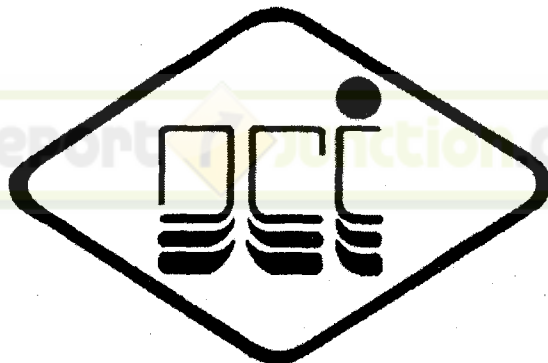


27TH ANNUAL REPORT

2002 - 2003



DREDGING CORPORATION OF INDIA LTD.
(A Government of India Undertaking)

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**BOARD OF DIRECTORS,
BANKERS, AUDITORS etc.**

BOARD OF DIRECTORS

Shri N.K.Gupta
Chairman and Managing Director

Dr. T.R.Seshadri

Shri T.Srinidhi

Shri N.K.Jawa

Shri A.K.Dhar
Director (Fin.)

Shri G.G.Rao
Director (O & T)

Shri C.V.Dikshith
(From 04-09-2002)

Dr.S.Kathiroli
(From 17-08-2003)

Dr. Ramesh Gupta
(Upto 05-07-2003)

Shri Kamlesh Kumar
(Upto 17-05-2002)

JOINT GENERAL MANAGER (FIN.)

Shri K.Kiriti

COMPANY SECRETARY

Shri YV.Subbarao

BANKERS

Syndicate Bank
State Bank of India
ABN AMRO Bank
HSBC Limited
Union Bank of India
Bank of India

AUDITORS

M/s. Grandhy & Co.,
Chartered Accountants,
26, 1st Floor, Ratna Arcade,
Station Road, Dwarakanagar
Visakhapatnam - 530 035

REGISTERED OFFICE

Core: 2. 1st Floor, "SCOPE MINAR"
Plot No. 2A & 2B,
Laxminagar District Centre,
Delhi - 110 091.

HEAD OFFICE

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

REGISTRARS & TRANSFER AGENT

M/s Cameo Corporate Services Ltd.
"Subramanian Building", No.1, Club House Road,
Chennai- 600 002



DREDGING CORPORATION OF INDIA LIMITED

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 1600 hrs on Monday, the 29th September, 2003 in Conference Hall, "SCOPE MINAR", Ground Floor, Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110 091, to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt Director's Report for the year 2002-03, the audited Balance sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended 31st March, 2003 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri T.Srinidhi who retires as rotational Director and is eligible for re-appointment.
4. To appoint a Director in place of Shri.G.G.Rao who retires as rotational Director and is eligible for re-appointment.
5. To pass with or without modification, the following resolution as ordinary resolution for payment of remuneration to Statutory Auditors :

"RESOLVED THAT pursuant to clause (aa) of Sub-Section (8) of Section 224 of the Companies Act, 1956, the remuneration of the Statutory Auditors of the Company, M/s. Grandhy & Co., Visakhapatnam appointed by Comptroller and Auditor General of India be and is hereby fixed at Rs.1.50 lakh (Rupees one lakh and fifty thousand only) for the year 2002-2003".

SPECIAL BUSINESS

6. To pass with or without modification the following resolution as special resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the following manner :

The following Clauses of Article 26 of the Articles of Association are deleted :-

- (c) Appointment of any foreign national
- (e) Formation of subsidiary companies
- (h) Agreement involving any foreign collaboration or consultancy proposed to be entered into by the Company.
- (m) Entering into partnership and/or arrangement for sharing profit.
- (n) Taking or otherwise acquiring and holding share in any other company.
- (p) Promotion of a new Company"

By Order of the Board of Directors

VISAKHAPATNAM

Dated : 01-09-2003

(Y.V.SUBBARAO)

COMPANY SECRETARY

NOTES :

1. 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 instrument appointing the proxy shall be deposited at the Registered office of the company not later than 48 hours before the time fixed for holding the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2003 to 29th September, 2003 (both days inclusive).

3. a) Members holding shares in physical form are requested to promptly notify any changes in their addresses to the R & T Agent of the Company- M/s Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai - 600 002 on or before 8th September, 2003.
- b) Shareholders holding shares in dematerialised form are requested to advise immediately change in their address, if any, quoting their Client ID No., to their respective Depository Participants.
4. Members are requested to furnish bank details by 8th September, 2003 to our R & T Agent - M/s Cameo Corporate Services Ltd., Subramanian Building, No.1, Club House Road, Chennai - 600 002, in order to enable to the company to incorporate the same on the dividend warrants. In respect of members holding shares in electronic mode, bank details as are furnished by the depositories to the company will be incorporated on the dividend warrant.
5. Dividend on equity shares as recommended by the Board of Directors for the Financial year ended 31st March, 2003, if declared at this Annual General Meeting will be paid to the shareholders whose names appear :
 - a) as beneficial owners at the end of the business hours on 8th September, 2003 as per the list to be furnished by Depositories in respect of the shares held in the electronic form, and
 - b) as members in the Register of Members after giving effect to all valid share transfers in physical form lodged with the company on or before 8th September, 2003.
6. Members are requested to bring their copies of Annual Report to the meeting. Members/Proxies attending the meeting should bring the attendance slip, duly filled in, for handing over at the venue of the meeting.
7. Members are requested to note that pursuant to provisions of Section 205 A. (5) read with Section 205 C of the Companies Act, 1956, the dividend remaining unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account pursuant to Section 205 A (1) of the Companies Act, 1956 shall be credited to the "Investors Education and Protection Fund" set up by the Central Government. Members who have so far not claimed dividend are requested to make claim with the Company as no claim shall lie against the Fund or the Company in respect of individual amounts once credited to the said fund.

Information in respect of such dividend when due for transfer to the said Fund is given below:-

Financial Year ended	Date of Declaration of Dividend	Date of transfer to unclaimed / unpaid Dividend account	Due date for transfer to IEP fund
31-03-2000 (Final)	29-09-2000	09-11-2000	08-11-2007
31-03-2001 (Interim)	23-06-2001	26-07-2001	25-07-2008
31-03-2001 (Final)	27-09-2001	30-10-2001	29-10-2008
31-03-2002	27-09-2002	28-10-2002	29-10-2009

8. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Resolution under Item No. 6 of the Notice is annexed.



DREDGING CORPORATION OF INDIA LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

The Company has been declared as Mini Ratna- Category -I Public Sector Enterprise by the Ministry of Surface Transport (now Ministry of Shipping) vide letter No.PD - 28028/39/97-DCI dated 8th November, 1999. Therefore, it can exercise enhanced delegation of powers in respect of capital expenditure, joint ventures, subsidiaries and overseas offices, technology joint ventures and alliances, schemes for HRD etc., as stipulated in OM No. 11/36/97-Fin dated 9th October, 1997 of Department of Public Enterprises, Ministry of Industry. Ministry of Shipping vide letter no. PD-28028/39/97-DCI dated 12th March, 2003 conveyed approval for the Board of Directors of the Company to exercise enhanced operational autonomy and financial powers in terms of DPE OM No. 11/36/97-Fin dated 9th October, 1997. In order to exercise the enhanced operational autonomy and financial powers stated in DPE OM No. 11/36/97-Fin dated 9th October, 1997 it is necessary to delete the restrictive clauses of Article 26 of the Articles of Association of the Company as stated in the proposed Resolution.

2. The full text of Article 26 of Articles of Association of the Company is reproduced below :

"Notwithstanding anything contained in these Articles, the Chairman shall reserve for the consideration of the President the following matters relating to the working of the Company, viz.

- a) Calling up unpaid capital or increase in the authorized capital of the Company or issuing of any un-issued shares forming part of the original authorized capital and fixing the terms and conditions on which the capital is to be raised.
- b) *
- c) **Appointment of any foreign national.**
- d) Disposal of any property having an original book value of Rs. 25.00 lakh and above.
- e) **Formation of subsidiary companies.**
- f) Any proposal for action relating to reduction of capital
- g) Implementation of the company's five year plans and annual plans of development and capital budget.
- h) **Agreement involving any foreign collaboration or consultancy proposed to be entered into by the Company**
- i) Appointments of persons who have already attained the age of 58 years to post carrying a monthly salary of Rs. 5700.00 and above
- j) Voluntary winding up of the Company.
- k) Any important matter relating to the Company's establishment.
- l) Any other matter which in his opinion involves an important issue of general policy.
- m) **Entering into partnership and / or arrangement for sharing profit.**
- n) **Taking or otherwise acquiring and holding share in any other Company**
- o) Division of Capital into different classes of shares.
- p) **Promotion of a new company.**

No action shall be taken by the Company, in respect of any matter reserved for consideration of the President as aforesaid until his approval to the same has been obtained.

* (Note : Article 26(b) deleted in 15th Annual General meeting held on 26-09-1991)

3. The Board at its 176th Meeting held on 30th October, 2002, accorded approval to amend the Article 26 of the Articles of Association of the Company by deleting the restrictive clauses i.e., (c), (e), (h), (m), (n) and (p) subject to approval of the Government of India in the Ministry of Shipping and necessary approvals under the applicable provisions of the Companies Act, 1956. Ministry of shipping was requested to accord approval for deletion of the above Clauses. Approval from ministry is awaited. It is proposed to take the approval of the members in this Annual General Meeting for deletion of the referred Clauses of Article 26 of the Articles of Association by passing a Special Resolution.

4. The Board recommends the passing of the Special Resolution contained in item No. 6 of the accompanying Notice.

5. None of the Directors of the Company are interested in the resolution except in their capacity as shareholders, if any.

6. All the documents referred to herein above are open for inspection during 2.30 PM to 4.30 PM on all working days at the Registered office of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

VISAKHAPATNAM

Dated : 01-01-2003

(Y.V.SUBBARAO)

COMPANY SECRETARY

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE 27TH ANNUAL GENERAL MEETING

Name of the director	Shri T. Srinidhi	Shri G.G. Rao
Date of Birth	03-03-1955	01-06-1949
Date of appointment	04-04-2001	11-07-2001
Qualifications	M.A (Economics), M.B.A	B.E. (Mech. Marine), MOT (First Class)
Expertise in specific functional areas	Joined Government service through the Civil Service Examination in 1979 and has worked in various Central Ministries of the Government including Ministry of Industry, Defence, Textiles, Environmental & Forests and Cabinet Secretariat. Presently working in the Ministry of Shipping and Ministry of road Transport & Highways as Dy. Financial Adviser.	Started career as 5th Engineer to Chief Engineer in Shipping Corporation of India Ltd., Mumbai in the year 1972. Joined as Chief Engineer in DCI in 1980. In the year 1982 he became Manager (Materials) in the Corporation. Served the Corporation in various capacities and was promoted to the post of General manager (Technical) in the year 1994. He was appointed as Director (Ops. & Tech.) w.e.f July, 2001.
List of public companies in which directorship held as on 31-03-2003	Director, Central Inland Water Transport Corporation, Kolkata Trustee, Tuticorin Port Trust Tuticorin. Director, The Sindhi Resettlement Corporation, Adipur.	---



DREDGING CORPORATION OF INDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR 2002-2003

Your Directors have pleasure in presenting this 27th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

Your Directors are happy to report that your Company earned the highest ever income of Rs.51,952 lakh compared to Rs. 50,153 lakh for the previous year. The profit before tax for the year is Rs.18,893 lakh as against Rs.16,461 lakh for the previous year.

In order to avail benefit under Section 33 AC of the Income Tax Act, 1961, a sum of Rs.15,300 lakh has been transferred to Reserve under this Section. Therefore, no provision for tax has been made though in the previous year tax was provided for even after availing benefit under aforesaid Section on recoupment basis. However Minimum Alternate Tax and Deferred Tax have been provided for. As a result of the above the profit after tax rose to Rs. 16,183 lakh as compared to Rs.10,155 lakh for the previous year.

EARNINGS PER SHARE

Your Company's earning per share for 2002-2003 is Rs.57.79 compared to Rs.36.27 for the previous year.

DIVIDEND

Keeping in view the financial performance of your company and other relevant considerations your Directors recommend payment of dividend @ 100%, absorbing an amount of Rs.3,158.75 lakh including dividend tax of Rs.358.75 lakh for the year 2002-03 as against 75% dividend involving Rs. 2,100 lakh for the previous year 2001-02. A sum of Rs.1,750 Lakh has been transferred to General Reserves.

LOANS

As on 31st March 2003 the following loans were outstanding after paying interest and instalment of the principal regularly as per the terms and conditions of the relevant loan agreements.

(Rs. In Lakhs)

Foreign Currency Loans from Banks	
a) NIO Bank, Netherlands for DR-XII & DR-XIV	2179.32
b) ABN AMRO Bank DR-XV	2416.91
c) ABN AMRO Bank DR - XVI	7386.84
TOTAL	11983.07

Considering high interest rates in a falling interest scenario, high interest loan of Rs.800 lakh from Government of India and Rs.6,775.94 lakh from Union Bank of India obtained for procurement of Dredger Aquarius and DR-XVII respectively were prematurely paid in April, 2002 and July, 2002 respectively. This resulted in reducing the interest burden.

DCI FLEET

As on 31st March 2003 your company has in operation among others, 10 Trailer Suction Hopper Dredgers and 2 Cutter Suction Dredgers. The Craft wise particulars are at Annexure-I. Cutter Suction Dredger, Dredge Aquarius was chartered out to a foreign dredging company in the month of June 2002, for a period of three years, extendable to five years. DCI Dredge - XI suffered fire accident while working at Paradip Port during the early hours on 08-08-2003. It is undergoing repairs at Hindustan Shipyard Limited and is expected to be ready for deployment in October, 2003.

DREDGING OPERATIONS

The Dredging capacity available with DCI was 798.50 Lakh Cu.M. as on 31st March 2003. During the year under review, the quantity dredged under various contracts amounts to 812.18 Lakh Cu.M. This represents 101.7% of DCI's capacity.

Important Dredging contracts completed during the year under review are :-

- Maintenance Dredging for Kolkata Port.
- Maintenance Dredging at Sand trap and channel of Paradip Port.
- Maintenance Dredging at New Sand trap and beach nourishment, by rainbow system for the first time for Visakhapatnam Port.
- Maintenance dredging for ENC, Indian Navy, Kochi.
- Maintenance Dredging of outer channel and lagoon of New Mangalore Port.
- Maintenance Dredging of approach channel of Jawaharlal Nehru Port.
- Maintenance Dredging of Sogal channel of Kandla Port.
- Dredging for maintenance of Navigational channels at Kochi Port.

New contracts taken up during the year :

- Maintenance dredging of Mormugao Port.
- Maintenance dredging of Mumbai Port.
- Capital dredging at Oil Jetty of Paradip Port.
- Dredging in front of Cargo Berths etc., at Kandla Port.

Trailer Suction Hopper Dredger, DCI DR.XVI engaged on dredging assignment from September, 2001 to April, 2002 at Taichung Harbour, Taiwan returned to India during May, 2002.

Cutter Suction Dredger, DCI Dredge Aquarius was chartered to M/s Dredging International, a foreign dredging company in the month of June, 2002 for a period of three years extendable to five years.

PLAN PROPOSALS

The maintenance dredging requirements of the major ports during the 10th plan period envisaged a capacity requirement of 94 Million Cu.M. per annum during the plan period. The maintenance dredging capacity available with the Company is approximately 80 million Cu.M. The Company is in a position to meet the maintenance dredging requirements of major ports, Indian Navy etc. However, some of the dredgers need replacement and the company has initiated procurement action for one number new Cutter Suction Dredger and also one number new shallow draft Trailer Suction Dredger of 5000 Cu.M capacity for which necessary allocations are made in the 10th Plan proposals.

MEMORANDUM OF UNDERSTANDING

For the 12th consecutive year, your company has signed Memorandum of Understanding (MOU) with Government of India for the year 2003-2004. The sustained efforts yielded in achieving all round rating of "EXCELLENT" for seven successive years and maintaining the trend it expects the rating of "EXCELLENT" for the year 2002-03, for the eighth year also.

The Corporation also won the award from "His Excellency, the President of India" for achieving "EXCELLENT" rating in MOU targets for the year 2001-02.



DREDGING CORPORATION OF INDIA LIMITED

DISINVESTMENT

As the members are aware, further disinvestment of Government of India shareholding in the Company was under consideration for some time. The Ministry of Disinvestment (MoD) had already recommended for disinvestment of shares of the Company. The Cabinet Committee on Disinvestment in its recent Meeting had decided to disinvest 20% of the Government holding. The MoD has started the process for engagement of Coordinator-cum-Advisor (CA) for disinvestment in the company.

CORPORATE PLAN

The Company had appointed KPMG to study the Company in detail to formulate its corporate and strategic plan. KPMG after detailed study of all aspects and functions of the Company submitted its report on corporate and strategic plan and organisational restructuring etc. The Board of Directors of your Company finalised the corporate plan and strategic plan of the company. It was then submitted to the Ministry of Shipping. It is in the process of progressive implementation in the areas of IT, formulation of JVs, SPVs etc.

INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

During the year under review, your Company continued with unflinching commitment to building up a safety and knowledge culture in the organisation by having in place dynamic, quality oriented and structured Safety Management System in its offices and on board Dredgers.

During the year, the Company's Safety Management was assessed by the authorities before the dead line of 01-7-2002 at its different departments. Project Offices and Dredgers. The Company's Document of Compliance was issued on 09-7-2002. All dredgers and DCI Tug- VI have obtained their Safety Management Certificate (SMC).

Your Company is now proceeding full steam ahead in its commitment towards building a Safety Culture in the fleet and in the organisation by conducting regular internal audits, inspections and review of the Safety Management System.

MEMBERS/ INVESTOR SERVICES

The shares of the company are listed on Delhi, Mumbai and Kolkata Stock Exchanges. The shares of the company are dematerialised with both the depositories NSDL and CDSL.

Pursuant to SEBI circular requiring companies to have common Share Registry and transfer agent both for physical and dematerialised holders, M/s Cameo Corporate Services Limited, Chennai has been appointed as Registrars for providing the services of physical share registry work in addition to the services provided by them for electronic interface facility with the Depositories.

REGISTERED OFFICE

The Registered Office of the Company was shifted to its own premises at Core- 2 , First Floor, "SCOPE MINAR", Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110 091 w.e.f 1st May, 2003.

REVIEW OF ACCOUNTS

The review of accounts for the year ended 31st March 2003 by the Comptroller & Auditor General of India is at Annexure-II to this report.

PARTICULARS OF THE EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

The particulars of employees for the year 2002-03 as required under Sec. 217 (2A) of the Companies Act, 1956 is

nil as no employee is earning a salary of Rs.24.00 lakh per annum or Rs.2.00 lakh per month during the year 2002-03.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sub-section (2AA) of Section 217 of the Companies Act, 1956 your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- That the Directors had prepared the Annual Accounts on a going concern basis.

INFORMATION TO BE GIVEN UNDER COMPANIES, (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

- Conservation of energy under Sec.217(I)(e) : Your Company does not fall under the category of companies which are required to furnish this information. However, the following measures have been taken:
 - All the dredgers in DCI fleet are installed with sophisticated and state-of-the art instrumentation like Differential Global Positioning System (DGPS) and Draft Volume Load Monitoring (DVLM) systems to facilitate efficient dredging with potential energy saving.
 - While procuring new dredgers, fuel efficient design with advanced technology is selected.
 - Switching over to LDO from HFHSD/LFHSD as fuel for several dredgers resulted in cost saving of approximately Rs. 6 crore during the year. This saving will be perpetual in nature.
- Technology absorption under Section 217 (1) (e) : There was no transfer of technology and consequently there is no absorption of technology during the year.
- Foreign Exchange earnings and outgo Under Section 217 (I)(e):

(Rs. In Lakh)

i) Foreign Exchange Earnings in respect of foreign assignments	1,518.53
Total	1,518.53
ii) Foreign Exchange outgo:	
a) Import of components and spares (CIF value)	3,490.27
b) Capital Expenditure and repayment of foreign currency loan	3,775.62
c) Payment of interest on Foreign Currency loan	492.47
d) Foreign Travel	13.10
Total	7,771.46



DREDGING CORPORATION OF INDIA LIMITED

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Management Discussion and Analysis Report, Corporate Governance Report and Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance are attached forming part of this Report.

MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation as on 31st March, 2003 was 1026, as against 1041 during the previous year. Out of the total Manpower of 1026 as on 31.03.2003, the strength on Shore Establishment and Floating Establishment was 411 and 615 respectively.

EMPLOYMENT OF VARIOUS RESERVED CATEGORIES:

The manpower position with regard to various reserved categories is as indicated hereunder:

A. EMPLOYMENT OF SC/ST CANDIDATES

The Corporation continued its efforts to fulfil its obligations in providing employment opportunities to SC/ST candidates in accordance with the government policy. The overall representation of SCs/STs in the employment of the Company as on 31st March, 2003 is 192 working out to 19.22% as against 24.16% prescribed as per Presidential Directive.

B. EMPLOYMENT OF EX-SERVICEMEN

The representation of Ex-Servicemen (both Shore and Floating) in group C and D categories in the Corporation was 12.95% and 33.33% against 14.5% and 24.5% respectively prescribed by the Government.

C. EMPLOYMENT OF PHYSICALLY HANDICAPPED

The number of physically handicapped employees in the Corporation as on 31st March, 2003 is 9. The break-up for Groups A, B, C & D is as under:-

Group	Sanctioned strength	Total strength in identified posts	No. of persons with disabilities actually employed	Percentage with reference to identified posts
A	153	38	Nil	Nil
B	128	82	01	1.22
C	106	101	08	7.92
D	24	24	Nil	Nil
Total	411	245	09	3.67

The overall percentage in Group C and D posts comes to 6.15 % of the total sanctioned strength in these groups which is higher than the prescribed percentage of 3%.

D. EMPLOYMENT OF WOMEN

The number of women employees on Rolls as on 31.03.2003 is 43. Of them number of executives is 1 and Non-Executives is 42.

WAGE SETTLEMENTS

A. Floating establishment:

- The INSA-MUI Wage Agreement in respect of Floating Officers(FG/HT) is due from 01.04.2002.

- The INSA-NUSI Wage Agreement in respect of Petty Officers (HT) is due from 01.04.2002.
- The Wage Agreements in respect of Crew and MPWs are due from 01.04.2002 and 01.04.2001 respectively.

B. Shore establishment:

The next pay revision of Executives and wage revision of Non-Executive employees (Unionised Staff Category) are due from 01.01.2007.

INDUSTRIAL RELATIONS:

The Crew/ Monthly Paid Workers (MPW's) working on-board Dredgers of the Company, at the behest of their union, "Forward Seamen's Union of India" (FSUI) went on work-to-rule agitation from 1-4-2003 to 15-4-2003. The dredgers worked normally during the course of their agitation. Barring the above, the industrial relations in the Corporation continued to be cordial throughout the period under report.

WELFARE MEASURES :

The Corporation continued various welfare schemes viz., Family Pension Scheme, Group Gratuity Assurance Scheme, Personal Accident Insurance Coverage, Group Savings Linked Insurance Scheme, Contributory Provident Fund, Maternity Benefit Scheme, Subsidised Canteen Facility, Transport Subsidy, Medical Attendance, Leave Travel Concession, Incentive Scheme for acquiring higher qualifications, Merit Scholarship for the children of SC/ST employees, etc.

Other welfare measures such as House Building Advance, HBA Interest Subsidy, HBA Family Security Mutual Fund, Special casual leave for maternity/paternity and incentives for adopting small family norms and advances for children's higher education, marriage and purchase of computer etc., are extended to the employees.

Besides the above, a special Committee looks into the complaints on sexual harassment at work places and a complaints register is also being maintained. DCI is a life member of the Forum for Women in Public Sector with one woman representative from the Corporation. As a welfare measure, a Rest Room is provided exclusively for the women employees. Group 'D' women employees are also provided with working uniforms. As many as 27 women employees were exposed to various in-house training programmes.

Seven physically handicapped employees are being paid an additional conveyance allowance, of Rs.75/- per month in addition to the normal entitlement of transport subsidy/ reimbursement of conveyance expenses as per the existing Rules of the Corporation.

HUMAN RESOURCES DEVELOPMENT

Various HRD training programmes were organised as per the approved Annual Plan for the year 2002-03. Besides general management aspects, specific programmes on project management, operations management, survey & soil mechanics, dredging technology and information technology



DREDGING CORPORATION OF INDIA LIMITED

were organised. During the year, a programme on operations management and project management was organised at Haldia covering a major group of floating and project personnel, with faculty from Indian Institute of Management, Kolkata. Similarly, a special programme on survey and soil mechanics exclusively for the survey personnel was organised at Karnataka Regional Engineering College, Surathkal. A training programme on maintenance of engines was also organised on board dredgers by a specialist from M/s. MAN B & W. Specific training programmes for technical personnel on welding, dredging technology, electrical and electronics and PLCs were also held.

The employees were also imparted extensive in-house training in Information Technology.

Programmes on achieving Excellence, Goal Setting with faculty from SAFIER, Ooty, for bringing about attitudinal change and better performance were conducted for all levels of employees.

Training programmes relating to ISO/ ISM Awareness and Quality Auditors were also organised, for both shore and floating personnel.

Productivity Improvement Programmes in Hindi were also organised for the benefit of the Crew on board the vessels.

Several in-house programmes were organised to expose larger number of employees on various functional topics. Employees were also sponsored to participate in a number of external training programmes/ conferences/ seminars, etc. organised on corporate relevant subjects. Sufficient number of SC/ST employees were also exposed to various training programmes.

As against the MoU target of 230 employees to be trained on MoU related topics for achieving "Excellent" rating for the year 2002-03, a total number of 420 personnel, both shore and floating, were imparted training and an amount of Rs.34 lakh was spent on various HRD activities during the year.

ALL INDIA DREDGING CADRE

The 3 Cadets in Deck Cadre from 9th Batch of AIDC completed 27 months training period, including sea training, passed prescribed MMD examinations and were inducted as Junior Officers for the Floating Establishment. The 5 candidates in Engine Cadre have appeared for the Dredge Orals and results are awaited.

ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL:

A Public Grievance Cell is functioning in the Corporation since 1988. The Joint General Manager (P&A) is the Director of Public Grievances assisted by a Deputy Manager (HRD) to look into the Grievances/ Complaints received from the public. As per the Ministry's guidelines, a status report is being submitted for the information of Board of Directors at their meetings and a quarterly status report is forwarded to the Ministry regularly.

PROGRESSIVE USE OF HINDI

The Corporation continued its efforts to implement the Official Language Policy of the Government. During the year, 6 employees were qualified in Hindi Typewriting and 6 in Hindi Stenography were sent for the training. There is an incentive scheme for award of cash prizes, grant of increment as personal pay etc.

Hindi Fortnight and Hindi Exhibition were organised during September 2002. The employees actively participated in the Seminars and Kavi Sammelans held at Visakhapatnam and papers were also presented in Hindi on technical and Official Language subjects. Various competitions in Hindi were conducted for encouraging the employees and their children and winners/ participants were awarded prizes. Poetry and Radio talks in Hindi were broadcast.

Computerisation of forms/ correspondence and reports in Hindi was implemented in various departments. Publication of statutory information pertinent to the company was prepared in Hindi also for posting on Web-site of the Company. Bilingual/ Multi Lingual Software were procured and installed on all the computers and employees were given training in operating the software. Lipi Line Printer, compatible to Hindi printing, was also installed in MIS and made available to all functional departments.

Office orders/ Circulars, Reports submitted to Government and Parliamentary Committees were issued in bilingual. ISM Policy, ISM Code, Manuals, Service Rules, Standing Orders, etc., were translated into Hindi. Bilingual audio-visual corporate presentation on the activities and performance of the Corporation were prepared during the visits of VIPs.

The Official Language Implementation Committee of the Corporation was reconstituted and four meetings were conducted. The Corporation actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam.

ACTIVITIES OF VIGILANCE DEPARTMENT DURING 2002-2003

During the year, the Vigilance Department conducted 20 inspections and 2 surprise checks at the Head Office and Project Offices, including a Joint Surprise Check with the CBI. Complaints received during the year were investigated. Vigilance Awareness week was observed in the Corporation from 31.10.2002 to 06.11.2002 and a workshop on "Vigilance Awareness" was organised for Senior Executives. The observance of Vigilance Awareness Week in a befitting manner by Vigilance Department, was appreciated by the Central Vigilance Commission. During March, 2003, a Seminar on "Vigilance Awareness" was conducted for all Executives at Head Office.

AUDITORS

M/s Grandhy & Co., Chartered Accountants, Visakhapatnam were appointed by the Comptroller and Auditor General of India as Auditors for auditing the accounts of the Company for the financial year 2002-03. Pursuant to Section



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224 (8) (aa) of the Companies Act, 1956, the remuneration of the auditors has to be approved by the members at the AGM. The Board recommends the remuneration of Rs.1.50 lakh (Rupees one lakh fifty thousand only) for approval of the members at this AGM.

DIRECTORS

Ministry of Shipping appointed Shri C.V.Dikshith as Part-Time Non-Official Director with effect from 04-9-02.

Further, Ministry of Shipping appointed Dr.S.Kathiroli as Part-Time Non-Official Director with effect from 17-8-03.

Dr.Ramesh Gupta ceased to be the Part-Time Non-Official Director of the Company with effect from 06-7-2003 on completion of his term of three years. The Board is pleased to place on record its appreciation for the valuable guidance given by Dr.Ramesh Gupta during his tenure as Director of the Company.

Pursuant to Section 256 Shri T.Srinidhi and Shri G.G.Rao retire at this meeting and are eligible for re-appointment. The

Board recommends for their re-appointment in this meeting.

ACKNOWLEDGEMENTS

The Directors thank Ministry of Shipping and its officers for the valuable help, assistance, and guidance rendered from time to time. The Directors thank all other Ministries for the help and cooperation extended by them. The Board is grateful to the Comptroller & Auditor General of India, the Member, Audit Board and the Statutory Auditors for their co-operation. The Board also thanks the Bankers of the Company for their valuable services. The Board expresses its gratitude to the valued customers for their continued patronage.

The Directors also wish to place on record their appreciation of the services rendered by all the employees of the Corporation.

For and on behalf of Board of Directors

Place : Visakhapatnam
Date : 01-09-2003

(N.K.GUPTA)
Chairman and Managing Director

ANNEXURE - I INFORMATION IN RESPECT OF DREDGERS & FLOATING CRAFTS OF D.C.I

Craft	Year of Built	Type of Vessel		Max. Dredging Depth	LOA (Mts.)	Draft (Mts.)	Hopper Capacity (Cu.M)	Pumping Capacity (Cu.M/Hr)
DCI Dredge V	1974	Self Propelled	TSHD	22.00	100.00	6.52	3450	-
DCI Dredge VI	1975	Self Propelled	TSHD	22.00	104.00	6.30	3770	-
DCI Dredge VII	1976	Non Propelled	CSD	22.00	86.00	2.50	-	1000
DCI Dredge VIII	1977	Self Propelled	TSHD	25.00	124.30	8.50	6500	-
DCI Dredge IX	1984	Self Propelled	TSHD	25.00	102.60	7.50	4500	-
DCI Dredge XI	1986	Self Propelled	TSHD	25.00	102.60	7.50	4500	-
DCI Dredge XII	1990	Self Propelled	TSHD	20.00	115.00	6.50	4500	-
DCI Dredge XIV	1991	Self Propelled	TSHD	20.00	115.00	6.50	4500	-
DCI Dredge XV	1999	Self Propelled	TSHD	25.00	122.00	8.50	7400	-
DCI Dredge XVI	2000	Self propelled	TSHD	25.00	122.00	8.50	7400	-
DCI Dredge XVII	2001	Self propelled	TSHD	25.00	122.00	8.50	7400	-
DCI Dredge "Aquarius"	1977	Self Propelled	CSD	25.00	107.00	4.85	-	3640
DCI Tug-VI	1979	Self Propelled (Twin Screw Kort Rudder)		-	45.90	3.60	-	38.00 T (Bollard Pull)
DCI Work Boat - I	1978	Self Propelled		-	12.00	1.90	-	-
"A" Frame Pontoon - I	1982	Non Propelled		-	16.50	0.50	-	-
"A" Frame Pontoon - II	1982	Non propelled		-	16.50	0.50	-	-
Desiltation Plant	1982	Non Propelled		3.80	6.00	0.60	-	8
Survey Launch	1999	Self Propelled		-	12.50	1.85	-	-



DREDGING CORPORATION OF INDIA LIMITED

ANNEXURE-II

REVIEW ON ACCOUNTS OF DREDGING CORPORATION OF INDIA LIMITED, VISAKHAPATNAM FOR THE PERIOD ENDED 31st MARCH 2003 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Note : Review of Accounts has been prepared without taking into account the qualifications contained in the Statutory Auditor's Report and comments under section 619 (4) of the companies Act, 1956.

1. FINANCIAL POSITION

The Table below summarises the financial position of the Company under broad headings for the last three years.

	(Rs. In Lakh)		
	2000-2001	2001-2002	2002-2003
LIABILITIES			
A) Paid up Capital			
i) Government	2759.77	2759.77	2759.77
ii) Others (*)	40.23	40.23	40.23
B) Reserves & surplus			
i) Free Reserves & Surplus	40406.09	37261.41	36035.03
ii) Share Premium Account	--	--	--
iii) Reserve u/s 33AC of the Income Tax Act 1961	--	--	15300.00
iv) Reserve u/s 33AC Utilisation Account	--	11200.00	11200.00
v) Capital Reserve	451.83	451.83	451.83
C) Borrowings			
i) From Government of India	1000.00	800.00	--
ii) From Financial Institutions	5999.94	--	--
iii) Foreign Currency Loans	15694.02	13115.27	11983.07
iv) Cash Credits	--	--	--
v) Others	--	6775.94	--
vi) Interest Accrued and Due	--	--	--
D) i) Current Liabilities & Provisions	13102.36	15123.28	15995.53
ii) Provision for Gratuity	--	--	168.46
E) Deferred Tax Liability	--	5087.61	7268.73
TOTAL	79454.24	92615.34	101202.65
ASSETS			
F) Gross Block	61071.23	80570.35	83183.97
G) Less : Depreciation	29282.98	33128.22	28041.43
H) Net Block	31788.25	47442.13	45142.54
I) Capital Works in Progress / Equipment in Transit	13990.93	740.44	1311.89
J) Investments	49.01	0.01	0.01
K) Current Assets, Loans & Advances	33626.05	40799.10	51359.78
L) Deferred Tax Assets	--	3633.66	3388.43
M) Misc. Expenditure to the extent not written off	--	--	--
N) Accumulated Loss	--	--	--
TOTAL	79454.24	92615.34	101202.65
O) Working Capital [K-D(i)-C(vi)]	20523.69	25675.82	35364.25
P) Capital employed [H+O]	52311.94	73117.95	80506.79
Q) Net Worth [A+B(i) + B (ii) - M - N]	43206.09	40061.41	38835.03
R) Net worth per Rupee of paid of capital (in Rupees) [Q/A]	15.43	14.31	13.87

(*) The Government of India transferred 4,02,300 shares of Rs. 10/- each (face value) to SBI Mutual Fund by reducing Government's holding to that extent.

2. RATIO ANALYSIS

Some important financial ratios on the financial health and working of the Company at the end of last three years are as under: (In Percentages)

	2000-2001	2001-2002	2002-2003
A. LIQUIDITY RATIO			
Current Ratio (Current Assets to Current Liabilities and provisions and Interest accrued and Due but excluding Provisions for Gratuity) $\{K/(D(i)+C(vi))\}$	256.64	269.78	321.09
B. DEBT EQUITY RATIO			
Long Term Debt to Equity but excluding short term loans $\{[C(i) + C(ii) + C(iii) + C(iv) + C(v)]/Q\}$	52.52	51.65	30.86
C. PROFITABILITY RATIOS			
a) Profit Before Tax to :			
i) Capital employed	30.05	22.51	23.47
ii) Net worth	36.39	41.09	48.65
iii) Sales	37.82	33.66	38.34
b) Profit After Tax to Equity	383.16	414.62	577.95
c) Earning per Share (in Rupees)	38.32	41.46	57.79