

COMMITTEE ON PUBLIC UNDERTAKINGS

(2003-2004)

(THIRTEENTH LOK SABHA)

**FIFTIETH
STUDY TOUR REPORT**

ON

DREDGING CORPORATION OF INDIA LIMITED

Laid in Lok Sabha on 19.12.2003

LOK SABHA SECRETARIAT

NEW DELHI

December, 2003 / Agrahayana, 1925 (S)

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COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS

(2003 – 2004)

CHAIRMAN

Prof. Vijay Kumar Malhotra

MEMBERS

LOK SABHA

2. Shri Mani Shankar Aiyar
3. Shri Ram Tahal Chaudhary
4. Smt. Reena Choudhary
5. Smt. Sangeeta Kumari Singh Deo
6. Shri C. K. Jaffer Sharief
7. Shri K. E. Krishnamurthy
8. Dr. Ramkrishna Kusmaria
9. Shri Vilas Muttemwar
10. Shri Shriniwas Patil
11. Shri Prabhat Samantray
12. Shri Tarit Baran Topdar
13. Prof. Rita Verma
14. Shri A.K.S. Vijayan
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RAJYA SABHA

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20. Shri K. Kalavenkata Rao
21. Shri Jibon Roy
22. Smt. Ambika Soni

SECRETARIAT

- | | |
|-----------------------|----------------------|
| 1. Shri John Joseph, | Additional Secretary |
| 2. Shri S.Bal Shekar, | Director |
| 3. Shri C.S.Joon, | Deputy Secretary |
| 4. Shri Raj Kumar, | Under Secretary |
| 5. Smt. Vidya Mohan | Executive Assistant |

INTRODUCTION

In pursuance of the procedure adopted under Rule 281 of the Rules of Procedure and Conduct of Business for laying the Fiftieth Study Tour Reports on the Tables of both the Houses of Parliament, I, the Chairman, Committee on Public Undertakings have been authorised by the Committee to lay the Fiftieth Study Tour Report on their behalf, lay the Study Tour Report of the Committee on their discussions with the officials of Dredging Corporation of India Limited.

2. The Committee held discussions with the officials at Vishakhapatnam on 14.4.2003. A copy of the tour programme is annexed (Annexure-II).

3. The Committee considered and approved the Report at their sitting held on 17 December, 2003.

4. The Committee wish to express their thanks to. Dredging Corporation of India Limited for providing facilities during the visit of the Committee and for supplying necessary material and information required in connection with the Study Tour.

5. They would also like to place on record their sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi
17 December, 2003

26 Agrahayana, 1925(S)

PROF. VIJAY KUMAR MALHOTRA
CHAIRMAN
COMMITTEE ON PUBLIC UNDERTAKINGS

STUDY TOUR NOTES OF THE COMMITTEE ON PUBLIC UNDERTAKINGS

Discussion with the Representatives of Dredging Corporation of India Limited at Visakhapatnam on 14th April, 2003

At the outset, the Chairman, Committee on Public Undertakings (COPU) made opening remarks and then requested the Chairman & Managing Director, Dredging Corporation of India Limited (DCI) to introduce himself and his colleagues to the Committee. The Chairman, COPU also requested him to give a brief account of the working of the Company.

2. After introduction of officials of the Company, the Committee have been informed that Dredging Corporation of India Limited, a public sector undertaking under the Ministry of Shipping, was incorporated on 29th March 1976 and took over the operations of dredgers from the then Central Dredging Organisation with the basic objective of providing integrated dredging service to the major ports of the country. The operations were commenced from 1977. The Major Ports, Non-Major Ports, Private Ports, Indian Navy and Shipyards are the customers of the Company. At present, the Company owns 10 nos. Trailer Suction Hopper Dredgers (TSHD) and 2 nos. Cutter Suction Dredgers (CSD).

Despite increasing competition and foreign companies setting up Offices in India, the Company has been catering to 85% of maintenance dredging requirements in India. The Company executed its first dredging contract abroad at Taichung Harbour, Taiwan and executed the contract at a value of US \$ 7.55 Million during 2001-02. The Company has been continuously achieving “Excellent” MOU rating since 1995-96. The Company was upgraded to schedule B category in April, 2002.

3. The Committee have also been informed that DCI has been granted the Mini Ratna Status Category-I by the Government of India during 1999-00. The final approval confirming Mini-Ratna powers to the Company was received from Ministry of Shipping in March, 2003. When enquired to what extent the new dispensation benefited the Company in its functioning and how the existing position compares to the one during the period prior to conferment of Mini Ratna Status, the Committee have been informed as under :

Comparative delegation with and without Mini-Ratna status:

S.No.	Nature of power	With Mini Ratna status	Without Mini Ratna status
i.	Capital expenditure	Upto Rs.300 crore or networth whichever is less	Upto Rs. 100 crore
ii.	JVs, Subsidiaries and overseas Offices	Upto equity investment of Rs. 100 crore, but not exceeding 5% of net worth in any one project or 15% in all projects together	Government approval required
Iii	Technology JVs and Strategic alliances	As per Government guidelines issued from time to time	Government approval required
iv.	Schemes for HRD	To structure and implement schemes for VRS/CRS, Personnel and HR Management	Government approval required.

4. As per the information furnished to the Committee, the dredging capacity available with the Dredging Corporation of India Limited as on March 31, 2003 and the capacity added during the last five years is as under :

VESSEL	1998-99	1999-2000	2000-01	2001-02	2002-03

A. Cutters					
Dredge-VII	1.25	1.25	1.25	1.25	1.25
Dr-Aquarius	5.00	5.00	5.00	5.00	5.00
B. Trailers:					
Dredge – V	4.00	4.00	4.00	4.00	4.00
Dredge VI	4.00	4.00	4.00	4.00	4.00
Dredge VIII	9.00	9.00	9.00	9.00	9.00
Dredge IX	6.50	6.50	6.50	6.50	6.50
Dredge XI	6.50	6.50	6.50	6.50	6.50
Dredge XII	6.50	6.50	6.50	6.50	6.50
Dredge XIV	6.50	6.50	6.50	6.50	6.50
Dredge XV *	---	8.30	10.20	10.20	10.20
Dredge XVI **	---	---	---	10.20	10.20
Dredge XVII ***	---	---	---	5.10	10.20
TOTAL	49.25	57.55	59.45	74.75	79.85

* DR-XV Joined fleet on 17.5.1999

** DR-XVI Joined fleet on 16.3.2001

** DR-XVII Joined fleet on 14.8.2001

5. When asked to state the quantity dredged under various contracts during each of the last five years and how do they compare with the available capacity, the information furnished to the Committee is given below :-

YEAR	CAPACITY LM3	UTILISATION LM3	%UTILISATION
1998-1999	505.60	505.65	100.04
1999-2000	583.00	563.32	96.62
2000-2001	598.00	607.20	101.54
2001-2002	747.50	804.57	107.63
2002-03	798.50	785.18	98.33

6. With regard to capacity utilisation of dredgers, it is observed that while the capacity utilisation in 2001-2002 was 107.63%, it has come down to 98.33% in 2002-2003. When asked the reasons for decline in the capacity utilisation, it has been informed to the Committee that the lower capacity utilisation in 2002-03 is due to the change in the contract of dredging at Haldia. During 2002-03, more emphasis was given for achieving the required navigational depths as required by the contract and not the amount of material dredged. Penalties are imposed for not achieving depths. Even though in quantitative terms there is a reduction in capacity utilisation, there has been a qualitative improvement in performance, which cannot be reflected in the quantitative percentage utilisation, which is calculated in quantitative terms only.

7. When enquired about the major competitors of the Company in the dredging operation, it has been intimated to the Committee as under:-

A. Multi-national Dutch and Belgium dredging companies:

- Ballast Ham dredging
- Royal Boskalis

- Blank Voort
- Van Oord ACZ
- Dredging International
- Jan De Nul

B. Indian Dredging Companies:

- Jaisu Shipping Company
- Dharti Dredging & Construction Co. Limited

8. When asked what steps have been taken by the Company to secure maintenance dredging contracts of the ports in view of the increasing competition in the country, the Company intimated that the following steps have been taken:-

- Offering most competitive rates for maintenance dredging
- Continuous interaction with all ports
- Completion of maintenance dredging assignments as per the agreed time schedule
- Effective monitoring of the Dredging assignments.

9. The Committee have been informed that while the foreign dredging companies are freely allowed to compete in the Indian Dredging Market, the European Countries like Belgium, Dutch, etc. are not even inclined to give any details/procedure to DCI or any Indian Dredging Companies to enter into their dredging market. Detailing further in this regard, the Committee have been apprised as under :

(1) There are important factors which help foreign dredging firms to operate at their comparatively higher levels of technical expertise and productivity. For instance in the Netherlands, the Government provides various kinds of support for dredging companies. While no foreign company operates in their country, the Dutch dredging companies are encouraged to win opportunities in foreign

countries especially where markets are emerging. The Government maintains bilateral economic relations with large number of countries in order to support companies effectively in acquiring, maintaining and strengthening positions in foreign markets.

- (2) The non-financial instruments adopted by the Government to operate on an international scale and involve provision of information, promotion and match making. The trade and investment missions of Dutch Cabinet members and visits by senior officials to other countries are important. Often Dutch companies can participate in these missions and constraints in these countries are discussed. Companies are also introduced to the local authorities and businesses during such missions. Successful foreign entrepreneurship depends on good preparation and reliable information. The Netherlands Foreign Trade Agency of the Ministry of Economic Affairs has access to many unique sources and information.

- (3) The financial instruments provided by the Dutch Government in various countries in the emerging market include:

- **Investment promotion and technical assistance programmes (IBTA)**

Through these programmes, various forms of technical assistance are provided for local companies in emerging markets, either in advance of the investment (e.g. feasibility studies) or afterwards (e.g. training or management assistance).

- **Emerging Markets Investment Facility (IFOM)**

Through the IFOM, the Dutch government guarantees subordinated loans of between NLG0.1 million and 5 million.

- **Matching Fund**

- When offering a commercial export credit, Dutch exporters may face foreign competition that offers financing on better terms with financial support from their governments.
- This distortion of competition leads to the loss of sales opportunities. In order to neutralize this distortion, the Ministry of Economic Affairs subsidizes, the interest or other financing costs to the passed on to the foreign customer
- The scheme is aimed at Dutch exporters of capital goods, agricultural production materials, contracting works, technical designs and consulting services.

- **The ORET/MILIEV**

- Programme promotes Dutch exports to developing countries.
- The Netherlands grants aid to the governments of the developing countries concerned for a concrete transaction, with the commitment to acquire the majority of the capital goods, services or works for this transaction from the Netherlands.

- **Economic Co-operation Projects Programme (PESP)**

- In order to promote trade and investment relations for Dutch companies in emerging markets, the PESP provides opportunities to finance part of the costs of feasibility studies or preparatory investment studies.

(4) Many developed countries provide subsidies and other incentives to protect their domestic companies. Direct Government subsidy and other policies include :

- Direct financial aid subsidies to R&D costs
- Subsidies to bid preparation costs
- Export credits for feasibility studies
- Export credits in the form of financial insurance & guarantees
- Government guarantees for private bank loans
- Tax exemptions and public risk sharing (including the guarantee of a percentage of contractor profits)

- Subsidies related to tied aid.

10. It was mentioned by the Committee that the importance of River Dredging is gaining momentum in the country with the advent of proposals for linking up all the rivers. When asked whether DCI have technical know-how to take up River Dredging in the country, the Committee have been apprised that DCI was earlier equipped with small inland cutter function dredgers which are suitable for carrying out river dredging. Since a number of small inland dredging companies have come up with inland dredging equipment in various parts of the country, it was felt that DCI would not be cost competitive in this activity. Moreover, during the year 2000, Ministry of Shipping advised DCI to hand over all its three Inland Cutter Suction dredgers (ID-I,II and IV) to Inland Waterways Authority of India (IWAI) at their book value to meet the dredging needs of IWAI in River Ganga. Accordingly, the same were handed over to IWAI. As a consequence, DCI does not possess any equipment for river dredging.

11. When enquired whether DCI has made any survey regarding division of ports, it has been informed to the Committee that the Company has not carried out any survey regarding division of the ports because of dredging operations. However, DCI in association with individual ports conduct surveys before commencement of pre-dredging and after completion of dredging, wherever dredging contracts awarded to DCI.

12. When asked whether National Survey of dredging in Rivers and Sea Ports is possible, it has been informed to the Committee as under :

- (1) DCI does not have infrastructure to carry out national survey of dredging in rivers and sea ports.
- (2) Individual ports conduct surveys for ascertaining the dredging requirements of the respective ports for both maintenance dredging and capital dredging.

- (3) Basing on this requirement, in fact all the major ports have projected their dredging requirements both for maintenance and capital dredging for the last 10th five year plan. Copy of the Dredging Projections for 10th Five Year Plan enclosed at Annexure-I.
- (4) With regard to national survey of dredging in rivers, IWAI is the agency exclusively looking after the development of inland water ways. It is understood that IWAI has also compiled the dredging requirements of rivers in India during 10th five year plan.

13. The Committee have pointed out that in the case of recent dredging contract with Mumbai Port Trust, DCI quoted Rs.43 crore, while the foreign dredging company quoted Rs. 33 crore. DCI finally agreed to do for Rs. 33 crore and successfully completed the dredging within 2 months period. When enquired as to why DCI quoted the higher rate of Rs. 43 crore, the Committee have been intimated as follows :

- (1) The rate quoted by DCI was a competitive rate based on the type of dredger to be deployed and method of handling dredged material i.e. DCI was contemplating to deploy one of its trailer suction dredgers(TSD) of 7400 cu mts hopper capacity for dredging and to carry the material to the dumping ground, about 28 to 30 kilometres away from the dredging areas for dumping. DCI also envisaged to sub-contract 4.94 lakh cu.m. dredging in the restricted areas by deploying suitable grab dredgers which are not available with DCI.
- (2) The lowest foreign bidder proposed to deploy a proprietary water injection equipment with which the material would be fluidized and pushed through currents in the sea bed to specified locations from where they will be

carried by the TSD. With the versatile equipment available, the foreign bidder could quote a lower rate.

- (3) However, keeping in view that DCI was formed to cater to the dredging requirements of the various ports in the country, and should cater to the dredging needs of all ports, and considering availability of spare capacity, DCI opted to avail the right of first refusal and agreed to carry out the work on the lowest foreign bidder's price.
- (4) During execution, DCI by suitably readjusting the deployment pattern was able to minimize the sub-contract quantity and reduce costs.

13.a) On the question of guidelines for award of maintenance dredging contracts by various ports to DCI, the Committee have been informed as under:

- (1) Since formation of DCI, MOS has been issuing guidelines for award of maintenance dredging contracts by various ports to DCI. The policies are being issued in such a way that DCI's dredging capacity is fully utilized and any additional dredging requirements beyond DCI's dredging capacity would only be carried out by other sources.
- (2) On 8th June 2001, MOS issued guidelines for award of dredging contracts by various ports valid up to 31st March, 2004. As per these guidelines, ports are free to negotiate with DCI and enter into contract or opt to go for tender. In case Ports opt to go for tender and DCI participates in the tender, DCI should be given the right to first refusal before the work is awarded to the lowest foreign bidder. In addition, DCI is also eligible for 10% purchase preference vis-à-vis domestic

bidder. It has also been confirmed by MOS in March, 2003 that these guidelines are applicable for capital dredging works also.

- (3) DCI by offering most competitive rates and completion schedules that are in line with requirements of ports could acquire the maintenance dredging contracts from most of the ports on nomination basis. Where ports have opted for tender, DCI could secure those contracts, again tenders. In respect of Mumbai Port Trust, DCI secured the contract by executing right of first refusal as per Ministry of Shipping guidelines. Thus DCI could ensure optimum utilization of its dredging capacity by execution of maintenance dredging contracts of all the Major Ports and Indian Navy. Most of these contracts would be expiring by March, 2004.
- (4) DCI would be continuously thriving to provide competitive price to all the ports and secure maintenance dredging contracts, whenever ports opt to go for tender. However, since the price to be quoted by various competitors would depend on their strategy and would be varying from time to time, in order to fully utilise the dredging capacity available indigenously with DCI, it is requested that the present policy guidelines on award of dredging contract be continued for another five years. In fact, while continuing the present policy, twin objectives of competitive price for the ports and optimum utilization of DCI's capacity can be ensured.

14. It is observed that the present manning strength of a dredger of DCI is 60 whereas the manning of a foreign dredger is 20. When asked as to why the DCI cannot bring down the manning strength of their dredgers to 20, the Committee have been informed that it is our endeavour to reduce the manning on DCI's dredgers to 45 from the present manning strength of 60. The manning strength of foreign dredgers at 20 is not comparable in the Indian context, due to the following reasons:

(a) Safe manning to be maintained as per the Merchant Shipping Act and as per the instructions received from the DG Shipping authorities from time to time, is as follows:

Master	-	01
Chief Officer	-	01
2 nd Mate	-	01
NWKO	-	01
CEO	-	01
2 nd EO	-	01
4 th EO	-	02
SH Man	-	03
Seaman	-	03
ERR-I	-	03
ERR-II	-	01
CH.Cook	-	01
G.S.	-	01

		20

Thus the minimum safe manning to be maintained on DCI dredgers is 20. In addition to the above, 6 Tube Operators are required to handle the dredging tubes and 3 Electrical Officers are required to maintain un-interrupted power supply to the dredgers for '3 shift dredging'. Further on Dredgers 5,6,7,8 and Tug-6, Mechanics are required to be posted for attending the watch keeping duties in Engine/ Pump Room in addition to the Watch Keeping Engineers. Also for

emergency repairs on board, atleast 3 of Machinists (fitters) are required to be posted instead of depending upon work shops during the dredging. Over and above the dredging operations, the fleet personnel posted on dredgers also attend routine maintenance for which additional manning is required when compared to the foreign dredgers. Taking all the aspects into account, it is difficult to bring down the level to 20 now.

b) It is further clarified that the foreign dredgers are manned with 20 personnel and their service conditions are as follows:

(i) The crew and officers on board foreign dredgers work 12 hrs. a day in 2 shifts while in DCI dredgers Officers and crew work for 8 hrs. a day in 3 shifts.

(ii) The foreign crew function on multi-skill operation basis. The officers in-charge on watch operate/navigate the dredger themselves and do not look for any support from the other staff.

(iii) A common mess arrangement is available on those dredgers and at large processed food is served on board.

(iv) In addition to 20 personnel, the foreign dredgers engage local crew for repairs, maintenance and miscellaneous works.

15. Giving a comparative account of the budgeted and actual turnover and the net profit in the last five years, the Company furnished the following figures:-

(Rs. in crore)

Year	Turnover		Net Profit	
	Budget	Actual	Budget	Actual
1998-99	230.00	249.02	25.90	41.84
1999-00	255.00	331.83	45.40	72.65
2000-01	301.00	402.85	54.80	108.71
2001-02	422.00	501.53	92.70	101.55
2002-03	413.00	509.00	64.30	103.00

16. The Committee have been informed that DCI is paying 35.875% Corporate Tax (Basic Rate 35% + Surcharge 2.5% thereon) to the Government. When enquired whether all PSUs are paying the Corporate Tax at the same rate and whether any Indian Company is allowed to pay tonnage tax instead of Corporate Tax, the Committee have been informed that all PSUs which are Indian Companies, pay income tax at the same rate which is 35.875% (basic rate 35% + surcharge 2.5% thereon) for the current financial year, i.e. 2003-04. Tonnage tax has not yet been introduced in India. Informatively, tonnage tax involves computation of notional profit on the basis of number and size of ships operated, and taxing this profit at the normal corporate tax rate.

17. If the tonnage tax is charged, what would be the difference and how the DCI is going to gain by this, in view of the reason that DCI is paying to Government only, but not to any private party. In this regard, the Committee have been intimated as under :-

“With effect from 1 April, 2003, the corporate tax rate is 35.875% (basic rate 35% + surcharge 2.5% thereon). Basically tonnage tax (shorthand for a tonnage based

corporate tax) differs from the traditional corporate tax system under which a company's tax liability is based on the commercial profits which the company has made in the year. It ignores actual profit and instead computes a notional profit on the basis of the number and size of ships operated and taxes this profit, rather than the commercial profit, at the normal corporate tax rate. The tonnage rate is generally set so that notional profits and hence actual corporate tax paid are minimum. In fact, it would obtain virtual tax exemption.

Some of the advantages of tonnage tax system over traditional corporation tax system are as under :

- It benefits the profit & loss accounts and balance sheets because there is no deferred tax liability. It would directly increase earnings per share, which is an important yardstick by which performance is judged.
- It brings certainty and clarity about costs and liabilities
- It removes the risk of a deferred liability crystallizing, which might otherwise occur if the company does not continue with its investment programme or if accounting principles are changed to require even more prudence than currently.
- It removes the risk of changes in tax legislation that may not be exactly be beneficial to the company.
- Depending on its design, it would facilitate international arrangements (like JVs, alliances, etc) by providing a level playing field between partners.

- Simplification of assessment procedures, and literally avoiding lengthy and sometimes costly process of resolution of tax related disputes.

There is no doubt that DCI is paying income tax only to the Government and even the tonnage tax would also be payable to the Government only. Reduction in tax liability would enable DCI to conserve more finances internally, which can be effectively deployed for expanding its fleet, which would contribute to the growth of dredging significantly in the country. As DCI is competing with foreign dredging firms in India and is making forays into foreign contracts also, tonnage tax would be one way of affording it a level playing field with foreign competitors.

Moreover, Government being the major stakeholder in DCI, it would be the direct beneficiary of the major portion of the substantial dividends being declared by DCI. Hence, it is submitted that reduction in tax burden in the hands of DCI would enable it to operate more efficiently which would lead to more profits, which ultimately would mostly go back to the Government in the form of dividends. Thus, DCI and the Government would be benefited by reduction of burden of taxation in the hands of DCI.”

18. As per the Annual Report (2000-01) of the Company, KPMG was appointed to assist DCI in formulation of corporate plan and organisational restructuring. KPMG has since submitted its Report. When enquired about the important recommendations of the Report, it has been informed to the Committee as under :

1. Consolidation of its share in maintenance dredging in India
2. Strengthening marketing both in India and abroad to increase revenue
3. Upgrading technology on board dredgers and technical skills of floating staff

4. Improving its versatility in capital dredging – by forming alliances with leading international dredging companies to access the skills necessary to focus in this market.
5. Thrust on R&D
6. Human resource development and Organisational restructuring including Training; and Rationalization of manpower through VRS and Recruitment
7. Establish knowledge and data base
8. Significantly enhancing use of Information Technology (IT) for developing the competitive edge
9. Improvement in internal processes to save costs

19. When asked further about the follow-up action taken to implement the recommendations of the Report, the Committee have been informed:

- DCI has adopted vigorous marketing strategies including competitive pricing, customer meets, etc. Independent marketing department has been set up.
- Independent Project Engineering Department has been set up
- MOS has approved empowerment of DCI's Board to exercise enhanced autonomy in March 2003. Enhanced autonomy confers greater powers in respect of capital expenditure, entering into JVs, alliance, technology joint ventures, HRD schemes;
- Empanelment of consultants for assisting DCI in feasibility reports as required for exercise of enhanced autonomy is in process;
- Continuous Training programmes in change management, corporate excellence, IT and other specific functional areas have been taken up;
- Implementation of Enterprise Resource Planning (ERP) in DCI is under active consideration.

20. As intimated to the Committee, the Board of Directors of the Company consists of three (3) Functional Directors including Chairman & Managing Director, two (2) Part

Time Official Directors (Government Directors) and three (3) Part-Time Non-official Directors.

21. The Committee have been informed that the manpower in DCI consists of two categories (i) Floating manpower; and (ii) Shore manpower. The sanctioned and actual strength in Floating and Shore Establishments are given below :

(a) Floating Establishment:

Category	Sanction	In position
Officers	336	191
Petty Officers 136		086
Crew	374	311
MPWs	186	027
	-----	-----
	1032	615
	-----	-----

(b) Shore Establishment:

Category	Sanction	In Position
Executives	179	153
Non-Executives	280	258
	-----	-----
Total	459	411
	-----	-----

22. It is observed that there are shortages of manning in both floating and shore establishments. When asked as to how the DCI is meeting these shortages, the Committee have been informed as under :

Floating Establishment:

In the shipping field there is a demand for qualified and experienced Deck and Engineer officers. Some of the Indian officers are working for foreign shipping companies. Therefore, there is a shortage. To meet the immediate operational requirements of DCI, some Officers and Petty Officers are being engaged on contract basis for 4 to 6 months. They are paid daily wages calculated by taking into consideration all the components payable to regular employees on the dredgers as per the respective Maritime Wage Agreements. DCI is directly engaging these Officers on contract. However, whenever there is an urgent requirement, services of Man Management Agencies are being availed for sponsoring the names of suitable candidates. In such cases also, the wages are paid directly by DCI to the employees engaged on contract and the agency fee is paid to the Man Management Agencies, separately. In spite of the above, shortages of floating personnel exist.

Shore Establishment:

As far as Shore Establishment is concerned, there are shortages in certain categories and surpluses in others. With the existing strength in the shore establishment, DCI is able to carry out the normal functions. DCI proposes to introduce a Voluntary Retirement Scheme again for shore-based employees to reduce the surplus categories. The proposal is awaiting Government's approval.

23. When enquired whether any study has been conducted to find out the adequacy of manpower requirement in the Company, the Committee have been informed as under :

(a) Floating establishment

Rationalisation of manpower is under process in consultation with Maritime Unions.

(b) Shore establishment:

- KPMG has undertaken a study on manpower as a part of their study on Corporate restructuring
- KPMG in their final report, pointed out surplus manpower in general to be 10 to 30% in certain areas
- KPMG suggested reduction through VRS
- VRS introduced and reduced manpower by 22.2.%

The Present surplus manpower identified in shore establishment is as under :-

Category	Surplus identified
Dy. Manager	4
Asst. Manager	11
Supdt.	27
Sr. Asstt.	8
Asstt.	2
Messenger	3

Total	55

It has been informed to the Committee that DCI introduced VRS during 1994, 1995 and 2000. A total number of 137 Shore Establishment employees availed VRS. VRS Proposed for further reduction is awaiting clearance from the Ministry of Shipping.

24. The Committee have also been informed that the manning of dredgers with floating employees is done in accordance with the statutory requirements under the Merchant Shipping Act and the agreements entered into with the respective Unions, viz., Maritime Union of India, National Union of Seafarers Association of India. Forward Seamen Union of India in respect of Officers, Petty Officers, and Crew respectively. Whilst the pay scales of the shore employees are regulated as per Government of India guidelines in respect of public sector employees, the pay scales of the floating employees

are revised every two years as per negotiations finalised with the respective unions, by Indian National Ship Owners Association (INSA).

25. The Committee have been informed that Seamen working in Foreign Waters get Income Tax exemption, while those working in Indian Waters are not getting the benefit. When enquired the reasons for the same, the Committee have been informed that as per the provisions of Section 6(1) of the Income-tax Act, an Indian citizen who leaves India during the previous year as a member of the crew of an Indian ship, is treated as a non-resident if he stays as a member of such crew for a period of more than 182 days in a year. The implication of this provision is that the income earned by him during the period in which he is a member of the Indian crew outside India, is not taxable in India. The submission of DCI is that when a person is a member of a crew on board its dredgers for more than 182 days, since the working conditions and hardships are same, such persons should be granted exemption from tax on their earnings during that period even if the dredger is working in Indian waters. The said provision may be made by amending Section 10 of the Income Tax Act by inserting a new proviso to the effect that the income of a member of a crew of a dredger who stays abroad for a period of more than 182 days during a previous year, shall be exempted from income tax to the extent of the income earned during his stay abroad the dredger by virtue of his employment. DCI is not suggesting a non-resident status which may entail other unintended benefits, but is only seeking exemption from income tax of the income of the members of its crew who stay on board the dredger that too only for a period more than 182 days for the duration of time for which the members are on board dredgers by virtue of their employment. This

would help attract more seamen to work in Indian waters and help DCI mitigate shortages in floating staff category.

26. When enquired whether DCI is taking contract labour directly or through contracts, it has been informed to the Committee that DCI has been engaging workers directly on daily wage basis at Paradip, whenever capital dredging work is awarded by the Paradip Port Trust. After completion of dredging work their services are terminated as per the provisions of the ID Act. During the period of their engagement these workers are paid fair wages as per the agreements entered into with the concerned Trade Unions.

DCI has been getting the work of security services from an agency sponsored by Director General – Resettlement, New Delhi and specialised cleaning and maintenance services of AOB premises and precincts of DCI through contractors. However, as a Principal Employer, DCI has been ensuring payment of minimum wages and other benefits like CPF, Gratuity, ESI, Bonus, etc. to the causal workers engaged by the respective contractors.

27. The Committee have been informed that the Vigilance Department in the Corporation is headed by a part-time Chief Vigilance Officer. When asked about the number of complaints received, disposed of and pending during each of the last three years, the information furnished by the Company to the Committee is as under:

Year	No. of cases (Complaints) Received	Nature of cases	Nos. of cases Disposed off	No. of cases pending
1999-2000	2	Alleged irregularities in procurement of	2	Nil

		materials and Dredger		
2000-2001	2	Alleged irregularities in procurement of materials and travel arrangements through Private Travel Agency	2	Nil
2001-2002	1	Allegations against Senior Officers	1	Nil

Clarifying the position about disposal of cases, it has been intimated to the Committee that of the total five cases during the last three years, three were forwarded by the Central Vigilance Commission (CVC). In two cases, closure was advised by CVC and in one case, report was furnished to the Commission, as advised, and the same stands disposed. One case referred to by Ministry of Shipping was found to be pseudonymous and the same was closed as per the instructions of CVC on the subject and under intimation to the Ministry. In one complaint received directly by the Corporation, the allegations were found to be not true and the same was closed.

28. The information about the inspections and surprise checks conducted by the Vigilance Department during the years 1999-2000 to 2001-2002 is given below :

Year	No. of Inspections	No. of Surprise Checks
1999-2000	7	4
2000-2001	7	3
2001-2002	8	6

It has also been informed that in two cases, irregularities of nature were detected and referred to CBI in 2001-02 and the matters are pending with the CBI.

29. When enquired about the number of cases in which officials were found guilty of malpractices and corruption during the last three years, the Committee have been informed as under :

Year	No. of Officers against whom cases were initiated		Punishments were awarded	
	Major Penalty	Minor Penalty	Major Penalty	Minor Penalty
1999-2000	Nil	2	Nil	2
2000-2001	Nil	Nil	Nil	2(*)
2001-2002	Nil	Nil	Nil	Nil

Minor penalty was imposed on 2 officers during 2000-2001, in a case which was initiated in an early year.

30 In its XV Report, the Disinvestment Commission recommended that:

“Government of India should disinvest atleast 51% share holding in DCI to a strategic partner after withdrawal of necessary cash surplus. Government should hold at least 26% share for a minimum period of 5 years. While pre-qualifying the potential bidders, special care is to be taken to ensure that each of the potential bidders has the financial, technological and managerial capacity to add value to DCI to make DCI internationally competitive. Care has also to be taken to encourage Indian players in the process, to dispel any apprehension of cartelisation by foreign dredging companies.”

31. About the views on disinvestment of DCI, the Committee have been informed that :

- (a) DCI operates in core infrastructure sector
- (b) DCI's dredging activity is crucial for keeping all the major ports operational by maintaining their navigability
- (c) Allowing foreign dredging firms access to ports/naval dockyards involve security concern
- (d) Foreign dredging companies resort to cartelization
- (e) Chance of exploitation by foreign dredging firms
- (f) DCI is a profit making unit
- (g) DCI has been continuously paying dividend (last year 75%)

32. It was pointed out by the Committee that DCI has desired two years respite period for disinvestment of DCI so that Indian Dredging Companies can equip skills and compete to take over DCI. When enquired if no Indian Company comes up within 2 years, what would be the fate of disinvestment, the Committee have been informed that the main competition of DCI is from multinational dredging companies from the Netherlands and Belgium. There were no private Indian dredging companies with ocean going trailer suction dredgers till recently. One private dredging company was set up in India with two old trailer suction hopper dredgers purchased from the ports. However given the opportunity some more dredging companies may come up and the existing company may strengthen its base and equip necessary skills and compete with the foreign companies to take over DCI. Regarding fate of disinvestment, should no Indian company come up during this period, DCI has no comment.

33. On the question of sports promotion, DCI has been encouraging its employees to participate in Sports/Games, such as Caroms, Table Tennis being conducted at the District/State Level as well as by the other Sports Associations. There is a Sports & Cultural Association in DCI, for which DCI has been extending financial support for purchasing equipment and for carrying out other cultural activities. Recently, DCI extended financial support to a woman weight lifter to enable her to participate in an International Competition. Similarly, DCI also donated funds for development of Gold Club at Visakhapatnam.

RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

RECOMMENDATION NO. 1

NEED TO PROVIDE SUBSIDIES AND OTHER INCENTIVES TO DCI

The Committee note that the foreign dredging companies are freely allowed to compete in the Indian Dredging market, while the European countries like the Netherlands, Belgium, etc. are not even inclined to give any details/procedure to any Indian Dredging Companies to enter into their dredging market. The Committee further note that the Government of Netherlands provide various kinds of support to its dredging companies to enable them to operate at their comparatively higher levels of technical expertise and productivity. While no foreign company operates in the Netherlands, the Dutch dredging companies are encouraged to win opportunities in foreign countries, especially where markets are emerging. It has also been noticed by the Committee that the Netherlands Government also provide financial instruments to its dredging companies in various countries in the emerging market, which, inter-alia, include Investment promotion and technical assistance programmes, Emerging Markets Investment Facility, Matching Fund, Economic Co-operation Projects Programme, etc. The Committee also note that many developed countries provide subsidies and other incentives to protect their domestic companies which inter-alia include direct financial aid subsidies to R&D costs, subsidies to bid preparation costs, export credits for feasibility studies, export credits in the form of financial insurance and guarantees, Government guarantees

for private bank loans, tax exemptions and public risk sharing and subsidies related to tied aid. The Committee recommend that the Government should extend similar support to the Dredging Corporation of India Limited to become cost competitive and a global player. They also recommend to the Government to promote the activities of DCI in the foreign market that are difficult to access directly by the Company.

RECOMMENDATION NO. 2

INTRODUCTION OF TONNAGE TAX

It has been noticed by the Committee that the Dredging Corporation of India Limited is paying 35.875% Corporate Tax to the Union Government. The Committee note that the Shipping/dredging industry has been demanding introduction of Tonnage Tax in India in place of Corporate Tax as the same has not yet been introduced in India. The tonnage tax involves computation of notional profit on the basis of number and size of ships operated and not taxing this profit at the normal corporate tax rate. It has also been brought to the notice of the Committee that this method of taxation has been introduced by many countries in order to combat the decline in their merchant fleet. The Committee feel that introduction of tonnage tax will reduce the tax liability which ultimately would enable the Dredging Corporation of India Limited to conserve more finances internally which can be effectively deployed for expanding its fleet. The Committee are of the view that since the Company is competing with foreign dredging companies in India and is making forays into foreign contracts also, the tonnage tax would be one way of affording it a level playing field with foreign competitors. The Committee are also given to understand that Rakesh Mohan Committee has recommended introduction of tonnage tax and the matter is under examination of the Ministry of Finance. They, therefore, recommend that the decision on introduction of Tonnage Tax as

recommended by the Rakesh Mohan Committee should be taken expeditiously.

RECOMMENDATION NO. 3

EXEMPTION FROM INCOME TAX

The Committee note that the earnings of the Indian Seamen working in foreign waters are exempted from income tax, while the earnings of those working in Indian waters are taxable. The Committee further note that as per the provisions of Section 6(1) of the Income Tax Act, an Indian citizen who leaves India during the previous year as a member of crew of an Indian ship, is treated as a non-resident if he stays as a member of such crew for a period of more than 182 days in a year. The Committee are of the view that when a person is a member of a crew on board for more than 182 days, since the working conditions and hardships are the same, such persons should be granted exemption from income tax on their earnings during that period, even if the dredger is working in Indian waters. The Committee, therefore, recommend that the Government should suitably amend the Income Tax Act to the effect that the exemption of earnings of Indian seamen from income tax while working on foreign waters may be extended for those working on Indian waters also. They feel that this would help attract more seamen to work in Indian waters and also help the Company to mitigate shortages in floating staff category.

RECOMMENDATION NO.4

AWARD OF MAINTENANCE DREDGING CONTRACTS

The Committee note that the Ministry of Shipping has been issuing guidelines for award of maintenance dredging contracts by various ports to Dredging Corporation of India Limited since its inception in order to fully utilize the dredging capacity of the company. The Committee further note that on June 8, 2001, the Ministry of Shipping had issued guidelines for award of dredging contracts by various ports which were valid upto March 31, 2004. As per these guidelines, ports are free to negotiate with DCI and enter into contract or opt to go for tender. In case, ports opt to go for tender and DCI participates in the tender, DCI should be given the right of first refusal before the work is awarded to the lowest foreign bidder. Besides, DCI is also eligible for 10% purchase preference vis-à-vis domestic bidder. The Committee has been informed that the Company would be continuously striving to provide competitive price to all the ports and secure maintenance dredging contracts, whenever ports opt to go for tender. In order to fully utilise the dredging capacity available with the Dredging Corporation of India Limited, the Committee recommend that the present policy for award of dredging contracts be continued for another period of five years.

RECOMMENDATION NO. 5

MANPOWER

The Committee note that the manpower in the Dredging Corporation of India consists of two categories namely Floating manpower and Shore manpower. The Committee find that in the Floating establishment, shortages of floating personnel exist in each category. The Committee are given to understand that in order to meet the immediate operational requirements in the company, some officers and petty officers are being engaged on contract basis for 4 to 6 months. The persons engaged on contract basis are paid daily wages calculated by taking into consideration all the components payable to regular employees on the dredgers as per the respective Maritime Wage Agreements. The Committee recommend that the Company should fill up all the vacant posts in the Floating Establishment on regular basis through direct recruitment examination.

In the Shore Establishment, the Committee find that the Company has identified 55 surplus manpower in different categories. The Committee have been informed that the proposal to introduce a Voluntary Retirement Scheme in order to reduce the surplus shore-based employees is awaiting clearance from the Ministry of Shipping. The Committee, therefore, recommend that the Ministry of Shipping should clear the VRS proposal at the earliest to enable the Company to reduce the surplus manpower in the Shore Establishment.

ANNEXURE-I

CAPITAL AND MAINTENANCE DREDGING REQUIREMENT OF MINOR PORTS AND FISHING HARBOURS DURING TENTH FIVE YEAR PLAN

(Qty. in M. Cu. M.)

S. NO.	PORT		2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	TOTAL
1	GUJARAT MARITIME BOARD	CAPITAL :						
		DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	1.20	1.00	1.20	1.20	1.20	5.80
		MAINTENANCE :						
		DEPARTMENT	1.00	1.00	1.00	1.20	1.20	5.40
		OUTSIDE	0.20	0.20	0.20	0.40	0.40	1.40
		TOTAL	2.40	2.20	2.40	2.80	2.80	12.60
2	PONDICHERRY	CAPITAL :						
		DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	0.00	0.00	0.00	0.00	0.00	0.00
		MAINTENANCE :						
		DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	0.40	0.40	0.40	0.40	0.40	2.00
		TOTAL	0.40	0.00	0.00	0.00	0.00	0.40
3	FISHING HARBOURS (DEPARTMENT OF ANIMAL HUSBANDRY)	CAPITAL :						
		DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	0.00	0.00	0.00	0.00	0.00	0.00
		MAINTENANCE :						
		DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	0.58	0.58	0.58	0.58	0.58	2.90
		TOTAL	0.58	0.58	0.58	0.58	0.58	2.90
	TOTAL	CAPITAL	1.20	1.00	1.20	1.20	1.20	5.80
		MAINTENANCE	2.18	2.18	2.18	2.58	2.58	11.70
	GRAND TOTAL		3.38	3.18	3.38	3.78	3.78	17.50

**MAINTENANCE DREDGING REQUIREMENT OF MAJOR PORTS AND NAVY
DURING TENTH FIVE YEAR PLAN**

(Qty. in M. Cu. M.)

S. NO.	PORT		2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	TOTAL
1	CALCUTTA	DEPARTMENT	3.00	1.50	3.00	2.50	2.00	12.00
		OUTSIDE	18.00	18.00	18.00	15.00	15.00	84.00
		TOTAL	21.00	19.50	21.00	17.50	17.00	96.00
2	PARADIP	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	3.00	3.00	3.00	3.00	3.00	15.00
		TOTAL	3.00	3.00	3.00	3.00	3.00	15.00
3	VISAKHAPATNAM	DEPARTMENT	0.097	0.097	0.097	0.097	0.097	0.485
		OUTSIDE	1.150	1.150	1.150	1.150	1.150	5.750
		TOTAL	1.247	1.247	1.247	1.247	1.247	6.235
4	CHENNAI	DEPARTMENT	0.98	0.98	1.38	1.38	1.38	6.10
		OUTSIDE	0.40	0.40	0.00	0.00	0.00	0.80
		TOTAL	1.38	1.38	1.38	1.38	1.38	6.90
5	TUTICORIN	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	0.00	0.00	0.00	0.00	0.00	0.00
		TOTAL	0.00	0.00	0.00	0.00	0.00	0.00
6	COCHIN	DEPARTMENT	1.10	1.10	1.10	1.10	1.10	5.50
		OUTSIDE	14.00	14.00	14.00	14.00	14.00	70.00
		TOTAL	15.10	15.10	15.10	15.10	15.10	75.50
7	NEW MANGALORE	DEPARTMENT	0.05	0.15	0.15	0.15	0.15	0.65
		OUTSIDE	6.00	5.00	5.00	5.00	5.00	26.00
		TOTAL	6.05	5.15	5.15	5.15	5.15	26.65
8	MARMUGAO	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	4.70	5.70	3.80	3.80	3.80	21.80
		TOTAL	4.70	5.70	3.80	3.80	3.80	21.80
9	MUMBAI	DEPARTMENT	0.86	0.86	0.86	0.86	0.86	4.30
		OUTSIDE	2.20	2.20	8.00	2.20	2.20	16.80
		TOTAL	3.06	3.06	8.86	3.06	3.06	21.10
10	JNPT	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	1.25	2.00	1.00	1.8 + * 4.70	1 + * 4.70	16.45
		TOTAL	1.25	2.00	1.00	6.50	5.70	16.45
11	KANDLA	DEPARTMENT	0.000	0.000	0.000	0.000	0.000	0.000
		OUTSIDE	3.900	3.725	3.820	3.730	3.620	18.795
		TOTAL	3.900	3.725	3.820	3.730	3.620	18.795
12	INDIAN NAVY (COMBINED)	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	3.00	3.00	3.00	3.00	3.00	15.00
		TOTAL	3.00	3.00	3.00	3.00	3.00	15.00
TOTAL		DEPARTMENT	6.087	4.687	6.587	6.087	5.587	29.035
		OUTSIDE	57.600	58.175	60.770	57.380	56.470	290.395
GRAND TOTAL			63.687	62.862	67.357	63.467	62.057	319.430

NOTE: * SUBJECT TO COMPLETION OF CAPITAL DREDGING WORK OF DEEPENING AND WIDENING OF APPROACH CHANNEL TO PORT AND MARINE CHEMICAL TERMINAL.

**CAPITAL DREDGING REQUIREMENT OF MAJOR PORTS AND NAVY
DURING TENTH FIVE YEAR PLAN**

(Qty. in M. Cu. M.)

S. NO.	PORT		2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	TOTAL
1	CALCUTTA	DEPARTMENT					0.00	0.00
		OUTSIDE	13.50	1.50				15.00
		TOTAL	13.50	1.50	0.00	0.00	0.00	15.00
2	PARADIP	DEPARTMENT						0
		OUTSIDE	2.00	2.50	0.50	0.00	0.00	5.00
		TOTAL	2.00	2.50	0.50	0.00	0.00	5.00
3	VISAKHAPATNAM	DEPARTMENT						0
		OUTSIDE	NOT YET FINALISED					0
		TOTAL	0	0	0	0	0	0
4	CHENNAI	DEPARTMENT						0
		OUTSIDE	0.70	0.07	0	0	0	0.77
		TOTAL	0.70	0.07	0	0	0	0.77
5	TUTICORIN	DEPARTMENT						0
		OUTSIDE	4.34					4.34
		TOTAL	4.34	0	0	0	0	4.34
6	COCHIN	DEPARTMENT						0
		OUTSIDE	3.00	NIL	5.00	NIL	15.50	23.50
		TOTAL	3.00	0.00	5.00	0.00	15.50	23.50
7	NEW MANGALORE	DEPARTMENT						0.00
		OUTSIDE	0.00	0.00	1.00	0.00	0.00	1.00
		TOTAL	0.00	0.00	1.00	0.00	0.00	1.00
8	MARMUGAO	DEPARTMENT						0
		OUTSIDE	0.90	1.90	0	0	0	2.80
		TOTAL	0.90	1.90	0	0	0	2.80
9	MUMBAI	DEPARTMENT						0.00
		OUTSIDE		3.00	3.00			6.00
		TOTAL	0	3.00	3.00	0	0	6.00
10	JNPT	DEPARTMENT						0.00
		OUTSIDE	0.00	* 24.00	* 23.00	0.00	0.00	47.00
		TOTAL	0.00	24.00	23.00	0.00	0.00	47.00
11	KANDLA	DEPARTMENT	0.00	0.00	0.00	0.00	0.00	0.00
		OUTSIDE	3.66	3.30	1.16	0.67	3.04	11.83
		TOTAL	3.66	3.30	1.16	0.67	3.04	11.83
12	ENNORE	DEPARTMENT						
		OUTSIDE	0.00	10.00	5.00	5.00	0.00	20.00
		TOTAL	0.00	10.00	5.00	5.00	0.00	20.00
13	INDIAN NAVY (COMBINED)	DEPARTMENT						
		OUTSIDE	0.000	0.847	0.000	0.000	0.000	0.847
		TOTAL	0.000	0.847	0.000	0.000	0.000	0.847
14	INDIAN NAVY (KARWAR)	DEPARTMENT						
		OUTSIDE	0.000	0.000	0.000	0.000	0.000	0.000
		TOTAL	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL		DEPARTMENT						0
		OUTSIDE	28.100	47.117	38.660	5.670	18.540	138.087

NOTE: TOTAL EXCLUDING INDIAN NAVY (KARWAR)
* PROJECT IS AT PLANNING STAGE.

ANNEXURE-I

**TOUR PROGRAMME OF THE COMMITTEE ON PUBLIC
UNDERTAKINGS TO HYDERABAD, VISAKHAPATNAM AND
CHENNAI FROM 12TH TO 15TH APRIL, 2003, AS ACTUALLY
PERFORMED**

(MEMBERS ASSEMBLED AT HYDERABAD)

DATE AND DAY	TIME	VISIT & DISCUSSION
12.04.2003 (SATURDAY)	1600 hrs	Discussion with the officers of RITES Ltd.
	1800 hrs	Discussion with the officers of Mishra Dhatu Nigam Ltd.

(NIGHT HALT AT HYDERABAD)

13.04.2003 (SUNDAY)	0615 hrs	Departure for Visakhapatnam by CD-7561 (0730 Hrs.)
	0830 hrs	Arrival at Visakhapatnam
	1030 hrs	Discussion with the officers of Rashtriya Ispat Nigam Ltd. (Audit Para Nos. 21.6.1 of C&AG's Report No. 3 of 2002)
	1200 hrs	Discussion with the officers of Bharat Heavy Plates & Vessels Ltd.

(NIGHT HALT AT VISAKHAPATNAM)

14.04.2003 (MONDAY)	0900 hrs	Discussion with the officers of Hindustan Shipyard Ltd.
	1015 hrs	Discussion with the officers of Dredging Corporation of India Ltd.
	1330 hrs	Departure for Chennai by CD 7477 (1505 hrs)
	1610 hrs	Arrival at Chennai
	1800 hrs	Discussion with the officers of Bharat Petroleum Corporation Ltd. (Audit Para Nos.16.1.1 & 16.1.2 of C&AG's Report No.3 of 2002)

(NIGHT HALT AT CHENNAI)

15.04.2003 (TUESDAY)	0900 hrs	Discussion with the officers of Chennai Petroleum Corporation Ltd. (Audit Para No.16.2.1 of C&AG's Report No.3 of 2002)
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	1045 hrs	Discussion with the officers of Shipping Corporation of India Ltd.
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DISPERSAL

ANNEXURE – II

COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS
WHICH VISITED HYDERABAD, VISAKHAPATNAM AND CHENNAI
FROM 12TH TO 15TH APRIL, 2003

MEMBERS, LOK SABHA

1. Prof Vijay Kumar Malhotra, Chairman
2. Shri Ram Tahal Chaudhary
3. Shri K. E. Krishnamurthy
4. Dr. Prasanna Kumar Patasani
5. Shri Tarit Baran Topdar
6. Shri V. Vetriselvan

MEMBERS RAJYA SABHA

7. Sh. Kalraj Mishra
8. Shri Satish Pradhan
9. Sh. K.Kalavenkata Rao
10. Sh. Lalitbhai Mehta

SECRETARIAT

1. Shri S Bal Shekar, Director
2. Shri Raj Kumar, Under Secretary

ANNEXURE-IV

**LIST OF OFFICIALS OF DREDGING CORPORATION OF INDIA
LIMITED WHO WERE PRESENT DURING DISCUSSION WITH
THE COMMITTEE ON PUBLIC UNDERAKINGS AT
VISAKHAPATNAM ON 14-4-2003**

S.NO	NAME	DESIGNATION
1.	Shri N.K.Gupta	CMD
2.	Shri A.K.Dhar	Director (Fin)
3.	Shri G.G.Rao	Director (O&T)
4.	Shri T.Anand	General Manager (T)
5.	Capt.A.K.Nanda	General Manager(Ops)
6.	Shri K..Kiriti	JGM (Fin)
7.	Shri M.N.K.S.Varma	JGM (P&A)
8.	Shri S.S.Raghuveer	DGM(Proj)
9.	Shri P.Rama Rao	DGM (Mktg)
10.	Shri Y.V.Subba Rao,	C.S.
11.	Shri V.Narasimha Rao	M (V&L)