



DREDGING CORPORATION OF INDIA LTD.

(A Government of India Undertaking)

REPORT JUNCTION.COM

29TH ANNUAL REPORT
2004 - 2005

Sl.No. CONTENTS	Page Nos.
1. Board of Directors etc.	
2. Notice	1
3. Directors' Report for the year 2004-2005	3
i) Annexure - I: Information in respect of Dredgers & Floating Crafts of DCI.	7
ii) Annexure - II: Review of Accounts by the Comptroller and Auditor General of India.	8
iii) Corporate Governance Report	10
iv) Management Discussion and Analysis Report	15
4. Auditors' Report	18
5. Annual Accounts	
i) Balance Sheet as at 31st March, 2005.	20
ii) Profit and Loss Account for the year ended 31st March, 2005.	21
iii) Schedules I to XVII	22-30
iv) Expenditure incurred on Social overheads.	30
v) Balance Sheet Abstract and Company's General business profile.	31
6. Segment Report for the year ended 31st March, 2005.	32
7. Cash flow Statement for the year ended 31st March, 2005.	33
8. Comments of the Comptroller and Auditor General of India.	34
9. Attendance Slip / Proxy Form	

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

Shri N.K.Gupta
Chairman and Managing Director

Shri C.V.Dikshith

Shri T.Srinidhi

Dr.S.Narasimha Rao

Dr.S.Kathiroli

Shri A.K.Dhar
Director (Fin.)

Shri A.K.Bhalla, I.A.S.
(From 01-06-2005)

Shri A.R.Rao
(From 05-10-2004
Upto 03-04-2005)

Shri N.K.Jawa
(Upto 05-10-2004)

Shri G.G.Rao
Director (O & T)
(Upto 20-07-2004)

GENERAL MANAGER (FIN.)

Shri K.Kiriti

COMPANY SECRETARY

Shri YV.Subbarao

BANKERS

Syndicate Bank
State Bank of India
ABN AMRO Bank
HSBC Limited

AUDITORS

M/s. Sriramamurthy & Co,
Chartered Accountants,
Flat No. 3C, Sai Sadan Apartments
47-9-39/17, Dwarakanagar
Visakhapatnam - 530 016

REGISTERED OFFICE

Core: 2. 1st Floor, "SCOPE MINAR"
Plot No. 2A & 2B,
Laxminagar District Centre,
Delhi - 110 092.
Phone : 011 22448528
Fax : 011 22448527

HEAD OFFICE

"DREDGE HOUSE", Port Area,
Visakhapatnam - 530 035.
Phone: 0891 2564866
Fax : 0891 2560581

REGISTRARS & TRANSFER AGENT

M/s Karvy Computershare Private Limited
46, Avenue 4, Street No.1, Banjara Hills
Hyderabad - 500 034
Phone : 040 23312454
Fax : 040 23311968

For Hindi Version of the 29th Annual Report 2004-05 please write to the Company Secretary giving the Folio/ Client ID number.

29 वीं वार्षिक रिपोर्ट 2004-05 की हिन्दी प्रति के लिए फोलियो/ क्लाइंट आई.डी नंबर के साथ
कृपया कम्पनी सचिव को लिखें।



DREDGING CORPORATION OF INDIA LIMITED

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 1000 hrs on Thursday, the 29th September, 2005 in NDMC Indoor Stadium, Talkatora Garden, New Delhi – 110 001 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report for the year 2004-05, the audited Balance sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended 31st March, 2005 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr.S.Narasimha Rao who retires as rotational Director and is eligible for re-appointment.
4. To appoint a Director in place of Shri A.K.Bhalla, I.A.S. 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.Sriramamurthy & Co., Visakhapatnam appointed by Comptroller and Auditor General of India be and is hereby fixed at Rs.2.00 lakh (rupees two lakh only) for the year 2004-2005".

By Order of the Board of Directors

Place: VISAKHAPATNAM

(Y.V.SUBBARAO)

Dated : 24-8-05

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, 2005 to 29th September, 2005 (both days inclusive).
3. Dividend on equity shares as recommended by the Directors for the Financial year ended 31st March, 2005, 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, 2005 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/ R & T Agent on or before 8th September, 2005.

4. a) Members holding shares in physical form are requested to furnish bank details by 8th September, 2005 to our R & T Agent - M/s Karvy Computershare Private Limited, "KARVY HOUSE", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad- 500 034 in order to incorporate the same on the dividend warrants.
- b) Shareholders holding shares in electronic form may kindly note that their Bank details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion/change in such Bank details. Shareholders who wish to change Bank details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account. Instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic mode.
5. Electronic Clearing Service (ECS) facility:
With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic form and physical forms, residing in the following cities:-
Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune, Thiruvananthapuram and Vadodara.
Shareholders holding shares in physical form, who wish to avail ECS facility may authorise Company with their ECS mandate in the prescribed form which may be obtained from Registrars & Transfer Agent, M/s Karvy Computershare Private Limited on request. The requests for payment of dividend through ECS for the year 2004-05 should be lodged with M/s Karvy Computershare Private Limited on or before, 10th of September, 2005.
6. 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 Karvy Computershare Private Limited, "KARVY HOUSE", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad- 500 034 on or before 8th September, 2005.
- 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.
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



DREDGING CORPORATION OF INDIA LIMITED

account pursuant to Section 205 A (1) of the Companies Act, 1956 shall be credited to the "Investors Education and Protection Fund" (IEP 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	27-10-2009
31-03-2003	29-09-2003	29-10-2003	28-10-2010
31-03-2004	24-09-2004	29-10-2004	28-10-2011
31-03-2005 (Interim)	29-01-2005	04-03-2005	03-03-2012

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/sKarvy Computershare Private Limited immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of 7 (seven) years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

8. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Karvy Computershare Private Limited.
9. Members are requested to bring their copies of Annual Report to the meeting. Members/Proxies attending the meeting should bring the attendance slip, which should be duly filled in, signed and handed over at the venue of the meeting.
10. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
11. Members seeking any information with regard to accounts are requested to write to the Company at the earliest to facilitate keeping the information ready.
12. Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance slip.
13. Shareholders may kindly note that no gift/ gift coupon will be distributed at the meeting.
14. No Brief case or Bag will be allowed to be taken inside the auditorium.
15. At the ensuing Annual General Meeting, Shri A.K.Bhalla and Dr.S.Narasimha Rao, retire by rotation and being eligible offer themselves for re-appointment. The information details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are given below.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING

Name of the Director	Shri A.K.Bhalla	Dr.S. Narasimha Rao
Date of Birth	29-11-1960	29-09-1941
Date of appointment	01-06-2005	05-03-2004
Qualifications	M.Sc, Delhi University MBA, Queensland University, Australia	B.E.,(Civil) Andhra University M.E., Regional Engineering College, Warangal Ph.D.Indian Institute of Science, Bangalore
Expertise in specific functional areas	He is working in the Ministry of Shipping, Road Transport and Highways as Jt.Secretary (Ports)	His areas of expertise are dredging soil and rock characteristics, soil explorations, design of foundations and structural systems for Ports, Jetties, Aqua Projects, drilling rigs, powers stations.
List of public companies in which directorship held.	Director, Ennore Port Ltd. Director, Sethusamudram Corporation Ltd.	---



DREDGING CORPORATION OF INDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR 2004-2005

Your Directors have pleasure in presenting this 29th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2005.

FINANCIAL RESULTS

Your Directors are very happy to report that your Company earned the highest ever operational income of Rs.52,478.87 lakh compared to Rs.52,063.13 lakh for the previous year. The other income is Rs.2,683.01 lakh as compared to Rs.4,029.93 lakh for the previous year. The other income for the previous year included insurance claim of Rs.1,115.00 lakh in respect of the fire accident on Dredge-XI in August, 2003. The total income for the year is Rs.55,161.88 lakh as compared to Rs.56,093.06 lakh for the previous year.

Profit after tax is Rs.11,328.87 lakh as compared to Rs.17,001.47 lakh for the previous year. The lower Profit after Tax in 2004-05 is due to withdrawal of Section 33AC of Income Tax Act, 1961 w.e.f 01-04-2004 which provided for creation of specific reserve for acquisition of dredgers and not extending the benefit of Tonnage Tax during the year 2004-05 to dredgers. However, benefit of tonnage tax has been extended to dredgers in the Finance Act, 2005-06 w.e.f 01-04-2005.

Your Company's earning per share for 2004-2005 is Rs.40.46 compared to Rs.60.72 for the previous year.

DIVIDEND

Keeping in view the financial performance of your Company and other relevant considerations, your Directors recommend payment of dividend @ 120% on the paid up capital of the Company, (including 40% interim dividend paid in February 2005) absorbing an amount of Rs.3,820.53 lakh including dividend tax of Rs.460.53 lakh for the year 2004-05. For the previous year 2003-04 dividend @ 120% involving Rs.3,790.50 lakh including dividend tax of Rs.430.50 lakh was paid. A sum of Rs.1,135.00 lakh has been transferred to General Reserves.

LOANS

As on 31st March 2005 the following loans are outstanding after paying interest and instalment of the principal regularly as per the terms and conditions of the relevant loan agreements.

(Rs. in lakh)

Foreign Currency Loans from Banks:

a) ABN AMRO Bank DR -XV	1,302.12
b) ABN AMRO Bank DR - XVI	4,959.33
Total	<u>6,261.45</u>

DCI FLEET

As on 31st March 2005 your Company has in operation among others, 10 Trailer Suction Hopper Dredgers (TSHD) and 2 Cutter Suction Dredgers (CSD). With the addition of Tug, DCI Tug-VII, in July, 2005 built at Hooghly Dock & Port Engineers Ltd., Kolkata, the number of tugs with the Company increased to two. The Craft wise particulars are at Annexure-I.

DREDGING OPERATIONS

The dredging capacity available with DCI was 798.50

lakh CuM. as on 31st March 2005 which was the same as that for last year. During the year under review, the quantity dredged under various contracts amounted to 723.11 Lakh Cu.M. as against 750.85 lakh Cu.M for last year. This represents 90.56 % of DCI's capacity as compared to 94.03% for last year.

During the year under review maintenance dredging contracts were executed at Kolkata/ Haldia, Paradip, Visakhapatnam, Sothorn Naval Command (Navy) Kochi, New Mangalore, MGPT, Jawaharlal Nehru Port, Kandla and Chennai. The works were executed either under the existing contracts or renewal of the contracts entered into with the Ports etc., during the previous years.

The charter hire agreement of the Cutter Suction Dredger, DCI Dredge Aquarius with M/s Dredging International was extended from June 2005 for two years, upto June, 2007.

TSHD DCI DR XVII and CSD DCI DR VII were on Charter to M/s AL Ghanah Contracting, WLL, Bahrain from 22-04-2004 and 15-04-2004 for a period of 65 weeks and 26 weeks respectively for deployment at Bahrain. CSD Dredger VII returned to India in December, 2004 and was redelivered to DCI on 01-01-2005 after expiry of the hire period. Dredge XVI has been on Charter to M/s AL Ghanah Contracting, WLL, Bahrain from 22-05-2005 for a period of four months extendable by two months.

SETHUSAMUDRAM SHIP CHANNEL PROJECT

The Ministry of Shipping, Road Transport and Highways set up a Special Purpose Vehicle (SPV) in the name and style "Sethusamudram Corporation Limited" to raise finance and undertake such other activities as may be necessary to facilitate creation and operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay (Sethusamudram Ship Canal). Accordingly Sethusamudram Corporation Limited was incorporated on 6th December 2004. Besides your Company which is contributing Rs.30.00 crore, the other participant organisations in the SPV are Shipping Corporation of India, Tuticorin Port Trust, each contributing Rs.50.00 crore and Chennai Port Trust, Ennore Port Limited, Visakhapatnam Port Trust and Paradip Port Trust each contributing Rs.30.00 crore towards equity of SCL. The Government of India will also contribute Rs.495.00 crore towards equity of SCL. DCI has made payment of Rs.1.00 Crore in February, 2005 with the approval of the Government. The balance amount of Rs.29.00 crore would be released after receipt of the approval from the Government.

Dredging work in E3-E4 stretch of the Sethusamudram Ship Channel of about 13 Km involving approximately 13 million cubic meters of dredging to attain a depth of -12M in Palk Strait area adjoining Bay of Bengal was awarded to the Company. The Company has commenced the dredging and the work is to be completed within a period of 24 months from 2nd July, 2005.

PLAN PROPOSALS

Acquisition of one number 5000 Cu.M hopper capacity



DREDGING CORPORATION OF INDIA LIMITED

Trailer Suction Hopper Dredger and one number 2000 Cu.M solids per hour pumping capacity dumb Cutter Suction Dredger is envisaged to meet the maintenance and capital dredging requirements of the Ports, Navy etc. Tendering action is on hand and the dredgers are expected to join the DCI fleet during the year 2007. Action is also on hand for procurement of one number Backhoe dredger and two numbers self propelled hopper barges for carrying out dredging works in front of berths and jetties and for consolidated strata, which cannot be carried out by TSHDs or CSDs.

MEMORANDUM OF UNDERSTANDING

For the 14th consecutive year, your Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2005-2006. The Company expects the rating of 'VERY GOOD' for the year 2004-05.

INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

A separate HSE Department has been set up in January, 2005 to monitor the implementation of Health, Safety & Environment objectives of the Company. Safety and Security standards in the organisation are maintained by periodical auditing of Shipboard and shore management systems. The primary objective of the department is to implement the ISM, ISPS & ISO systems in the organisation. The progress of implementation of ISM, ISPS and ISO upto 31st March, 2005 is as follows:-

ISM:-

- Safety Management Certificates (SMCs) were issued to all Dredgers and Tug-VI.
- Document of Compliance (DOC) was issued to DCI in the year 2002 and is being endorsed every year.
- Intermediate SMC audits were successfully completed on board Dredgers V, VI, VIII, IX and XVI.

ISPS:-

International Ship Security Certificates (ISSC) valid upto the year 2009 were obtained for all dredgers.

ISO:-

Preparatory work for implementation of ISO 9001:2000 has been taken up and the position is as follows:

- Guideline manual was prepared, approved and circulated
- Preparation of Quality Management System Apex manual and departmental manuals are under progress.

MEMBERS/INVESTOR SERVICES

The shares of the Company are listed on Delhi, Mumbai, Calcutta Stock Exchanges and National Stock Exchange. The shares of the Company are dematerialised with both the depositories NSDL and CDSL. M/s. Karvy Computershare Private Limited, Hyderabad are the R & T Agents of the Company.

REVIEW OF ACCOUNTS

The review of accounts for the year ending 31st March 2005 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 2004-05 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 2004-05.

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 the 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(1)(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 savings.
- Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 25% of operational cost. An energy audit has been carried out by M/s.Tata Energy Research Institute (TERI) on board DR-XVI and TERI have found that energy conservation measures are in place in DCI.

- 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 (1)(e): (Rs. In Lakhs)

- Foreign Exchange Earnings :

a) Foreign assignments	
(Chartering of dredgers abroad)	6,061.35
Total	6,061.35



DREDGING CORPORATION OF INDIA LIMITED

ii) Foreign Exchange outgo:

a) Import of components and spares (CIF value)	3,774.28
b) Capital expenditure and repayment of foreign currency loan	1,622.92
c) Payment of interest on foreign currency loan	373.19
d) Foreign travel	32.93
Total	5,803.32

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Management Discussion and Analysis, 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, 2005 was 914, as against 962 during the previous year. Further, 20 Monthly Paid Workers (MPWs) were engaged in the Floating Establishment whose strength was same during the previous year. Out of the total Manpower of 934 as on 31.03.2005, the strength on Shore Establishment and Floating Establishment was 409 and 525 respectively.

The Company has introduced a new Voluntary Retirement Scheme during March, 2005 for a period of three months and the applications received from employees are under scrutiny.

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 excluding MPWs as on 31st March, 2005 is 177 working out to 19.36% as against 19.33% for the previous year and 24.16% prescribed as per Presidential Directive. A special recruitment drive was carried out to recruit SC/ST candidates during the year.

B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (both Shore and Floating) in group C and D categories in the Corporation was 12.63% and 39.40% 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, 2005 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	158	30	01	3.33
B	144	98	04	4.08
C	94	90	04	4.44
D	13	13	Nil	Nil
Total	409	231	09	3.89

The overall percentage in Group C and D posts comes to 3.73 % 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 31.03.2005 is 43. Out 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 01.04.2004.
- The INSA-NUSI Wage Agreement in respect of Petty Officers(HT) is due from 01.04.2002.
- The Wage Agreements in respect of Crew is due from 01.04.2002.

B. Shore establishment:

The next Pay revision of Executives and Non-Executive employees (Unionised Staff Category) is due from 01.01.2007.

INDUSTRIAL RELATIONS:

The Forward Seamen's Union of India (FSUI) representing Crew working on-board Dredgers served notice that they would resort to industrial actions including strike from any day after 15th July, 2005. The Union's demands include immediate implementation of the Agreement on the manning system and disbursement of pending ex-gratia to all seafarers. The Crew went on strike from early hours of 16th July, 2005 which was called off late in the evening of the same day i.e 16th July, 2005. Subsequently discussions were held with the Union and an agreement subject to Board approval has been reached.

Barring the above, the industrial relations in the Corporation continued to be cordial throughout the period under report.

WELFARE MEASURES:

A. Employee Welfare

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.



DREDGING CORPORATION OF INDIA LIMITED

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. 7 women employees were given 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.

B. Social Welfare

Your Company has donated Rs. 6.00 Crores (Rupees Six Crores only) to Prime Minister's National Relief Fund to provide relief to the people effected by Tsunami that struck the Southern States of India, Andaman Nicobar Islands and the neighbouring countries on 26th December 2004. The employees of the Company also donated one day wages to the above fund.

HUMAN RESOURCES DEVELOPMENT

The Company is making sincere efforts for the overall development of Human Resource, both on shore and floating establishment. During the year 2004-05, Rs.43 lakh (approx.) was spent on the Management Development and training activity, covering a majority of employees on both the establishments. During the year, training programmes on International Safety Management, Internal Audit, Computer Awareness on Tally, Training on Hydraulics by HYTOP B.V., Netherlands Hydrographic survey training at Naval Training School, Goa, Programming Logistics Control (PLC) for Electrical Officers etc., were organised. Apart from the above, employees were nominated to external training programmes also, conducted by reputed training institutes.

The employees were also imparted extensive in-house training in ERP concepts, Windows XP, Internet/ E-mail, LAN, networking, Tally, etc., under information technology.

Programmes on moulding of employees towards change and achieving creative excellence/ goal setting with faculty from SAFIER, Ooty, were conducted which helped in bringing about better performance and attitudinal change among the employees.

ISO/ISM Awareness and Quality Auditors Programmes were also organised for both shore and floating personnel. Under ISPS Code Certified Floating Officers were deputed for Ship Security Officer (SSO) Course and Company Security Officer (CSO) Course.

5 Officers (2 from Floating and 3 from shore) were deputed to Holland for undergoing training in Dredging Technology at T.I.D., Holland.

In all training programmes, a total number of 438 employees were covered.

ALL INDIA DREDGING CADRE :

IIM, Kolkata was engaged to conduct an all India Test on 19-12-2004 to induct 15 Deck and 15 Engine cadets. Basing on the ranking by IIM, Kolkata, followed by interview, selection process was done. The selected candidates will be inducted during 2005-06.

ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL :

A Public Grievance Cell is functioning in the Corporation ever since 1988. The General Manager (Finance) is the Director of Public Grievances assisted by a Dy. Manager (HRD) to look into the Grievances / Complaints received from the public. No complaints were received in the Public Grievances and Complaints Cell during the year. As per the Ministry's guidelines, a status report is being submitted for the information of the Board of Directors at their meetings and a quarterly status report is also forwarded to the Ministry regularly. In line with the Ministry's direction, a Public Grievance Redressal and Monitoring System (PGRAMS) software was installed in the computer network of the company during the year, which works in hand-shake mode between the Ministry and the Company.

INFORMATION & FACILITATION COUNTER :

In order to have transparency in the functioning of the Corporation and also for easy and speedy access for any information to the public, an Information & Facilitation Counter (IFC) has been setup at DCI Head Office, Visakhapatnam.

PROGRESSIVE USE OF HINDI

The Corporation continued its efforts to implement the Official Language Policy of the Government. During the year, 2 employees in Hindi Prabodh, 2 in Hindi Praveen and 4 in Hindi Pragya were qualified. An Incentive Scheme to award cash prizes, personal pay etc., is in vogue in the Corporation.

Hindi Fortnight was observed and Hindi Exhibition was organised. The employees participated in the All India Seminars / Kavi Sammelan held at Visakhapatnam and papers were also presented at Hindi Seminars.

Various competitions in Hindi were conducted for encouraging the employees and their children and winners / participants were awarded prizes in cash and kind. Poetry and Radio talks in Hindi were broadcast. Deputy Manager (Official Languages) was awarded third prize in the All India level Official Language Assessment Competition organised by Rashtriya Hindi Academy at Puri.

HRD Training Programmes were conducted in Hindi medium for the benefit of the crew onboard the floating crafts. Hindi work-shops were also organised.

Computerisation of forms / correspondence and reports in Hindi was implemented in various departments. Several formats, salary slips, letter-heads, visiting cards, and other items of stationery were made bilingual. Web-site information was also launched in Hindi. Useful Bilingual / Multi-lingual softwares were



DREDGING CORPORATION OF INDIA LIMITED

procured and installed on computers and employees working on them were given training in operating the software in Hindi also and sharing the bilingual formats and information on network. Lipi Line Printer, compatible to Hindi printing, was also installed in MIS and made available to departments.

Issue of Office Orders / Circulars, Reports submitted to Government and Parliamentary Committees was ensured in bilingual. ISM Policy, ISM Code, all ISM Manuals, Safety Instructions, etc., were translated into Hindi.

The Officers of the Company actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam and attended one meeting of the Hindi Salahakar Samithi of the Administrative Ministry held at Visakhapatnam, during the year.

ACTIVITIES OF VIGILANCE DEPARTMENT DURING 2004-2005

The departmental inquiries and the minor penalty proceedings initiated against the officers are in progress. During the year, the Vigilance Department conducted 10 inspections and 3 surprise checks at the Head Office and Project Offices. Depending on the outcome of the inspections, suggestions for systems improvement were made to the concerned departments and punitive action was initiated against officers who misconducted. Vigilance Awareness week was observed in the Corporation from 1.11.2004 to 06.11.2004. Orientation/ training programmes were conducted for the executives on vigilance related matters. Complaints received during the year have been disposed off.

AUDITORS

M/s Sriramamurthy & 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 2004-05. Pursuant to Section 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.2.00 lakhs (Rupees two lakh only) for approval of the members at this AGM.

DIRECTORS

Ministry of Shipping, Road Transport and Highways appointed Shri A.R.Rao in place of Shri N.K.Jawa as Part-Time Official Director with effect from 05-10-04. Further, Ministry appointed Shri A.K.Bhalla in place of Shri A.R.Rao as Part-Time Official Director with effect from 01-06-2005.

The Board is pleased to place on record its appreciation for the valuable guidance given by Shri N.K.Jawa and Shri A.R.Rao during their tenure as Directors of the Company.

Shri G.G.Rao Director (Operations & Technical) ceased to be the Director w.e.f 20-07-2004 on acceptance of his resignation.

Pursuant to Section 256 Shri A.K.Bhalla and Dr.S.Narasimha 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 Road Transport and Highways 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 co-operation 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 the Board of Directors

Place: VISAKHAPATNAM

(N.K.GUPTA)

Dated : 24- 8 -2005

CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE - I

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

Craft	Year of Built	Type of Vessel	Maximum Dredging Depth	LOA (Mts.)	Draft (Mts.)	Installed Hopper Volume (CuM)	Installed Horse Power
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	-	8500
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	-	17300
DCI Tug-VI	1979	Self Propelled	-	45.90	3.60	-	38.00T
		(Twin Screw Kort Rudder)					(Bollard Pull)
DCI Tug-VII	2005	Self Propelled	-	42.30	4.50	-	22.00T
		(Twin Screw)					(Bollard Pull)
"A" Frame Pontoon - II	1982	Non propelled	-	16.50	0.50	-	-
Desiltation Plant	1982	Non Propelled	3.80	6.00	0.60	-	-
Survey Launch	1999	Self Propelled	-	12.50	1.85	-	-



DREDGING CORPORATION OF INDIA LIMITED

ANNEXURE-I

REVIEW ON ACCOUNTS OF DREDGING CORPORATION OF INDIA LIMITED, VISAKHAPATNAM FOR THE PERIOD ENDED 31st MARCH 2005 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)

	2002-2003	2003-2004	2004-05
LIABILITIES			
A) Paid up Capital			
i) Government	2759.77	2199.77	2199.77
ii) Others (*)	40.23	600.23	600.23
B) Reserves & surplus			
i) Free Reserves & Surplus	36035.03	35684.21	43192.55
ii) Share Premium Account	0.00	0.00	0.00
iii) Reserve u/s 33AC of the Income Tax Act 1961	15300.00	33300.00	33300.00
iv) Reserve u/s 33AC Utilisation Account	11200.00	6700.00	6700.00
v) Capital Reserve	451.83	451.83	451.83
C) Borrowings			
i) From Government of India	0.00	0.00	0.00
ii) From Financial Institutions	0.00	0.00	0.00
iii) Foreign Currency Loans	11983.07	7884.37	6261.45
iv) Cash Credits	0.00	0.00	0.00
v) Others	0.00	0.00	0.00
vi) Interest Accrued and Due	0.00	0.00	0.00
D) i) Current Liabilities & Provisions	15995.53	15758.89	11982.89
ii) Provision for Gratuity	168.46	35.70	244.97
E) Deferred Tax Liability	7268.73	7570.99	7530.00
TOTAL	101202.65	110185.99	112463.69
ASSETS			
F) Gross Block	83183.97	83251.30	83336.21
G) Less : Depreciation	38041.43	43130.53	47832.20
Less : Impairment loss	0.00	0.00	1.65
H) Net Block	45142.54	40120.77	35502.36
I) Capital Works in Progress / Equipment in Transit	1311.89	1311.89	1378.74
J) Investments	0.01	0.01	100.01
K) Current Assets, Loans & Advances	51359.78	64565.70	70242.18
L) Deferred Tax Assets	3388.43	4187.62	5240.40
M) Misc. Expenditure to the extent not written off	0.00	0.00	0.00
N) Accumulated Loss	0.00	0.00	0.00
TOTAL	101202.65	110185.99	112463.69
O) Working Capital [K-D(i)-C(vi)]	35364.25	48806.81	58259.29
P) Capital employed [H+O]	80506.79	88927.58	93761.65
Q) Net Worth [A+B(i) + B (ii) - M - N]	38835.03	38484.21	45992.55
R) Net worth per Rupee of Paid up Capital (in Rupees) [Q/A]	13.87	13.74	16.43

(*) 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.

The Government of India disinvested 56,00,000 shares of Rs.10/- each (face value) in March, 2004 through Initial Public Offer.

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:

	2002-2003	2003-2004	2004-05
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))}	321.09	409.71	586.19
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}	30.86	20.49	13.61
C. PROFITABILITY RATIOS			
a) Profit Before Tax to :			
i) Capital employed	23.47	19.84	18.76
ii) Net worth	48.65	45.85	38.24
iii) Sales	38.34	33.89	33.51
b) Profit After Tax to Equity	577.95	607.20	404.60
c) Earning per Share (in Rupees)	57.79	60.72	40.46