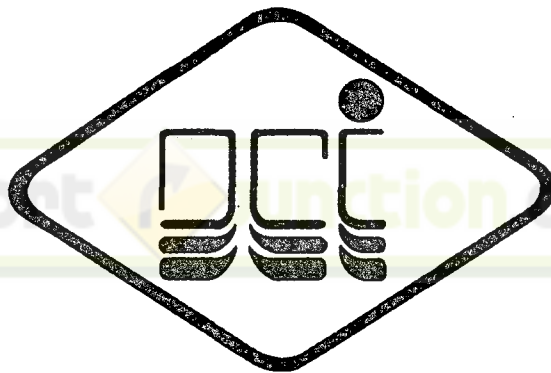


# **DREDGING CORPORATION OF INDIA LTD.**

*(A Government of India Undertaking)*



## **31ST ANNUAL REPORT 2006 - 2007**

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

Shri A.K.Dhar  
Chairman and Managing Director &  
Director (Fin.)  
(additional charge of CMD from 25-06-2007)

Cmde G.V.Ratnam  
Director (Ops. & Tech.)  
(From 07-06-2006)

Shri Rakesh Srivastava, I.A.S  
(from 13-06-2007)

Shri Prabhakar  
(from 13-06-2007)

Dr.S.Narasimha Rao

Shri K.R.Kishore, I.A.S  
Chairman and Managing Director  
(as additional charge  
from 01-12-2006 upto 25-06-2007)

Shri N.K.Gupta  
Chairman and Managing Director  
(upto 30-11-2006)

Shri A.K.Bhalla, I.A.S.  
(upto 13-06-2007)

Shri T.Srinidhi  
(upto 13-04-2007)

Shri P.C.Dhiman, I.A.S  
(from 13-04-2007 to 13-06-2007)

Dr.S.Kathirol  
(upto 16-08-2006)

**GENERAL MANAGER (FIN.)**  
Shri K.Kirti

**COMPANY SECRETARY**  
Shri K.Asmini Sreekanth

**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 2523250  
Fax : 0891 2560581

**REGISTRARS & TRANSFER AGENT**  
M/s Kary Computershare Private Limited  
Plot No.17 to 24, Vithal Rao Nagar  
Hyderabad - 500 081  
Phone : 040 23420818  
Fax : 040 23420814

For Hindi Version of the 31st Annual Report 2006-07 please write to the Company Secretary giving the Folio/ Client ID number.



## DREDGING CORPORATION OF INDIA LIMITED

### **NOTICE**

**NOTICE** is hereby given that the 31st Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 1000 hrs on Friday, the 28<sup>th</sup> September, 2007 in Siri Fort Auditorium No.I, Siri Fort Cultural Complex, August Kranti Marg, New Delhi - 110049 to transact the following business :-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt Directors' Report for the year 2006-07, the audited Balance sheet as at 31<sup>st</sup> March, 2007 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2007 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rakesh Srivastava who retires as rotational Director and is eligible for re-appointment.
4. To appoint a Director in place of Dr.S.Narasimha Rao who retires as rotational Director and is eligible for re-appointment.
5. To appoint a Director in place of Shri A.K.Dhar who retires as rotational Director and is eligible for re-appointment.
6. 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.2.50 lakh (rupees two lakh and fifty thousand only) for the year 2006-2007".

**By Order of the Board of Directors**

**Place : Visakhapatnam (K.Aswini Sreekanth)**  
**Dated : 20-08-07 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 8th September, 2007 to 28th September, 2007 (both days inclusive).
3. Dividend on equity shares as recommended by the Directors for the Financial year ended 31<sup>st</sup> March, 2007, 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 7th September, 2007 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 7th September, 2007.
4. a) Members holding shares in physical form are requested to furnish bank details by 7th September,, 2007 to our R & T Agent - M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Vithal Rao Nagar, Hyderabad- 500 081 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, in the cities where the facility for ECS is available.  
 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 2006-07 should be lodged with M/s Karvy Computershare Private Limited on or before, 7th September, 2007.
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



## DREDGING CORPORATION OF INDIA LIMITED

Company M/s Karvy Computershare Private Limited on or before 7th September, 2007.

- 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 account pursuant to Section 205 A (1) of the Companies Act, 1956 shall be credited to the "Investors Education and Protection Fund" (IEPF) 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. The unclaimed final dividend for the year 1999-2000 declared at the AGM held on 29-09-2000 is due for transfer to the IEP Fund on 08-11-2007 and the interim dividend for the year 2000-01 declared by the Board of Directors on 23-06-2001 is due for transfer to the IEP Fund on 25-07-2008.
- 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/s Karvy 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 Rakesh Srivastava, Dr.S.Narasimha Rao and Shri A.K.Dhar, 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 31ST ANNUAL GENERAL MEETING

Name of the Director	Shri Rakesh Srivastava	Dr.S.Narasimha Rao	Shri A.K.Dhar
Date of Birth	23/03/1959	29/09/1941	15/11/1947
Date of Appointment	13/06/2007	05/03/2004 to 04/06/2007 reappointed from 26/06/2007	from 09/08/1994 as DFN from 25/06/2007 as CMD additional charge
Qualifications	M.Sc(Physics)	M.E., Regional Eng College, Warangal Ph.D, IIS, Bangalore	B.Tech.(Hons), IIT, Kharagpur. FICWAI
Expertise in specific functional areas	He is working in the Ministry of Shipping, Road Transport and Highways as Joint Secretary(Ports)	Dredging, Rock, characteristics, Soil exploration, design of foundations, structural systems for Ports, Jetties etc.	Finance, Engineering Personnel & Administration
List of Public Companies in which Directorship held	Director, Sethusamudram Corporation Limited	NIL	NIL



## DREDGING CORPORATION OF INDIA LIMITED

### DIRECTORS' REPORT FOR THE YEAR 2006-2007

Your Directors have pleasure in presenting this 31st Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2007.

#### FINANCIAL RESULTS

The Company earned the highest ever operational income of Rs.57,289.09 lakh compared to Rs.50,689.89 lakh for the previous year. The other income is also highest at Rs.4,919.86 lakh as compared to Rs.3,598.73 lakh for the previous year. The total income for the year is a record Rs.62,208.95 lakh as compared Rs.54,288.62 lakh for the previous year.

Profit after tax is Rs.18,872.95 lakh as compared to Rs.17,646.16 lakh for the previous year. This is the record profit after tax of the Company.

The Company's earning per share for 2006-2007 is Rs.67.40 as compared Rs.63.02 for the previous year.

#### DIVIDEND

Keeping in view the financial performance of your Company and other relevant considerations, your Directors recommend payment of dividend @ 150% on the paid up capital of the Company, (including 60% interim dividend paid in March 2007) absorbing an amount of Rs.4,863.89 lakh including dividend tax of Rs.663.89 lakh for the year 2006-07. For the previous year 2005-06 dividend @ 150% (including 60% interim dividend paid in February 2006) involving Rs.4789.05 lakh including dividend tax of Rs.589.05 lakh was paid. A sum of Rs.1,890.00 lakh has been transferred to General Reserves.

#### LOANS

As on 31<sup>st</sup> March 2007 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.

Foreign Currency Loans from Banks:	(Rs. in lakh)
a) ABN AMRO Bank DR -XV	260.42
b) ABN AMRO Bank DR - XVI	2755.18
<b>Total</b>	<b>3015.60</b>

#### DCI FLEET

As on 31<sup>st</sup> March 2007 your Company has in operation among others, 10 Trailer Suction Hopper Dredgers (TSHD) and 2 Cutter Suction Dredgers (CSD). DCI Tug-VI an ancillary craft capsized on 6-05-2006 at Nagapattinam. The Craft wise particulars are at Annexure-I.

#### DREDGING OPERATIONS

The dredging capacity available with DCI was 798.50 lakh Cu.M. as on 31<sup>st</sup> March 2007 which was the same as that for last year. During the year under review, the quantity dredged under various contracts amounted to 763.80 lakh Cu.M. as against

727.49 lakh Cu.M for last year. This represents 95.65% of DCI's capacity as compared to 91.10% for last year.

During the year under review maintenance dredging contracts were executed at Kolkata/ Haldia, Paradip, Visakhapatnam, Southern Naval Command (Navy) Kochi, Cochin Port Trust, New Mangalore, Jawaharlal Nehru Port and capital dredging Sethusamudram Ship Channel Project. The works were executed either under the existing contracts or renewal of the contracts entered into with the Ports etc., during the previous years or new contracts entered into during the year.

The charter hire agreement of the Cutter Suction Dredger, DCI Dredge Aquarius with M/s Dredging International was pre-closed in October, 2006 for catering the dredging requirements at Sethusamudram Ship Channel Project.

#### SETHUSAMUDRAM SHIP CHANNEL PROJECT

As on 31<sup>st</sup> March, 2007, the Company has made a contribution of Rs.14.50 crore towards equity for the Special Purpose Vehicle, Sethusamudram Corporation Limited.

#### PLAN PROPOSALS

Order has been placed with Mazagaon Dock Limited, Mumbai in October, 2005 for procurement of one number Cutter Suction Dredger of 2000 Cu.M solids per hour capacity and is expected to be delivered by December, 2007. Action is on hand for procurement of three numbers 5000 Cu.M hopper capacity Trailer Suction Hopper Dredgers. Action is also on hand for procurement of Survey Launches, Backhoe dredger and self propelled hopper barges.

#### CHARTER-IN DREDGERS

To augment DCI's capacity and keeping in view the likely growth in the dredging market, your Company has been chartering-in dredgers which are presently being deployed in Sethusamudram Ship Channel Project. As on the date of this Report two such dredgers of varying capacities are in operation.

#### MEMORANDUM OF UNDERSTANDING

For the 16th consecutive year, your Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2007-2008. The Company expects the rating of 'VERY GOOD' for the year 2006-07.

#### INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

The progress of implementation of ISM, ISPS and ISO upto 31<sup>st</sup> March, 2007 is as follows:-

#### ISM:-

- Safety Management Certificates (SMCs) were issued to all Dredgers and Tug.





## DREDGING CORPORATION OF INDIA LIMITED

- b) Document of Compliance (DOC) was issued to DCI in the year 2002 and is being endorsed every year.

### ISPS:-

International Ship Security Certificates (ISSC) valid upto the year 2009 were obtained for all dredgers. Intermediate ISPS audits were successfully completed on board Dr-VI, XI, XIV, XV, XVI & XVII.

### ISO 9001:2000:-

ISO9001:2000 Quality Management system (QMS) was implemented in entire DCI and was checked through internal audits. Improvements were done through reviews and revising the manuals as required from time to time. External Audits were conducted by IRS for pre-assessment as well as certification and DCI was certified for ISO 9001:2000. The certification was an MOU target for 2006-07 and was achieved within time.

### 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.

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

The particulars of employees for the year 2006-07 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 2006-07.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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;
- (iii) 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;
- (iv) 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.

- a) 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:
  - i) 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.
  - ii) While procuring new dredgers, fuel efficient design with advanced technology is selected.
  - iii) Switching over to LDO from HFHSD/LFHSD as fuel for several dredgers resulted in cost savings.
  - iv) Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 49% of operational cost.
- b) Technology absorption under Section 217 (1) (e): There was no transfer of technology and consequently there is no absorption of technology during the year.

- c) Foreign Exchange earnings and outgo Under Section 217 (1)(e): (Rs. in Lakhs)

i) Foreign Exchange Earnings :	
Foreign assignments	726.97
(Chartering of dredgers abroad)	
Total	726.97
ii) Foreign Exchange outgo:	
a) Import of components and spares (CIF value)	2944.18
b) Repayment of foreign currency loan	1622.93
c) Interest paid on loans from foreign banks	212.26
d) Travelling	20.41
e) Commission & brokerage	0.77
Total	<u>4800.55</u>

### 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 31<sup>st</sup> March, 2007 was 815, as against 849 during the previous year. Further, 3 Monthly Paid Workers (MPWs) (20 for last year) were engaged in the Floating Establishment. Out of the total Manpower of 815 as on 31.03.2007, the strength on Shore Establishment and Floating Establishment was 384 and 431 respectively.



## DREDGING CORPORATION OF INDIA LIMITED

### 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 31<sup>st</sup> March, 2007 is 159 working out to 19.51% as against 19.90% for the previous year and 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 10.53% and 7.69% as against 14.50% and 24.50% respectively prescribed by the Government.

#### C. Employment of Physically Handicapped

The number of physically handicapped employees in the Corporation as on 31<sup>st</sup> March, 2007 is 8. 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	157	12	01	8.33
B	129	87	04	4.59
C	88	84	03	3.57
D	10	10	Nil	Nil
Total	384	193	08	4.14

The overall percentage in Group C and D posts comes to 3.06% 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 31.03.2007 is 41. Out of them number of executives is 3 and Non-Executives is 38.

### WAGE SETTLEMENTS

#### A. Floating establishment:

- The INSA-MUI Wage Agreement in respect of Floating Officers (FG/HT) is valid upto 31.03.2008.
- The INSA-NUSI Wage Agreement in respect of Petty Officers(HT) is due from 01.04.2006.
- The Wage Agreements in respect of Crew and MPWs are due from 01.04.2006.

#### 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 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, basing on the Apex Court's judgement and keeping in view the Government instructions on Sexual Harassment of women at work places, a circular was issued at Head Office as well as to the Projects and other offices of the Corporation, on prohibition of Sexual Harassment of working women at work places. Similarly a new provision relating to Sexual harassment of women at work places was also incorporated in CDA rules applicable to the Executive and in the Certified Standing Orders applicable to the Non-executives. 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 (WIPS) 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. 25 women employees were given various in-house and external training programmes. The WIPS co-ordinator in DCI along with 5 women employees were also nominated to attend the 17th National meet on WIPS held at Kochi in February, 2007.

The 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.



## DREDGING CORPORATION OF INDIA LIMITED

### HUMAN RESOURCES DEVELOPMENT

The Company is making sincere efforts for the overall development of Human Resources, both on shore and floating establishment. During the year 2006-07, Rs.85 lakh (approx.) was spent on the Management Development and training activity, covering a majority of employees on both the establishments. During the year, employees were nominated to participate in the various training programmes and Seminars/Conferences on Project Management, IT, Finance & Accounts, National Conference on Internal Audit, MAN&BW Diesel, Copen Hagen, 4th National Convention on Reservation Policy for Chief Liaison Officer for SC/STs and OBC, 17th National Meet of Forum for Women in Public Sector, National Seminar on Corporate Communications, Residential Programme on Vigilance, a lecture meeting-cum-workshop on RTI Act etc. The employees were imparted extensive inhouse training in computer hardware/ MS Office, MS Special Data, Web Design, E-Filing and Digital Signatures of Ministry of Company Affairs.

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.

A Training programme on Dredging Techniques was organised by DCI in association with the Ministry of Flanders Community, Belgium at APEC ANTRAP during October, 2006, which was attended by 10 officers from the Corporation and participants from all Indian Ports and other organisations.

As against target of 125 personnel to be trained under the MoU Targets, a total of 190 employees were trained in the specified programmes.

### IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

As per the directives of the Government of India, the Right to Information Act, 2005 was implemented w.e.f 12-10-2005 and all the required infrastructural arrangements required for implementation of the Act were made, such as, appointment of Public Information Officers, Assistant Public Information Officers and Appellate Authority, publication of 17 prescribed manuals giving required information about the Company for information of the public, set-up of procedure and submission of periodical reports on the progress of implementation of the Act. A Register is also being maintained for monitoring the requests from public seeking information and the replies by the concerned are also being co-ordinated.

### ALL INDIA DREDGING CADRE :

Under the 10th Batch of the AIDC Scheme, 7 Deck Cadets are undergoing Training at L.B.S.College, Mumbai and 4 Engine Cadets are undergoing Training for 12 months onboard the dredgers.

With regard to the induction of 11th Batch of Deck and 6th

Batch of Engine Cadets under the AIDC Scheme, an All India Level Entrance Examination was held in September, 2006 and the recruitment process is at various stages.

### 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. 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, which works in hand-shake mode between the Ministry and the Company. One complaint was received during the year which was suitably replied to.

### 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. 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 Hindi Seminars / Kavi Sammelan held at Visakhapatnam and presented papers/poetry. Poetry and radio talks in Hindi were also broadcast on AIR. Bharatiya Rajbhasha Vikas Sansthan awarded Rajbhasha Shilpi Samman to the Manager (OL) at a Regional Seminar held at Visakhapatnam.

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 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 IT department and made available to other functional 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. Correspondence





## DREDGING CORPORATION OF INDIA LIMITED

in Hindi was extended to some more areas of work - such as RTI, IFC and records management. The Officers of the Company actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam during the year.

### ACTIVITIES OF VIGILANCE DEPARTMENT DURING 2006-2007

The departmental inquiries and the minor penalty proceedings initiated against the officers are in progress. During the year, the Vigilance Department conducted 22 inspections and 2 surprise checks. Depending on the outcome of the inspections, suggestions for systems improvement were made to the concerned departments and punitive action was initiated against one officer. Vigilance Awareness week was observed in the Corporation from 06.11.2006 to 10.11.2006. 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 2006-07. 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.2.50 lakhs (Rupees two lakh and fifty thousand only) for approval of the members at this AGM.

### DIRECTORS

Ministry of Shipping, Road Transport and Highways appointed Cmde.G.V.Ratnam as Director (Operations & Technical). Cmde G.V.Ratnam assumed charge on 07-06-2006. Dr.S.Kathirolu ceased to be part-time non-official Director of the Company on completion of his term of three years on

16/08/2006. Ministry appointed Shri P.C.Dhiman as part-time official Director in place of Shri T.Srinidhi from 13/4/2007. Further Ministry appointed Shri Rakesh Srivastava and Shri Prabhakar as part-time official Directors in places of Shri A.K.Bhalla and Shri P.C.Dhiman from 13/06/2007. The Board is pleased to place on record its appreciation for the valuable guidance given by Dr.S.Kathirolu, Shri T.Srinidhi, Shri P.C.Dhiman and Shri A.K.Bhalla during their tenure as Directors of the Company.

Pursuant to Section 256, of the Companies Act, 1956, Shri Rakesh Srivastava, Dr.S.Narasimha Rao and Shri A.K.Dhar 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 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 (A.K.DHAR)  
Dated : 20-08-2007 CHAIRMAN AND MANAGING DIRECTOR

### ANNEXURE - I

#### INFORMATION IN RESPECT OF DREDGERS AND FLOATING CRAFTS OF DCI

Craft	Year of Built	Type of Vessel	Maximum Dredging Depth	LOA (Mts.)	Installed Draft (Mts.)	Installed Hopper Volume (Cu.M)	Installed Horse Power
DCI Dredge V	1974	Self Propelled TSHD	22.00	100.00	6.52	3539	-
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-VII	2005	Self Propelled - (Twin Screw)	-	42.30	4.50	-	22.00T
(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

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

The Company strongly believes that good Corporate Governance is pre-requisite for enhancing shareholder value and its image in the prevailing competitive business scenario. The policies and practices of the Company are aimed at efficient conduct of business and effectively meeting its obligations to shareholders, customers, employees and society at large. The Company has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders.

### 2. BOARD OF DIRECTORS

#### 2.i Composition of Board of Directors as on 31/03/2007

Director	Executive/ Non-Executive	Official/Non-Official	Age	Qualifications
i) Shri K.R.Kishore, IAS, CMD	Executive	Additional Charge	54	MBA (UK)
ii) Shri A.K.Dhar, DFN	Executive	Whole-time official	60	B.Tech(Hons), F.I.C.W.A
iii) Cmde.G.V.Ratnam, DOT	Executive	Whole-time official	58	B.Tech, D.I.I.T(NA)
iv) Shri A.K.Bhalla, IAS	Non-Executive	Part-time official	47	M.Sc., MBA
v) Shri T.Srinidhi	Non-Executive	Part-time official	52	M.A.(Economics), MBA
vi) Dr.S.Narasimha Rao	Non-Executive	Part-time Non-official	66	B.E, M.E, Ph.D (IISc, Bangalore)

As per the Articles of Association of the Company the appointment of Directors is made by the President of India. The Company has taken up the matter with the Government to increase the strength of the non-official part-time Directors in order to comply with the requirements of the amended provisions of Clause 49 of the Listing Agreement with respect to number of independent Directors.

#### Changes during 2006-07

Director		Date	Nature of Change
i) Cmde.G.V.Ratnam	Director (Operations & Technical)	07/06/2006	Appointment
ii) Dr.S.Kathirolu	Part-time Non-Official Director	16/08/2006	Cessation on completion of tenure
iii) Shri N.K.Gupta	Chairman and Managing Director	30/11/2006	Cessation on completion of tenure
iv) Shri K.R.Kishore, IAS	Chairman and Managing Director	01/12/2006	Appointment - Additional charge in addition to his duties as Chairman, Visakhapatnam Port Trust for three months
v) -do-	-do-	01/03/2007	Extension of tenure as CMD, DCI for another three months
vi) Dr.S.Narasimha Rao	Part-time non-Official Director	05/03/2007	Extension for three years on completion of tenure on 04/03/2007
vii) Shri T.Srinidhi	Part-time Official Director	13/04/2007	Cessation on appointment of Shri P.C.Dhiman in his place
viii) Shri P.C.Dhiman, IAS	Part-time official Director	13/04/2007	Appointment in place of Shri T.Srinidhi

#### Changes after 31/03/2007

Director		Date	Nature of Change
i) Shri P.C.Dhiman, IAS	Part-time Official Director	13/06/2007	Cessation on appointment of Shri Prabhakar in his place
ii) Shri A.K.Bhalla, IAS	Part-time Official Director	13/06/2007	Cessation on appointment of Shri Rakesh Srivastava in his place
iii) Shri Prabhakar	Part-time Official Director	13/06/2007	Appointment in place of Shri P.C.Dhiman
iv) Shri Rakesh Srivastava, IAS	Part-time Official Director	13/06/2007	Appointment in place of Shri A.K.Bhalla
v) Shri K.R.Kishore, IAS	Chairman and Managing Director	25/06/2007	Cessation on appointment of Shri A.K.Dhar as CMD
vi) Shri A.K.Dhar,	Chairman and Managing Director	25/06/2007	Appointment - Additional charge as CMD in addition to his duties as Director (Finance)

Cmde.G.V.Ratnam has several years of experience as Commissioned Officer(Technical), Indian Navy. He was holding the post of General Manager (Ship Repairs) in Hindustan Shipyard Ltd., Visakhapatnam prior to his joining DCI as Director (Operations & Technical).