



## DREDGING CORPORATION OF INDIA LIMITED

### **NOTICE**

**NOTICE** is hereby given that the 34<sup>th</sup> Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 1600 hrs on Wednesday, the 8<sup>th</sup> September, 2010 in Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following business :-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt Directors' Report for the year 2009-10, the audited Balance sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 together with the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Rakesh Srivatsava, IAS, who retires as rotational Director and is eligible for re-appointment.
4. To appoint a Director in place of Shri P. Sridharan 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, Rao & Narayan, Chartered Accountants 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 2009-2010".

**By Order of the Board of Directors**

**Place : Visakhapatnam (K.Aswini Sreekanth)**

**Dated : 06-08-2010 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 19<sup>th</sup> August 2010 to 8<sup>th</sup> September, 2010 (both days inclusive).
3. Dividend on equity shares as recommended by the Directors for the Financial year ended 31<sup>st</sup> March, 2010, 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 18<sup>th</sup> August, 2010 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 18<sup>th</sup> August, 2010.
4. Members holding shares in physical form are requested to furnish bank details by 18<sup>th</sup> August 2010 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.
5. 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.
6. 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 2009-10 should be lodged with M/s Karvy Computershare Private Limited on or before, 18<sup>th</sup> August, 2010.
7.
  - 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 18<sup>th</sup> August, 2010.
  - 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.



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8. 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 2002-2003 declared at the AGM held on 27-09-2003 is due for transfer to the IEP Fund on 27-10-2010.  
  
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.
9. 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.
10. 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.
11. 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.
12. Members seeking any information with regard to accounts are requested to write to the Company at the earliest to facilitate keeping the information ready.
13. Entry to the Auditorium will be strictly against Entry Slip available at the counters at the venue and against exchange of Attendance slip.
14. Shareholders may kindly note that no gift/ gift coupon will be distributed at the meeting.
15. No Brief case or Bag will be allowed to be taken inside the auditorium.
16. At the ensuing Annual General Meeting, Shri Rakesh Srivatsava, IAS and Shri P.Sridharan 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 34<sup>TH</sup> ANNUAL GENERAL MEETING

Name of the Director	Shri Rakesh Srivatsava, IAS	Shri P. Sridharan
Date of Birth	23/03/1959	12/11/1950
Date of Appointment	13/06/2007	20/08/2009
Qualifications	M.Sc (Physics)	B.E.(Mechanical), M.E.O (Class I)
Expertise in specific functional areas	He is working in the Ministry of Shipping, as Joint Secretary (Ports).He also worked in various senior level posts in Government of India.	He has vast experience in Shipping Sector both in State Government and Public Sector.
Shareholding in DCI	NIL	NIL
List of Public Companies in which Directorship held	Sethusamudram Corporation Ltd. - Director Ennore Port Limited - Director Mumbai Port Trust - Trustee	NIL



## DIRECTORS' REPORT FOR THE YEAR 2009-2010

Your Directors have pleasure in presenting this 34<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

The Company earned an operational income of Rs. 64540.91 lakh compared to Rs. 68522.19 lakh for the previous year.

The other income is Rs.4853.69 lakh as compared to Rs. 14700.11 lakh for the previous year.

The total income for the year is Rs. 69394.60 lakh as compared to Rs. 83222.30 lakh for the previous year.

Profit after tax is Rs.7005.38 lakh as compared to Rs. 4637.17 lakh for the previous year.

The Company's earning per share for 2009-2010 is Rs.25.02 as compared to Rs. 16.56 for the previous year.

### DIVIDEND

Keeping in view the financial performance of your Company and other relevant considerations, your Directors recommend payment of dividend @ 30% on the paid up capital of the Company absorbing an amount of Rs.979.51 lakh including dividend tax of Rs. 139.51 lakh for the year 2009-10. For the previous year 2008-09 dividend @ 50% involving Rs. 1638.08 lakh including dividend tax of Rs.238.08 lakh was paid. A sum of Rs.750.00 lakh has been transferred to General Reserves during the year ended 31/3/2010.

### DCI FLEET

As on 31<sup>st</sup> March 2010 your Company has among others, 10 Trailer Suction Hopper Dredgers (TSHD) and 3 Cutter Suction Dredgers (CSD). The Craft wise particulars are at Annexure-I.

### DREDGING OPERATIONS

During the year under review, maintenance dredging contracts were executed at Kolkata, Paradip, Visakhapatnam, Mormugao, New Mangalore Port and capital dredging for Paradip and Mormugao Port. 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 capacity utilisation during the year is 81% of no. of days of available capacity.

### PLAN PROPOSALS

Contract was signed on 29.04.2010 for procurement of 2 TSHDs of each 5500 cum capacity. The Dredgers are expected to be delivered in Nov'2012 and May'2013 respectively.

One No. dumb cutter suction dredger of 2000 cum solids per hr capacity was delivered by MDL, Mumbai to DCI on 06.03.2010. The vessel will be put to operation after satisfactory completion of trials.

The Backhoe dredger, order for which was placed in January, 2009 is expected to be delivered by end November, 2010.

### MEMORANDUM OF UNDERSTANDING

The Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2010-11. The Company expects the rating of 'EXCELLENT' for the year 2009-10.

### INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

- All dredgers (except dumb vessels Dr - VII and Dr. XVIII) of DCI hold valid Safety Management Certificates (SMCs).
- DCI has been issued with Document of compliance (DOC) valid till 24-06-2012. The same is being endorsed every year after annual verification audit.

### SHIP SECURITY SYSTEM (ISPS)

All dredgers (except dumb vessels Dr. - VII and Dr. - XVIII) of DCI hold valid International Ship Security Certificates (ISSCs). Renewal of ISSCs of all above vessels have been completed successfully.

### QUALITY MANAGEMENT SYSTEM (ISO 9001:2008)

DCI has been certified for Quality Management System (ISO 9001:2000) (QMS) by Indian Register of Shipping (IRQS). The renewal/re-certification audits by IRQS for the revised version of QMS (ISO 9001:2008) were completed during March 2010. The scope of the system covers Head Office, Project Offices and Vessels.

### ENVIRONMENT MANAGEMENT SYSTEM (ISO 14001:2004)

The certification audits of Environmental Management System (ISO 14001: 2004) were completed during January 2010 and DCI has been certified for EMS. The scope of the system covers Head Office, Projects 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 2009-10 as required under Sec. 217 (2A) of the Companies Act, 1956 is enclosed at Annexure -II.

### 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 a 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.



## DREDGING CORPORATION OF INDIA LIMITED

### 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 (DVL) system to facilitate efficient dredging with potential energy saving.
  - While procuring new dredgers, fuel efficient design with advanced technology is selected.
  - Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 35% 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 :                 | 0.00            |
| Total  | <u>0.00</u>     |
| ii) Foreign Exchange outgo:                    |                 |
| a) Import of components and spares (CIF value) | 6946.19         |
| b) Repayment of foreign currency loan          | 551.03          |
| c) Interest paid on loans from foreign banks   | 13.65           |
| d) Travelling                                  | 9.79            |
| e) Chartering charges                          | 5273.13         |
| Total  | <u>12793.79</u> |

### CORPORATE GOVERNANCE

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

### MANPOWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31<sup>st</sup> March, 2010 was 721, as against 767 during the previous year, excluding MPWs.

### 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 fulfill its obligation in providing employment opportunities to SC/ST candidates, in accordance with the Government

Policy. The overall representation of SC/STs in the Corporation (both Shore and Floating Establishments, but excluding MPWs) as on 31<sup>st</sup> March, 2010 was SCs - 97, i.e., 13.45% as against prescribed percentage of 16.66% and STs 39 i.e., 05.41% as against the prescribed percentage of 7.5%.

#### B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (both Shore and Floating) in group C and D categories in the Corporation was 13.28% and Nil as against the percentage of 14.50% and 24.50% respectively as 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, 2010 is 7 (seven), the group-wise break-up A, B, C & D is as furnished hereunder:-

Group	Sanctioned strength	Total strength in identified posts	No. of persons with disabilities actually employed	Percentage with reference to identified posts
A	185	53	01	1.88
B	108	69	03	4.34
C	66	62	03	4.83
D	07	07	Nil	Nil
Total	366	191	07	3.66

The overall percentage of Group 'A' & 'B' posts comes to 3.27% of the identified posts in these Groups, which is higher than the prescribed 3%. The overall percentage of Group 'C' and 'D' posts comes to 4.10% of the total sanctioned strength in these groups which is higher than the prescribed 3%. The Physically handicapped persons are being paid additional conveyance assistance as per the Government instructions.

#### D. Employment of women

The number of women employees on Rolls as on 31.03.2010 is 53 as against 46 as on 31.03.2009. Out of them number of executives is 15 and Non-Executives is 38.

#### Compliance with Government's Policy on Women :

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.

DCI is a Life Member of the Forum for Women in Public Sector and one women's representative from DCI has been nominated to the above forum. Apart from the Trade Unions, the problems, if any, relating particularly to women employees are looked into as and when the same are brought to the notice of the Management.





## Existing Benefits and Welfare Measures for the Women Employees:

- i) The women employees in the Corporation are entitled to 135 days of Maternity Leave.
- ii) Special Casual leave not exceeding 14 working days is sanctioned to regular women employees of the Corporation to undergo non-puerperal sterilisation.
- iii) One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD insertions.
- iv) A rest room is provided exclusively for the women employees.
- v) Working uniforms are provided to Group 'D' women employees, as per the scales prescribed in the Rules.
- vi) The women employees are sponsored to various in-house and also external training programmes. Out of 53 women employees 24 had undergone training during the past one year i.e., from 01.04.2009 to 31.03.2010.

## WAGE SETTLEMENTS

### A. Floating establishment:

- i) The INSA-MUI (FG/HT) Agreements in respect of Floating Officers, for the periods from 2008 to 2010 and 2010 to 2012 have been implemented.
- ii) The INSA-NUSI Agreements, relating to Petty Officers for the period from 2008-10 was implemented upto 31/03/2010. The wage revision is due from 01/04/2010.
- iii) The Wage Agreement of Crew for the period from 2008-10 was implemented upto 31/03/2010. The wage revision is due from 01/04/2010.

### B. Shore establishment:

- i) The Revised pay scales of Executives have been implemented w.e.f. 01.01.2007
- ii) Wage Revision for Non-Executive Employees in the Shore Establishment is due from 01.01.2007 and negotiations are in progress.

## INDUSTRIAL RELATIONS:

The industrial relations in the Corporation continued to be cordial throughout the year 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, and Mediclaim medical attendance facility for the retired 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.

## HUMAN RESOURCES DEVELOPMENT

The Company is making sincere and concerted efforts for the overall development of Human Resources, both on shore and floating establishments.

During the year, 7 DCCP apprentices were inducted for training. Six Management Trainees were also inducted in various disciplines, during the year. As part of social responsibility, students from local institutions were guided for project works in Human Resource Management, Labour Management, Marketing Management, Information Technology etc.,

Fifteen Electrical Officers and Seven Dredge Operators / Dredge Engineers have undergone technical training.

Lecture programmes on Work Culture, Enhancing Management Development, Leadership were arranged for the benefit of the employees by inviting eminent academic and professional personalities, during the year.

As against target of 131 personnel to be trained under the MoU Targets, a total of 213 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 Corporation implemented the Right to Information Act, 2005 w.e.f. 12.10.2005, and made all required infrastructural arrangements such as appointment of Public Information Officers, Asst. Public Information Officers and Appellate Authority; Publication of 17 prescribed manuals giving classified Corporate Information about DCI for the 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 coordinated.

## ALL INDIA DREDGING CADRE :

Six AIDC Deck Cadets, who were inducted under AIDC Scheme, during March 2009, are continuing their training.

## ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL :

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

In line with the Ministry's direction, a Public Grievance Redressal and Monitoring System (PGRAMS) software was installed in the Computer Network in the Corporation, which works in hand-shake mode between the Ministry and the Corporation. Five complaints received during the year were suitably replied to.



## INFORMATION & FACILITATION COUNTER

In order to ensure 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) was set up at DCI Head Office, Visakhapatnam and the same is publicised in the web-site also.

## 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 in service 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 during the year.

The Officers of the Company actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam during the year. The Corporation was awarded a Prize by the Town Official Language Implementation Committee, Visakhapatnam during the year.

## ACTIVITIES OF VIGILANCE DEPARTMENT DURING 2009-2010

Under preventive vigilance, during the year, the Vigilance Department conducted 25 regular inspections, 4 surprise checks and 3 CTE type inspections on various aspects of performance. The objective of such inspections was to find out violations of extant Rules, instructions, CVC/ Govt. Guidelines and suggest measures for streamlining systems, improvement of measures for better house keeping, elimination of scope for corruption and irregularities and encouraging greater efficiency and transparency. Vigilance Awareness week was observed during November, 2009 and customer/vendor meets were organised. Vigilance web page on the Company's website has been redesigned incorporating various aspects of vigilance, besides launching of online complaint system. Quarterly Vigilance Bulletin is being published for dissemination of the latest information and knowledge on vigilance.

## CITIZEN'S CHARTER

As per the directives of the 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 redress, courtesy and value for money, including expectations of the Organisation from the citizen/client for fulfilling the commitment of the Organisation, a Citizen's Charter approved by the Competent Authority was posted on the Corporate Website.

## IMPLEMENTATION OF JUDGEMENTS/ ORDERS OF THE CAT

There were no judgements/Order of the CAT pertaining to the Company during the year.

## AUDITORS

M/s Rao & Narayan, Chartered Accountants were appointed by the Comptroller and Auditor General of India as Auditors for auditing the accounts of the Company for the financial year 2009-10. 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 the year 2009-10 for approval of the members at this AGM.

## AUDITORS' REPORT

The Auditors Report on the Accounts for 2009-10 are placed along with the Accounts.

## C&AG COMMENTS

The Comments of the Comptroller and Auditor General of India on the Accounts for the year ended 31st March, 2010 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.

The term of Dr.S.Narasimha Rao, part time non-official Director is completed on 4/03/10. Pursuant to Section 256, of the Companies Act, 1956 Shri Rakesh Srivatsava, IAS and Shri P.Sridharan 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 and officers and staff of Ministry of Shipping 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**

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**Place: VISAKHAPATNAM**

**(Capt.S.S.TRIPATHI)**

**Date: 06/08/2010 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 Capacity (Cu.M)	Pumping Capacity (Cu.M/hr) solids	Net Tonnage	No. of Dredging days
DCI Dredge V	1974	Self Propelled TSHD	22.00	100.00	6.52	3539	-	2005	201
DCI Dredge VI	1975	Self Propelled TSHD	22.00	104.00	6.30	3770	-	2139	231
DCI Dredge VII	1976	Non Propelled CSD	22.00	86.00	2.50	-	1000	746 GRT	32
DCI Dredge VIII	1977	Self Propelled TSHD	25.00	124.30	8.50	6500	-	4437	205
DCI Dredge IX	1984	Self Propelled TSHD	25.00	102.60	7.50	4500	-	1547	270
DCI Dredge XI	1986	Self Propelled TSHD	25.00	102.60	7.50	4500	-	1551	217
DCI Dredge XII	1990	Self Propelled TSHD	20.00	115.00	6.50	4500	-	1906	165
DCI Dredge XIV	1991	Self Propelled TSHD	20.00	115.00	6.50	4500	-	1906	311
DCI Dredge XV	1999	Self Propelled TSHD	25.00	122.00	8.50	7400	-	2421	180
DCI Dredge XVI	2000	Self propelled TSHD	25.00	122.00	8.50	7400	-	2414	274
DCI Dredge XVII	2001	Self propelled TSHD	25.00	122.00	8.50	7400	-	2414	243
DCI Dredge Aquarius	1977	Self Propelled CSD	25.00	107.00	4.85	-	3500	1019	247
DCI Dredge XVIII	2009	Non-propelled CSD	25.00	88.00	3.00	-	2000	607	-
DCI Tug-VII	2005	Self Propelled (Twin Screw)	-	42.30	4.50	-	-	21	
Survey Launch - I	1999	Survey Launch	-	12.50	1.85	-	-	18GT	
Survey Launch - II	2009	Survey Launch	-	16.00	1.45	-	-	41GT	
Survey Launch - III	2009	Survey Launch	-	16.00	1.45	-	-	41GT	

**ANNEXURE - II**
**PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) ,COMPANIES ACT 1956**

Name	Design.	Remn. recd. (Rs.)	Nature of Employment	Terms & Conditions	Nature of Duties	Qual. & Experience	Period From	Age To	Last Empl.
1 RANJAN CHOPRA	CEO	2728220	CONTRACT	AS PER OFFER	DREDGING	MEO CL -I	02/01/83	31/03/10	60 DCIL
2 P SHEDANGI	CEO	2617772	CONTRACT	AS PER OFFER	DREDGING	MEO CL -I	11/04/90	31/03/10	60 DCIL
3 R C MEHTA	D/M	2693375	CONTRACT	AS PER OFFER	DREDGING	COC,MASTER(HT)	11/04/90	31/03/10	61 DCIL
4 D K KALRA	D/M	2517207	CONTRACT	AS PER OFFER	DREDGING	COC,MASTER(FG)	07/10/08	31/03/10	62 DCIL
5 D S CHAUHAN	D/M	2450000	CONTRACT	AS PER OFFER	DREDGING	MASTER GR-I	01/03/08	31/03/10	62 DCIL
6 S PRASAD	D/M	2453451	CONTRACT	AS PER OFFER	DREDGING	MASTER GR-I	26/08/88	31/03/10	46 DCIL


**CORPORATE GOVERNANCE REPORT**
**1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE**

The Company strongly believes that good Corporate Governance is a 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**

**i Composition of Board of Directors as on 31/03/2010:** Pursuant to the Articles of Association of the Company all the Directors are appointed by the President of India. Part-time Non-Official Directors are Independent Directors pursuant to Clause 49 of the Listing Agreement. The composition of the Board as on 31/03/2010 is as under:

Name	Executive/Non-Executive	Official/Non-Official	Age	Qualifications
i) Capt.S.S.Tripathi, CMD	Executive	Whole-time official	53	MBA, Master (FG)
ii) Shri. P.V.Ramana Murthy, DFN	Executive	Whole-time official	55	B.Com, ACA
iii) Shri. P. Sridharan, DOT	Executive	Whole-time official	59	B.E (Mechanical)
iv) Shri. Rakesh Srivastava, IAS	Non-Executive	Part-time official	51	M.Sc.
v) Dr.A.R.Goyal	Non-Executive	Part-time official	55	M.Sc., Ph.D
vi) Shri. S.Balachandran	Non-Executive	Part-time Non-official	64	M.Sc
vii) Dr. Debashis Sanyal	Non-Executive	Part-time Non-official	52	M.Com, AICWAI, Ph.D
viii) Dr.Gautam Barua	Non-Executive	Part-time Non-official	56	M.Tech., Ph.D
ix) Shri. A.Soundararaajan	Non-Executive	Part-time Non-official	55	B.Sc, FCA

Dr.S.Narasimha Rao, Part-time Non-Official (Independent) Director ceased to be the Director w.e.f 05/03/2010 on completion of his tenure.

**ii Attendance Record of Directors : 2009-10**

Seven Board Meetings were held during the year 2009-10. Attendance of Directors at the meetings of Board of Directors during the financial year 2009-10 and the last Annual General Meeting held on 24.09.2009 is as follows:-

Name of the Director	No. of Board Meetings		Attended last AGM
	During tenure	Attended	
1. Capt.S.S.Tripathi	7	7	Yes
2. Shri P.V.Ramana Murthy	7	7	Yes
3. Shri P. Sridharan	3	3	Yes
4. Shri Rakesh Srivastava, IAS	7	5	No
5. Dr. Gautam Barua	7	4	Yes
6. Dr.S.Narasimha Rao	7	6	Yes
7. Shri A. Soundararaajan	7	6	No
8. Shri S. Balachandran	7	6	No
9. Dr. A.R. Goyal	7	4	No
10. Dr. Debashis Sanyal	7	1	Yes

**iii Number of other Boards / Board Committees in which Directors are Members/ Chairperson:**

Director	No. of outside position held	
	Directorships	Committee
1. Capt.S.S.Tripathi	2	-
2. Shri P.V.Ramana Murthy	-	-
3. Shri P. Sridharan	-	-
4. Shri Rakesh Srivastava	3	-
5. Gautam Barua	-	-
6. Dr. S. Narasimha Rao	1	-
7. Shri A. Soundararaajan	-	-
8. Shri S. Balachandran	5	3
9. Dr.A.R.Goyal	3	2
10. Dr.Debashis Sanyal	-	-





## DREDGING CORPORATION OF INDIA LIMITED

### iv Details of Board Meetings held during 2009-10

Sl.No.	Date	Place	No. of Directors Present
1.	22/04/2009	Visakhapatnam	5
2.	04/05/2009	Delhi	8
3.	29/06/2009	Delhi	7
4.	31/07/2009	Visakhapatnam	7
5.	30/10/2009	Delhi	8
6.	18/12/2009	Paradip	5
7.	28/01/2010	Delhi	9

### 3 AUDIT COMMITTEE

i The Audit Committee is constituted in accordance with the requirements of the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The quorum for meetings of the Audit Committee is two Members or one third of the Members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present. The powers, terms of reference and regulations of the Committee have been fixed by the Board as per the provisions of Section 292 A of Companies Act, 1956 read with the requirements of the Clause 49 of the Listing Agreement. The Company Secretary acts as Secretary of the Audit Committee. The Committee Meetings are also attended by Director (Finance) and Statutory Auditors. Further, Internal Auditors, Heads of Departments and senior executives attend the Audit Committee Meetings as and when required by Audit Committee.

#### ii The Constitution of the Audit Committee as on 31-03-2010 is as under :-

1.	Dr.S.Narasimha Rao	:	Chairman (upto 04/03/2010)
2.	Shri S. Balachandran	:	Member
3.	Dr.A.R.Goyal	:	Member
4.	Shri A.Soundararajan	:	Member
5.	Dr.Debashis Sanyal	:	Member

#### iii Meetings of the Audit Committee and attendance during the year 2009-10:

##### Details of Audit Committee Meetings held during the year 2009-2010:

Sl.No.	Date	Place	No. of Members Present
1.	28/05/2009	Visakhapatnam	4
2.	29/06/2009	Delhi	4
3.	31/07/2009	Visakhapatnam	2
4.	30/10/2009	Delhi	5
5.	27/01/2010	Delhi	5

##### Details of attendance in Audit Committee Meetings during 2009-10:

Sl.No.	Name of the Director	No. of Meetings During tenure	Attended
1.	Dr.S.Narasimha Rao	5	5
2.	Dr.A.R.Goyal	5	2
3.	Dr.Debashis Sanyal	5	0
4.	Dr.A.Soundararajan	5	5
5.	Shri S. Balachandran	5	5

### 4 REMUNERATION OF DIRECTORS

i. DCI being a Government of India Undertaking, the remuneration payable to its whole-time Directors is as per the Rules and Regulations prescribed by the Government of India, received through the Administrative Ministry, Ministry of Shipping. As such the company has not constituted any remuneration committee for Directors.

ii. The part-time official (Government) Directors do not receive any remuneration from the Company.

iii. The Part-time Non-Official Directors were paid sitting fees of Rs.5,000/- for each Board/Committee meeting attended by them.

iv. DCI does not have a policy of paying commission on profits to any of the Directors of the Company.

v. Remuneration paid to Whole time Directors during 2009-10 is as under :- (Rs. in lakhs)

Name & Designation	Salary	P.F.Contribution	Medical	Total
1. Capt.S.S.Tripathi, CMD	22.43	1.39	0.20	24.02
2. P.V.Ramanamurthy, DFN	20.02	1.20	0.17	21.39
3. P.Sridharan, DOT (from 20/08/09)	14.40	0.77	0.20	15.37

In addition to the above, wherever necessary, the travelling, hotel and other related expenditure is being arranged/ reimbursed to the Directors for attending the Board and other meetings.

vi. The Company presently does not have any Stock Option Scheme.



## 5. SHAREHOLDERS COMMITTEE

### SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE

The Shareholders/ Investor Grievance Committee has been looking into grievances of shareholders/ investors and to suggest remedies and measures for improvement.

i. The constitution of the Shareholders/ Investors Grievance Committee as on 31/3/2010 is as under :-

- |      |                        |   |                            |
|------|------------------------|---|----------------------------|
| i)   | Dr.S.Narasimha Rao     | : | Chairman (upto 04/03/2010) |
| ii)  | Shri S.Balachandran    | : | Member                     |
| iii) | Shri P.V.Ramana Murthy | : | Member                     |

The Committee held one meeting during the year in the month of January, 2010.

ii. K.Aswini Sreekanth, Company Secretary is designated as Compliance Officer.

iii. During the year 2009-10, 234 complaints were received from shareholders, 1 complaint was forwarded by SEBI and 1 complaint was forwarded by Stock Exchanges.

iv. Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agents.

v. There is no pending complaint as on 31/03/10.

### SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee constituted in the year 1997. As on 31<sup>st</sup> March, 2010 the Share Transfer Committee has Chairman and Managing Director, Director (Finance) and Director (Operations & Technical) as members. The Committee is authorized to approve transfer and transmission of shares of the Company. Share transfer/ transmission and other important matters are attended in time under the control of Company Secretary. As on 31-3-10, the company had 55,263 shareholders. The company has been taking all steps to ensure that shareholder related activities are given top priority and matters are attended to immediately. M/s Karvy Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent of the Company providing the services of physical share registry work and electronic interface facility with the depositories.

## 6 GENERAL BODY MEETINGS

i. Details of last 3 Annual General Meetings:

	2006-07- 31st AGM	2007-08-32nd AGM	2008-09-33rd AGM
1. Date	28-9-2007	29-9-2008	24-9-2009
2. Time	1000 hrs.	1000 hrs.	1000 hrs.
3. Venue	Siri Fort Auditorium August Kranti Marg New Delhi - 110049	Siri Fort Auditorium August Kranti Marg New Delhi - 110049	Siri Fort Auditorium August Kranti Marg New Delhi - 110049

ii. During the previous three years, no special resolution was passed.

iii. During the previous year, no special resolution was passed through postal ballot.

iv. No resolution was passed through postal ballot during the previous year.

v. There is no proposal before the AGM of this year requiring conduct through postal ballot.

## 7 DISCLOSURES

i. In terms of Accounting Standard 18 (Revised-2000), no disclosure is required in the financial statements of State controlled enterprise (An enterprise which is under the control of the Central Government and/or State Government) as regards related party relationships with other State controlled enterprises and transactions with such enterprises. The related party transactions of DCI for the year 2009-10 are only with other State controlled enterprises. During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large.

ii. The Company has complied with the requirements of regulatory authorities on matters related to Capital Markets and no penalties/ strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last 3 years.

iii. DCI is a Government of India undertaking and there are established Government guidelines and mechanism of reporting illegal or unethical behaviour. Employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor/Chief Vigilance Officer/ Chairman and Managing Director. The Directors and senior management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. No employee has been denied access to the Audit Committee.

iv. The mandatory requirements as specified in the Clause have been complied with. The company has also made efforts to comply with the Non-mandatory requirements to the extent possible.

v. **Code of Conduct for Prevention of Insider Trading:**DCI has its code of conduct for prevention of insider trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code lays down guidelines which advises management and staff on procedures to be followed and disclosures to be made while dealing with shares of Company and cautions them of the consequences of violations.