets are recognized and carried forward to the extant that there is a virtual certainty that the assets will be realized in the future.

6. Human Resource Development

The company employed total 695 persons as on 31.3.2008.

7. Strategic issues

Method for providing depreciation on Aircraft and Airframes Equipments (737-800) has been changed by considering the estimated life of aircraft as 20 years as against 17 years considered upto previous year, due to which profit for 2007-08 has been overstated by Rs. 11.00 crore. The company has applied for the permission to change depreciation at revised rates as above. The permission from Company Law Board is awaited.

As per the resolution passed by the Board of Directors and as per the terms of amended MOU between National Aviation Company of India Limited(NACIL) and AICL, the revenue earned by AICL will be shared in the ratio of 25% and 75% respectively, retrospectively, from 1st April, 2006. Due to this amendment, the revenue sharing of Rs. 159.96 crore for the year 2006-076 has been accounted for during 2007-08. The company has also made policy changes in respect of provisions for obsolescence and maintenance reserve. Therefore, the profit has been overstated by Rs. 1.05 crore and Rs. 48.51 crore respectively in view of these changes.

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.(now merged with National Aviation Company of India Limited) 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' CPSE 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.

3. Operational Profile

Major Products/ Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Scheduled operation	Available Tonne Kilometers (ATKms.)	NA	NA	107.65 (67)	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	262.81	336.07	515.68	-21.80
Cost of Services	359.50	464.30	611.22	-22.57
Net Profit/Loss(-)	-59.16	-85.36	-56.54	-
Net Worth	-431.50	-369.08	-283.42	-
Share of Holding Co.	2.25	2.25	2.25	0.00
Paid up capital	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 729 regular employees (462 executives and 267 non-executives) as on 31.3.2008.

7. Strategic issues

The Holding Company i.e. Indian Airlines has been merged along with 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

Airports Authority of India (AAI) was incorporated on 1.4.1995 through an Act of Parliament namely the Airports Authority of India Act, 1994 by merger of International Airports Authority of India and National Airports Authority with a view to have an integrated development and modernization of the airports in India to international standards. AAI is a Schedule – 'A' CPSE under the administrative control of Ministry of Civil Aviation with 100% shareholding together Government of India.

2. Industrial / Business Activities

AAI is involved in development and modernization of airports and providing Air Traffic services all over India. Currently it manages 131 airports (including Delhi and Mumbai which were handed over to JVCs with effect from 03.05.2006).

3. Operational Profile

The major sources of revenue of AAI are Route / Terminal Navigational Facilities, Landing & Parking; Cargo Handling; and Passenger Services. The performance details during the year 2007-08 are as under:

Major Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Route/Terminal Navigational Facilities	000' Weight cum distance	1308	1075	838	1074
Cargo Handling	000' Tonne	17140	15535	14039	15571
Passenger Services	No. in lacs	1169	964	733	955

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3890.87	2724.19	3247.09	42.83
Cost of Operations	2549.84	2196.90	2281.85	16.07

Net Profit	844.73	859.86	717.62	-1.76
Dividend declared (as % to PBT)	12.56	11.80	11.95	6.45
Net Worth	5800.99	4845.39	4169.86	19.72
Paid-up Capital	501.13	463.63	449.63	8.09
Share of Central Govt.	501.13	463.63	449.63	8.09

5. Key Performance Factors

A sum of Rs.735.45 crores (DIAPL – Rs.402.72 crores and MIAPL – Rs.332.73 crores) was received as share of revenue from JVCs during the year.

During 2007-08, Airports Authority of India got budgetary support of Rs. 55 crores from the Government of India and Rs.57.05 crores from NEC as Grant for development and upgradation of airports in North Eastern Region of the country.

Capital expenditure of Rs.1980.23 crores was incurred for improvement of airport infrastructure in the country during the year 2007-08 as compared to Rs.1040.11 crores during the previous year registering an increase of 90%.

AAI has contributed Rs.130 crores as additional equity and advance contribution of Rs.143 crores during the year to DIAL.

6. Human Resource Development (HRD)

The enterprise employed 19108 regular employees as on 31.3.2008 as against 19754 employees as on 31.3.2007.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. During 2007-08, 451 employees retired after attaining the age of superannuation, 504 skilled and 119 unskilled employees left the company in attrition and 3 persons availed of VRS. However, 609 skilled and 57 unskilled persons joined newly.

The total number of Directors in the company, as on 31.3.2008 was 9, out of which 5 were full time Functional Directors and 4 Government / official Directors.

Airports Authority of India has various training institutes for regular training and development of its employees viz Civil Aviation Training College, Allahabad, National Institute of Aviation Management & Research (NIAMAR), New Delhi, Fire Service Training College (FSTC), Kolkata, Fire Training Centre (FTC), New Delhi etc.

7. Strategic issues

AAI in association with ISRO is implementing Space Based Augmentation (S-BAD) for a Global Navigation Satellite System, which will provide seamless navigation over Indian Air Space including oceanic region and precision approaches at all Indian airports. Technology Demonstration System (TDS) for GAGAN has been completed and work on the Final Operation Phase (FOP) will commence shortly.

AAI has introduced Chairman's Award for Innovative Excellence'. The objective of the scheme is to encourage innovative work – developing new ideas leading to improvement in productivity, efficiency, financial returns; curtailing wastages, setting in ethical practices and enhancing customer satisfaction, which is in line with the Authority's mission.

A new state-of-art Automatic Flight Inspection System (AFIS) has been commissioned in the newly acquired (Raytheon) aircraft to facilitate calibration of navigational facilities at high altitude.

Aerodrome Visual Simulator, which has been commissioned at CATC, Allahabad has been designed to simulate 3D operational airport environment as seen from control tower suitable for training Air Traffic Controllers.

Map modification for incorporating new taxiways for ASMGCS at Delhi IGI Airport has been completed.

Latest virtualization technology in Application Servers has been implemented for more efficient use of Server space for both SUN as well as Intel machines. Latest Technology Storage Area Network (SAN) and Network Attached Storage (NAS) have also been implemented. Regular automatic backup of data is in operation.

GIS based Land and Asset Management System (GLAMS) is implemented at 18 airports.

Wireless Information KIOSKS provided at 25 airports for passengers to have free internet access and to have flight schedule information, tourist information, submit suggestions, for grievances and complaints etc.

The two new green field airports through PPP at Shamshabad near Hyderabad in Andhra Pradesh and Devanahalli near Bangalore in Karnataka were commissioned for operations. Consequent upon the commissioning of the new Greenfield airports, the existing airports at Hyderabad and Bangalore have been closed for civil commercial operations.

To improve navigational facilities at Indian airports, projects for installation of 21 Nos. ILS and 22 Nos. DVOR are under implementation.

In terms of Operation, Management and Development Agreement (OMDA) both the Joint Venture Companies viz., Delhi International Airport Pvt Ltd (DIAL) and Mumbai International Airport Pvt. Ltd(MIAL) were required to execute Mandatory Capital Works and also works under Major Development Plans in accordance with the Master Plan. These works are in various stages of completion.

Development and modernization of NSCB International Airport at Kolkatta at an estimated cost of Rs.1942 crores and development of Chennai International Airport at an estimated cost of Rs. 1808 crores have been approved by the Government.

AAI has decided to modernize and develop 35 non-metro airports by providing world class infrastructure facilities at these airports. As regards City Side Development at selected 24 Non-Metro Airports, this is being done with Private sector participation. The process is under finalization for Amritsar and Udaipur airport and thereafter will be extended to other airports.

Future Outlook

Percentage growth in air traffic has shown reduction in the first quarter of the current financial year i.e. 2008-09 due to certain factors like high cost of ATF, over capacity of the airlines and location of the two new Green field airports far away from the cities. This phenomenon is only a temporary phase and it is expected that the growth in the air traffic will pick up in the subsequent quarters after the situation stabilizes in the market and also with the improvement in the connectivity with the two new Green field airports at Shamshabad and Devanahalli.

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 stakeholder value. The current objectives are to focus on providing high quality of services to its customers, presence in the complete logistics value chain and to maximize the productive utilization of resources.

CONCOR is a Schedule 'A' / Mini-Ratna CPSE in the transportation services sector under the administrative control of Ministry of Railways with 63.08% shareholding by the Government of India. It's Registered and Corporate Offices are at New Delhi.

2. Industrial/Business Activities

CONCOR has a large network of Inland Container Depots (ICDs), Container Freight Stations and Domestic Container Terminals. It owns more than 8000 wagons through which it provides services relating to inland transportation of containers. The company also provides services at Container Freight Stations for customs clearance, warehousing and bonded warehousing. It also owns / leases more than 12000 containers which are used in the domestic circuit. Currently, CONCOR has a network of 58 Terminals, out of which 18 are pure export-import container terminals, 31 terminals have been combined for export-import as well as domestic container terminals and 9 are exclusive domestic terminals. 8 of these terminals are exclusively road fed while 50 terminals are connected by rail.

Apart from the business of container transportation and operation of container terminals, CONCOR has aimed at being present in the complete value chain of container logistics so that end-to-end services could be provided. This is planned to be achieved through the Joint Venture route/alliance route wherever required. Further, CONCOR, in order to increase its business of container transportation through rail which is the main source of its revenue, has also entered into strategic relationships/partnerships with a number of shipping lines/container logistics companies in the form of Joint Ventures.

Furthermore, CONCOR has moved into the business of Port Management through the Joint Venture route and currently has equity and management participation in the Third Berth at JNPT i.e. Gateway Terminals Pvt. Ltd. and also has equity participation in India Gateway Terminals Pvt. Ltd. at Cochin. Moreover, CONCOR has diversified into Controlled Atmospheric Storage through its wholly owned subsidiary viz. Fresh & Healthy Enterprise Ltd.

3. Production/Operational Profile:

The service range of the company comprises of container handling and intermodal transportation. The performance details of major services are as follows:

Major Products/ Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
International Handling	000 TEUs	1977	1716	1557	1750
Domestic Handling	000 TEUs	470	390	374	411

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3347.30	3048.08	2433.16	9.82
Cost of services	2563.27	2239.64	1819.03	14.45
Net Profit	752.21	703.82	525.80	6.88
Dividend declared (as % to PBT)	17.82	16.21	17.46	9.93
Net Worth	3183.92	2629.83	2091.17	21.07
Paid-up Capital	64.99	64.99	64.99	0.00
Share of Central Government	41.00	41.00	40.99	0.00

5. Key Performance Factors:

The operating income of the company registered a growth of 9.82% during 2007-08 over the figures of 2006-07. The profit before tax increased by 7.50% from Rs. 882.25 crore to Rs. 948.50 crore during this period.

Construction of new terminals, upgradation of existing ones and successful induction and running of high-speed wagons have been the main reasons for company's business growth. This will continue to be an area for investments giving the company organic growth.

A pilot project for Data Warehousing system for EXIM traffic at CONCOR flagship Inland Container Depot, Tughlakabad (New Delhi) has been introduced during 2007-08.

The company's volume has increased without much increase in manpower, which directly indicates increase in efficiency. The cost of employee continues to remain around 2% of total turnover.

During the year, the work of construction of new container terminal at Madhosingh (Mirzapur) has been completed.

The company has added 795 high speed wagons to the existing fleet of CONCOR owned wagons during 2007-08, increasing the holding to 6722 nos. of high speed wagons. 15 new container handling equipments (Reach Stackers) were commissioned at the different container terminals for better operational performance.

ISO-9001:2000 Quality System Certification has been received for sixteen offices/terminals during the year. The company is also ISO certified for Information Security Management System (ISO/ IEC:27001:2005 Standard) by Government of India for establishing and maintaining an Information Security Management system for company IT functions covering its business applications.

The company paid a dividend of 75% on the enhanced paid up share capital consequent to 1:1 bonus issue in addition to an Interim Dividend of 110% on pre bonus issue. The total dividend payment for the year 2007-08 is Rs. 168.98 crore as compared to Rs. 142.98 crore (excluding dividend tax) for the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 1130 regular employees (executives 227 & non-executives 903) as on 31.03.2008. 27.88% of the employees were having professional qualifications. 94.60% 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.

During 2007-08, 37 skilled employees left on account of attrition and 89 new employees joined the company.

Total no. of Directors on the Board of the CONCOR was 10 as on 31.3.2008, out of which 3 were Non-official Part Time Directors.

7. Strategic Issues

The competition with entry of new container train operators as well as road sector will increase in the coming years. This has thrown new challenges to the company. Management has taken the competition as an opportunity to improve the productivity and efficiency. Besides evolving proactive strategies including dynamic pricing policies, improvement in quality of service has been the focus to meet the growing challenge from the competitors. Further, the company will continue to invest in new terminals, upgrade the existing ones and continue to invest in wagons and equipments to stay ahead of the competition.

Steps are being taken for entering into JV's and other strategic tie-ups to provide end-to-end logistics solutions to its customers as an engine for further growth. The company adapts itself to any technological changes which bring in efficiency or reduce costs.

Dredging Corporation of India Limited (DCIL)

1. Company Profile

DCI was incorporated in the year 1976 under the Companies Act, 1956 with the objective of providing integrated dredging and related marine services for promoting the national and international maritime trade, beach nourishment, reclamation, inland dredging, environmental protection, etc. and to become a global operator in the dredging business.

DCI is a schedule –'B' / Miniratna (Category-I) 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 areas of maintenance dredging, capital dredging, beach nourishment, reclamation and environmental protection through its 11 Project Offices out of which one each are located in the states of Andhra Pradesh, Karnataka, Kerala, Maharashtra and Orissa; four in Tamilnadu and two in West Bengal.

3. Operational Profile

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Dredging sand, silt, clay, rock	Lakhs Cubic Mtrs.	677.30 (85%)	763.80 (96%)	727.49 (91%)	722.86

4. Major Financial Highlights

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	705.32	572.89	506.90	23.12
Cost of Operations	620.69	419.81	362.76	47.85
Net Profit	154.82	188.73	176.46	-17.97
Dividend declared (% as PBT)	27.86	20.76	23.08	34.16
Net Worth	1238.78	1133.10	993.01	9.33
Paid-up Capital	28.00	28.00	28.00	0.00
Share of Central Govt.	22.00	22.00	22.00	0.00

5. Key Performance Factors

- Increase in the turnover was mainly due to chartering in of dredgers for execution of Sethusamudram Ship Channel Project.

- Capacity utilization during 2007-08 was 85% due to prolonged dry docking of three dredgers.
- The increase in productivity is linked to regular feedback after surving the desigering back with electronic position fixing system such as DGPS and Hypack for optimum utilisation of dredging plant.
- The domestic market share in maintenance dredging was 58% and in capital dredging 84% during 2007-08 compared to 79% and 100% respectively in the previous year.
- Earning Per Share was Rs. 55.29 during the year as compared to Rs.67.40 in the previous year.

6. Human Resource Development (HRD)

DCI employed 769 regular employees (executives 330 and non-executives 439) as on 31.3.2008. 10.27% of the employees were having professional qualifications. 36.42% 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 15 skilled and 2 unskilled employees left the services of the company. 26 skilled employees joined service during the year.

The total number of Directors in the company as on 31.3.2008 was 10, out of which 5 were non-official part time Directors/Professional.

7. Strategic Issues

With the opening up of the dredging sector to foreign companies, the Corporation aims at to progressively increase the share of the Indian capital/ maintenance dredging market during the XIth Five Year Plan period.

Efforts are on for acquisition of three Trailer Suction Dredgers of 5000 Cu.M. hopper capacity each at an estimated cost of Rs.1457 crores.

Environmental Initiatives

The Sethusamudram Ship Channel Project is being monitored as per the international safety management code. Action is on 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 developing and providing port services by increasing 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 MTPA, Container Terminal - 1.5 MTEUs/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 brief details of which are as follows:

Major Products/ Services	Units	Production during (% capacity Utilization)			Average of three years
		2007-08	2006-07	2005-06	
Port Services	MT	9.05 (75.42)	8.802 (73.35)	8.387 (69.89)	8.75
Cargo handling (Thermal Coal, Iron Ore & POL)	MT	11.56	10.71	9.20	10.49
Vessels handled	Nos.	213	201	173	196

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	128.02	101.05	92.32	26.69
Cost of Production	104.30	75.89	88.49	37.44
Net Profit / Loss(-)	34.88	30.64	9.07	13.84
Net Worth	349.73	314.85	284.21	11.08
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

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.

During the year 2007-08, the cargo handling at the port increased by 7.94% over 2006-07 and the birth output per day increased by 0.47% from 35087 tonnes to 35251 tonnes during this period.

The increase in turnover and profitability is attributed to increase in throughput.

6. Human Resource Development (HRD)

The enterprise employed 61 regular employees (executives 38 & non-executives 23) as on 31.3.2008. 63.93% employees were having professional qualifications and 6.56% employees come under the age bracket of 51 and above years. During the year 11 new employees joined the company. The company is following IDA-1997 pattern of remuneration. Retirement age in the company is 60 years at Board level.

The total number of Directors in the company as on 31.3.2008 was 6, of them 2 each were Government / official Directors, Part time Non-official Directors / Professionals and Full time Functional 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 87.70 MTPA by 2013-14 through development of state of art new terminals with Public Private Participation, Dredging in Phases to synchronize with new berth(s) construction, Augmentation of Rail and Road connectivity.

National Aviation Company of India Ltd. (NACIL)

1. Company Profile

NACIL was incorporated under the Companies Act, 1956 on 30.3.2007 with the objective of synergizing the activities of merged airlines (Air India and Indian Airlines) so as to take on the growing competition from the private airlines and large international carriers. The merger under section 391-394 of the Companies Act, 1956 was approved by the Ministry of Corporate Affairs on 22nd August, 2007 and it became effective from 27.8.2007. Post merger, the new entity is known as “Air India” with “Maharaja” retain as its mascot. The merged entity with the fleet of 110+ aircraft will be amongst the top 30 airlines globally in size and will break into the top ten in Asia. Along with size the new entity is expected to create considerable synergy, since the two airlines can feed traffic to each other. The synergy benefits will be in the areas of route rationalization; fuel procurement; stores and inventory purchase both aircraft and non-aircraft; insurance benefits; handling of flights; and employee productivity. Besides, it could result in redeployment of aircraft since Air India and Indian Airlines are flying on some common routes in the Gulf and South East Asia. The Registered Office of the NACIL is at Airlines House, 113 Gurudwara Rakabganj Road, New Delhi and the Corporate Office at the Air India Building, Nariman Point, Mumbai-400021.

2. Industrial / Business Activities

NACIL comprises six Strategic Business Units (SBUs) comprising Passenger; Cargo; Ground Handling Services; Low Cost Carrier (LCCs); MRO (Airframes and Engines/Components); and Related Business. Each SBU in the merged entity would be under the charge of a Functional Director or an Executive Director. The merged entity also has a Corporate Services Group.

3. Operational Profile

The details of the revenue earnings of the company through various operational activities are given below:

Major Services	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Traffic revenue	Rs. in crore	12297.80	-	-	
Handling, services and incidental revenue	Rs. in crore	1340.55	-	-	

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	13638.35	0.00	0.00	-
Cost of Services	16411.70	0.00	0.00	-
Net Profit/Loss(-)	-2226.16	-	-	-
Net Worth	5813.13	-	-	-
Paid Up Capital	145.00	-	-	-
Share of Central Govt.	145.00	-	-	-

5. Key Performance Factors

Since the approval of the merger of the Air India and Indian Airlines with the NACIL received only in August, 2007 from the Ministry of Corporate Affairs, the company prepared its first accounts for 2007-08.

6. Strategic Issues

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 30.3.2007, 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.

NACIL is in the process of consolidation of the aviation activities of the public sector companies operating in this sector.

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-categorized CPSE in Transportation services sector under the administrative control of M/o Railways. Its Registered and Corporate offices are 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 & logisticals through its regional and works offices 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	Units	Production during			Average of three years
		2007-08	2006-07	2005-06	
Apples	Boxes/ Tonnes	10973 (91)	-	NIL	-

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	16.21	4.75	0.00	241.26
Cost of services	47.40	5.14	0.00	822.18
Net Profit / Loss(-)	(-)18.14	(-) 0.19	0.00	-
Net Worth	16.55	34.63	34.60	-52.21
Paid up capital	35.00	35.00	35.00	0.00
Share of Holding Co.	35.00	35.00	35.00	0.00

5. Key Performance Factors

The company started its operation in the year 2006-07 by procuring Apples from Shilma and Kinnaur districts of Himachal Pradesh. The apples were transported in the specially developed cartons through ordinary trucks / reefers. It was expected to procure around 15000 tones of fruits and vegetable in 2007-08 and to further increase it to 75,000 tones by 2010.

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 the Cold Chain project and meeting the capital expenditure and working capital requirement.

6. Human Resource Development (HRD)

The enterprise employed 18 regular employees (executives 16 & non-executive 2) as on 31.3.2008. 27.78% employees were having professional qualifications and only one employee come under the age bracket of 51 and above years. The average age of the employees in the company is 38 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 31.3.2008 was 4, and all of them were part time Non-official Directors / professionals.

7. Strategic Issues

The company aims at to improve efficiencies and be recognized as setting standards for excellence, particularly for quality of products and services.

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 and Sonepat.

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 like ONGC and GAIL and state Governments of North East, Andaman & Nicobar & Lakshadweep Islands, Governments of Punjab and Bihar through its fleet of 36 helicopters consisting of Dauphin / Bell / Mi-172.

3. Production / Operational Profile

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

Major Products/ Services	Units	Services provided during			Average of three years
		2007-08	2006-07	2005-06	
Helicopter Fleet	% utilization	70	70	80	73

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	210.33	182.02	164.73	15.55
Cost of Services	213.89	206.04	163.98	3.81
Net Profit/Loss(-)	23.17	9.53	47.39	143.13
Dividend declared (as % of PBT)	38.55	32.79	64.81	17.56
Net Worth	277.37	279.79	280.64	-0.86
Paid Up Capital	113.77	113.77	113.77	-
Share of Central Govt.	89.27	89.27	89.27	-

5. Key Performance Factors

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 worldwide to carry out the above servicing in India and other South East Asian Countries.

The Earning Per Share (EPS) of the company during 2007-08 was Rs. 837.

6. Human Resource Development (HRD)

The enterprise employed 547 regular employees (executives 181 & non-executives 366) as on 31.3.2008 as against 531 employees as on 31.3.2007.

The retirement age in the company is 60 years. It is following IDA 1997 pattern of remuneration. 15 employees retired and 40 new employees joined the company during the year.

The total number of Directors in the company as on 31.3.2007 was 6 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 36 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% plus.

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 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 sea born 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’ / Navratna 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 and Branch offices at Haldia and Port Blair and a Representative office at New Jersey, USA. The company has six joint ventures namely SCI Forbes Limited, Irano Hind Shipping Co., India LNG Transport Companies (No. 1 & 2) Ltd., India LNG Transport Company No. 3 S.A., and Sethusamudram Corporation Ltd. with an equity participation of 50%, 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. Overall fleet position of the company was 79 as on 31.3.2008 with a total capacity of 47,60,469 DWT. The performance details of major components of operating earnings are as follows:

Major Products/ Services	Units	Performance during			Average of three years
		2007-08	2006-07	2005-06	
Freight (net)	Rs. in crore	2274.66	2515.53	2365.91	2385.37
Charter hire	Rs. in crore	1275.82	1054.09	1026.17	1118.69
Demurrage	Rs. in crore	133.71	89.36	98.80	107.29
Receipts from Managed Vessels	Rs. in crore	42.65	44.46	40.14	42.42

4. Major Financial Highlights

(Rs. in crore)

Particulars	Performance during			% Change over 2006-07
	2007-08	2006-07	2005-06	
Turnover	3726.84	3703.44	3531.02	0.63
Cost of Services	3180.42	3100.33	2568.23	2.58
Net Profit/Loss(-)	813.90	1014.58	1042.20	-19.78
Dividend declared (as % of PBT)	29.14	25.88	21.63	12.60
Net Worth	5632.10	5099.73	4355.47	10.44
Paid Up Capital	282.30	282.30	282.30	0.00
Share of Central Govt./ Holding Company	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. The segment-wise performance is given below:

Tanker:

Hindustan Petroleum Corporation Limited(HPCL) and Bharat Petroleum Corporation Limited(BPCL) have Contract of Affreightment (COA) arrangements with SCI for crude transportation. During 2007-08, SCI successfully performed COA with HPCL and BPCL for 10.94 mmt. of imported crude plus 1.3 mmt. of indigenous crude and for 6 mmt. of imported crude plus 2.35 mmt. of indigenous crude respectively.

During 2007-08, SCI transported 39.26 mmt crude oil including 10.49 mmt cross trade, 11.43 mmt imported crude and 4.18 mmt imported crude through in-chartered vessels. Out of this 15.61 mmt was for Indian Public Sector.

The company also handled lighterage operations at various locations along with Indian coast and lightened liquid and dry bulk cargo of 15.375 mmt. 448 lighterage operations were carried out for ship-to-ship transfer of 12.018 mmt. of crude oil and 56 lighterage operations for 3.357 mmt. of bulk iron ore. The company performed 6 complete tanker handling operations of product tankers at SBM at Dabhol on account of IOC.

Dry bulk

SCI has 20 bulk carriers (average age 19 years) comprising of 15 Handymax and 5 Handysize vessels. Handymax vessels were primarily deployed on a triangular voyage for transportation of Coking Coal from Australia to ECI both on COA and spot basis for SAIL, Kolkata and then deployed for carriage of Metcoke from China to

India on spot as well as on COA. SCI tonnages had lifted from Australia about 11,21,339 mt. on account of SAI DURING 2007-08. In addition, a few Handymax vessels, primarily younger tonnages of 45000 DWT, were deployed on short period charter in order to take advantage of the buoyant period charter market. 5 Handysize vessels were mainly employed on cross-trades for short term/long term period charters or spot basis to carry overseas cargoes like Urea, Steel, Grain, Fertilizers, Agri-products etc.

Liner & Passenger services

The In-chartered container vessel tonnage presently operated by SCI comprises 5 vessels of a total DWT of 1,94,461 tonnes and 13,556 TEU total capacity. The company continued to deploy its owned/operated container vessels in various sectors such as Indian Subcontinent Europe Service, India/Far East Cellur (INDFEX 1) Service, India/Far East Cellular (INDFEX 2) Service, Far East to Middle East("HYPER GALEX") service, SCI Middle East India Liner Express (SMILE) service, India-US East Coast Sector : IDX Service, Breakbulk Services, Joint Breakbulk Service, Feeder Services etc.

SCI undertakes coastal operations with 2 of its owned vessels and 32 managed vessels on behalf of Government of India for Andaman & Nicobar Administration and Union Territory of Lakshadweep Administration. It also operated Passenger-cum-cargo services to and fro the main land to the A& N Island and the Inter Islands.

Technical & Offshore Services

All the 10 Offshore vessels of SCI continued to be gainfully employed with ONGC during 2007-08. The 'Others" segment which include Technical and Offshore services recorded a revenue of Rs. 117.46 crore in 2007-08 as against Rs. 138.34 crore in 2006-07. PBT was also declined from Rs. 76.24 crore to Rs. 13.70 crore. This was due to upgradation/modification of all the vessels to meet ONGC's new tender requirements and structural inspection of the vessels for enhancing safety.

The Earning Per Share of the Company decreased to Rs. 28.83 in 2007-08 from Rs.35.94 in the year 2006-07.

6. Human Resource Development (HRD)

The enterprise employed 5102 regular employees (executives 3353 & non-executives 1749) as on 31.3.2008. The 4.31% of the employees were having professional qualifications and around 7.84% employees come under the age bracket of 51 and above years. The average age of the employees as on 31.3.2008 was 47 years.

The retirement age in the company is 60 years. The company is following IDA 1997 pattern of remuneration. 33 employees retired during the year and 51 skilled employees also joined.

The total number of Directors in the company as on 31.3.2007 was 10, out of which two were part time Non-official Director/professionals and three 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.