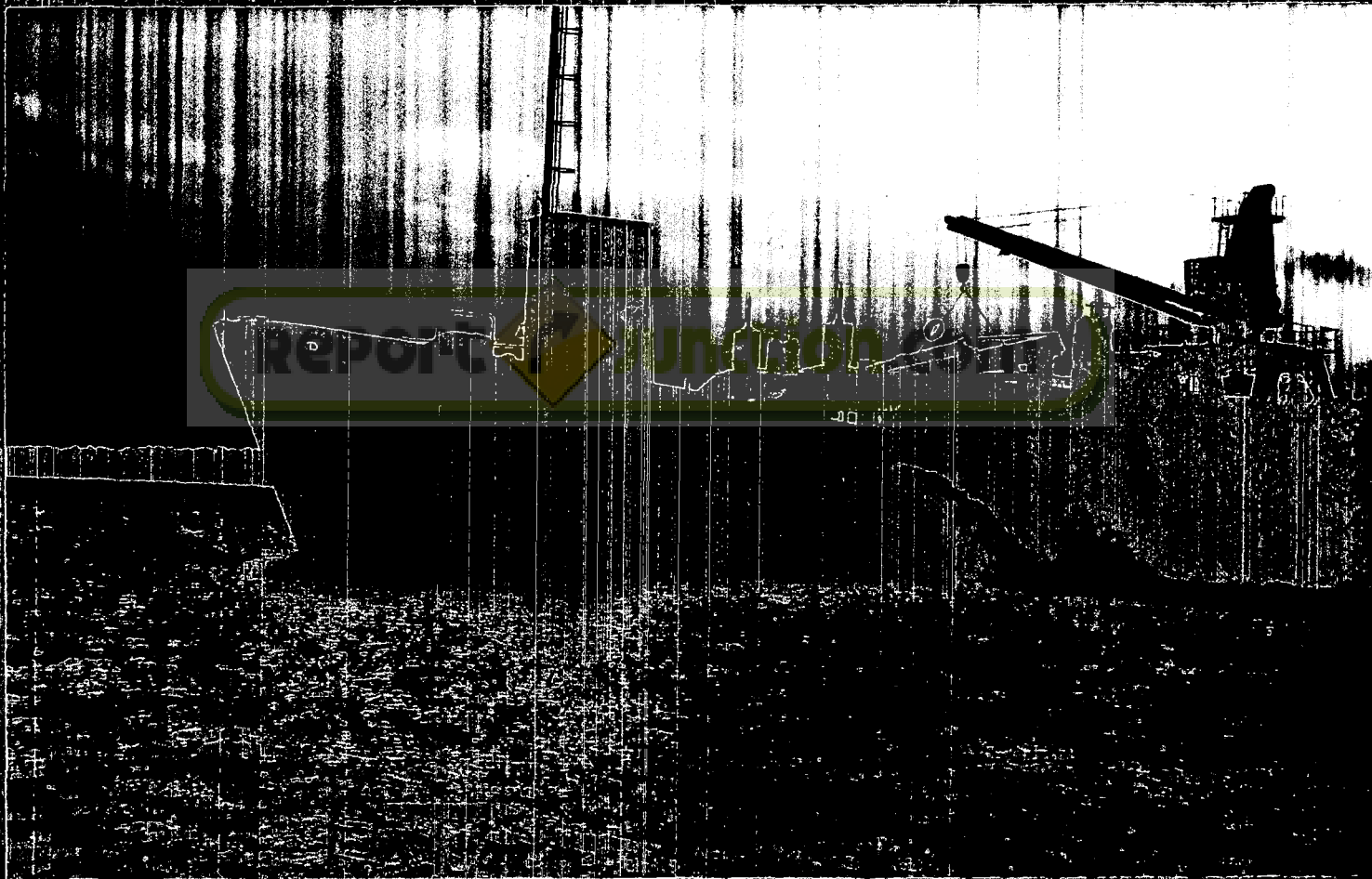
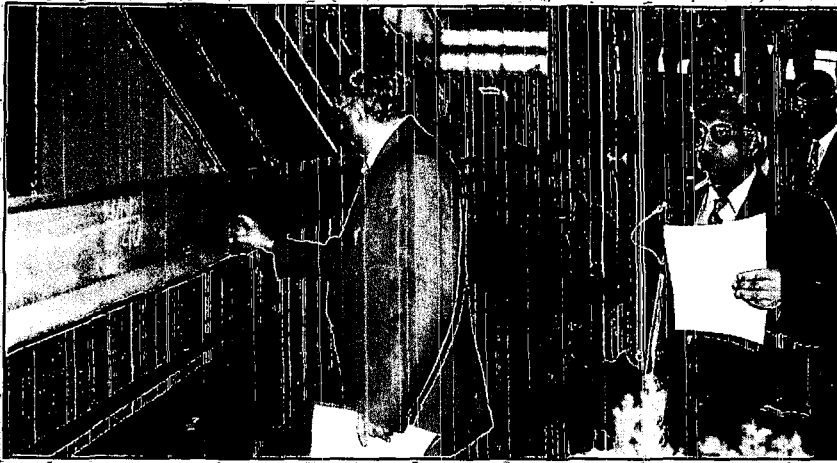


21st Annual Report 1996-97

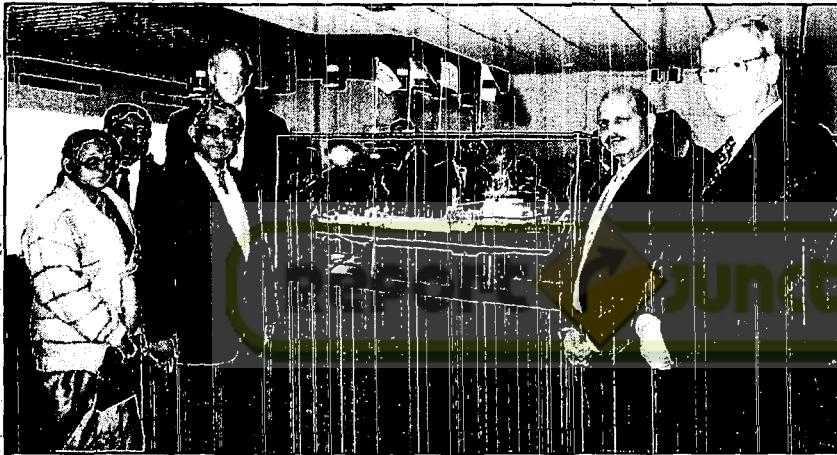


DREDGING CORPORATION OF INDIA LTD

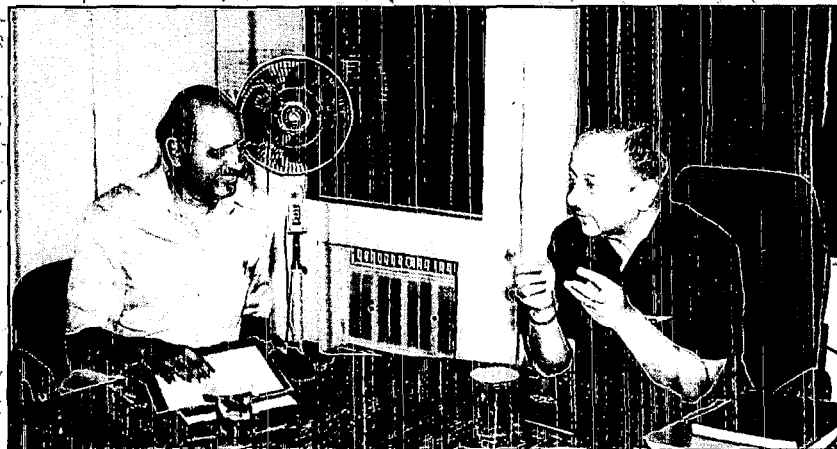
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Shri T.G. Venkatraman, Hon'ble Union Minister for Surface Transport, during the DCI Dredge XV Keel laying ceremony held on 25.09.97 at IHC, Holland, speaking on the occasion.



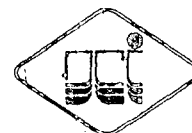
Keel laying for DCI Dredge XV at IHC, Holland on 25.09.97 by Shri T.G. Venkatraman, Hon'ble Union Minister for Surface Transport, Smt. T.G. Venkatraman, Shri C.S. Sastry, CMD, DCI Ltd., and Mr. J.J.C.M. van Dooremolen, President, IHC, Holland, present on the occasion.



Shri Yogendra Narain, IAS, Secretary, Ministry of Surface Transport, discussing with Shri C.S. Sastry, CMD, DCI Ltd., during Performance Review Meeting.

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Front Cover :		
DCI Dredge XI working at Paradip Port		
Back Cover :		
DCI Inland Dredge II Working at Ennore Thermal Power Station		

DREDGING CORPORATION OF INDIA LTD



MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SH	✓
YE	✓	✓		✓

BOARD OF DIRECTORS, BANKERS, AUDITORS, Etc.

BOARD OF DIRECTORS

Shri C.S. Sastry
Chairman-cum-Managing Director

Shri Ashoke Joshi
(From 1-4-1997)

Shri S.Gopalan

Capt. B.S.Redhu
Director (Ops. & Tech.)

Shri A.K. Dhar
Director (Fin.)

Shri S.N. Kakar
(Upto 28-2-1997)

JOINT GENERAL MANAGER (FIN.)
Shri K. Kiriti

COMPANY SECRETARY
Shri Y.V. Subbarao

BANKERS

Syndicate Bank
State Bank of India
Bank of India

AUDITORS

M/s. Murthy Associates,
Chartered Accountants,
G-2 Ramaraj Towers,
Rednam Gardens,
Visakhapatnam - 530 002

REGISTERED OFFICE

212, Kanishka Shopping Plaza
19, Ashok Road,
New Delhi - 110 001.

HEAD OFFICE

"DREDGE HOUSE", Port Area,
Visakhapatnam - 530 035
Andhra Pradesh.

NOTICE

NOTICE is hereby given that the Twenty first Annual General Meeting of the Shareholders of the Dredging Corporation of India Limited, will be held at 11.30 AM on Tuesday 30th September, 1997, in Hotel Kanishka, 19 Ashok Road, New Delhi, to transact the following business :-

1. To receive, consider and adopt Directors' Report for the year 1996-97, the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended 31st March, 1997 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Ashoke Joshi, who retires as rotational Director and is eligible for reappointment.

By Order of the Board of Directors

Visakhapatnam

Dated 3rd September, 1997.

(Y.V. SUBBARAO)

COMPANY SECRETARY

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NOTE :

- A) A Member Entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. The proxy so appointed need not necessarily be a member of the Company. The President of India may appoint one or more persons to represent him at the meeting.
- B) The Register of Member and Share Transfer Books of the Company will remain closed from 19th September 1997 to 30th September, 1997 (both days inclusive) as already notified in the press.

DREDGING CORPORATION OF INDIA LTD



CHAIRMAN'S SPEECH

Dear Shareholders,

I have great pleasure in welcoming you to this Twenty first Annual General Meeting of the Corporation. The audited accounts for the financial year 1996-97 and Directors' Report have been in your hands for some time and with your permission, I shall take them as read.

2. I am happy to inform you that the tempo of progressive increase in the turnover of the Corporation has been kept up and the Corporation has achieved higher income of Rs.229.93 crore for the financial year 1996-97 as against Rs. 217.70 crore during the year 1995-96. Profit before interest and tax for the year is Rs.67.91 crore, thus registering an increase of 11.73% over the previous year's profit of Rs.60.78 crore.
3. During the financial year 1993-94, an amount of Rs.26.50 crore was received from the Government as loan towards acquisition of Dredger Aquarius. The outstanding loan on this account is Rs.18.00 crore at the end of the financial year. There are no other outstanding loans from the Government.
4. Your Directors have recommended a dividend of 25% for the year 1996-97 against 21% for the previous year, for your acceptance.
5. The Government has disinvested 4,02,300 equity shares out of its share holding, during the year 1991-92, which constitute 1.44% of the paid up capital of the company. These shares were purchased by SBI Mutual Fund. The shares of the company are listed on Delhi, Mumbai and Calcutta Stock Exchanges for trading. Trading has been noticed in Mumbai Stock Exchange in recent months.
6. The estimated maintenance dredging requirements of the Ports and other customers during the 9th Plan period average to about 86 million cu.m. (hopper solids) per annum. The present annual capacity of the company for maintenance dredging is only 43 million cu.m. (hopper solids). The Company has drawn up necessary plans to modernise and augment its capacity, order has been placed during December, 1996 for a Trailer Suction Hopper Dredger of 7400 Cub.Mtr. capacity. This dredger is expected to be delivered in March, 1999. The Ninth Plan proposals of the Company provide for acquisition of two more Trailer Suction Dredgers of similar capacity as also replacement of two Cutter Suction Dredgers. The Estimated Plan Outlay is about Rs.650 crore with a spill over of 350 crore to the 10th Plan.
7. The company has signed "Memorandum of Understanding" (MOU) with the Government for the year 1997-98 also. The company's performance under MOU has been rated as "VERY GOOD" for financial years 1992-93 to 1994-95 and "EXCELLENT" for 1995-96 and 1996-97.
8. I am happy to place on record the dedicated services rendered by the employees of the Corporation which resulted in better performance. I look forward to their continued contribution in achieving better results in future.
9. I am grateful to the Honourable Minister for Surface Transport for the keen interest he has taken in the progress of the Corporation. I thank the Secretary, Ministry of Surface Transport for his guidance and advice. I also thank all the officers of the Ministry for their help in all matters. My sincere thanks are due to the Comptroller & Auditor General of India and his staff and also the Statutory Auditors for their co-operation.

10. I am grateful to our valued customers for their continued patronage. I would like to assure on behalf of the Corporation that we will never relax in our efforts to meet their expectations.

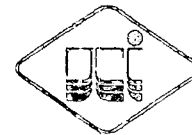
11. My sincere thanks are due to my colleagues on the Board for their support and valuable advice in all areas of the management. I now commend for your consideration and adoption of the Balance Sheet and Profit and Loss Account for the year 1996-97.

(C.S. SASTRY)

Chairman-cum-Managing Director



DREDGING CORPORATION OF INDIA LTD



DCI - A FIVE YEAR DIGEST

(Figures in Rs. lakh unless otherwise indicated)

	1996-97	1995-96	1994-95	1993-94	1992-93
PHYSICAL					
a) Dredging capacity (in lakh Cu.Mtr. of hopper solids)	505.50	518.00	543.00	543.00	543.00
b) Qty. Dredged (in lakh Cu.Mtr)	497.41	485.06	547.29	531.59	540.79
c) % of (b) to (a)	98.40	93.64	100.79	97.90	99.59
FINANCIAL					
d) Income from Operations	21419.06	20447.17	17643.59	13563.17	12206.15
e) Cost of Operations (excluding Depreciation & interest)	14853.14	14718.52	12751.50	9706.18	8490.58
f) Depreciation	2622.17	2395.32	2793.15	2161.94	2405.10
g) Interest	682.87	712.70	655.19	656.49	920.66
h) Total cost of operations	18158.18	17826.54	16199.84	12524.61	11816.34
i) Other Income	2847.55	2744.55	1645.02	1403.68	1131.08
j) Profit before tax	6108.43	5365.18	3088.77	2442.24	1520.89
k) Provision for taxation	2770.56	2060.86	-	1175.00	-
l) Profit after tax	3337.87	3304.32	3088.77	1267.24	1520.89
m) Dividend : % Amount	25 700.00	21 588.00	14 392.00	12 336.00	11 308.00
n) Subscribed and paid up capital	2800.00	2800.00	2800.00	2800.00	2800.00
o) Reserves & Surplus	19417.26	16779.39	14063.07	11432.61	10501.37
p) Net worth	22217.26	19579.39	16863.07	14232.61	13301.37
q) Borrowings :					
From Government	1800.00	2000.00	2200.00	2400.00	-
From Suppliers Credit	-	-	-	135.15	416.29
From Foreign Currency Loan	12399.63	15414.20	16724.96	13972.02	14346.02
r) Investments	49.01	49.01	49.01	49.01	74.01
s) Current Assets	32823.67	29743.19	25455.22	19929.70	16222.11
t) Current Liabilities & Provisions	9121.53	9202.39	6100.40	5371.28	7363.57
u) Working capital	23702.14	20540.80	19354.82	14558.42	8858.54
v) Total Fixed Assets (Net)	12653.08	16388.95	16374.18	16130.74	18461.73
w) Capital Work in Progress	12.66	14.83	10.02	-	-
x) Capital Employed	36355.22	36929.75	35729.00	30690.77	27320.27
y) Debt Equity Ratio	0.64:1	0.89:1	1.12:1	1.16:1	1.11:1
z) Return before interest but after tax to Capital Employed (%)	11.06	10.88	10.48	6.27	8.82

WELFARE EXPENDITURE OF EMPLOYEES OF THE CORPORATION

(Rs. in lakh)

Year ended March 31	1996-97	1995-96	1994-95	1993-94	1992-93
1) Good Service Allowance	42.52	40.22	33.56	32.30	36.18
2) Annuity	27.42	61.78	38.76	24.44	17.56
3) Medical Expenses	113.21	81.56	77.02	63.19	62.64
4) Holiday Travel/LTC/Washing Expenses	119.42	101.54	87.98	64.92	80.18
5) Ex-Gratia/Bonus	7.08	7.75	0.06	0.41	1.01
6) Gratuity	182.36	53.57	58.61	37.50	40.27
7) Leased Quarters	11.33	10.07	17.48	13.69	9.56
8) Canteen Subsidy	3.30	3.32	3.30	3.61	3.79
9) Contributions to PF & Other Funds	114.17	105.85	75.59	72.51	63.01
Total Expenditure	620.81	465.66	392.36	312.57	314.20
No. of Employees	1329	1343	1372	1382	1390
Cost per Employee (Rs. in Thousands)	46.71	34.67	28.6	22.62	22.60

HUMAN RESOURCES :

DCI believes that a motivated and trained work force is highly essential for any successful organisation. Apart from attractive remuneration, the Corporation provides good welfare facilities including House Building Advance at low interest, interest subsidy on housing loans taken by employees from outside agencies like banks/financial institutions, Children Education Advances, Medical Reimbursement, Leave Travel, Leave Encashment etc. Besides, the Corporation strives to provide good training to all its employees both work related and for updating knowledge and skills. Deserving Employees are nominated for Higher training/education abroad under such Schemes as Colombo Plan, etc.

DREDGING CORPORATION OF INDIA LTD



YEARWISE MANPOWER FOR THE LAST FIVE YEARS

	1996-97	1995-96	1994-95	1993-94	1992-93
SHORE					
Executives	230	235	236	234	236
Non-Executives	314	313	324	347	350
TOTAL A	544	548	560	581	586
FLOATING					
Officers	218	214	222	223	227
Petty Officers	152	155	156	161	165
Crew	285	290	294	301	282
MPW/DPL	130	136	140	116	130
TOTAL B	785	795	812	801	804
GRAND TOTAL	1329	1343	1372	1382	1390

Ratios of capital employed, value of operations, value added, net profit before Tax per employee, are as under :

(Rs. in lakh)

	1996-97	1995-96	1994-95	1993-94	1992-93
1) Capital employed	36355	36930	35729	30691	27320
2) Value of operations	20143	19644	17602	13938	12022
3) Value added (Operational Income minus spares and stores repairs & maintenance, fuel and lubricants)	13428	11599	10881	7594	7343
4) Net profit before tax	6108	5365	3089	2442	1521
5) Number of employees	1329	1343	1372	1382	1390
6) Capital employed/employee	27.36	27.50	26.04	22.20	19.65
7) Value of operation/employee	15.16	14.63	12.83	10.08	8.65
8) Value added/employee	10.10	8.64	7.93	5.49	5.28
9) Net profit before tax/employee	4.60	3.99	2.25	1.77	1.09

Women employees :

The total number of women employees on the rolls of DCI was 50 comprising one Executive, 41 clerical staff and 8 messengers and sweepers.

ANNEXURE

**I. STATEMENT SHOWING THE YEARWISE MAN POWER
FOR THE LAST FIVE YEARS
(BOTH SHORE & FLOATING ESTABLISHMENT)**

(As on 31st March)

Establishment of DCI	Year				
	1993	1994	1995	1996	1997
Shore Estt.	586	581	560	553	544
Floating Estt.	804	801	812	795	785
Total	1390	1382	1372	1348	1329

**II. NUMBER OF WOMEN EMPLOYEES IN THE CORPORATION
FOR THE LAST FIVE YEARS**

Shore Estt.	52	52	52	51	50
Floating Estt.	NIL	NIL	NIL	NIL	NIL