



# **32ND ANNUAL REPORT 2007 - 2008**

**DREDGING CORPORATION OF INDIA LTD.**

*(A Government of India Undertaking)*

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

**BOARD OF DIRECTORS**

Capt.S.S.Tripathi  
Chairman-cum-Managing Director

Cmde G.V.Ratnam  
Director (Ops. & Tech.)

Shri P.V.Ramana Murthy  
Director (Finance)

Shri Rakesh Srivastava, I.A.S

Dr.A.R.Goyal

Dr.S.Narasimha Rao

Shri S.Balachandran

Dr.Gautam Barua

Dr.Debashis Sanyal

Shri A.Sounderaraajan

**GENERAL MANAGER (FIN.)**

Shri K.Kiriti

**COMPANY SECRETARY**

Shri K.Aswini Sreekanth

**BANKERS**

Syndicate Bank

State Bank of India

ABN AMRO Bank

HSBC Limited

**AUDITORS**

M/s. Ambika & Isha

Chartered Accountants,

D.No.30-7-33,

G-3, Satya Residency,

Dabagardens

Visakhapatnam - 530020

**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 Karvy Computershare Private Limited

Plot no.17 to 24, Vithalrao Nagar

Hyderabad - 500 081

Phone : 040 23420818

Fax : 040 23420814

e-mail: mailmanager@karvy.com



## DREDGING CORPORATION OF INDIA LIMITED

### NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 1000 hrs on Monday, the 29<sup>th</sup> September, 2008 in Siri Fort Auditorium No.1, 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 2007-08, the audited Balance sheet as at 31<sup>st</sup> March, 2008 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri S.Balachandran who retires as rotational Director and is eligible for re-appointment.
4. To appoint a Director in place of Dr.Debashis Sanyal who retires as rotational Director and is eligible for re-appointment.
5. To appoint a Director in place of Dr.Gautam Barua who retires as rotational Director and is eligible for re-appointment.
6. To appoint a Director in place of Shri A.Soundara Rajan who retires as rotational Director and is eligible for re-appointment.
7. 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.Ambika & Isha, 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) plus service tax as applicable for the year 2007-2008".

**By Order of the Board of Directors**

at : Visakhapatnam (K.Aswini Sreekanth)  
 Date : 22-08-08 Company Secretary

**MEMBER ENTITLED TO ATTEND AND VOTE  
 THE MEETING IS ENTITLED TO APPOINT A  
 KEY TO ATTEND AND VOTE ON HIS BEHALF.  
 PROXY SO APPOINTED NEED NOT  
 NECESSARILY BE A MEMBER OF THE COMPANY.  
 INSTRUMENT APPOINTING THE PROXY  
 BE DEPOSITED AT THE REGISTERED  
 OFFICE OF THE COMPANY NOT LATER THAN  
 FIFTEEN DAYS BEFORE THE TIME FIXED FOR  
 THE MEETING.**

Register of Members and Share Transfer Books of the Company will remain closed from 9<sup>th</sup> September, 2008 to 29<sup>th</sup> September, 2008 (both inclusive).

Equity shares as recommended by the

Directors for the Financial year ended 31<sup>st</sup> March, 2008, 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 8<sup>th</sup> September, 2008 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 8<sup>th</sup> September, 2008.
4. a) Members holding shares in physical form are requested to furnish bank details by 8<sup>th</sup> September, 2008 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 2007-08 should be lodged with M/s Karvy Computershare Private Limited on or before, 8<sup>th</sup> September, 2008.
  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 on or before 8<sup>th</sup> September, 2008.  
 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



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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 2000-2001 declared at the AGM held on 27-09-2001 is due for transfer to the IEP Fund on 29-10-2008.

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 S.Balachandran, Dr.Debashis Sanyal, Dr.Gautam Barua and Shri A.Soundararaajan 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 32ND ANNUAL GENERAL MEETING

Name of the Director	Shri S.Balachandran	Dr.Debashis Sanyal	Dr.Gautam Barua	Shri A.Soundararaajan
Date of Birth	27/08/1956	10/08/1958	05/03/1955	14/04/1954
Date of Appointment	17/01/2008	17/01/2008	17/01/2008	17/01/2008
Qualifications	B.Sc., M.Sc	M.Com, AICWAI, Ph.D	B.Tech., M.Tech., Ph.D	B.Sc., FCA
Expertise in specific functional areas	Financial Management, Planning, Financial Appraisal. 35 years experience in Railways and on deputation outside in Corporate & Government Sectors. Worked as Managing Director, IRFC, Additional Member, Ministry of Railways.	Working as Professor in Finance, Management Development Institute, Gurgaon. Was Joint Director, ICWAI, Faculty in National Institute of Financial Management. He is an expert in finance and accounting.	Working as Director IIT, Guwahati and a Professor in Computer Science and Engineering. IT Consultant in many Companies. He specialises in Operating systems and networks.	Practicing as Chartered Accountant. Expertise in Direct, Indirect & Corporate and Economic Laws and preparation of project reports for project financing. He is also Statutory/Internal Auditor for many Companies.
Shareholding in DCI	NIL	NIL	NIL	NIL



## DREDGING CORPORATION OF INDIA LIMITED

### DIRECTORS' REPORT FOR THE YEAR 2007-2008

Your Directors have pleasure in presenting this 32nd Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2008.

#### FINANCIAL RESULTS

The Company earned the highest ever operational income of Rs.70531.72 lakh compared to Rs.57,289.09 lakh for the previous year. The other income is also highest at Rs.6614.79 lakh as compared to Rs.5331.99 lakh for the previous year. The total income for the year is a record Rs.77146.51 lakh as compared Rs.62621.08 lakh for the previous year. The increase in income is mainly because of increase in income from chartered-in dredgers.

Profit after tax is Rs.15481.86 lakh as compared to Rs.18872.95 lakh for the previous year. The decrease in profit after tax is mainly due to increase in expenditure towards charter hire of chartered-in dredgers, repairs and maintenance, fuel and lubricants, spares and stores and other operational expenditure. The Company's earning per share for 2007-2008 is Rs.55.29 as compared Rs.67.40 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 75% interim dividend paid in March 2008) absorbing an amount of Rs.4913.94 lakh including dividend tax of Rs.713.81 lakh for the year 2007-08. For the previous year 2006-07 dividend @ 150% (including 60% interim dividend paid in March 2007) involving Rs.4,863.89 lakh including dividend tax of Rs.663.89 lakh was paid. A sum of Rs.1550.00 lakh has been transferred to General Reserves.

#### LOANS

As on 31<sup>st</sup> March 2008 an amount of Rs. 1653.11 lakh is outstanding towards loan taken from ABN AMRO Bank for Dredger XVI, after paying interest and instalment of the principal regularly as per the terms and conditions of the relevant loan agreement.

#### DCI FLEET

As on 31<sup>st</sup> March 2008 your Company has in operation among others, 10 Trailer Suction Hopper Dredgers (TSHD) and 2 Cutter Suction Dredgers (CSD). 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 2008 which is the same as that for last year. During the year under review, the quantity dredged under various contracts amounted to 738.50 lakh Cu.M. as against 763.80 lakh Cu.M for last year. This represents 92.49% of DCI's capacity as compared to 95.65% for last year.

During the year under review maintenance dredging contracts were executed at Kolkata/ Haldia, Paradip, Visakhapatnam, Southern Naval Command (Navy) Kochi, New Mangalore, Jawaharlal Nehru Port and capital dredging for 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.

#### SETHUSAMUDRAM SHIP CHANNEL PROJECT

As on 31<sup>st</sup> March, 2008, the Company has made a contribution of Rs.24.50 crore towards equity for the Special Purpose Vehicle, Sethusamudram Corporation Limited. As on date the Company has contributed the full amount of Rs.30.00 crore towards equity constituting the share of the Company towards contribution for the Special Purpose Vehicle.

#### 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 during last quarter of 2008. Order has been placed in October, 2007 for procurement of two survey launches which are expected to be delivered in November, 2008. 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 Backhoe dredger and two hopper barges.

#### CHARTERING-IN OF 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 five such dredgers of varying capacities are in operation.

#### MEMORANDUM OF UNDERSTANDING

For the 17th consecutive year, your Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2008-09. The Company expects the rating of 'VERY GOOD' for the year 2007-08.

#### INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

The progress of implementation of ISM, ISPS and ISO upto 31<sup>st</sup> March, 2008 is as follows:-

##### ISM:-

- Safety Management Certificates (SMCs) were issued to all Dredgers and Tug.
- Document of Compliance (DOC) was issued to DCI valid till 24.06.2012 and is being endorsed every year.

##### ISPS:-

International Ship Security Certificates (ISSC) was obtained for all vessels.

##### ISO 9001:2000:-

DCI is certified for ISO 9001:2000(QMS) by Indian Register of Shipping (IRS). The first surveillance audits of HO and Project Offices at Mangalore and Mumbai were successfully completed.

##### ISO 14001:2004:-

In consensus with MOU Target during 2007-08, for the financial year 2008-09, the EMS manuals for implementation of ISO 14001:2004 (EMS) have been prepared and sent to all departments at Head Office, Project Offices and Vessels. EMS awareness programmes have been conducted for DCI staff at Head Office, Project Offices and vessels.

#### 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 2007-08 as required under Sec. 217 (2A) of the Companies Act, 1956 is nil as no employee has earned salary of Rs.24.00 lakh per annum or Rs.2.00 lakh per month during the year 2007-08.

#### 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;





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- (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:
- 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 39% 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):
- |  |                |      |
|--|----------------|------|
| Foreign Exchange Earnings:                     | (Rs. In Lakhs) | 0.00 |
| Total  |                | 0.00 |
| ii) Foreign Exchange outgo:                    |                |      |
| a) Import of components and spares (CIF value) | 6776.27        |      |
| b) Repayment of foreign currency loan          | 1362.50        |      |
| c) Interest paid on loans from foreign banks   | 131.52         |      |
| d) Travelling                                  | 16.90          |      |
| Total  | 8287.19        |      |

### 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, 2008 was 769, as against 815 during the previous year. Out of the total Manpower of 769 as on 31.03.2008, the strength on Shore Establishment and Floating Establishment was 372 and 397 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 excluding MPWs as on 31<sup>st</sup> March, 2008 is 147 working out to 19.11% as against 19.51% 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 11.40% and Nil 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, 2008 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	192	44	01	2.27
B	106	70	04	5.71
C	68	63	03	4.76
D	06	06	Nil	Nil
Total	372	183	08	4.37

The overall percentage in Group A & B comes to 4.38% of the identified posts in these Groups, which is higher than the prescribed percentage of 3%. The overall percentage in Group C and D posts comes to 4.05% of the total sanctioned strength in these groups which is higher than the prescribed percentage of 3%.

##### D. Employment of OBC personnel

Employment of OBC personnel (both shore and floating) in the company is 4.16% as against prescribed percentage of 27% by the Government. Instructions dated 23/09/1993 on reservations on OBC were received during October, 1993. As and when the vacancies are to be filled, the reservations for OBCs are being complied as per Government instructions. The above percentage of OBC reservation has been calculated based on the total number of employees as on 31/03/2008, including those recruited prior to 1993.

##### E. Employment of women

The number of women employees on Rolls as on 31.03.2008 is 40. Out of them number of executives is 5 and Non-Executives is 35.

Basing on the Supreme Court's judgement and keeping in view the Government instructions on sexual harassment of women at work places, a complaints Committee headed by a woman officer was constituted to inquire into the complaints of sexual harassment at work places. A complaints register is also being maintained.

##### Existing benefits and welfare measures for the woman employees:-

- The women employees in the Corporation are entitled to 135 days of Maternity Leave.
- Special Casual leave not exceeding 14 working days is sanctioned to regular woman employees of the Corporation to undergo non-puerperal sterilisation.
- One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD insertions.
- A rest room is provided exclusively for the women employees.
- Working uniforms are provided to Group'D' women employees, as per the scales prescribed in the Rules.
- The women employees are sponsored to various in-house and also external training programmes. The number of women employees who have undergone training in the past one year is 43.

##### WAGE SETTLEMENTS

###### A. Floating establishment:

- The INSA-MUI Wage Agreement in respect of Floating Officers (FG/HT) is due from 01/04/2008.
- The INSA-NUSI Wage Agreement in respect of Petty Officers(HT) is valid upto 31/03/2008.
- The Wage Agreement in respect of Crew and MPWs is valid upto 31/03/2008.



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### **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.

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.

### **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 2007-08, Rs.12.50 lakh (approx.) was spent on the Management Development and training activity, covering a majority of employees on both the establishments. During the year, total 11 in-house training programmes were conducted covering total 260 employees under various programmes and 84 employees were deputed for external training programmes. During the year, employees were nominated to participate in the various training programmes and Seminars/ Conferences on Tax Laws, Central Excise, Customs & Service Tax, Internal Auditor Training Course, Pollution Control, familiarisation of DCI Engineers on CSD Dredger -XVIII (under construction), National Seminar on Corporate Governance Practice in India, Seminar on international Oil Pollution Compensation Fund, All India Official Language Seminar at Khajuraho etc. The employees were imparted extensive inhouse training in computer hardware/ MS Office, MS Special Data, Web Design, etc. 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. DCI also participated in the tailor made course on expansion of port capacity and building new port-role of Government and private sector at Antwerp, Belgium and 18th World Dredging Courses at Orlando (Florida) USA.

As against target of 131 personnel to be trained under the MoU Targets, a total of 193 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. All the officers concerned were imparted training and sent to seminars

conducted by professional bodies. 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 11th Batch of the AIDC Scheme, 9 Deck Cadets are undergoing Training and 4 Engine Cadets are undergoing 12 months workshop training at Garden Reach Ship Builders onboard the dredgers.

### **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.

### **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 and the same is publicised in the website also.

### **CITIZEN'S CHARTER**

As per the Directives of Government of India, in order to focus on the commitment of DCI towards its citizens/ clients in respect of standard of services, information, choice and consultation, non-discrimination and accessibility, grievance redressal, courtesy and value for money, including expectations of the organisation from the citizen/client for fulfilling the commitment of the organisation, a citizens' Charter was prepared and posted on the website of the Company. The General Manager (HR) who is the Member, Secretary of the Task Force constituted for the purpose is designated as the Nodal Officer to co-ordinate and monitor the formulation and implementation of the Citizens' Charter in DCI.

### **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 and the employees trained under inservice training in Hindi and qualified in various examinations conducted thereunder are being awarded cash awards and personal pay. Hindi Fortnight was observed and Hindi Exhibition was organised in the month of September, 2007. 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. Training/ workshop was arranged for employees to impart working skills drafting & noting in Hindi and operation of bilingual software. 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



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printing, was also installed in IT department and made available to other functional departments. Cultural items in Hindi were presented in connection with the celebrations of national importance. 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 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 2007-2008

Under preventive vigilance, during the year, the Vigilance Department conducted 20 inspections and 8 surprise checks. Some suggestions for systems improvement were made to the concerned departments. During the year, 3 Major Penalty cases were disposed of by the Disciplinary Authority and 1 Major penalty case was pending as on 31/03/2008. Complaints received during the year were disposed of. Vigilance Awareness week was observed in the Corporation from 12/11/2007 to 16/11/2007.

### AUDITORS

M/s Ambika & Isha 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 2007-08. 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) plus service tax as applicable for approval of the members at this AGM.

### AUDITORS' REPORT

The Notes to the Accounts at Note No. 9 (g), Schedule XIV, give the status to the comment at para 4 (vi) of the Auditors Report regarding account for Spares and Stores, which is self explanatory and therefore does not call for any further comments of Directors.

### C&AG COMMENTS

The Comments of the Comptroller and Auditor General of India on the Accounts for the year ended 31st March, 2008 and replies of the Management to the Comments are placed next to the Auditors Report.

### DIRECTORS

As per the Articles of Association of the Company all the Directors are appointed by the President of India as

communicated through the administrative Ministry - Ministry of Shipping, Road Transport and Highways. During the year Ministry communicated appointment of Shri P.C.Dhiman as part-time official Director in place of Shri T.Srinidhi from 13/4/2007. Further Ministry communicated appointment of 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. Shri A.K.Dhar, then Director (Finance) was given the additional charge of CMD in place of Shri K.R.Kishore, IAS from 25/6/2007. Ministry communicated appointment of Capt.S.S.Tripathi as Chairman-cum-Managing Director who assumed charge on 12/9/2007 from Shri A.K.Dhar. Ministry communicated appointment of Dr.A.R.Goyal as part-time-official Director in place of Shri Prabhakar from 09/10/2007. Shri A.K.Dhar ceased to be the Director (Finance) on 30/11/2007 on retirement by superannuation. Ministry communicated appointment of Shri P.V.Ramanamurthy as Director (Finance) who assumed charge on 05/12/2007. As per the communication received from Ministry Shri S.Balachandran, Dr.Debashis Sanyal, Dr.Gautam Barua and Shri A.Soundararajan were appointed as part-time non-official Directors from 17/01/2008. The Board is pleased to place on record its appreciation for the valuable guidance given by Shri.T.Srinidhi, Shri P.C.Dhiman, Shri A.K.Bhalla, Shri Prabhakar, Shri K.R.Kishore and Shri A.K.Dhar during their tenure as Directors of the Company.

Pursuant to Section 256, of the Companies Act, 1956, Shri S.Balachandran, Dr.Debashis Sanyal, Dr.Gautam Barua and Shri A.Soundararajan retire at this meeting and are eligible for re-appointment. The Board recommends for their re-appointment in this meeting.

### ACKNOWLEDGEMENTS

The Directors thank Hon'ble Minister of Shipping, Road Transport and Highways and officers and staff of Ministry of Shipping, Road Transport and Highways 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

(Capt.S.S.TRIPATHI)

Dated : 22-08-2008 CHAIRMAN-CUM-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 (Bollard Pull)	2005	Self Propelled (Twin Screw)	-	42.30	4.50	-	22.00T
"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

**2.1 Composition of Board of Directors as on 31/03/2008:** Pursuant to the Articles of Association of the Company the Members of the Board of Directors are appointed by the President of India. Part-time Non-Official Directors are independent Director pursuant to Clause 49 of the Listing Agreement. The composition of the Board as on 31/03/2008 is as under:-

Name	Executive/ Non-Executive	Official/Non-Official	Age	Qualifications
i) Capt.S.S.Tripathi, CMD	Executive	Whole-time official	51	MBA, Master (FG)
ii) Cmde.G.V.Ratnam, DOT	Executive	Whole-time official	59	B.Tech, D.I.I.T(NA)
iii) Shri P.V.Ramana Murthy, DFN	Executive	Whole-time official	53	B.Com, ACA
iv) Shri Rakesh Srivastava, IAS	Non-Executive	Part-time official	49	M.Sc.
v) Dr.A.R.Goyal	Non-Executive	Part-time official	53	B.Sc., M.Sc., Ph.D
vi) Dr.S.Narasimha Rao	Non-Executive	Part-time Non-official	67	B.E, M.E, Ph.D
vii) Shri S.Balachandran	Non-Executive	Part-time Non-official	62	B.Sc, M.Sc
viii) Dr. Debashis Sanyal	Non-Executive	Part-time Non-official	50	M.Com, AICWAI, Ph.D
ix) Prof.Gautam Barua	Non-Executive	Part-time Non-official	54	B.Tech., M.Tech., Ph.D
x) Shri A.Soundararajan	Non-Executive	Part-time Non-official	53	B.Sc, FCA

#### Changes after 1/4/07

Name	Date	Nature of Change
i) Shri T.Srinidhi	13/04/2007	Cessation on appointment of Shri P.C.Dhiman
iii) Shri P.C.Dhiman, IAS	13/04/2007	Appointment in place of Shri T.Srinidhi
iii) Shri P.C.Dhiman, IAS	13/06/2007	Cessation on appointment of Shri Prabhakar
v) Shri A.K.Bhalla, IAS	13/06/2007	Cessation on appointment of Shri Rakesh Srivastava
v) Shri Rakesh Srivastava	13/06/2007	Appointment in place of Shri A.K.Bhalla
Shri Prabhakar	13/06/2007	Appointment in place of Shri P.C.Dhiman
Shri K.R.Kishore, IAS	25/06/2007	Cessation
Capt.S.S.Tripathi	12/09/2007	Appointment as CMD
Shri Prabhakar	09/10/2007	Cessation on appointment of Dr.A.R.Goyal
Dr.A.R.Goyal	09/10/2007	Appointment in place of Shri Prabhakar
Shri A.K.Dhar	30/11/2007	Cessation as Director (Finance) on superannuation.
Shri P.V.Ramana Murthy	05/12/2007	Appointment as Director (Finance)
Shri S.Balachandran	17/01/2008	Appointment
Debashis Sanyal	17/01/2008	Appointment
Gautam Barua	17/01/2008	Appointment
A.Soundararajan	17/01/2008	Appointment



## DREDGING CORPORATION OF INDIA LIMITED

### Brief profile of the Directors appointed on or after 1/4/07 and continuing as on date of this report

**Shri Rakesh Srivastava, IAS** is presently Joint Secretary (Ports) in Ministry of Shipping, Road Transport and Highways, Department of Shipping. He worked at various senior levels in Government including Joint Secretary/ Director in Ministry of Defence, Secretary, Irrigation Department and Secretary, Transport Department in Government of Rajasthan.

**Dr.A.R.Goyal** is presently Director (Finance) in the Ministry of Shipping, Road Transport and Highways. He has earlier worked in various Ministries like Ministry of Defence, Ministry of Agriculture, Ministry of Commerce. He has vast experience in administrative, technical, vigilance matters and also in trade negotiations with South/North East Asian Countries.

**Capt.S.S.Tripathi** started his career in Merchant Navy in Shipping Corporation of India and then joined Visakhapatnam Port Trust in which he held the post of Deputy Conservator before joining DCI as CMD. He has vast experience in pilotage, dredging, conservancy, safety and security management of Ships.

**Shri P.V.Ramanamurthy** has experience in Finance & Accounts. Prior to joining DCI as Director (Finance) he held the post of General Manager (Finance) in Bharat Dynamics Limited. He also worked earlier in Andhra Pradesh State Financial Corporation and Hindustan Aeronautics Limited.

**Shri S.Balachandran** is an expert in financial management, planning, capital budgeting, financial appraisal. He has 35 years of experience in Railways and on deputation outside in Corporate and other Government Sectors. In the Ministry (Railways Board), he worked as Executive Director (Resource mobilisation), Adviser (Finance) and Additional Member (Budget) for six years dealing with policy matters pertaining to railway finances, accounts, investment planning, funding strategies and budget processes in Parliament. He worked in Indian Railway Finance Corporation for about 10 years at the senior Management Level including as Managing Director. He also held Directorship in Boards of three companies viz., Railtel Corporation, Pipavav Rail Corporation and Karnataka Rail Infrastructure Development Enterprise. He also held the post of Joint Director in the Office Comptroller and Audit General of India. He was the Chief Data Processing Officer and Head of Computer Division with Nigerian Railway Corporation, Lagos for 3 1/2 years.

**Dr.Debashis Sanyal** is an expert in finance, accounting & control. He is a Member, Finance Committee of Power Finance Corporation and Member, Finance Advisory Committee of Power Grid. He was a Joint Director of the Institute of Cost and Works Accountants of India, Accounting Faculty in National Institute of Financial Management, and presently Professor in Finance in Management Development Institute, Gurgaon.

**Dr.Gautam Barua** is the Director of IIT, Guwahati and a Professor on Computer Science and Engineering. He specialises in Operating Systems and Networks. He is an IT consultant to many organisations, most prominently, Government of Assam. He is actively involved with many educational institutions in the North East. He is the Chairman, Board of Governors of NIT Silchar and in the Boards of many other institutions.

**Shri A.Soundararajan** has experience in the fields of Direct & Indirect taxes, Corporate and Economic Laws. He has more than 20 years experience in representing income tax matters at all levels on behalf of many individual and corporate clients. Further he was the Statutory Auditors/ Internal Auditors for many private limited, Public Limited and Government Companies, Nationalised Banks, Insurance Companies, Co-operative Spinning Mills and Sugar Mills. He started his own practice in the year 1983 in the name of M/s S.D.Raj Associates. He has experience in preparation of reports for Project Financing.