

DREDGING CORPORATION OF INDIA LIMITED



43RD ANNUAL REPORT
2018-19

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REGISTERED OFFICE

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

CIN NO. L29222DL1976GOI008129

GST No. 377AAACD6021B1ZB

e-mail : sreekanth@dcil.co.in

Website : www.dredge-india.com

HEAD OFFICE

"DREDGE HOUSE", Port Area,
Visakhapatnam - 530 001.
Phone: 0891 2523250; Fax : 0891 2560581

BOARD OF DIRECTORS

Shri Rinkesh Roy
Chairman

Shri Rajesh Tripathi
Managing Director & CEO

Shri Sanjay Sethi

Shri Sanjay Kumar Mehta

Shri S Balachandran

Cmde. Kartik Subramaniam (Retd.).

Shri B Poiyaamozhi

Capt.Anoop Kumar Sharma

COMPANY SECRETARY & COMPLIANCE OFFICER

Shri K.Aswini Sreekanth
sreekanth@dcil.co.in

CFO & HEAD OF DEPARTMENT (FINANCE)

Shri D Subbarao
dsubbarao@dcil.co.in

BANKERS

Syndicate Bank
State Bank of India
BNP PARIBAS
ABN AMRO Bank
EXIM Bank
Deutsche Bank

STATUTORY AUDITORS

M/s. Sriramamurthy & Co.,
Chartered Accountants,
Flat no. 3C, Sai Sadan Apartments
47-9-39/17, Dwarkanagar
Visakhapatnam – 530016.

SECRETARIAL AUDITORS

Agarwal S. & Associates
Company Secretaries,
119 & 127, Vardhman Star City Mall,
Sector-7 , Dwarka,
New Delhi - 110075.

REGISTRAR & SHARE TRANSFER AGENT

KARVY FINTECH PRIVATE LIMITED
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032.
Tel. Nos.: (040) 67162222 ;
Fax No.: (040) 23001153
E-mail Address : einward.ris@karvy.com

To provide value addition to our stakeholders through holistic, innovative and environmentally sustainable solutions in the fields of

-

A graphic showing three hands placing blue puzzle pieces to form the word "OBJECTIVE" in white capital letters on a dark blue background.

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DECADE AT A GLANCE
₹ In lakhs
OPERATIONAL STATISTICS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Earnings (A)	67304	50714	48469	63492	77041	73496	66586	58587	59187	69174
Interest Income	2091	1247	1289	310	227	699	953	832	447	416
Other Income	0	311	3	0	2	184	579	550	1578	262
Total Income (B)	69395	52272	49761	63802	77270	74379	68118	59969	61212	69852
Operating Expenses (C)	55018	40754	39210	52480	58456	56177	53621	46888	45694	52054
Interest Expenses	10	0	0	147	1099	2566	1761	1894	2023	1754
Depreciation	6602	7032	8795	9015	13832	9214	9331	9960	11318	11291
Exceptional items	0	0	0	0	0	(114)	(1110)	0	0	0
Excess/short provision of Corporate tax of earlier years written back	0	0	0	0	0	0	0	0	0	0
Total Expenses	61630	47786	48005	61642	73387	67843	63603	58742	59035	65100
Profit Before Tax	7765	4486	1756	2160	3883	6536	4515	1227	2177	4752
Tax Liability	760	535	438	109	128	296	323	487	463	293
Profit after Tax (D)	7005	3951	1318	2051	3755	6240	4192	740	1714	4459
Other Comprehensive income (OCI) (E)	0	0	0	0	0	0	159	(28)	(50)	0
Total Comprehensive income for the period (OCI) (D+E) (F)	7005	3951	1318	2051	3755	6240	4350	712	1664	4459
Operating Expenses Vs. Operating Earnings	82%	80%	81%	83%	76%	76%	81%	80%	77%	75%
Operating Profit [A-C] (G)	12286	9960	9259	11011	18585	17319	12965	11699	13493	17120
Operating Profit Margin [G/A]	18%	20%	19%	17%	24%	24%	19%	20%	23%	25%
Net Profit Margin [F/B]	10%	8%	3%	3%	5%	8%	6%	1%	3%	6%

FINANCIAL HIGHLIGHTS

	31-03-2010	31-03-2011	31-03-2012	31-03-2013	31-03-2014	31-03-2015	31-03-2016	31-03-2017	31-03-2018	31-03-2019
WHAT THE COMPANY OWNED										
Fixed Assets										
Gross Block	99458	126738	140083	196556	327408	304245	320080	317761	325355	326841
Less: Depreciation (Cum)	71012	78011	86762	95778	108633	117694	127317	137008	143694	154985
Net Block	28446	48727	53321	100778	218775	186551	192763	180753	181662	171856
Capital Working Progress.	472	17104.94	50090	47306	1435	2518	3836	2600	4284	3346
Working Capital	100985	68023	57757	66196	58800	59507	54851	50414	49911	49185
Financial Assets (Investments, other Financial assets)	3000	3000	3000	3000	3000	1242	1087	907	921	414
	132903	136855	164168	217279	282010	249818	252537	234673	236778	224801

WHAT THE COMPANY OWED

Long term Funds:										
Secured Loans	0	0	25995	77710	139669	103866	101328	81778	80948	65202
Unsecured Loans & Other Non-current liabilities	0	0	0	0	0	717	1026	833	1420	1457
	0	0	25995	77710	139669	104583	102355	82611	82368	66659

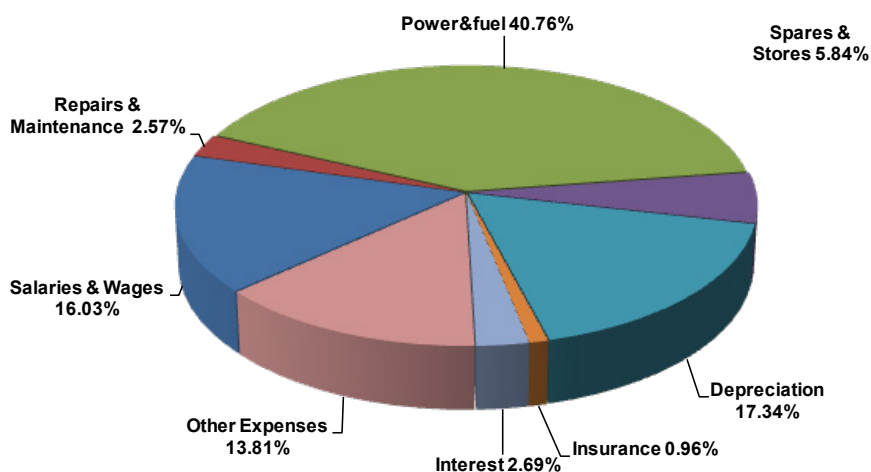
NET WORTH OF THE COMPANY

Share Capital	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800
Reserves & Surplus	130103	134055	135373	136769	139541	142435	147383	149262	151610	155342
	132903	136855	138173	139569	142341	145235	150183	152062	154410	158142
Capital Employed (Net block + working capital)	129431	116750	111078	166974	277575	246058	247614	231167	231573	221041
Dividend %	30%	0%	0%	20%	30%	30%	30%	0%	20%	30%
Debt/ Equity Ratio	0	0	0.19:1	0.56:1	0.98:1	0.72:1	0.68:1	0.54:1	0.53:1	0.41:1
Earnings per Share [PAT/2.8 crore (no. of shares)]	25.02	14.11	4.71	7.32	13.41	22.29	14.97	2.54	5.94	15.92

INFORMATION IN RESPECT OF DREDGERS AND FLOATING CRAFTS OF DCI: 2018-19

Craft	Year of Built	Type of Vessel	Maximum Dredging Depth (Mts.)	LOA (Mts.)	Dredging Draft (Mts.)	Hopper Capacity (Cu.M)	Pumping Capacity (Cu.M/hr)	Net Tonnage	No of Dredging Days
DCI Dredge VI	1975	Self Propelled TSHD	22	104	6.95	3770	-	2139	43
DCI Dredge VIII	1977	Self Propelled TSHD	25	124.3	8.50	6500	-	4437	240
DCI Dredge XI	1986	Self Propelled TSHD	25	102.6	7.50	4500	-	1551	99
DCI Dredge XII	1990	Self Propelled TSHD	20	115	6.50	4500	-	1906	128
DCI Dredge XIV	1991	Self Propelled TSHD	20	115	6.50	4500	-	1906	301
DCI Dredge XV	1999	Self Propelled TSHD	25	122	8.50	7400	-	2421	212
DCI Dredge XVI	2000	Self Propelled TSHD	25	122	8.50	7400	-	2414	265
DCI Dredge XVII	2001	Self Propelled TSHD	25	122	8.50	7400	-	2414	151
DCI Dredge XIX	2012	Self Propelled TSHD	25	114	6.50	5500	-	2091	249
DCI Dredge XX	2013	Self Propelled TSHD	25	114	6.50	5500	-	2091	239
DCI Dredge XXI	2013	Self Propelled TSHD	25	114	6.50	5500	-	2091	313
DCI Dredge Aquarius	1977	Self Propelled CSD	25	107	4.85	-	2000	1019	45
DCI Dredge-XVIII	2009	Non-propelled CSD	25	88	3.00	-	2000	607	112
DCI Dredge-BH1	2011	Non-propelled Backhoe	21.5	55.68	2.5	-	-	293	82
DCI ID Ganga	2016	Non-propelled CSD	14	28.5	1.5	-	500	39	20
DCI Tug-VII	2005	Self Propelled Tug (Twin Screw)	-	42.3	3.00	-	-	21	-
Survey Launch-I	1999	Self Propelled	-	12.5	1.85	-	-	18 (GT)	-
Survey Launch-II	2009	Self Propelled	-	16	1.45	-	-	41 (GT)	-
Survey Launch-III	2009	Self Propelled	-	16	1.45	-	-	41 (GT)	-
TP -III	-	NA	NA	NA	NA	-	-	-	-
DCI Multi cat-I	2015	Self propelled	NA	32	4.00	-	-	408 (GT)	-

Breakup of Expenditure(2018-19)(₹in Lakhs -65100 in % of total expenditure)



**MAJOR MAINTENANCE DREDGING ASSIGNMENTS EXECUTED**

Client	Work done during the years
1 Kolkata Port Trust, Kolkata	2002-03, 2003-04, 2004-05 & 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18, 2018-19
2 New Mangalore Port Trust, Mangalore	2002-03, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11
3 Mormugao Port Trust, Goa	2002-03, 2003-04, 2004-05 & 2005-06, 2008-09, 2009-10, 2010-11 & 2011-12
4 Jawaharlal Nehru Port Trust, Mumbai	2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08.
5 Cochin Port Trust, Kochi	2002-03, 2003-04, 2006-07, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17 & 2017-18, 2018-19
6 Kandla Port Trust, Kandla	2002-03, 2003-04, 2004-05, 2005-06, 2012-13, 2013-14, 2017-18
7 Mumbai Port Trust, Mumbai	2002-03, 2003-04 & 2017-18
8 Paradip Port Trust, Paradip	2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2018-19
9 Visakhapatnam Port Trust	2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2016-17, 2017-18, 2018-19
10 Chennai Port	2003-04
11 Indian Navy, Kochi	2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2010-11 & 2011-12, & 2014-15
12 Karwar Port	2011-12
13 RGPPL	2015-16, 2016-17, 2017-18, 2018-19
14 Gangavaram Port	2015-16 & 2017-18, 2018-19
15 CSL	2015-16, 2016-17, 2017-18, 2018-19
16 M/s Ultra Dimension Pvt Ltd	2017-18
17 M/s ITDC, Visakhapatnam	2018-19
18 M/s AVR Infra Pvt Ltd	2018-19
19 M/s Vizag Sea Port Pvt Ltd	2018-19
20 M/s Essar, Visakhapatnam	2018-19
21 Mumbai Navy	2018-19
22 VOC Port Trust, Tuticorin	2018-19
23 Karaikal Port Trust	2018-19
24 Krishnapatnam Port Trust	2018-19
25 Muriganga Maintenance Dredging	2018-19

CAPITAL DREDGING ASSIGNMENTS EXECUTED

Client	Work done during the years
1 Essar, Hazira	1991-92 & 1993-94
2 Mormugao Port Trust, Mormugao	1994-95, 2009 & 2016-17
3 Kolkata Port Trust, Kolkata	1994-95
4 Cochin Port Trust, Kochi	1994-95
5 Kakinada Port, Kakinada	1995-97
6 Jawaharlal Nehru Port Trust, Mumbai	1997-98
7 New Mangalore Port Trust, Mangalore	2000-01
8 Bharat Petroleum Corporation, JNPT, Mumbai	2001-02
9 Visakhapatnam Port Trust, Visakhapatnam	2001-02 & 2014-15
10 Taichung Harbour, Taichung, Taiwan	2001-02
11 Reclamation works at Bahrain	2004-05 & 2005-06
12 KKS Harbour, Sri Lanka	2013-14
13 Paradip Port Trust	2008-09 to 2012-13, 2017-18, 2018-19
14 Ennore Port	2010-11 to 2012-13, 2014-15, 2018-19
15 Kandla Port	2012-13 to 2013-14
16 Andaman lakshadweep harbour works	2016-17, 2017-18
17 Port of Pondicherry	2016-17
18 L & T Kattupally	2016-17
19 Gujarat Maritime Board	2016-17
20 Port of Puducherry, Puducherry	2017-18
21 Dahej & Gogha, Gujarat	2017-18
22 Mongla Port, Bangladesh	2017-18, 2018-19

NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the members of Dredging Corporation of India Limited will be held at 1100 hrs on Thursday, the 08th August, 2019 in Conference hall, Core-2, Ground Floor, Scope Minar, Plot No.2A & 2B, Laxminagar District Centre, Delhi - 110092 to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To consider and declare dividend on equity shares for the financial year ended March 31, 2019 and in this regard, pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT a dividend at the rate of ₹3/- (Three rupees only) per equity share of ₹10/- (Ten rupees only) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2019."
3. To pass with or without modification, the following resolution as an **Ordinary Resolution** for payment of remuneration to Statutory Auditors:
"RESOLVED THAT pursuant to Section 142 (1) of the Companies Act, 2013, the remuneration of the Statutory Auditors of the Company, M/s Sriramamurthy & Co, Chartered Accountants, appointed by Comptroller and Auditor General of India be and is hereby fixed at ₹4.50 lakh (rupees four lakh and fifty thousand only) plus taxes as applicable for the year 2018-2019."

SPECIAL BUSINESS

4. To appoint Shri Rajesh Tripathi (DIN: 03379442) as Managing Director of the Company
 To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Rajesh Tripathi (DIN: 03379442), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Director of the Company upto 01st February 2020 liable to retire by rotation on such terms and conditions including remuneration as set out in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."
5. To appoint Shri Rinkesh Roy (DIN: 07404080) as Director and Chairman of the Company.
 To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Rinkesh Roy (DIN: 07404080), Nominee Director of Paradeep Port Trust and Visakhapatnam Port Trust, who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Director and Chairman of the Company liable to retire by rotation."
6. To appoint Shri Sanjay Jagdishchandra Sethi (DIN: 02235406) as Director of the Company.
 To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Sanjay Jagdishchandra Sethi (DIN: 02235406), Nominee Director of Jawaharlal Nehru Port Trust, who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To appoint Shri Sanjay Kumar Mehta (DIN: 06912891) as Director of the Company.
 To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Sanjay Kumar Mehta (DIN: 06912891), Nominee Director of Deendayal Port Trust, who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th May, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."
8. To appoint Shri Anoop Kumar Sharma (DIN: 03531392) as Independent Director of the Company.
 To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri





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Anoop Kumar Sharma (DIN: 03531392), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 04th April, 2019 and who meets the criteria for independence as provided in Section 149 (6) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 04th April, 2019 not liable to retire by rotation."

9. To appoint Shri Balachandran Srinivasan (DIN: 01962996) as Director of the Company.

To consider and if thought fit to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Balachandran Srinivasan (DIN: 01962996), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who meets the criteria for independence as provided in Section 149 (6) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 10th April, 2019 not liable to retire by rotation."

10. To appoint Shri Kartik Subramaniam (DIN: 01957227) as Director of the Company.

To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Kartik subramaniam (DIN: 01957227), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who meets the criteria for independence as provided in Section 149 (6) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 10th April, 2019 not liable to retire by rotation."

11. To appoint Shri Bhuvargan Poiyaamozhi (DIN: 06564735) as Director of the Company.

To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, If any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Shri Bhuvargan Poiyaamozhi (DIN: 06564735), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who meets the criteria for independence as provided in Section 149 (6) of the Act and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a period of three years w.e.f. 10th April, 2019 not liable to retire by rotation."

12. To consider and if thought fit to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force), Rules made there under and Related Party Transactions Policy of the Company, ratification/approval as the case may be of the Members of the Company be and is hereby accorded to the Board of Directors for contracts/ arrangements/transactions entered/ to be entered with the related parties i.e. promoter(s) (viz Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust, Deendayal Port Trust) during the financial year 2018-19 (for the period 08/03/2019 to 31/03/2019) and for the financial year 2019-20 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company or ₹50 Crore whichever is lower as per the last audited financial statements of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this resolution."

13. To approve and adopt amendment To Memorandum of Association :-

To consider the matter and, if thought fit, to pass the following as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 4, Section 13 and all other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such terms, conditions, amendments or modifications if any, as may be required or suggested by the Registrar of Companies and any other appropriate authorities, replacement and substitution of the existing Object Clause with the New Objects Clause and amendment of Liability Clause in the existing Memorandum of Association of the Company as submitted to this meeting, be and is hereby approved.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee of one or more Directors thereof) and/or Company Secretary to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

14. To approve and adopt New Articles Of Association :-

To consider the matter and, if thought fit, to pass the following as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5, Section 14 and all other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to

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such terms, conditions, amendments or modifications if any, as may be required or suggested by the Registrar of Companies and any other appropriate authorities, replacement and substitution of the existing Articles of Association of the Company with the Articles of Association as submitted to this meeting, be and is hereby approved, and the substituted Articles be adopted as the Articles of Association of the Company.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) and/or Company Secretary to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board of Directors

Place : Visakhapatnam

(K. Aswini Sreekanth)

Date : 05/07/2019

Company Secretary

1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY SO APPOINTED NEED NOT NECESSARILY BE A MEMBER OF THE COMPANY.

Proxies in order to be valid and effective, must be delivered at the Registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting.

2 As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3 A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting along with brief resume etc., of the Directors being appointed/re-appointed as required as per SEBI (LODR) Regulations 2015 is annexed hereto.

4 Pursuant to the requirements of Corporate Governance, brief resume of the Directors proposed for appointment/ reappointment are annexed with the Notice.

5 Members / Proxies / Authorised Representatives are requested to :-

- i. bring their copy of Annual Report and Attendance Slip, duly completed and signed, to the meeting.
- ii. quote their Folio/Client ID & DP ID Nos. in all correspondence with the R&TA/Company.
- iii. note that due to strict security reasons, eatables and other belongings are not allowed inside the Auditorium.

6 Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7 The Annual Report containing the Notice duly circulated to the members of the Company, is also available on the Company's Website at www.dredge-india.com and on the website of KCPL at <https://evoting.karvy.com>.

8 Relevant documents referred to in the accompanying notice (including the proposed amendments to Memorandum of Association and Articles of Association) are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. to 05:00 p.m. upto the date of the Annual General Meeting.

9 The Register of Members and share Transfer Books of the Company will remain closed from Friday, 02nd August, 2019 till Thursday, 08th August, 2019 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on Thursday, the 1st August, 2019.

10 Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s Karvy Fintech Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Tel. Nos.: (040) 67162222 ; Fax No.: (040) 23001153 ; E-mail Address : einward.ris@karvy.com

11 Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e., the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the Company.

12 Members may send their requests for inclusion/change/updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:

- i) For shares held in dematerialised form - to their respective Depository Participant.
- ii) For shares held in physical form - to the RTA, M/s Karvy Fintech Private Limited, Hyderabad or at the registered office of the Company.

13 Non-Resident Indian members are requested to inform the RTA, M/s Karvy Fintech Private Limited, Hyderabad immediately about:

- i) Change in their residential status on return to India for permanent settlement.
- ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

14 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.

15 Pursuant to the provisions of Section 205A and 205C of the erstwhile Companies Act, 1956 and Section 124 & 125 of the Companies Act, 2013, the Company has transferred all unpaid dividend declared upto the financial year 2009-10 to Investor Education & Protection





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Fund (IEPF) established by the Central Government. The dividend for the financial year 2012-13 and thereafter, which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates as given in the statement below. The members, who have not encashed their dividend warrant so far, for the financial years 2012-13 to 2015-16 (Dividend not declared for the years 2010-11, 2011-12 & 2016-17) may write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or to the Company for the procedure for claiming the unpaid dividend.

Financial Year	Date of Declaration	Unclaimed Dividend Cases	Unclaimed Dividend (₹)	Financial Year for transfer to IEPF
2010-11	No Dividend Declared			
2011-12	No Dividend Declared			
2012-13	29/09/2013	2867	102498	2020-21 (October 2021)
2013-14	29/09/2014	2444	114387	2021-22 (October 2022)
2014-15	30/09/2015	2188	103974	2022-23 (October 2023)
2015-16	30/09/2016	2742	123069	2023-24 (October 2024)
2016-17	No Dividend Declared			
2017-18	13/08/2018	3343	164536	2025-26 (September 2026)

- 16 As per The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force w.e.f. 28/2/17, the dividend which has not been unpaid or unclaimed for a period of seven years need to be transferred to IEPF along with the shares held against that name. The Company has, during financial year 2017-18, transferred to the IEPF Authority all shares numbering to 3135 shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017 within the stipulated timelines during the year as per the provisions of the Companies Act and IEPF Guidelines. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact Karvy for lodging claim for refund of shares and / or dividend from the IEPF Authority. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
- 17 SEBI has notified that securities of listed companies can be transferred only in dematerialised form w.e.f December 5, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
- 18 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account/ folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank details to the Company or its RTA.
- 19 Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository Participant/ RTA. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the registered office of the Company or to the RTA at the address given above. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.
- 20 In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. The cut-off date to be eligible to vote is Thursday, 1st August, 2019.
- 21 Facility for E-Voting : Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
 - By email to those members whose email ID is registered with the Company / Depository Participant.
 - By post to those members whose email ID is not registered with the Company / Depository Participant.
- 22 The instructions and other information relating to e-voting are as under:
 - A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii) Enter the login credentials (i.e., User ID and password sent by e-mail). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, Click on "LOGIN".
 - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v) You need to login again with the new credentials.
 - vi) On successful login, the system will prompt you to select the "EVENT" i.e., (name of the Company).
 - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/ demat accounts.
 - ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it

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will be treated as abstained.

- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
 - xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: sachinag1981@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
 - xiii) In case a person has to become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 1st August, 2019 may write to the Karvy on the email Id: evoting@karvy.com or to Ms.C.Shobha Anand, Contact No. 040-33215424, at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, [Unit: DREDGING CORPORATION OF INDIA LIMITED] requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
 - i) User ID and initial password as provided.
 - ii) Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.
 - C. The remote e-voting period commences on Monday, the 5th August, 2019 at 09:30 A.M. and ends on Wednesday, the 7th August, 2019, at 5.00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, 1st August, 2019, may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
 - D. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
 - E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Thursday, 1st August, 2019.
 - F. The Company has appointed Shri Sachin Agarwal of Agarwal S & Associates, Practising Company Secretary (Membership No.- 5774) as a Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
 - G. Facility for voting through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper will be ignored.
 - H. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, allow voting by use of ballot or polling paper for all those members who are present at the General Meeting but have not cast their vote electronically using the remote e-voting facility.
 - I. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against if any, to the Chairman of the Company or such other officer authorized by the Chairman.
 - J. The Results on resolutions shall be declared within 2 days of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
 - K. The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company (www.dredge-india.com) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the Stock Exchanges where the shares of the Company are listed.
- 23 Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. 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. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
 - 24 Members desirous of obtaining any information / clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of meeting at the Registered Office of the Company so that the same may be attended to appropriately
 - 25 The Chairman shall, at the 43rd AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the 43rd AGM but have not cast their votes by availing the remote e-voting facility.
 - 26 The Scrutinizer shall after the conclusion of voting at the 43rd AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the 43rd AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - 27 The Results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company at www.dredge-india.com and on the website of KCPL at <https://evoting.karvy.com> immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.
 - 28 The Notice of the 43rd AGM is also placed on the website of the Company at www.dredge-india.com and on the website of KCPL at <https://evoting.karvy.com>.





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- 29 Details of the person who can be contacted for any grievances connected with facility for voting by electronic means:- Ms.C.Shobha Anand, DGM M/s Karvy Fintech Private Limited Karvy Selenium Tower-B, Plot No. 31&32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad-500 032 Toll Free No. 1800 345 4001 Email: evoting@karvy.com
- 30 The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 43rd Annual General Meeting i.e. Thursday, 08th August, 2019.
- 31 The Route Map of the venue of 43rd AGM along with prominent land-mark is given in the Annual Report.
- 32 Annual Listing Fee and Custody fee for the year 2018-19 have been paid to NSE & BSE and to NSDL & CDSL respectively. The Invoice from CSE is awaited.
- 33 No Gifts, gift coupons or cash in lieu of gifts shall be distributed to Members in the Annual General Meeting or afterwards.

By Order of the Board of Directors

Place : Visakhapatnam

(K. Aswini Sreekanth)

Date : 05/07/2019

Company Secretary

ANNEXURE TO NOTICE

BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item No.'s 4 to 11 AND STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013 (FOR ITEMS 4 to 13))

ITEM No. 4 –Appointment of Shri Rajesh Tripathi as Managing Director

Shri Rajesh Tripathi was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director (Managing Director) of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

Din No.	03379442			
Date of Birth	07/02/1961- Age- 58 Yrs			
Education Qualification	M.Tech			
Professional qualification	Post graduate diploma in Business Management.			
Nature of employment	Whole-time Director – Managing Director			
Experience	He is 1982 batch Indian Railways Services Engineering (IRSE) Officer. He joined Indian Railways in 1984 and held several prestigious posts including Project Director of IRCON, Malaysia Railways Project and Chief Engineer of Jammu Kashmir Railway Project. He also worked as Director (Way and Works) in Konkan Railway Corporation. He is also holding the additional charge of Director (Finance) w.e.f 15/03/2018. He joined Dredging Corporation of India Limited as Chairman and Managing Director on 02/02/2015. He along with all other Directors resigned in terms of the Share Purchase Agreement executed on 08 th March, 2019 between Government of India and the four Ports ("Purchasers") - Visakhapatnam Port, Paradip Port, Deendayal Port and Jawaharlal Nehru Port pursuant to the strategic sale by Government of India to the Purchasers of all its holding along with transfer of management and control. He was immediately appointed as Managing Director by the Purchasers.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	Sethusamudram Corporation Limited,	Director	Audit Committee	Member
	Indian National Ship Owners Association	Director	-	-

The tenure, terms and conditions of the appointment are as under:-

- Tenure:** The tenure will be effective from the date of taking charge i.e 08/03/2019 upto 01/02/2020 or such other date as may be intimated whichever is earlier and subject to the approval of the shareholders at the general meeting. The appointment may, however, be terminated even during this period by either side on 3 months' notice or on payment of three months' salary in lieu thereof.
- Headquarters:** The headquarters will be at Visakhapatnam where the head quarter of the Company is located. He will be liable to serve in any part of the country at the discretion of the Company.
- Pay :** Shri Rajesh Tripathi will draw Basic Pay as per the present levels in the existing IDA scale of ₹180000/- ₹320000/- from the date of his assumption of office as MD, DCI on 08.03.2019.
- Dearness Allowance :** He would be paid DA in accordance with the new IDA Scheme as being paid to other employees of the company.
- Annual Increment:** He will be eligible to draw his annual increment @ 3% of basic pay on the anniversary date of his original appointment i.e 02/02/2015 in the scale and further increments on the same date in the subsequent years until the maximum of the payscale is reached. After reaching the maximum of the scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of the every two years period from date he reaches the maximum of his payscale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.
- House Rent Allowance:** He will be entitled to HRA as per the rates paid to other employees of the company.
- Residential accommodation and recovery of rent for the accommodation so provided : Will be same as applicable to the Board level employees etc as approved by the Board/ Chairman

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- viii. Conveyance: Will be same as applicable to the Board level employees etc as approved by the Board/ Chairman
- ix. Leave: He will remain subject to the leave rules of DCI.
- x. Other Allowances/Perks : Will be same as applicable to the Board level employees etc as approved by the Board.
- xi. Performance Related Payment: Will be same as applicable to the Board level employees etc as approved by the Board.
- xii. Superannuation Benefits : Will be same as applicable to the Board level employees etc as approved by the Board.
- xiii. Conduct, Discipline and Appeal and other Rules:
 - a) The Conduct, Discipline and Appeal rules framed by the DCI in respect of their non-workmen category of staff would also mutatis mutandis apply to him with modification that the disciplinary Authority in his case would be the Chairman.
 - b) Other Rules etc., will be same as applicable to the Board level employees etc., as approved by the Board/ Chairman.
- xiv. The above remuneration etc., is subject to the limits set out in Section 197/198 of the Companies Act read with Schedule V of the Companies Act, 2013 and Rules made thereunder and subject to approval and/or ratification of the same by shareholders, if any, in the general body meeting
- xv. In respect of any other item, concerning him which is not covered in preceding paras, he will be governed by the relevant Rule/instruction of the DCI..

No sitting fees will be paid to Shri Rajesh Tripathi for attending the meeting of the Board or Committees thereof.

Shri Rajesh Tripathi is liable to retire by rotation.

Shri Rajesh Tripathi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Rajesh Tripathi is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Managing Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 5 –Appointment of Shri Rinkesh Roy as Director and Chairman

Shri Rinkesh Roy was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting. He is the Nominee Director of Paradeep Port Trust and Visakhapatnam Port Trust. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

DIN No.	07404080			
Date of Birth	11/02/1970 – Age – 49 Years			
Education Qualification	B.A (Hons)			
Professional qualification	Master in Public Management from Harvard University and National University of Singapore.			
Nature of employment	Government Service – IRTS			
Experience	He has expertise in logistics, operations and strategic planning. He has worked in varied capacities and has rich experience in the interface and working of iron-ore mines, Steel plants, Collieries, Power Plants and Port Operations and also associated with formulation of the 12th Five year plans of the Ministries of Railways, Coal and Power. Worked in various capacities in the Railway Operations department at Khudra Road, Sambalpur, Waltair, Kharagpur, Chakradharpur and Bilaspur Divisions and also experience at the Railway Board levels – Director (Planning) & Director (Traffic Transportation). Worked in East Cost Railways as Secretary to General Manager and Chief Freight Traffic Manager of ECOR, where as a member of the team that made it the highest freight loading Railways. As GM/Operations in CRIS developed a mobile application called ' Parichaalan' for freight Operations. He was part of a select team that visited the United States of America for Project Implementation of 25 Tonne axle load wagons. He has been to Japan on Training for the dedicated Freight Corridor (2007) and Urban Transport Systems (2010). He is holding the post of Chairman , Paradip Port Trust with effect from 23-12-2015, he was in additional charge of CMD, kamarajar Port Ltd. From 12-08-2017 to 13-06-2018 and additional charge of Chairman, VOC port Trust from 11-06-2018 to 11-01-2019.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	Haridaspur Paradip Railway Company	Director	-	-
	Inland Waterways Consortium of Odisha Limited	Director	-	-
	Sethusamudram Corporation Limited	Director	-	-
	Indian Ports, Railways Corporation Limited	Director	-	-

No sitting fees will be paid to Shri Rinkesh Roy for attending the meeting of the Board or Committees thereof. The Company will reimburse/ arrange for the travel, hotel and other incidental expenses as the case may for the performance of the role and duties as director.

Shri Rinkesh Roy is liable to retire by rotation.

Shri Rinkesh Roy is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Rinkesh Roy is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Director and Chairman of the Company.




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The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 6 – Appointment of Shri Sanjay Jagdishchandra Sethi as Director

Shri Sanjay Jagdishchandra Sethi was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th March, 2019 and who holds office up to the date of this Annual General Meeting. He is the Nominee Director of Jawaharlal Nehru Port Trust. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

DIN No.	02235406			
Date of Birth	23/09/1967 Age – 52 Years			
Education Qualification	M.A, M.Phil (Eco)			
Professional qualification	Masters in Management from London School of Economics			
Nature of employment	Government Service - IAS			
Experience	He has 26 year of experience at senior levels in Government of Maharashtra and Government of India. Some of other key portfolios are CEO-Maharashtra Industrial Development Corporation (MIDC), Additional Metropolitan Commissioner –MMRDA, Secretary and Development Commissioner –Industries Department, Government of Maharashtra, Municipal Commissioner of Thane and Nagpur, and Managing Director – Maharashtra State Electricity Transmission Co.Ltd. He had been entrusted with the responsibility of Mega projects like Mumbai Metro, Coastal Road, Urban Projects of water and Sewerage among others.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	City and Industrial Development Corporation of Maharashtra Limited	Director	-	-
	JNPT Antwerp Port Training and Consultancy Foundation	Director	-	-

No sitting fees will be paid to Shri Sanjay Jagdishchandra Sethi for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may for the performance of the role and duties as director.

Shri Sanjay Jagdishchandra Sethi is liable to retire by rotation.

Shri Sanjay Jagdishchandra Sethi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Sanjay Jagdishchandra Sethi is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 7 –Appointment of Shri Sanjay Kumar Mehta as Director

Shri Sanjay Kumar Mehta was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 08th May, 2019 and who holds office up to the date of this Annual General Meeting. He is the Nominee Director of Deendayal Port Trust. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

Din No.	06912891
Date of Birth	01/10/1964 Age – 55 years
Education Qualification / Professional qualification	M.Sc. (Botany), I.F.S
Nature of employment	Chairman, Deendayal Port Trust
Experience	S K Mehta a 1990 batch IFS officer of Gujarat cadre has taken over as Chairman at Joint Secretary level, Deendayal Port Trust (DPT), Kandla Gujarat as per the Orders of Ministry of Shipping, Government of India
No. of Share held in DCI	Nil
Directorship in other companies	Nil

No sitting fees will be paid to Shri Sanjay Kumar Mehta for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may for the performance of the role and duties as director.

Shri Sanjay Kumar Mehta is liable to retire by rotation.

Shri Sanjay Kumar Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Sanjay Kumar Mehta is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 8 – Appointment of Capt. Anoop Kumar Sharma as Independent Director

Capt. Anoop Kumar Sharma was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 04th April, 2019 and who holds office up to the date of this Annual General Meeting. He is an Independent Director. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

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Din No.	03531392			
Date of Birth	21/08/1960 Age – 59 Years			
Education Qualification	Master (F.G.)			
Professional qualification	Diploma in Marketing Management from Narsee Monjee Institute of Management Studies, Mumbai. Fellow of Institute of Chartered Shipbrokers, London and has also completed a programme in Executive Business Leadership from ISB Hyderabad.			
Nature of employment	PSU SERVICE			
Experience	Capt. Anoop Kumar Sharma is the Chairman & Managing Director of The Shipping Corporation of India Ltd (SCI), a Government of India 'Navratna' Public Sector Enterprise & India's largest shipping company. Prior to his current appointment, he was the Managing Director of M/s. Essar Shipping Ltd (ESL). Capt. Anoop Sharma has served the shipping industry for close to 40 years at various responsible levels.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	Shipping Corporation of India	Director	-	-
	Indian National Shipowners Association	Director	-	-
	Indian Register of Shipping	Director	-	-
	North of England P&I Association Ltd.	Director	-	-
	Irano Hind Shipping Corporation, Tehran	Director	-	-
	India LNG Transport No.1, Malta	Director	-	-
	India LNG Transport No.2, Malta	Director	-	-
	India LNG Transport No.4, Singapore	Director	-	-
	Baltic and International Maritime Council, Denmark	Director	-	-
Tenure	Three years from 04 th April, 2019			

Capt. Anoop Kumar Sharma will not be paid any remuneration etc by the Company except for sitting fees (to be remitted to his parent organization- Shipping Corporation of India Limited) for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may be for the performance of the role and duties as director.

Capt. Anoop Kumar Sharma is not liable to retire by rotation.

Capt. Anoop Kumar Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Capt. Anoop Kumar Sharma meets the criteria for independence as provided in Section 149 (6) of the Act.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Capt. Anoop Kumar Sharma is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 9 –Appointment of Shri Balachandran Srinivasan as Independent Director

Shri Balachandran Srinivasan was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who holds office up to the date of this Annual General Meeting. He is an Independent Director. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

Din No.	01962996
Date of Birth	27/08/1946 – Age – 73 Years
Education Qualification	M.Sc (Chemistry). First Class
Professional qualification	
Nature of employment	Retired as Additional Member, Ministry of Railways, GOI. Ex-Managing Director- Indian Railway finance Corporation
Experience	He has more than 35 years experience in Government and Public sector Corporations including a posting overseas in Lagos for 3 ½ years. He was Deputed to Office of the Comptroller and Auditor General as C&AG's as Joint Director for 3 ½ years. He has held Directorship on the Boards of Companies in both Public and Private Sector such as ONGC , Container Corporation of India , Dredging Corporation of India , RailTel Corporation (all PSUs); PIPAVAV Rail Corporation , Karnataka Rail Infrastructure Development Enterprise (JVs in Joint Sector) ; PTC India Ltd , PTC Energy Ltd.(Private Sector); United Stock Exchange (Trading in Major Currencies derivatives) Currently, Director on the Boards of Bharat Financial Inclusion Ltd (largest NBFCMFI), ONGC Petro-additions Ltd.(A mega Petrochemical Company) based in Gujarat. Chaired Audit Committees of most of the Companies. At the Railway Ministry, he handled major Policy matters, Revenue and capital planning , Resource Mobilisation with funding strategies. Involved in formation of companies including Rail Tel, Rail Vikas Nigam Ltd., and Pipavav Rail Corporation, first PPP wherein Ministry of Railways directly holds 50% ownership with a Private Company. He successfully closed funding by World Bank for Mumbai Rail Vikas Corporation, ADB for RVNL and KfW concessional credit for a major Signalling & Telecom Project. As MD of a Public Financial Institution, he had hands-on with domestic and offshore Issuances of Structured securities in INR, Dollar , Euro and Yen denomination in different geographical territories and Financial Engineering.



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	He has Experience in QIP Issuance ,Enterprise valuation Merger and Amalgamation between NBFC and a Bank , between Stock Exchanges. Major Asset financing through export credits for procurement of modern Passenger and Freight Locomotives from Canada and LHB Coaches from Germany for Railways and State-of-Art Dredgers from Holland for Dredging Corporation of India.			
No. of Share held in DCI	Nil			
Directorship in other companies	BFIL, OPAL JV (between ONGC & GAIL), ENVENT DIGITAL Technologies Pvt Ltd.,			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Bharat Financial Inclusion Limited	Director	Audit Committee	Chairman
	ONGC Petro Additions Limited	Director	Audit Committee Stakeholders Relationship Committee	Chairman Member
	ENVENT DIGITAL Technologies Pvt Ltd.,	Director	–	–
Tenure	Three years from 10 th April, 2019			

Shri Balachandran Srinivasan will not be paid any remuneration etc., by the Company except sitting fees for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may be for the performance of the role and duties as director.

Shri Balachandran Srinivasan is not liable to retire by rotation.

Shri Balachandran Srinivasan is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Shri Balachandran Srinivasan meets the criteria for independence as provided in Section 149 (6) of the Act.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Balachandran Srinivasan is interested in the resolution to the extent of his appointment as Director.

Shri Balachandran Srinivasan would be attaining 75 years of age on 26th August, 2021. His tenure of three years as independent director ends on 09th April, 2022. Pursuant to Regulation 17(1A) of SEBI (LODR), a listed entity shall not continue the directorship of any person as a non-executive Director who has attained the age of 75 years unless a special resolution is passed to that effect. In view the background and experience of Shri Balachandran Srinivasan, his past association with the Company as independent Director, his assistance in Capital acquisition and loan syndication for the same as well as his involvement in major policy framework for the company including Forex Policy, HR Policies etc., it will be in the interest of the Company that he continues as Director of the Company for the term of three years upto 09th April, 2022.

The Board commends the resolution for approval of the members as Special resolution.

ITEM No. 10 – Appointment of Cmde Kartik Subramaniam (Retd.) as Independent Director

Cmde Kartik Subramaniam (Retd.) was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who holds office up to the date of this Annual General Meeting. He is an Independent Director. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

Din No.	01957227
Date of Birth	13/12/1955 – Age – 64 years
Education Qualification	BE (Mech.), M.Sc. (Defence Studies)
Professional qualification	
Nature of employment	Former CMD, Cochin Shipyard Limited
Experience	29 Years experience as a Marine Engineer in the Indian Navy serving on war vessels and on shore billets. 3 years experience as Director (Operations), Cochin Shipyard Limited and five years as CMD, Cochin Shipyard Limited. 1 year as a CEO of Reliance Naval Engineering Limited
No. of Share held in DCI	Nil
Directorship in other companies	Nil

Cmde Kartik Subramaniam (Retd.) will not be paid any remuneration etc., by the Company except sitting fees for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may be for the performance of the role and duties as director.

Cmde Kartik Subramaniam (Retd.) is not liable to retire by rotation.

Cmde Kartik Subramaniam (Retd.) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Cmde Kartik Subramaniam (Retd.) meets the criteria for independence as provided in Section 149 (6) of the Act.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Cmde Kartik Subramaniam (Retd.) is interested in the resolution to the extent of his appointment as Director.

In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 11 – Appointment of Shri Bhuvaragan Poiyaamozhi as Independent Director

Shri Bhuvaragan Poiyaamozhi was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 10th April, 2019 and who holds office up to the date of this Annual General Meeting. He is an Independent Director. The Company has received a notice in writing proposing his candidature for the office of Director. His brief resume is as under:-

Din No.	06564735
Date of Birth	07/08/1956 Age – 63 years

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Education Qualification	Master Degree in Civil Engineering,
Professional qualification	
Nature of employment	Former Development Adviser (Ports) Ministry of Shipping, Govt. of India
Experience	He has 37 years experience macro level planning in Ports, Shipping, dredging and Inland waterways sectors. During his service in Ministry of shipping, he was associated with the technical appraisal of major projects in the above sectors coming to the Government of India for sanction. He was actively associated in the preparation of dredging guidelines which was later approved by the Government of India in the year 2015. He was on the board of DCIL from 2013 to 2016 as a Government Director
No. of Share held in DCIL	Nil
Directorship in other companies	Nil

Shri Bhuvanaragan Poiyaamozhi will not be paid any remuneration etc., by the Company except sitting fees for attending the meeting of the Board or Committees thereof. The Company will reimburse/arrange for the travel, hotel and other incidental expenses as the case may for the performance of the role and duties as director.

Shri Bhuvanaragan Poiyaamozhi is not liable to retire by rotation.

Shri Bhuvanaragan Poiyaamozhi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Shri Bhuvanaragan Poiyaamozhi meets the criteria for independence as provided in Section 149 (6) of the Act.

None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri Bhuvanaragan Poiyaamozhi is interested in the resolution to the extent of his appointment as Director.

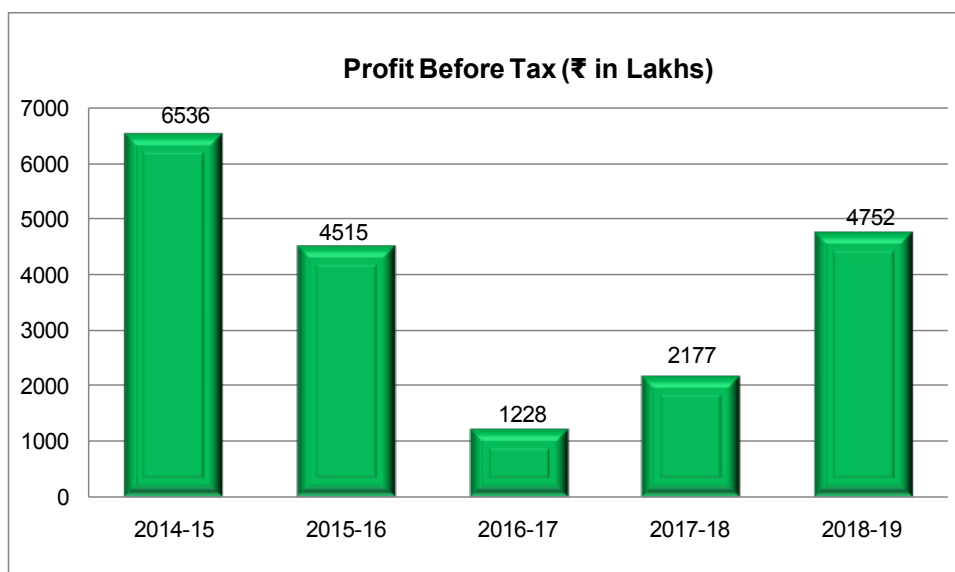
In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 11 – Approval of Related Party Transactions

Pursuant to the share Purchase Agreement executed on 08th March, 2019 between Government of India represented by Ministry of Shipping and the four Ports ("Purchasers")—Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust, all the shares amounting to 73.47% of the Equity share Capital of the Company was transferred to the purchasers-Visakhapatnam Port Trust(19.47%), Paradip Port Trust (18%),Jawaharlal Nehru Port Trust (18%) and Deendayal Port Trust (18%) along with transfer of management and control. Although as per the Companies Act, Section 2 (76) read with 2(6) the individual Ports do not fall under the definition of Related Parties, as the individual ports do not have control exceeding 20% of total voting power, but however on a harmonious reading of related provisions of the Share Purchase Agreement, it can be inferred that each of the four Port Trusts hold significant influence encompassing the entire decision making process of DCIL and that these four port trusts are therefore Associates, by a rebuttal of the status that each of the four port trusts holding less than 20% of equity shares and consequently because these are Associates, they are related parties to the reporting entity, DCIL and the transactions with these four ports, even when conducted in the ordinary course of business, are related party transactions.

As per provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 read with Rules made there under and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Related Party Transactions Policy of the Company, all material Related Party Transactions shall require approval of the Shareholders of the Company and the Related Party shall abstain from voting on such resolutions. Further, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company or ₹0 Crore whichever is lower as per the last audited financial statements of the Company. Further, in terms of provisions Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the





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relevant Accounting Standard, the promoter(s) (viz. Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust) and KMPs qualify as Related Party(s) of the Company and the Company has existing and continuing contracts/arrangements in the ordinary course of business and on arm's length basis with the related parties which will continue to exist beyond 31st March, 2019 in addition to the new Contract(s)/transaction(s) to be entered into. It is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions together would be beyond the threshold limit of materially as specified above.

Therefore, the ratification/approval as the case may be of the Members of the Company is sought for supply of goods or service during the financial year 2018-19 (for the period 08/03/2019 to 31/03/2019) and for the financial year 2019-20 in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated approval of the Shareholders is being sought in respect of the proposed material transactions with related parties in a proactive manner.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution except the nominee Directors representing the respective ports.

The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 12 – Approval of Amendment to Memorandum of Association

Pursuant to the Share Purchase Agreement executed on 08th March, 2019 between Government of India represented by Ministry of Shipping and the four Ports ("Purchasers") – Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust, all the shares amounting to 73.47% of the Equity share Capital of the Company was transferred to the purchasers - Visakhapatnam Port Trust(19.47%) , Paradip Port Trust (18%), Jawaharlal Nehru Port Trust (18%) and Deendayal Port Trust (18%) along with transfer of management and control. The Memorandum of Association is being amended suitably to comply with the requirements of the Companies Act, 2013 and make them consistent with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). The Amendments are being proposed in the Objects clause and the Liability Clause.

The Board of Directors at their meeting held on 30th May, 2019 decided (subject to the approval of members) to adopt the amendments to the Memorandum of Association of the Company. The Memorandum of Association of the Company (with proposed Amendments) is available for inspection in physical or in electronic form on all working days i.e. Monday to Friday, between 10:30 a.m. to 05:00 p.m. upto the date of the Annual General Meeting at the Registered and corporate Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered and corporate Office and also at the Meeting.

Pursuant to Section 13 of the Act, the consent of the Members by way of Special Resolution is required for alteration of Memorandum of Association of the Company.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

The Board commends the resolution for approval of the members as Special resolution.

ITEM No. 13 – Approval of Amendment to Articles of Association

Pursuant to the Share Purchase Agreement executed on 08th March, 2019 between Government of India represented by Ministry of Shipping and the four Ports ("Purchasers") – Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust, all the shares amounting to 73.47% of the Equity share Capital of the Company was transferred to the purchasers - Visakhapatnam Port Trust(19.47%) , Paradip Port Trust (18%), Jawaharlal Nehru Port Trust (18%) and Deendayal Port Trust (18%) along with transfer of management and control.

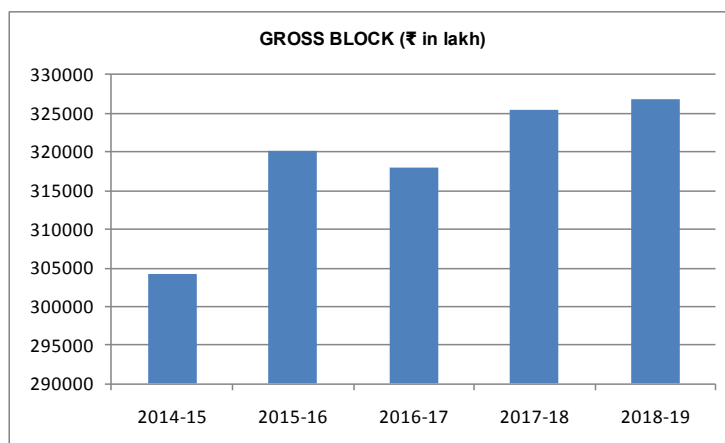
The Articles of Association is being amended to incorporate per the provisions of the Share Purchase Agreement suitably and also to comply with the requirements of the Companies Act, 2013 and make them consistent with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

The Board of Directors at their meeting held on 30th May, 2019 decided (subject to the approval of members) to adopt the amendments to the Memorandum of Association of the Company. The Articles of Association of the Company (with proposed Amendments) is available for inspection in physical or in electronic form on all working days i.e. Monday to Friday, between 10:30 a.m. to 05:00 p.m. up to the date of the Annual General Meeting at the Registered and corporate Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered and corporate Office and also at the Meeting.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of Articles of Association of the Company.

None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution.

The Board commends the resolution for approval of the members as Special resolution.



DIRECTORS' REPORT FOR THE YEAR 2018-19

Your Directors have pleasure in presenting this 43rd Annual Report together with the audited financial statements of the Company for the year ended 31st March, 2019.

1. STRATEGIC SALE

The Government of India ("GOI") has concluded the Strategic disinvestment of DCIL by way of the transfer of management control and sale of whole of 73.47% equity share capital of DCIL held by GOI to the four ports – Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust and Jawaharlal Nehru Port Trust. The Share Purchase Agreement in this regard was executed on 08th March 2019. The new Management has taken charge of the company from 08th March 2019. It's a new beginning for the company and with the support of all the stakeholders, it is expected the Company would prosper.

2. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	2018-19	2017-18	% Change
(I) INCOME			
A. Operations	69174	59187	17%
B. Others	678	2025	
TOTAL INCOME	69852	61212	14%
(II) EXPENDITURE			
i) Employees Benefits	10437	9660	
ii) Depreciation	11291	11318	
iii) Repairs and maintenance	2206	1413	
iv) Power, Fuel and Lubricants	26533	23267	
v) Spares and Stores	3803	5602	
vi) Insurance	622	660	
vii) Other Expenses	8454	5092	
viii) Finance costs	1754	2023	
TOTAL EXPENDITURE	65100	59035	10%
Profit before Exceptional Items & Tax	4752	2177	
Profit before Tax	4752	2177	118%
Less : Provision for taxes	293	463	
Profit for the year	4459	1714	
Add: Other Comprehensive income	0	(50)	
Profit after Tax	4459	1664	168%

3. DIVIDEND

Keeping in view the financial performance of the Company and other relevant considerations, your Directors have recommended payment of dividend @ 30% on the paid up capital of the company i.e ₹3 per equity share amounting to ₹8.40 lakh for the year 2018-19 as compared to 20% declared for the previous year. This would amount to 18.84% of the Profit after tax for the year.

4. CAPACITY UTILISATION

The following is the capacity utilisation in number of days and quantity dredged as against the targets during the year:-

	Target	Actual	% Utilisation
No. of Days	3228	2501	77.47
Quantity (Mln. Cu.M)	63.90	54.51	85.30

5. DCI FLEET

The Company has, 11 Trailer Suction Hopper Dredgers (TSHDs), 2 Cutter Suction Dredgers (CSDs), one Back Hoe Dredger and one Inland Cutter Suction Dredger apart from other ancillary crafts. Dredge IX a 4500 Cu.M TSHD built in 1984 was de-commissioned during the year.

6. DREDGING OPERATIONS**i) Important Contracts completed during the Year 2018-19:**

- Maintenance dredging in Hooghly Estuary in the shipping channel of Kolkata Port Trust for the period of five years. (April 2018 to Mar 2019).
- Dredging for maintenance of channels and basins at Cochin Port for 2018-19.
- Maintenance Dredging at Cochin Ship Yard for 5 Years from 2015 and Capital dredging work carried out in connection with INS Vikramaditya for the Year 2018-19.
- Annual maintenance dredging at New Sand Trap and its approaches and other areas of VPT for 2018-19.
- Deployment of DCI Dr-XV at Visakhapatnam on charter hire basis for M/s AVR Infra Pvt. Ltd for 2018-19.
- Development of Multipurpose Terminal by replacement of existing EQ-2 to EQ-5 berths to cater to 14.00 mtrs draft vessels in Inner harbor of Visakhapatnam Port Trust of M/s ITDC, Vizag for the year 2018-19.
- Dredging in front of OB-II of Visakhapatnam Port Trust of M/s ESSAR, Vizag for the year 2018-19.
- Maintenance dredging works to remove siltation using TSHD at Gangavaram Port for 2018-19.
- Capital dredging for proposed south and North Dock complex at Paradip for 2018-19.
- Hiring of Services for Maintenance Dredging at Konkal LNG Private Ltd. (earlier RGPPL) – Dabhol for 2018-19.
- Maintenance dredging of 14.00 Lakh Cubic meters of silt from Naval sites at Mumbai using combination of TSHD and Grab dredger for the year 2018-19.
- Maintenance dredging at VOC Port Trust by engaging a TSHD & BH-1 through M/s DCI Ltd for the year 2018-19.
- Maintenance dredging in channels and basins of Krishnapatnam Port Company Ltd for the year 2018-19.
- Dredging by engaging a TSHD in the channel and turning circle at Karaikal Port for 2018-19.





DIRECTORS' REPORT

15. Contract for dredging of LNG Jetty and its approaches at Kamarajar Port Limited for the year 2018-19.
 16. Capital dredging at Pussur River from Mongla Port to Rampal Power plant for the year 2018-19.
- ii) **New Contracts during the Year 2018-19:**
1. Maintenance Dredging in Shipping Channel of Hooghly Estuary of Kolkata for five years from 2017 i.e 2017 to 2021 - work under progress.
 2. Maintenance dredging at Lower Eden Bar by deploying TSHD of 5500 CuM hopper capacity and dumping the dredge material at designated dumping area.
 3. Dredging for maintenance of channels and basins at Cochin Port for the year 2019-20.
 4. Dredging at VOCPT Port (Tuticorin) by engaging Cutter Suction Dredger (Dredge Aquarius) through M/s DCI. Work in progress.
 5. Contract for Capital Dredging alongside JD-4, 6 & JD west berths for deepening upto -14.00 mtrs CD and New Coastal berth for deepening upto -9.00 mtrs CD at Chennai Port.
 6. Capital dredging for proposed south and north BOT Dock complex at Paradip Port. Work in progress.
 7. Maintenance dredging of Approach Channel, Entrance Channel, Turning Circle, Docks & Sand Trap of Paradip Port Trust for the Year 2019-20.
 8. Deployment of Backhoe at PPT in the areas adjacent to PICTPL berth, Wet Basin area near signal station, North Oil Jetty and Miscellaneous areas inside the Harbour.
 9. Hiring of Services of Maintenance Dredging of RGPPL'S Navigational Channel for the year 2019-20.
 10. Capital dredging at Pussur River from Mongla Port to Rampal Power plant for the Year 2019-20. Work in progress.
 11. Deployment of DCI Dr-XXI at Visakhapatnam Port on charter hire basis for dredging of Inner Harbour Channel, Inner Harbour Turning Circle and berth front of EQ-6 berth in Northern Arm of VPT.
 12. Annual maintenance dredging at New Sand Trap and its approaches and other areas of VPT for 2019-20.
 13. Maintenance dredging works to remove siltation using TSHD at Gangavaram Port for 2019-20.
 14. Dredging in River Muriganga in P.S. Kakdwip & Sagar, District South 24 Parganas.
 15. Assured depth dredging work in the Farakka-Haldia stretch of National Waterway-1 under the Jal Vikas Marg Project for the year 2019-20.
 16. Capital Dredging at Neendkara Fishing Harbour Kerala.

7. MEMORANDUM OF UNDERSTANDING

The Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2018-19 with regards to targets for operational and financial performance of the Company etc.

8. SAFETY MANAGEMENT SYSTEM (ISM)

- (a) All dredgers of DCI hold valid Safety Management Certificate (SMC).
- (b) DCI holds a Document of Compliance (DOC) valid till 24.06.2022. The same is being endorsed every year after annual verification audit by DG Shipping.

9. SHIP SECURITY SYSTEM (ISPS)

All dredgers of DCI hold valid International Ship Security Certificate (ISSC).

10. QUALITY MANAGEMENT SYSTEM (ISO 9001:2008)

DCI is certified for Quality Management System (ISO 9001:2015) and the certificate is valid up to 25th February 2022. The QMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

11. ENVIRONMENT MANAGEMENT SYSTEM (ISO 14001:2015)

DCI is certified for Environmental Management System (ISO 14001:2015) and the certificate is valid up to 13th March, 2022. The EMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

12. ENVIRONMENTAL INITIATIVES :

Implemented ISO 14001: 2015 (Environment Management System.) Installed Sewage Treatment Plants onboard vessels (except Dr. VI, VIII & XI). Compliance to MARPOL 73/78 Regulations i.e (International Oil Pollution Prevention, IOPP)

Environmental awareness amongst the employees and floating personnel is being done onboard dredgers, Project offices and Head Office on a regular basis.

13. MEMBERS/ INVESTOR SERVICES

The shares of the Company are listed on BSE, Calcutta and National Stock Exchanges. The shares of the Company are dematerialised with both the depositories, NSDL and CDSL. The tax free bonds are listed with the Stock Exchange, Mumbai. M/s. Karvy Fintech Private Limited, Hyderabad are the R & T Agents of the Company. M/s CATALYST TRUSTEESHIP LIMITED (formerly GDA Trusteeship Ltd.) Pune is the Trustee for the Tax free bonds issued in the year 2013-14.

14. THE REQUIRED PARTICULARS ETC., PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT 2013 ARE AS UNDER:-

- a) The extract of the Annual Return as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 in form no. MGT – 9 is placed as Annexure-1 to this Report.
- b) Number of meetings of the Board :- During the financial year 2018-19 the company has held six Board Meetings. Further details are provided in the Corporate Governance Report.
- c) Directors' Responsibility Statement :- Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors state that :
 - (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with a proper explanation relating to material departures;

DIRECTORS' REPORT

- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
 - (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
 - (iv) the Directors had prepared the Annual Accounts on a going concern basis; and
 - (v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
 - (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- d) Upto 08th March 2019, the Directors of the Company were appointed by Government of India as per the norms pertaining to qualifications etc., prescribed by Government of India. The whole time directors were paid remuneration as prescribed by Government of India from time to time and after 08th March 2019, the new Promoters have been continuing with the same norms as per the provisions in share purchase agreement. The Independent directors are paid only sitting fees of ₹10000/- for attending each meeting of the board or committee thereof and are not paid any other remuneration. The Part-time official (Government) Directors were not paid any remuneration by the Company. The Key Management personnel are paid as per the norms fixed by the Department of public enterprises from time to time. The Company has constituted Nomination and Remuneration committee as per Section 178 consisting of two Independent Directors and One part-time official Director.
- e) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made :-

The statutory auditors of the company have given an unqualified audit report. However, there are two Emphasis of Matters which are reproduced below along with the comments of Management on the same.

A. EMPHASIS OF MATTERS BY STATUTORY AUDITORS:

QUOTE

We draw attention to the following matters in the Notes to the financial statements. Our opinion is not qualified in respect of this matter.

- a) Trade Receivables include a sum of ₹13627 lakhs due from M/s Sethusamudram Corporation Limited (SCL) towards works executed during 2005-06 to 2008-09 which has become a matter of dispute. A Committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee) compromised the outstanding issues between the Company and SCL by recommending for payment of ₹3627 lakhs which was accepted by both the Parties. As a consequence of AS & FA Committee recommendations dated 25.02.2019, the Company has reversed the provision for doubtful debts of ₹3019 lakhs held since FY 2011-12. Further, provision of ₹8444 lakhs made during the first half year of the current year has also been withdrawn.
- b) Outstanding balances under Trade Payables, Other Payables, Trade Receivables, Advance to Suppliers are subject to reconciliation, the impact of which is not ascertainable.

UNQUOTE

Management comments to emphasis of matter:

A Committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee) considered the issue of outstanding issues to the Company by SCL and decided that payment of ₹3627 lakhs be made to DCI. SCL has released payment of ₹1 Cr. to the Company in line with the decisions. Ministry of Shipping has confirmed that release of balance fund is being considered at appropriate level as per the decision taken at AS&FA Committee. As such the Company has reversed the provision for doubtful debts of ₹3019 lakhs held since FY 2011-12. Further, provision of ₹8444 lakhs made during the first half year of the current year has also been withdrawn.

With regard to balance of Payables, Other Payables, Trade Receivables, Advance to Suppliers at Sl.No. (b) above it is stated that confirmation for some of the amounts, particularly with regard to sundry debtors due from various ports etc., for the works executed by DCI and/or bills raised for the same, is being followed up.

B.. OBSERVATIONS MADE BY THE SECRETARIAL AUDITOR:

QUOTE

1. Company did not had requisite number of Independent Directors on the Board for the period 01.04.2018 to 31.03.2019 and a woman Director on the Board for the period 08.03.2019 to 31.03.2019 as required under Section 149 of the Companies Act, 2013, Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines,
2. Performance evaluation of independent directors was not done by the entire Board of Directors as required under Section 149 (8) read with Schedule IV Clause VIII (1) of the Companies Act, 2013 and Regulation 17 (10) of SEBI (LoDR) Regulations, 2015,
3. There was no Audit Committee for the period from 08.03.2019 to 31.03.2019 as required under Section 177 (1) of the Companies Act, 2013 and Regulation 18 (1) of SEBI (LoDR) Regulations, 2015.
4. Composition of the Nomination and Remuneration Committee did not include atleast fifty percent of the directors as independent directors for the period 08.03.2019 to 31.03.2019 as required under Section 178 (1) of the Companies Act, 2013 and Regulation 19 (1) of SEBI (LoDR) Regulations, 2015.
5. Stakeholders Relationship Committee was not constituted for the period 08.03.2019 to 31.03.2019 as required under Section 178 (5) of the Companies Act, 2013 and Regulation 20 (1) of SEBI (LoDR) Regulations, 2015.,
6. As per Section 178 (2) & (3) of the Companies Act, 2013 and Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, the Nomination and Remuneration Committee shall:
 - (a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - (b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;





DIRECTORS' REPORT

(c) devise a policy on diversity of Board of Directors.

7. Meeting of the independent directors was not held during the year as required under Section 149 (8) read with Schedule IV clause VII of the Companies Act, 2013 and Regulation 25 (3) and (4) of SEBI (LoDR) Regulations, 2015.

UNQUOTE

Management's reply

The Company was a Government of India Undertaking and as per the Articles of Association of the Company, the Directors are to be appointed by the President of India. The issue of appointment of requisite number of independent directors, was taken up with the administrative Ministry - Ministry of Shipping and the same was pending with them. The performance evaluation of the Whole-time Directors and Part time official Directors is done by the Government of India. Pursuant to the share Purchase Agreement executed on 08th March, 2019 between Government of India represented by Ministry of Shipping and the four Ports ("Purchasers") – Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust, all the shares amounting to 73.47% of the Equity share Capital of the Company was transferred to the purchasers - Visakhapatnam Port Trust(19.47%) , Paradip Port Trust (18%), Jawaharlal Nehru Port Trust (18%) and Deendayal Port Trust (18%) along with transfer of management and control. As per the provisions of the Share Purchase Agreement, all the directors on the board as on the date of signing i.e 08th March, 2019 resigned. The appointment of independent directors could not be completed by 31st March and as such, the independent Directors meeting could not be held by the end of the year and the evaluation of the Board Members could not be done by the independent directors. However, the evaluation of the functional directors is done by the Government of India as per the procedure.

- f) Particulars of loans, guarantees or investment under Section 186 :- details of investment given under the respective head in the financial statement. The Company has not given any loans or guarantees.
- g) Particulars of contracts or arrangements with related parties referred to in Section 188 (1) :- In line with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company. In terms of Accounting Standard 18 (Revised-2014), 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 2017-18 are mainly with other State controlled enterprises. Post the strategic sale by GOI on 08/03/2019, DCI is no longer a Government Company and the necessary disclosures with regard to the transactions with the related parties – Promoter Group has been made at Note No. 26 – Additional information on Financial Statements, sl.no. 8 with heading – Related Party Transactions in the Financial statement for the year 2018-19 and the relevant disclosure in Form No. AOC-2 is placed at Annexure - 3 to this Report. During the year under review, apart from what is disclosed, 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 and/or which are not in normal course of business. There have been no loans/ advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the stated Accounting Standard.
- h) The state of the company's affairs :- This has been explained in report under the head "Financial Results", "Dredging Operations" at paragraph number 2 and 6.
- i) The amounts, if any, which it proposes to carry to any reserves: The following amounts have been transferred to different reserves during the year:-
- Tonnage Tax Reserve u/s 115VT utilisation of the IT Act - ₹140 Lakhs
 - Transfer to General Reserve - NIL
 - Transfer to Debenture Redemption Reserve - NIL
- j) Dividend @30% i.e ₹3 per equity share is recommended for approval of shareholders at this AGM. The same will be paid within 30 days after the date of declaration.
- k) Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: Nil
- l) The conservation of energy, technology absorption, foreign exchange earnings and outgo:
- Conservation of energy : The following measures have been taken:
For online fuel monitoring, flow meters were fitted for both main engines during the year for Dredge XVI
Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 35-45% of operational cost.
 - Technology absorption: MAX Impellers for Dredge Pumps which enable in improvement in production and were earlier imported have now been manufactured indigenously during the year on a pilot basis for one dredger and would be done for more dredgers in future.
 - Foreign Exchange earnings and outgo:.

	(₹In Lakhs)
i) Foreign Exchange Earnings :	0.00
Total	0.00
ii) Foreign Exchange outgo:	
a) Import of components and spares (CIF value)	3130.99
b) Payment of interest on foreign currency loan	1290.20
c) Repayment of installment of foreign currency loan	13819.40
d) Foreign travel	31.48
Total	18272.07

- m) A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company: The Company has in place a Risk Management Policy to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal

DIRECTORS' REPORT

control and assurance activities. The Risk Management Committee has been constituted. The threats, risk and concerns are discussed in the Management Discussion and Analysis Report.

- n) The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year: The Company has in place a Corporate Social Responsibility Committee and a Corporate Social Responsibility and sustainability Policy. During the year 2018-19, the amount required to be spent under CSR is ₹7.97 lakh. Against this, the Company spent ₹53.38 Lakhs. The particulars of the CSR activities in the prescribed format as required under the Companies Act is placed at Annexure-2 to this Report.
- o) A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors:- till 08th March 2019, the Board of Directors of the Company were appointed by Government of India. The administrative Ministry – Ministry of Shipping reviews the performance of the whole time directors on Annual basis. Consequent to the change in the character of the company post the strategic sale, formal evaluation system is being formulated and would be in place in the current financial year 2019-20.

15. INSURANCE

The Company has taken appropriate insurance for all assets against foreseeable perils.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators, courts or Tribunals which would impact the going concern status and the Company's future operations.

17. DISCLOSURE AS PER SECTION 197 OF THE COMPANIES ACT AND THE REQUIREMENTS OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.

Pursuant to provisions of Section 197 of the Companies Act, 2013, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees along with the ratio of remuneration of each Director to the median employees remuneration and such other details forms part of Directors' Report and is placed at Annexure -4 to this Report.

18. VENDOR DEVELOPMENT

This is a continuous process and DCI procures spares and stores on a regular basis from suppliers spread all over the world. DCI is updating the supplier-base continually. DCI has adopted e-procurement process, as per Govt. of India guidelines, emphasis was given to facilitate and enable the vendors by way of training support and hand holding support to participate in the e-procurement processes of the company. Tenders are published in DCI official website and Central Public Procurement Portal for wider publicity so that MSMEs can participate. In view that out of the total annual procurement, a major portion is fuel, which cannot be procured from MSME Vendors and further that since most of dredgers of DCI have been built at Netherlands and therefore most of the spares need to be imported from OEMs abroad, the Company has represented for relaxation for implementation of the Public Procurement Policy mandatory provision of 20% procurement from MSMEs.

19. R & D ACTIVITIES

DCI Dredge Aquarius was fitted with an indigenously developed Programmable Logic Controller (PLC) in place of existing PLC system which was imported. The newly installed PLC has been found to be cost effective and working satisfactorily.

20. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the DPE Guidelines and SEBI (LoDR) Regulations, 2015 Management Discussion and Analysis Report, Corporate Governance Report and Certificate from the Company Secretary in practice regarding compliance of conditions of Corporate Governance are attached, forming part of this Report.

21. MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31st March, 2019 was as under:-

Shore	248
Floating – Regular -122, Contract- 428	550
Total	798

22. 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 31st March, 2019 was SCs - 46, and STs 15.

B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (both Shore and Floating) (regular employees) in group C and D categories in the Corporation was Nil as against the percentage of 14.5% and 24.5% respectively as prescribed by the Government. However, DCI has been recruiting Ex-Servicemen on its dredgers on contract basis.

C. Employment of Physically Handicapped

The number of physically handicapped employees in the Corporation as on 31st March, 2019 is 6 (Six), the group-wise break-up A, B, C & D for shore side is furnished below:-

Group	Total Strength	No. of persons with disabilities actually Employed	Percentage with reference to identified posts
A	150	04	2.67
B	27	01	3.70
C	55	01	1.82
D	16	-	-
Total	248	06	2.42

There are no Physically handicapped persons employed on the floating side as it is not permitted.





DIRECTORS' REPORT

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 31st March, 2019 is 41 as against 44 as on 31st March, 2018. Out of them number of executives is 16 and Non-Executives is 25.

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. **No complaints of sexual harassment have been received during the year.**

DCI is a Life Member of the Forum for Women in Public Sector and one women 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.

23. **EXISTING BENEFITS AND WELFARE MEASURES FOR THE WOMEN EMPLOYEES :**

- The women employees of the Corporation, with less than two surviving children are entitled for 26 weeks of Maternity Leave.
- Special Casual leave not exceeding 14 working days is sanctioned to regular women employees of the Corporation to undergo non- puerperal sterilisation.
- One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD insertions.
- Working uniforms are provided to Group'D' women employees, as per the scales prescribed in the Rules.
- As a welfare measure, a Rest Room/Recreation is provided exclusively for the women employees.
- The women employees of DCI are sponsored along with others to various in-house and also external training programmes.

24. **OTHER BENEFITS:**

Paternity leave of 15 days is allowed to a regular male employee having less than two children, during confinement of his wife, as per Leave Rules of the Corporation.

25. **WAGE SETTLEMENTS**

A. **FLOATING ESTABLISHMENT :**

- The INSA-MUI (FG/HT) Agreement in respect of Floating Officers, is due for revision w.e.f. 01.04.2019
- The NMB Agreement, relating to HT Petty Officers is due for revision w.e.f. 01.04.2019
- The Wage Agreement of Crew/MPWs is due for revision w.e.f. 01.04.2019

B. **SHORE ESTABLISHMENT:**

- Pay revision of Executive Employees is implemented w.e.f. 01.01.2017.
- The wage revision of Non-Executive employees is implemented w.e.f. 01.01.2017.

26. **INDUSTRIAL RELATIONS:**

The industrial relations in the Corporation continued to be cordial throughout the year 2018-19. The employees of the Company, both on shore and floating side worked in full co-operation with the management and there has been no loss of manhours during the year.

27. **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, Merit Scholarships for the children of SC/ST employees, Pension Scheme and DCI Retired Employees Medical Trust/Scheme etc. Other welfare measures such as Special Casual Leave for maternity/ paternity are extended to the employees. Staff Welfare Schemes viz., Car Advance, Two wheeler Advance, Marriage Advance (Children & Self), Children Higher Education Advance, Festival Advance etc., are provided to the employees.

28. **HUMAN RESOURCES DEVELOPMENT**

The Corporation is making sincere and concerted efforts for the overall development of Human Resources.

- During the year 2018-19, 208 employees were trained in various training programs.
- During the year 2018-19, 15 DCCP Apprentice Trainees, 15 ICMA Industrial Trainees, 4 Engineering Graduate Apprentices and 6 M.Tech Apprentices (dredging and Harbour Engineering) were inducted for training for a period of 12 months.

29. **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; set-up of procedure and submission of periodical reports on the progress of implementation of the Act. A register is maintained for monitoring the requests from public seeking information and the replies by the concerned are also being co-ordinated. Required periodical reports on the implementation of RTI/ Status of RTI replies are being furnished to the Ministry, CIC from time to time.

30. **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 Company Secretary is the Director of Public Grievances. 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. Complaints received during the year were suitably replied to.

31. **INFORMATION & FACILITATION COUNTER**

DIRECTORS' REPORT

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 publicized in the web-site also.

32. 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, etc., is in vogue in the Corporation and employees trained under in-service training in Hindi and qualified in various examinations conducted thereunder are being awarded cash awards.

Various Competitions were conducted for employees and nearby school/College students during the Hindi Week Celebration in September 2018.

The officers of the Corporation actively participated in the meetings and activities of the Town Official Language Implementation Committee, (TOLIC)(UT) Visakhapatnam during the year. 4 Hindi workshops were conducted for employees to impart working skills in drafting & noting in Hindi, and in UNICODE Hindi Typing, operation of Bilingual softwares etc..

Computerization of forms / correspondence and reports in Hindi, was implemented in various departments. Several formats, PF Statements, letter-heads, visiting cards, banners and other items of stationery are printed / made bilingual and the same are made available on the computers. Web-site information was also updated in Hindi. Unicode was installed in various functional Departments. Issue of Office Orders / Circulars, Reports submitted to Government and Parliamentary Committees and Annual Report of the Corporation were ensured in bilingual.

33. CITIZEN CHARTER

As per the directives of the Government of India, 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 Charter approved by the Competent Authority was posted on the Corporate website.

As part of requirement thereof, a Task Force has been constituted with representatives from the Management and Staff Unions, as well as from the Visakhapatnam Port Trust, a local clientele organisation. The Task force attends to the duties as prescribed by the Department of Administrative Reforms and Public Grievances. The HoD (HR) is designated to be the Nodal Officer to coordinate and monitor the formulation and implementation of the Citizens Charter in DCI, who also functions as the Member Secretary of the Task Force.

34. ACTIVITIES OF VIGILANCE DEPARTMENT

As a measure of preventive vigilance, 09 periodic, 28 surprise and 01 CTE type inspections have been taken up during the year. The lapses/irregularities notices in this regard have been communicated for taking remedial/ corrective actions. The number of vigilance cases pending at the beginning of the year and end of the year is "Nil". No vigilance cases were initiated during the year.

Vigilance Department is playing a proactive role for continuous simplification and improvements in systems and procedures and facilitating faster and effective decision making in transparent manner.

The Vigilance Awareness Week 2018 was observed at the Corporate Headquarters and various Project Offices of Dredging Corporation of India Ltd. 29th October 2018 to 3rd November 2018. CVC's theme for Vigilance Awareness Week 2018 was "Eradicate Corruption Build a New India" with emphasis on spreading awareness in fight against corruption to all sections of Society. Competitions for painting, easy writing and elocution covered nearly 591 students. Message of the commission was taken to broad section of society through Dramas, Skits, Flash mobs, songs, etc. in Schools, colleges, Universities, Public Places etc. Skits with Anti-Corruption message are organized in Educational Institutions, Public Places during the Vigilance Awareness Week – 2018. Skits broadcasted in All-India Radio and FM radio received wide appreciation. Interview with CVO was telecasted on the platform of DD Saptagiri, explaining the role of CVC, Vigilance, CBI and importance of public participation in eradicating corruption. Citizen's Integrity pledges recommended by Central Vigilance Commission as part of Vigilance Awareness Week – 2018 (VAW) is taken up as a Mission and more than 8000 people took Integrity Pledge in the year 2018-19 during activities Organized by Vigilance wings of DCIL and VPT. Around 2000 persons took part in Mass Integrity Pledge conducted at various schools and colleges in Visakhapatnam. Integrity pledge pamphlets in bilingual (English & Telugu) distributed at various prominent places in Visakhapatnam. VAW-2018 banners were displayed on Vessels and DCI dredgers. Specially designed stickers with vigilance and anti-corruption messages have been pasted in all official vehicles of VPT and DCI. To spread awareness against corruption amongst the general public, Vigilance Awareness Walk, Flash Mobs, Skits, Signature Campaign etc. are organized at RK Beach, Visakhapatnam as it is a popular place frequented by all sections of society.

Formation of Central Vigilance Commission (CVC) logo and human chain by the students of Port High School.

Systems improvement measures were suggested by the Vigilance department for implementation.

35. STATUTORY AUDITORS

M/s Sriramamurthy & Co., Chartered Accountants, Visakhapatnam were appointed by the Comptroller and Auditor General of India as Statutory Auditors for auditing the accounts of the Company for the financial year 2018-19. Pursuant to Section 142 (1) of the Companies Act, 2013 the remuneration of the Auditors has to be approved by the Members at the AGM. The Board recommends the remuneration of ₹.50 lakhs plus service tax as applicable for the year 2018-19 as statutory auditors for approval of the Members at this AGM.

36. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2018-19 given by the Statutory Auditors is placed along with the Accounts. Management Comments to the Emphasis of matters of the Auditors have been given in this report.

37. SECRETARIAL AUDIT REPORT

The report of the Secretarial Auditor – Mr. Sachin Agarwal of M/s. Agarwal S & Associates pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder is placed at Annexure - 5 to this Report. The comments/replies of the management on the observations of the Secretarial Auditor has been given in this report.

38. C&AG COMMENTS

The Comptroller and Auditor General of India has issued "NIL" comments on the Accounts of the Company for the year ended 31st March 2019 and the same are placed next the Statutory Auditor's Report

39. DIRECTORS AND KEY MANAGERIAL PERSONNEL



**DIRECTORS' REPORT**

The directors recommend for approval of the Members the above appointments/re-appointment of the Directors as proposed in the Notice to the AGM.

40. AMENDMENT TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Board of Directors recommends for approval of the Members the amendment to Memorandum of Association and Articles of Association in line with the Companies Act, 2013 and the Share Purchase Agreement dated 08/03/2019 entered into between the Government of India and the four ports- Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust and Jawaharlal Nehru Port Trust.

41. RELATED PARTY TRANSACTIONS

Consequent to the strategic sale on 08/03/2019, the four ports are now categorised as promoters of the company. The Board recommends for approval of the Members the contracts/ arrangements/transactions entered/ to be entered with the related parties i.e. promoter(s) (viz Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust, Deendayal Port Trust) during the financial year 2018-19 (for the period 08/03/2019 to 31/03/2019) and for the financial year 2019-20 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company or `50 Crore whichever is lower as per the last audited financial statements of the Company.

42. 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.

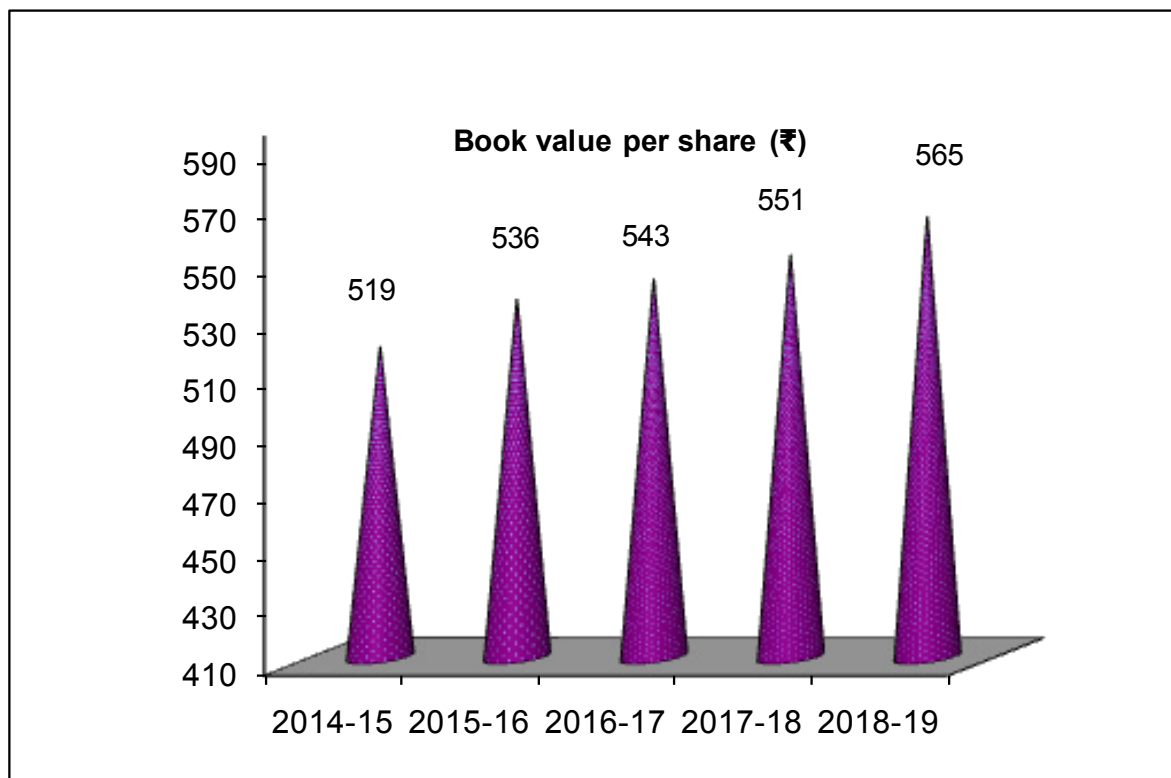
For and on behalf of the Board of Directors

Place : Visakhapatnam

Date : 15/07/2019

Rinkesh Roy

Chairman



DIRECTORS' REPORT

Annexure 1 to Directors' Report

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L29222DL1976GOI008129
ii	Registration Date	29/03/1976
iii	Name of the Company	DREDGING CORPORATION OF INDIA LIMITED
iv	Category/Sub-category of the Company	Public Company / Company limited by shares
v	Address of the Registered office & contact details	CORE-2, FIRST FLOOR, SCOPE MINAR, PLOT NO. 2A & 2B, LAXMINAGAR DISTRICT CENTRE, DELHI - 110092. PH: 01122448528
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone no. 040 44655000, e-mail : einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	DREDGING	63012	99.03

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**i) Category-wise shareholding**

Sl. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 30/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A) PROMOTER AND PROMOTER GROUP										
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	20572013	0	20572013	73.47	0	0	0	0.00	(73.47)
(c)	Bodies Corporate	0	0	0	0.00	20572013	0	20572013	73.47	73.47
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	20572013	0	20572013	73.47	20572013	0	20572013	73.47	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	20572013	0	20572013	73.47	20572013	0	20572013	73.47	0.00
(B) PUBLIC SHAREHOLDING										
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	520770	0	520770	1.86	592160	0	592160	2.11	0.25
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1877735	0	1877735	6.71	1877735	0	1877735	6.71	0.00
(f)	Foreign Institutional Investors	240374	0	240374	0.86	70469	0	70469	0.25	(0.61)


DIRECTORS' REPORT

Sl. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 30/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	2638879	0	2638879	9.42	2540364	0	2540364	9.07	(0.35)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1125670	0	1125670	4.02	767032	0	767032	2.74	(1.28)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	3390147	3093	3393240	12.12	3813247	2904	3816151	13.63	1.51
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	77787	0	77787	0.28	126076	0	126076	0.45	0.17
(c)	Others									
	Clearing Members	90730	0	90730	0.32	66073	0	66073	0.24	(0.09)
	I E P F	3135	0	3135	0.01	3135	0	3135	0.01	0.00
	Non Resident Indians	63157	0	63157	0.23	61485	0	61485	0.22	(0.01)
	NRI Non-Repatriation	24265	0	24265	0.09	32543	0	32543	0.12	0.03
	Trusts	11124	0	11124	0.04	15128	0	15128	0.05	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	4786015	3093	4789108	17.10	4884719	2904	4887623	17.46	0.35
	Total B=B(1)+B(2) :	7424894	3093	7427987	26.53	7425083	2904	7427987	26.53	0.00
	Total (A+B) :	27996907	3093	28000000	100.00	27997096	2904	28000000	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	27996907	3093	28000000	100.00	27997096	2904	28000000	100.00	

(ii) Shareholding of Promoters including Promoter Group

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India	20572013	73.47	0	0	0.00	0	(73.47)
2	Visakhapatnam Port Trust	0	0.00	0	5451710	19.47	0	19.47
3	Paradip Port Trust	0	0.00	0	5040101	18.00	0	18.00
4	Deendayal Port Trust	0	0.00	0	5040101	18.00	0	18.00
5	Jawaharlal Nehru Port Trust	0	0.00	0	5040101	18.00	0	18.00
	Total	20572013	73.47	0	20572013	73.47	0	0

(iii) Change In Promoters' Shareholding (Specify if there is no change)

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company			No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	President of India	20572013	73.47	08/03/2019	Pursuant to Share Purchase Agreement entered into between GOI and the four Ports	0	0.00	20572013	73.47
2	Visakhapatnam Port Trust	0	0.00	08/03/2019		5451710	19.47	5451710	19.47
3	Paradip Port Trust	0	0.00	08/03/2019		5040101	18.00	5040101	18.00
4	Deendayal Port Trust	0	0.00	08/03/2019		5040101	18.00	5040101	18.00
5	Jawaharlal Nehru Port Trust	0	0.00	08/03/2019		5040101	18.00	5040101	18.00

DIRECTORS' REPORT**(iv) Shareholding pattern of top ten shareholders (other than directors, promoters)**

Sl. No	Top ten shareholders *	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding at end of the year March 31 2019	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	LIC Of India Market Plus 1 Secured Fund	1583517	5.66	1583517	5.66
2	General Insurance Corporation Of India	500000	1.79	500000	1.79
3	National Insurance Company Ltd	147262	0.53	147262	0.53
4	Angel Broking Private Limited	141679	0.51	83827	0.30
5	Edelweiss Broking Ltd	133416	0.48	25936	0.09
6	The New India Assurance Company Limited	115307	0.41	115307	0.41
7	Icici Bank Limited	42438	0.15	101851	0.36
8	SMC Global Securities Ltd	18435	0.07	45599	0.16
9	MV SCIF Mauritius	73084	0.26	44481	0.15
10	Mall Commercial Pvt. Ltd.	32000	0.11	32000	0.11

* The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated on Permanent Account Number (PAN) of the shareholder

(v) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Sl. No	Name (S/Shri)	Date	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding at end of the year March 31 2019	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
Directors							
1	Rajesh Tripathi	01/04/2018 07/09/2018 31/03/2019	Sale	551 551	0.0002 (0.0002)	551 0 0	0.0002 0 0
2	M S Rao (upto 08/03/2019)	01/04/2018 31/03/2019		351	0.0001	351 351	0.0001 0.0001
Key Management Personnel							
1	K.Aswini Sreekanth, Company Secretary	01/04/2018 31/03/2019		351	0.0001	300 300	0.0001 0.0001

V INDEBTEDNESS

(₹ in lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	80948.05	-	-	80948.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	240.54	-	-	240.54
Total (i+ii+iii)	81188.59	-	-	81188.59
Change in Indebtedness during the financial year				
Additions : Exchange Variation	(2290.32)	-	-	(2290.32)
Reduction : Repayments made	(13819.19)	-	-	(13819.19)
Addition/ Deletion Ind As Adj	364.00	-	-	364.00
Net Change	(15745.98)	-	-	(15745.98)
Indebtedness at the end of the financial year				
i) Principal Amount	65202.07	-	-	65202.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	190.12	-	-	190.12
Total (i+ii+iii)	65392.19	-	-	65392.19

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, whole-time Directors and/ or Manager:

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of the MD/WT/Manager		Total Amount
1	Gross salary	Rajesh Tripathi (MD)	M.S. Rao (upto 08/03/2019) (Director)	113.96
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	38.40	30.72	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.38	0	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	17.57	12.00	
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify			
	Company Contribution to PF	3.46	2.48	
	Superannuation benefits	2.88	2.07	
	Total (A)	66.69	47.27	



DIRECTORS' REPORT

B. Remuneration to other directors:

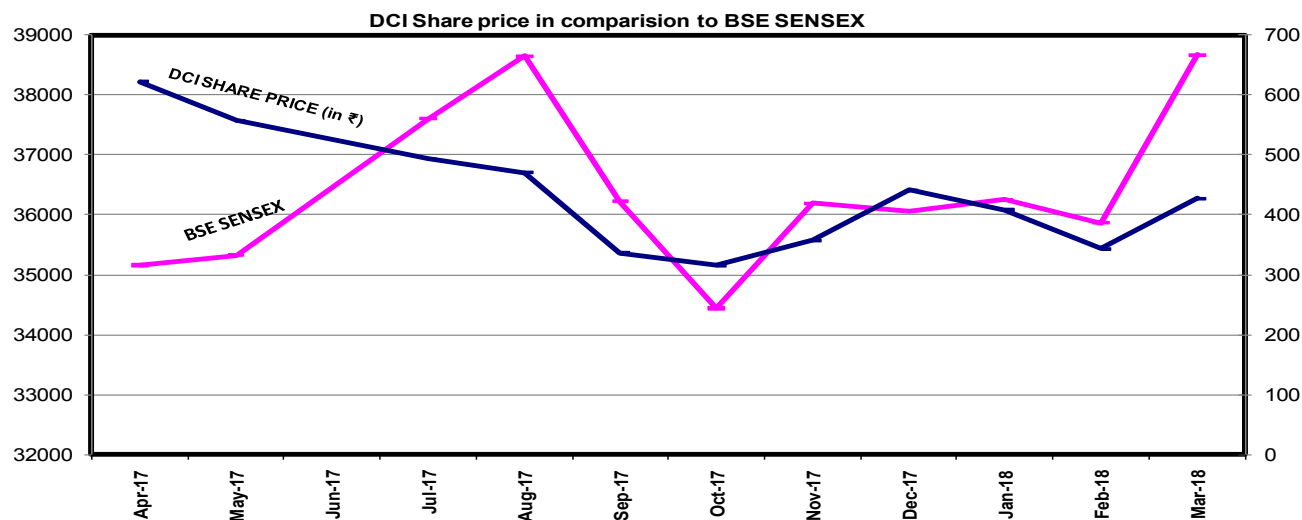
Sl. No	Particulars of Remuneration	Name of the Directors		Total (₹ in Lakhs)
1	Independent Directors	Sheila Sangwan	Vrushali Waghmare	
	(a) Fee for attending board committee meetings	1.80	1.70	3.50
	(b) Commission	-	-	
	(c) Others, please specify	-	-	
	Total (1)	1.80	1.70	3.50
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	1.80	1.70	3.50
	Total Managerial Remuneration			117.46
	Overall Ceiling as per the Act.	The Company was a Government Company till 08/03/2019. Hence the ceiling would be taken as effective from FY 2019-20.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	60.35	17.82	27.65	120.95
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
	others, specify				
5	Others, please specify				
	Company Contribution to PF	6.34	3.81	4.98	
	Superannuation benefits				
6	Total	66.69	21.63	32.63	120.95

VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY/ B DIRECTORS/ C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



DIRECTORS' REPORT

Annexure 2 to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19**1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.**

DCI's Corporate Social Responsibility Policy (CSR Policy) aims to integrate its Corporate Mission with the Social responsibility by complementing the efforts of the Government in the nation-building process by contributing to basics of life in harmony with nature in a socially, economically and environmentally sustainable manner at all times. As per the CSR and Sustainability Policy of the Company The CSR activities would primarily focus on initiatives such as education, health, environment, women empowerment, livelihood promotion, sanitation, slum improvement and disaster management. Initiatives of State Governments as well as Central Government Departments / Agencies could be synergised with CSR activities. The activities should come within the scope those listed in the Companies Act and Rules made thereunder. The CSR activities of the Company are uploaded on the Company's website – <http://www.dredge-india.com/files/2018-19csrprogress.pdf>

2. THE COMPOSITION OF THE CSR COMMITTEE

The Company has set up a Board level CSR Committee as stipulated under the Companies Act, 2013 and Rules framed thereunder. Pursuant to the strategic sale of the complete holding of 73.47% Share Capital of the Company by GOI to the four ports on 08/03/2019 all the Committee of Directors including Share Transfer Committee were dissolved on 08/03/2019 and there is no CSR Committee as on 31/03/2018. The composition of the CSR Committee of Directors upto 08/03/2019 is as under:-

Ms. Sheila Sangwan	-	Chairperson
Shri S P Singh	-	Member
Shri M.S.Rao.	-	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:- ₹898.40 LAKHS**4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE):- ₹77.97 LAKHS****5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2018-19 :-**

(₹in Lakhs)

		Budget Approved	Amount spent*
Project 1	Toilets for 22 Government Schools in the aspirational districts- Kadapa, Vizianagaram and Visakhapatnam	192	99.38
Project 2	RO water Plants for 27 Government High Schools in the aspirational districts- Kadapa, Vizianagaram and Visakhapatnam	(against required amount of ₹77.97 Lakhs)	54.00
Total		192	153.38

* After deduction of GST and LD.

6. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program subheads: (1) Direct expenditure (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Toilets to Schools	Cl.(i) promoting health care and sanitation	22 Government Schools	192	99.38	99.38	Direct
2	Ro water plants to schools		27 Government High Schools Both the projects are in in the aspirational districts- Kadapa, Vizianagaram and Visakhapatnam	(against required amount of ₹77.97 Lakhs)	54.00	153.38	Direct

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has spent ₹153.38 lakhs during the year which is more than ₹77.97 lakhs being the amount required to be spent under the Companies Act (2% of the average net profit of the last three financial years).

8. RESPONSIBILITY STATEMENT*

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company".

For Dredging Corporation of India Limited

Place : Visakhapatnam
Date : 31/03/2019

Rajesh Tripathi
Managing Director

* Since all the Committees of Directors were dissolved on 08/03/2019 the CSR Responsibility statement is signed by Managing Director.




DIRECTORS' REPORT
Annexure 3 to Directors' Report
FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

SI No.	Particulars	Amount (₹)
1	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts/arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any:	NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA
2	Details of material contracts or arrangement or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	Names of Related parties: 1. Visakhapatnam Port Trust. 2. Paradip Port Trust. 3. Jawaharlal Nehru Port Trust 4. Deendayal Port Trust Nature of Relationship: Significant influence
(b)	Nature of contracts/arrangements/transactions	Dredging Contract
(c)	Duration of the contracts/arrangements/transactions	Different periods as per the Contracts.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Largest Single transactions during the year 2018-19: 1 Visakhapatnam Port Trust ₹92.13 lakhs 2 Paradip Port Trust ₹88.54 lakhs 3 Jawaharlal Nehru Port Trust ₹.00 lakhs 4 Deendayal Port Trust ₹.00 lakhs
(e)	Date(s) of approval by the Board, if any:	NA
(f)	Amount paid as advances, if any:	Amount not paid as advance. During the year 2018-19, DCI received amount against running bills.

Note: DCI was a Government of India Undertaking till 08th March, 2019. Consequent to the strategic sale by Government of India and the signing of the Share Purchase Agreement with the stated four ports on 08/03/2019, the transactions with the four ports are considered as related party transaction post 08/03/2019.

For Dredging Corporation of India Limited

Place : Visakhapatnam
Date : 30/05/2019

Rajesh Tripathi
Managing Director & CEO

DIRECTORS' REPORT

Annexure 4 to Directors' Report

DISCLOSURE AS PER THE REQUIREMENTS OF SECTION 197 OF THE COMPANIES AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.

i. The ratio of the remuneration of each functional director (for 2018-19) to the median remuneration of the employees of the company for the financial year is given below. Other Directors are not paid any remuneration by the Company. Independent Directors are paid only the sitting fees for attending each meeting of the board or Committee thereof.

S.No.	Name and Designation	Ratio
1	Shri Rajesh Tripathi – Managing Director	0.16
2	Shri M S Rao, Director (Operations and Technical) (upto 08/03/2019)	0.22

ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year :

S.No.	Name and Designation	Percentage
1	Shri Rajesh Tripathi – Managing Director & CEO	0.15
2	Shri M S Rao, Director (Operations and Technical) (upto 08/03/2019)	0.82
3	Shri K Aswini Sreekanth, CS	0.37
4	Shri D Subba Rao HOD(F) & CFO	0.56

As per the policy of the Company, the annual increment in basic pay of the employees of the company is 3%. The Dearness Allowance is increased as per Government Rules. Further Performance Related Payments are paid as per the applicable Rules depending on the performance of the Company and the individual during the relevant year.

iii. The percentage increase in the median remuneration of employees in the financial year:

	CY	PY	
Median Remuneration	10,35,844	9,79,729	5.73

iv. The number of permanent employees on the rolls of company :

The total number of employees on the rolls of the company as on 31st March, 2019 was 370

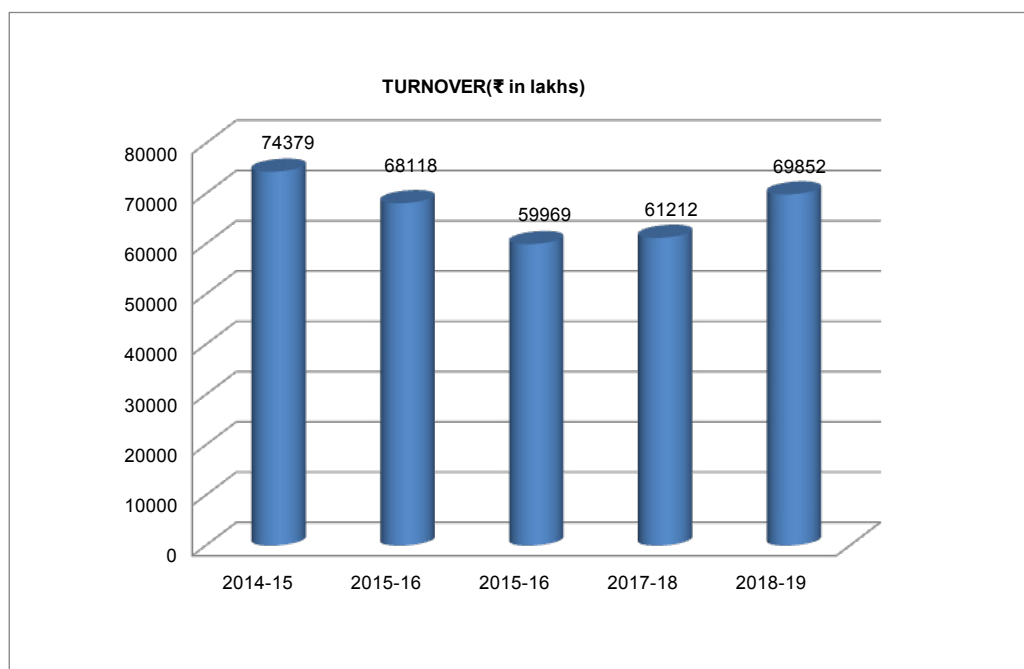
v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in remuneration including Key Managerial Personnel during the Financial Year has been in the range of 5-6%.

vi. Affirmation that the remuneration is as per the remuneration policy of the company :

The remuneration to all the employees is as per the remuneration policy of the Company.

vii. The particulars of employees for the year 2018-19 as required to be disclosed under Rule 5 (2) of the Companies (appointment and remuneration of Managerial Personnel) Rules, 2014 is "NIL" as no employee had earning beyond the limits prescribed therein.





FORM NO. MR-3

For the financial year ended 31st March, 2019

{Pursuant to Section 204(1) of the Companies Act, 2013 read with

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To The Members

Dredging Corporation of India Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dredging Corporation of India Limited** (hereinafter called 'the Company' or 'DCIL'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable**
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable**
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not applicable**
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable**
 - (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **Not applicable**
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - *Generally complied with.*
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LoDR) Regulations, 2015}.
- (iii) DPE Guidelines on Corporate Governance for CPSE. – *After strategic disinvestment along with transfer of management and control by the Government of India, Company ceases to be a Government Company w.e.f. March 08, 2019.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. *Company did not had requisite number of Independent Directors on the Board for the period 01.04.2018 to 31.03.2019 and a woman Director on the Board for the period 08.03.2019 to 31.03.2019 as required under Section 149 of the Companies Act, 2013, Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines,*
2. *Performance evaluation of independent directors was not done by the entire Board of Directors as required under Section 149 (8) read with Schedule IV Clause VIII (1) of the Companies Act, 2013 and Regulation 17 (10) of SEBI (LoDR) Regulations, 2015,*
3. *There was no Audit Committee for the period from 08.03.2019 to 31.03.2019 as required under Section 177 (1) of the Companies Act, 2013 and Regulation 18 (1) of SEBI (LoDR) Regulations, 2015.*
4. *Composition of the Nomination and Remuneration Committee did not include at least fifty percent of the directors as independent directors for the period 08.03.2019 to 31.03.2019 as required under Section 178 (1) of the Companies Act, 2013 and Regulation 19 (1) of SEBI (LoDR) Regulations, 2015.*
5. *Stakeholders Relationship Committee was not constituted for the period 08.03.2019 to 31.03.2019 as required under Section 178 (5) of the Companies Act, 2013 and Regulation 20 (1) of SEBI (LoDR) Regulations, 2015.,*
6. *As per Section 178 (2) & (3) of the Companies Act, 2013 and Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, the Nomination and Remuneration Committee shall:*
 - (a) *formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;*
 - (b) *formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;*

DIRECTORS' REPORT

(c) devise a policy on diversity of Board of Directors.

7. Meeting of the independent directors was not held during the year as required under Section 149 (8) read with Schedule IV clause VII of the Companies Act, 2013 and Regulation 25 (3) and (4) of SEBI (LoDR) Regulations, 2015.

We further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors for the period 01.04.2018 to 31.03.2019 and a woman Director on the Board for the period 08.03.2019 to 31.03.2019 as required under Section 149 of the Companies Act, 2013, Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015 and as per Clause 3.1.4 of DPE Guidelines.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that as communicated by the management, the Company is in process of filing e-Form MGT 14 w.r.t. approvals of Financial Statement in Board meeting dated 28.05.2018 and Board Report in Board meeting dated 29.06.2018.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Government of India, by way of strategic disinvestment, transferred all 73.47% of its holding in DCIL to four ports viz Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust on March 08, 2019 along with transfer of management and control.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100

CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Place : New Delhi
Date : 12.06.2019

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Dredging Corporation of India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100

CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Place : New Delhi
Date : 12.06.2019





CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders. The Company is in the process of adhering to changed/ additional corporate governance requirements resultant from the character of the company from a Government Company to a Public Limited Company post the strategic sale of the holding of Government of India to the four ports on 8th March, 2019.

2. BOARD OF DIRECTORS

Composition of Board of Directors as on 31/03/2019: Upto 08/03/2019, pursuant to the Articles of Association of the Company, all the Directors are to be appointed by the President of India. Post the strategic sale and the Share Purchase Agreement entered into between the Government of India and the four ports(Purchasers) who have purchased the Government Stake, pending suitable alteration of the Articles of Association, the purchasers were permitted by the Government of India to appoint the Directors etc., subject to compliance of the Companies Act, 2013 and other applicable laws. Pursuant to the Share Purchase Agreement all the Directors existing as on 08/03/2019 resigned. Five Directors – One whole-time executive and four non-executive (non-independent) directors were appointed on 08/03/2019. Appointment of the requisite number of Directors could not be completed as on 31/03/2019. The Company could not meet the Corporate Governance requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, (LoDR)2015 & DPE Guidelines (applicable upto 08/03/2019) with regard to composition of Independent Directors. As on 31/03/2019, the Company has five directors consisting of one Executive Director – Managing Director and four non-executive Directors. There are vacancies for five independent directors including one woman director. As and when the Directors are appointed, their brief profile is uploaded on the website of the company.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned

i The composition of the Board as on 31/03/2019 is as under:

	Name	Category
1	Tirumala Kirshna Babu Movva, Chairman	Promoter - Non-Independent, Non-Executive
2	Rajesh Tripathi, Managing Director	Whole Time Executive
3	Rinkesh Roy	Promoter - Non-Independent, Non-Executive
4	Sanjay Satyapal Bhatia	Promoter - Non-Independent, Non-Executive
5	Sanjay Jagdishchandra Sethi	Promoter - Non-Independent, Non-Executive

ii. Changes in Board of Directors during 2018-19:

	Name	Date	Nature of Change
1	Leena Nandan	03/05/2018	Cessation
2	Shambhu Singh	03/05/2018	Appointment
3	Rajesh Tripathi	08/03/2019	Cessation as CMD
4	M S Rao	08/03/2019	Cessation
5	Shambhu Singh	08/03/2019	Cessation
6	Satinder Pal Singh	08/03/2019	Cessation
7	Sheila Sangwan	08/03/2019	Cessation
8	Vrushali Waghmare	08/03/2019	Cessation
9	Tirumala Kirshna Babu Movva	08/03/2019	Appointment
10	Rinkesh Roy	08/03/2019	Appointment
11	Sanjay Satyapal Bhatia	08/03/2019	Appointment
12	Sanjay Sethi	08/03/2019	Appointment
13	Rajesh Tripathi	08/03/2019	Appointment as MD

iii Changes in Board of Directors from 1/4/19 till date of report:

Director	Date	Nature of Change
1 Anoop Kumar Sharma	04/04/2019	Appointment
2 Balachandran Srinivasan	10/04/2019	Appointment
3 Kartik Subramaniam	10/04/2019	Appointment
4 Bhuvaraman Poyyaamozhi	10/04/2019	Appointment
5 Sanjay Kumar Mehta	08/05/2019	Appointment
6 Sanjay Satyapal Bhatia	25/04/2019	Cessation
7 Tirumala Kirshna Babu Movva	11/05/2019	Cessation

iv Brief profile of the Directors appointed from 1/4/18 and continuing on the date of report:

Rajesh Tripathi	
Din No.	03379442
Date of Birth	07/02/1961- Age- 58 Years
Education Qualification	M.Tech
Professional qualification	Post graduate diploma in Business Management.
Nature of employment	Whole-time Director – Managing Director

CORPORATE GOVERNANCE REPORT

Experience	He is 1982 batch Indian Railways Services Engineering (IRSE) Officer. He joined Indian Railways in 1984 and held several prestigious posts including Project Director of IRCON, Malaysia Railways Project and Chief Engineer of Jammu Kashmir Railway Project. He also worked as Director (Way and Works) in Konkan Railway Corporation. He is also holding the additional charge of Director (Finance) w.e.f 15/03/2018. He joined Dredging Corporation of India Limited as Chairman and Managing Director on 02/02/2015. He along with all other Directors resigned in terms of the Share Purchase Agreement executed on 08 th March, 2019 between Government of India and the four Ports ("Purchasers") - Visakhapatnam Port, Paradip Port, Deendayal Port and Jawaharlal Nehru Port pursuant to the strategic sale by Government of India to the Purchasers of all its holding along with transfer of management and control. He was immediately appointed as Managing Director by the Purchasers.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Sethusamudram Corporation Limited,	Director	Audit Committee	Member
	Indian National Ship Owners Association	Director	-	-

Rinkesh Roy				
DIN No.	07404080			
Date of Birth	11/02/1970 – Age – 49 Years			
Education Qualification	B.A (Hons)			
Professional qualification	Master in Public Management from Harvard University and National University of Singapore.			
Nature of employment	Government Service – IRTS			
Experience	He has expertise in logistics, operations and strategic planning. He has worked in varied capacities and has rich experience in the interface and working of iron-ore mines, Steel plants, Collieries, Power Plants and Port Operations and also associated with formulation of the 12th Five year plans of the Ministries of Railways, Coal and Power. Worked in various capacities in the Railway Operations department at Khudra Road, Sambalpur, Waltair, Kharagpur, Chakradharpur and Bilaspur Divisions and also experience at the Railway Board levels – Director (Planning) & Director (Traffic Transportation). Worked in East Cost Railways as Secretary to General Manager and Chief Freight Traffic Manager of ECOR, where as a member of the team that made it the highest freight loading Railways. As GM/Operations in CRIS developed a mobile application called ' Parichaalan' for freight Operations. He was part of a select team that visited the United States of America for Project Implementation of 25 Tonne axle load wagons. He has been to Japan on Training for the dedicated Freight Corridor (2007) and Urban Transport Systems (2010). He is holding the post of Chairman, Paradip Port Trust with effect from 23-12-2015, he was in additional charge of CMD, kamarajar Port Ltd. From 12-08-2017 to 13-06-2018 and additional charge of Chairman, VOC Port Trust from 11-06-2018 to 11-01-2019.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Haridaspur Paradip Railway Company	Director	-	-
	Inland Waterways Consortium of Odisha Limited	Director	-	-
	Sethusamudram Corporation Limited	Director	-	-
	Indian Ports, Railways Corporation Limited	Director	-	-

Sanjay Jagdishchandra Sethi				
DIN No.	02235406			
Date of Birth	23/09/1967 Age – 52 Years			
Education Qualification	M.A, M.Phil (Eco)			
Professional qualification	Masters in Management from London School of Economics			
Nature of employment	Government Service - IAS			
Experience	He has 26 year of experience at senior levels in Government of Maharashtra and Government of India. Some of other key portfolios are CEO-Maharashtra Industrial Development Corporation (MIDC), Additional Metropolitan Commissioner –MMRDA, Secretary and Development Commissioner –Industries Department, Government of Maharashtra, Municipal Commissioner of Thane and Nagpur, and Managing Director – Maharashtra State Electricity Transmission Co.Ltd. He had been entrusted with the responsibility of Mega projects like Mumbai Metro, Coastal Road, Urban Projects of water and Sewerage among others.			
No. of Share held in DCI	Nil			


CORPORATE GOVERNANCE REPORT

Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	City and Industrial Development Corporation of Maharashtra Limited	Director	-	-
	JNPT Antwerp Port Training and Consultancy Foundation	Director	-	-

Anoop Kumar Sharma

Din No.	03531392			
Date of Birth	21/08/1960 Age – 59 Years			
Education Qualification/ Professional qualification	Master (F.G.) Diploma in Marketing Management from Narsee Monjee Institute of Management Studies, Mumbai. Fellow of Institute of Chartered Shipbrokers, London and has also completed a programme in Executive Business Leadership from ISB Hyderabad.			
Nature of employment	PSU SERVICE			
Experience	Capt. Anoop Kumar Sharma is the Chairman & Managing Director of The Shipping Corporation of India Ltd (SCI), a Government of India 'Navratna' Public Sector Enterprise & India's largest shipping company. Prior to his current appointment, he was the Managing Director of M/s. Essar Shipping Ltd (ESL). Capt. Anoop Sharma has served the shipping industry for close to 40 years at various responsible levels.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Shipping Corporation of India	Director	-	-
	Indian National Shipowners Association	Director	-	-
	Indian Register of Shipping	Director	-	-
	North of England P&I Association Ltd.	Director	-	-
	Irano Hind Shipping Corporation, Tehran	Director	-	-
	India LNG Transport No.1, Malta	Director	-	-
	India LNG Transport No.2, Malta	Director	-	-
	India LNG Transport No.4, Singapore	Director	-	-
	Baltic and International Maritime Council, Denmark	Director	-	-

Balachandran Srinivasan

Din No.	01962996			
Date of Birth	27/08/1946 – Age – 73 Years			
Education Qualification/ Professional qualification	M.Sc			
Nature of employment	Retired as Additional Member, Ministry of Railways, GOI. Ex-Managing Director- Indian Railway finance Corporation			
Experience	He has more than 35 years experience in Government and Public sector Corporations including a posting overseas in Lagos for 3 ½ years. He was Deputed to Office of the Comptroller and Auditor General as C&AG's as Joint Director for 3 ½ years. He has held Directorship on the Boards of Companies in both Public and Private Sector such as ONGC , Container Corporation of India , Dredging Corporation of India, RailTel Corporation (all PSUs); PIPAVAV Rail Corporation , Karnataka Rail Infrastructure Development Enterprise (JVs in Joint Sector) ; PTC India Ltd , PTC Energy Ltd.(Private Sector); United Stock Exchange (Trading in Major Currencies derivatives) Currently, Director on the Boards of Bharat Financial Inclusion Ltd (largest NBFCMFI), ONGC Petro-additions Ltd.(A mega Petrochemical Company) based in Gujarat. Chaired Audit Committees of most of the Companies. At the Railway Ministry, he handled major Policy matters, Revenue and capital planning , Resource Mobilisation with funding strategies. Involved in formation of companies including Rail Tel, Rail Vikas Nigam Ltd., and Pipavav Rail Corporation, first PPP wherein Ministry of Railways directly holds 50% ownership with a Private Company. He successfully closed funding by World Bank for Mumbai Rail Vikas Corporation, ADB for RVNL and KfW concessional credit for a major Signalling & Telecom Project. As MD of a Public Financial Institution, he had hands-on with domestic and offshore Issuances of Structured securities in INR, Dollar , Euro and Yen denomination in different geographical territories and Financial Engineering. He has Experience in QIP Issuance ,Enterprise valuation Merger and Amalgamation between NBFC and a Bank , between Stock Exchanges. Major Asset financing through export credits for procurement of modern Passenger and Freight Locomotives from Canada and LHB Coaches from Germany for Railways and State-of-Art Dredgers from Holland for Dredging Corporation of India.			
No. of Share held in DCI	Nil			

CORPORATE GOVERNANCE REPORT

Directorship in other companies	BFIL, OPAL JV (between ONGC & GAIL), ENVENT DIGITAL Technologies Pvt Ltd.,
No. of Share held in DCI	Nil
Directorship in other companies	BFIL, OPAL JV (between ONGC & GAIL), ENVENT DIGITAL Technologies Pvt Ltd.,

Name of the Company	Position Held	Name of the Committee	Member/Chairman
Bharat Financial Inclusion Limited	Director	Audit Committee	Chairman
ONGC Petro Additions Limited	Director	Audit Committee Stakeholders Relationship Committee	Chairman Member
ENVENT DIGITAL Technologies Pvt Ltd.,	Director	—	—

Kartik Subramaniam

Din No.	01957227
Date of Birth	13/12/1955 – Age – 64 years
Education Qualification/ Professional qualification	BE (Mech.), M.Sc. (Defence Studies)
Nature of employment	Former CMD, Cochin Shipyard Limited
Experience	29 Years experience as a Marine Engineer in the Indian Navy serving on war vessels and on shore billets. 3 years experience as Director (Operations), Cochin Shipyard Limited and five years as CMD, Cochin Shipyard Limited. 1 year as a CEO of Reliance Naval Engineering Limited
No. of Share held in DCI	Nil
Directorship in other companies	Nil

Bhuvaragan Poiyaamozhi

Din No.	06564735
Date of Birth	07/08/1956 Age – 63 years
Education Qualification/ Professional qualification	Master Degree in Civil Engineering,
Nature of employment	Former Development Adviser (Ports) Ministry of Shipping, Govt. of India
Experience	He has 37 years experience macro level planning in Ports, Shipping, dredging and Inland waterways sectors. During his service in Ministry of shipping, he was associated with the technical appraisal of major projects in the above sectors coming to the Government of India for sanction. He was actively associated in the preparation of dredging guidelines which was later approved by the Government of India in the year 2015. He was on the board of DCI from 2013 to 2016 as a Government Director
No. of Share held in DCI	Nil
Directorship in other companies	Nil

Sanjay Kumar Mehta

Din No.	06912891
Date of Birth	01/10/1964 Age – 55 years
Education Qualification/ Professional qualification	M.Sc. (Botany), I.F.S
Nature of employment	Chairman, Deendayal Port Trust
Experience	S K Mehta a 1990 batch IFS officer of Gujarat cadre has taken over as Chairman at Joint Secretary level, Deendayal Port Trust (DPT), Kandla Gujarat as per the Orders of Ministry of Shipping, Government of India
No. of Share held in DCI	Nil
Directorship in other companies	Nil

iv Board Meetings and Attendance for 2018-19

Six Board Meetings were held during the year 2018-19. Attendance of Directors at the meetings of Board of Directors during the financial year 2018-19 and the last Annual General Meeting held on 13.08.2018 is as follows:-

Sl. No.	Director	No. Of Board Meetings held		Attended last AGM (13/08/2018)
		During tenure	Attended	
1	Leena Nandan (upto 03/05/2018)	-	-	-
2	Shambhu Singh (from 03/05/2018 upto 08/03/2019)	6	5	No
3	Rajesh Tripathi	6	6	Yes
4	M S Rao (upto 08/3/19)	6	6	Yes
5	Satinder Pal Singh (upto 08/03/2019)	6	6	No
6	Sheila Sangwan (upto 08/03/2019)	6	6	Yes
7	Vrushali Waghmare (upto 08/03/2019)	6	6	Yes
8	Tirumala Kirshna Babu Movva (from 08/03/2019)	1	1	-
9	Rinkesh Roy (from 08/03/2019)	1	1	-


CORPORATE GOVERNANCE REPORT

Sl. No.	Director	No. Of Board Meetings held		Attended last AGM (13/08/2018)
		During tenure	Attended	
10	Sanjay Satyapal Bhatia (from 08/03/2019)	1	1	-
11	Sanjay Sethi (from 08/03/2019)	1	1	-

v. Number of other Boards / Board Committees in which Directors are Members/ Chairperson for 2018-19 :

None of the Directors on the Board holds directorships in more than twenty companies. None of the Directors on the Board holds directorships in more than ten public companies. None of the Director is a Member of more than ten committees/ acting as Chairperson of more than five committees (Audit Committee and Stakeholder Relationship committee). Necessary disclosures regarding the directorships and Committee positions in other public companies have been made by the Directors and are as under :-

Sl. No.	Directorship (Listed entities)	No. of positions held (including DCI)	
		Committee Member	Chairperson
1	Leena Nandan (upto 03/05/2018)	1	-
	(Shipping Corporation of India Ltd.)	-	-
2	Shambhu Singh (from 03/05/2018 upto 08/03/2019)	2	-
	(Shipping Corporation of India Ltd.; India Tourism Development Corp Ltd)	-	-
3	Rajesh Tripathi	2	-
4	M S Rao (upto 08/3/19)	-	-
5	Satinder Pal Singh (upto 08/03/2019)	2	-
	(Shipping Corporation of India Ltd.; Cochin Shipyard Ltd.)	2	-
6	Sheila Sangwan (upto 08/03/2019)	8	5
	(JSW Energy Ltd.)	7	-
7	Vrushali Waghmare (upto 08/03/2019)	-	-
8	Tirumala Kirshna Babu Movva (from 08/03/2019)	-	-
9	Rinkesh Roy (from 08/03/2019)	4	1
10	Sanjay Satyapal Bhatia (from 08/03/2019)	-	-
11	Sanjay Sethi (from 08/03/2019)	1	-

vi. Details of Board Meetings held during 2018-19

Sl.No.	Date	Place	Board Strength	Directors Present
1	28-05-2018	New Delhi	6	6
2	29-06-2018	New Delhi	6	6
3	13-08-2018	New Delhi	6	6
4	12-11-2018	New Delhi	6	6
5	01-02-2019	Ahmedabad	6	5
6	08-03-2019	New Delhi	6	6
	08-03-2019 (Adjourned)	New Delhi	5	5

vii. Disclosure of relationships between directors inter se : The directors are not related to each other inter se.

viii. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business Requirement	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

3. AUDIT COMMITTEE

- i. The Audit Committee is constituted in accordance with the requirements of the provisions of the Companies Act, 2013, DPE Guidelines and Listing Regulations, 2015. 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 relevant provisions in this regard. The Company Secretary acts as Secretary of the Audit Committee. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. 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. The Company has held five Audit Committee Meetings during the financial year 2018-19.

- ii. After the execution of the Share Purchase Agreement between the Government of India and the four Ports on 08/03/2019, all the Committees of the Board including the Audit Committee were dissolved. As such, the Company did not have an Audit Committee on 31/03/2019. The Constitution of the Audit Committee as on 08-03-2019 is as under :-

- Ms. Sheila Sangwan : Chairman
- Dr.(Ms.)Vrushali Rajendra Waghmare : Member
- Shri Satinder Pal Singh : Member

CORPORATE GOVERNANCE REPORT**iii. Meetings of the Audit Committee and attendance during the year 2018-19:****Details of Audit Committee Meetings held:**

Sl.No.	Date	Place	No.of Members Present
1	28-05-2018	New Delhi	3
2	29-06-2018	New Delhi	3
3	13-08-2018	New Delhi	3
4	12-11-2018	New Delhi	3
5	01-02-2019	Ahmedabad	3

Details of Attendance:

Director	No. of Meetings held	
	During tenure	Attended
Sheila Sangwan	3	3
Satinder Pal Singh	3	3
Vrushali Waghmare	3	3

4. REMUNERATION OF DIRECTORS

- Till 08/03/2019, DCI was a Government Company and 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 per the Share purchase agreement dated 08/03/2019 entered into between the Government of India and the four ports for the stake sale of Government of India to the four ports along with transfer of management and control, the existing Rules and regulations regarding payment of salary etc., to the employees would continue for a period of one year from 08/03/2019.
- The Part-time Official (Government) Directors were not paid any remuneration by the Company.
- The Independent / Part-time Non-Official Directors were paid sitting fees @ ₹10,000/- for each Board meeting and each committee meeting they attend.
- DCI does not have a policy of paying commission on profits to any of the Directors of the Company.
- Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2018-19 is as under :-

					(₹ in lakhs)
	Name of the Director	Salary	Performance Related Incentive	Sitting Fees	Total
Executive Directors (Whole-time)					
1	Rajesh Tripathi, CMD		66.69	-	66.69
2	M.S. Rao, DOT		47.27	-	47.27
Non-Executive Directors (Independent)					
3	Sheila Sangwan		-	1.80	1.80
4	Shobha Vrushali Waghmare		-	1.70	1.70

- 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.
- The Non-Executive Directors do not hold any shares in the Company.
- The Company presently does not have any Stock Option Scheme.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

- The Stakeholders Relationship Committee has been looking into grievances of shareholders, debenture holders and other security holders and to suggest remedies and measures for improvement.
- K.Aswini Sreekanth, Company Secretary is designated as Compliance Officer.
- A total of 37 complaints were received during the year 2018-19, there is no pending complaint as on 31/03/19.
- Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agents.
- There is no Stakeholders relationship Committee as on 31/03/2019. The Constitution of the Stakeholders Relationship Committee as on 08/03/2019 is as under :-

- Ms. Sheila Sangwan : Chairman
- Dr.(Ms.)Vrushali Rajendra Waghmare : Member
- Shri Satinder Pal Singh : Member

The Committee has held one meeting on 13/08/2018 for the financial year 2018-19.

6. SHARE TRANSFER COMMITTEE

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 31-03-19 the company had 55,948 shareholders. During the year, 1281 shares were transferred out of 1288 requests of shares for share transfers. 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 Fintech 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.

Sl.No	Date of approval of share transfer	No. of shares	Sl.No	Date of approval of share transfer	No. of shares
1	30/04/2018	66	11	30/11/2018	30
2	30/05/2018	2	12	10/12/2018	15
3	30/06/2018	396	13	20/12/2018	196
4	20/07/2018	2	14	25/12/2018	21
5	10/08/2018	5	15	10/01/2019	20
6	30/08/2018	296	16	20/01/2019	3
7	10/09/2018	28	17	28/01/2019	5
8	30/10/2018	38	18	16/03/2019	15



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Sl.No	Date of approval of share transfer	No. of shares	Sl.No	Date of approval of share transfer	No. of shares
9	10/11/2018	106	19	25/03/2019	1
10	20/11/2018	36		Total	1281

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE(CSR)

- The CSR Committee upto 08/03/2019 is as under:-
 - Ms. Sheila Sangwan : Chairperson
 - Shri S.P.singh : Member
 - Shri M. S. Rao : Member
- During the year 2018-19, against the required amount of ₹ 77.97 lakh, the Company has spent a total of ₹53.38 Lakh under CSR towards construction of toilets and RO water plants in Government Schools located in the aspirational districts of Visakhapatnam, Vizianagaram and Kadapa
- One meeting of the CSR Committee was held during the year on 29/6/2018 at Delhi in which all the Committee Members were present.

8. NOMINATION AND REMUNERATION COMMITTEE

- The Board has constituted a Remuneration Committee of Directors for the purpose of deciding the annual bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors within limits prescribed by DPE. The following is the constitution of the Committee :-

Sanjay Bhatia (from 08/03/2019)	: Chairperson
Sanjay Sethi (from 08/03/2019)	: Member
M T Krishna Babu (from 08/03/2019)	: Member
Sheila Sangwan (upto 08/03/2019)	: Chairperson
Dr.(Ms.)Vrushali Rajendra Waghmare (upto 08/03/2019)	: Member
Satinder Pal Singh (upto 08/03/2019)	: Member
- Three meetings of the Nomination and Remuneration Committee were held during the year at New Delhi on 02/04/2018 and 08/03/2019 (two meetings held on the same date) and all the Members were present in the meetings
- DCI being a Government Company upto 08/03/2019, the remuneration of Executive Directors who are Government appointees and their remuneration is decided as per the Rules and regulations of the Government and DPE Guidelines. The terms of reference of the Committee upto 08/03/2019 are provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 as applicable to the Government Companies.

- DCIL being a government company, the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Shipping, Government of India.

10. INDEPENDENT DIRECTORS MEETING:

As there were no independent Directors as on 31/03/2019, no meeting of the independent Directors could be held.

11. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors in the first meeting of the financial year gave a declaration that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPEs Guidelines on Corporate Governance for CPSEs.

12. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Various seminars, conferences, training programmes etc. are attended by the Board members from time to time. Further, under the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, a policy for training of Board members is in place. The said policy and the programs attended by directors is on the website - <http://dredge-india.com/files/FAMI-INDEP-DIR.pdf>

- CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS :-** A certificate has been received from M/s Agarwal S & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority and the same is placed as Annexure - I to this report.

14. ANNUAL GENERAL MEETINGS

- Details of last 3 Annual General Meetings:

1	Year	2015-16	2016-17	2017-18
2	AGM	40 th AGM	41 st AGM	42 nd AGM
3	Date	30/09/2016	31/08/2017	13/08/2018
4	Time	1000 Hrs	1130 Hrs	1100 Hrs
5	Venue	Conference Hall Laxmi Nagar District Centre New Delhi – 110092	Conference Hall Laxmi Nagar District Centre New Delhi – 110092	Conference Hall Laxmi Nagar District Centre New Delhi – 110092

- During the previous years – 2015-16, 2016-17 and 2017-18 no special resolution was passed.
- During the previous year, no special resolution was passed through postal ballot.
- During the current year there is a proposal for amendment of Memorandum of Association and Articles of Association including amendment to Objects Clause requiring approval through postal ballot and the same is being obtained through E-Voting system in compliance with the Companies Act..

15. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :

Brief resume along with other details of Director being appointed as required under Companies Act and SEBI (LODR) Regulations, 2015 is given along with the Notice of the Meeting.

- The Company has complied with all the Accounting Standards issued by ICAI. 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 except that NSE and BSE have informed imposition of fine for not

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having the composition of the Directors as per the requirements of the SEBI (LODR). Both BSE and NSE were requested to review the imposition of fine in view that the company is a Government Company and appointment is to be done by the Government and the matter has been taken up with the administrative Ministry.

17. 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.
18. As per the provisions of Section 152 of the Companies Act, 2013 two-thirds of the Directors should be retiring directors. One third of these retiring directors are required to retire every year and if eligible these directors qualify for re-appointment. Since all the Directors, being additional directors would be ceasing on the date of the AGM and being appointed on the date of AGM, there are no directors for retirement by rotation at this AGM.
19. **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.
20. **Code of Conduct for Board Members and Senior Management:** The Board has adopted Code of Conduct for Board Members and Senior Management Personnel ('Code') as per the requirements of SEBI Regulations. The Code lays down, in detail the standards of the conduct, ethical and transparent process in managing the affairs of the Company, centres around the following theme:
 "The Company's Board Members and Senior Management Personnel shall act in accordance with the highest standards of honesty, integrity, fairness and ethical Conduct while working for the Company as well as representing the Company without allowing their Independent judgement to be subordinated and fulfill the fiduciary obligations."
 A copy of the Code has been posted on the Company's website www.dredge-india.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:
 "I hereby confirm that the Company has obtained from all members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial year 2018-19.

(Rajesh Tripathi)
Managing Director

21. The Company does not have any subsidiary company.
22. All major contracts before being undertaken by the Company are subjected to risk assessment at different departmental levels in the Company as per different Government guidelines.
23. The Management Discussion and Analysis Report forms part of this Annual Report.
24. No disclosures have been received to the Board from any senior management regarding any personal interest that may have conflict with the interest of the Company at large in any material financial and commercial transaction.
25. The CEO and CFO i.e., Managing Director – Shri Rajesh Tripathi and HOD (Finance) Shri D. Subba Rao, have provided the prescribed certification as contained in Regulation 33 (2) (a) and Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2018-19 and is placed at Annexure - I to this Report..
26. The Company has been submitting the quarterly compliance report on Corporate Governance to the Stock Exchanges within 15 days from the close of each quarter.
27. Compliance with mandatory requirements of SEBI (LODR)
 The Company has complied with the mandatory requirements except with the requirement of having atleast 50% Independent Directors and having independent directors and the provisions relating to the same.
28. Compliance of Non-Mandatory/ discretionary Requirement of SEBI (LODR) – Schedule II Part-E
 - A. Board: DCI has an executive chairman and Managing Director. Hence maintenance of Chairperson's office by a non- executive chairperson does not arise.
 - B. Shareholders Rights: A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders. The financial results/corporate governance report, shareholding pattern, reconciliation of share capital report, board meeting notices for financial results, and all other communication that is required to be informed to the Stock Exchanges is posted online and also on the website of the company within the time limits set by the SEBI (LODR) Regulations, 2015. Sending summary of significant events and financial performance on half yearly basis will be examined.
 - C. Modified opinion (s) in audit report : The listed entity may move towards a regime of financial statements with unmodified audit opinion – There have been no Qualification made by the Statutory Auditors in this year's Report. There were emphasis of Matter which have been clarified in the Directors report.
 - D. Separate posts of Chairperson and Chief Executive Officer : The same is complied with as on 31/3/2019.
 - E. Reporting of Internal Auditor: The Internal auditor may report directly to the Audit Committee – The same will be examined.
29. **Related party transactions:** In terms of Accounting Standard 18 (Revised-2014), 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 2018-19 are mainly with other State controlled enterprises. Post the strategic sale by GOI on 08/03/2019, DCI is no longer a Government Company and the necessary disclosures with regard to the transactions with the related parties – Promoter Group has been made at Note No. 26 – Additional information on Financial Statements, sl.no. 8 with heading – Related Party Transactions in the Financial



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statement for the year 2018-19 and the relevant disclosure in Form No. AOC-2 has been placed at Annexure 3 to the Board Report. During the year under review, apart from what is disclosed, 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 and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the stated Accounting Standard. The policy on related party transactions is hosted on the website at <http://dredge-india.com/files/DCI-POLICY-FOR-RELATED-PARTY-TRANSACTION.pdf>

30. Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years.
31. No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.
32. **Training of Board Members:-** Besides the executive Directors who have vast experience, the Non Executive Directors are professionals having vast experience in the fields of management, finance, ocean engineering, IT, administration etc. The executive Directors participate in the Seminars, conferences of professional bodies. Shri Rajesh Tripathi (Managing Director) attended the training program on "Advanced Leadership on Governance and Innovation for Chief Executives of CPSE's from 29th October, 2018 to 2nd November, 2018 during the financial year 2018-19 organised by "SCOPE" (Standing Conference of Public Enterprises) at School of Public Policy, University of Maryland, Washington DC. The program was organised by SCOPE to help make the Chief Executives more effective strategic leaders of Indian CPSEs in a rapidly changing global context. The Program was for five days. These details are also available on our website – www.dredge-india.com
33. **Mechanism for evaluating non-executive Members**
DCI, being a Government Company upto 08/03/2019, where the Directors are appointed by the Government, the evaluation of performance of directors is done by the Government. A Mechanism is being now evolved for evaluation of non-executive Members as SEBI LODR
34. **Whistle Blower Policy**
The Whistle Blower Policy as approved by the Board was adopted in the company and is posted on the website of the company.
35. **Means of Communication:**
 - i. Quarterly Results
The schedule of consideration of quarterly results by the Board for the year 2018-2019 is as under:
 - a) Results for the 1st quarter ending 30th June, 2018 :On 13-08-2018
 - b) Results for the 2nd quarter ending 30th Sept. 2018 :On 12-11-2018.
 - c) Results for the 3rd quarter ending 31st Dec. 2018 :On 01-02-2019.
 - d) Audited results for the year ending 31st Mar., 2019 :On 30-05-2019.
 - ii. The Results are published in "Business standard" newspaper for both English and Hindi versions 48 hours from the time of declaration.
 - iii. The Quarterly Results are posted on the website of the Company - www.dredge-india.com after consideration and taking on record by the Board.
 - iv. The website of the Company - www.dredge-india.com displays the official news releases, if any
 - v. The website of the Company - www.dredge-india.com displays the presentations made to institutional investors or to the analysts, if any.
 - vi. Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form part of the Annual Report. Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the company for information of the shareholders residing in various parts of the country.
 - vii. Green Initiative: sending important communication to shareholders through e-mail. The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Accordingly, the Company would send the copy of the Annual Report for the year 2018-19 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's/ R&T agents and have opted for physical copy of the Annual Report.
36. **GENERAL SHAREHOLDERS INFORMATION:**
 - i. Annual General Meeting –Date, Time & Venue : 08th August, 2019, Thursday at 1100 hrs. in Conference Hall, Ground Floor, Core- 2, Scope Minar, Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110092.
 - ii. Financial Year : 1st April 2018 to 31st March 2019.
 - iii. Date of Book closure : 02/08/2019 to 08/08/2019 (both days inclusive)
 - Remote e-voting cut off date : 01/08/2019
 - Remote e-voting start date : 05/08/2019
 - Remote e-voting end date : 07/08/2019
 - iv. Listing on Stock Exchanges

Name and address of the Exchange	: Stock/ Scrip Code
National Stock Exchange of India Limited	: DREDGECORP Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
BSE Limited,	: 523618
	: 25 th Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
Calcutta Stock Exchange Ltd.	: 14050 7, Lyons Range, Kolkata - 700 001.
 - v. Annual Listing fee for the financial year 2018-2019 has been paid to BSE and NSE. The invoice from CSE is awaited..

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- vi. The tax free bonds of the company are listed with BSE Limited, Mumbai
- vii. ISIN Nos.
 ISIN No. for trading in Demat form for Equity : INE 506A01018
 ISIN No. for Tax Free Bonds : INE 506A07015
- viii. The Corporate Identity Number of the Company is L29222DL1976GOI008129
- ix. Registrar and Share Transfer Agents : M/s. Karvy Computershare Private Limited, Hyderabad are the R & T Agents of the Company.
- x. Share Transfer System: The documentation part for processing of Share Transfers is done by the Registrars. The Registrars send a Memorandum of Share Transfers periodically to the Company for approval of the Share Transfer Committee of the Company. After approval of the Committee, the same is communicated to the Registrars and they endorse the Share Certificates in favour of the transferees and send them to the transferees. Share Transfers are registered and Share Certificates are despatched within a period of 30 days from the date of the receipt, if documentation is correct and valid in all respects.
- xi. Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2018-2019

Month	BSE SHARE PRICE (₹)		BSE SENSEX (S & P)		NSE SHARE PRICE (₹)		NSE (NIFTY 50)	
	High	Low	High	Low	High	Low	High	Low
Apr-18	671.40	585.25	35213.30	32972.56	672.00	583.00	10759.00	10111.30
May-18	633.00	548.40	35993.53	34302.89	634.10	551.00	10929.20	10417.80
Jun-18	612.00	482.70	35877.41	34784.68	610.00	483.35	10893.25	10550.90
Jul-18	547.90	457.50	37644.59	35106.57	549.50	456.95	11366.00	10604.65
Aug-18	516.65	453.75	38989.65	37128.99	517.95	453.80	11760.20	11234.95
Sep-18	525.00	331.50	38934.35	35985.63	524.70	330.05	11751.80	10850.30
Oct-18	360.00	286.60	36616.64	33291.58	360.70	286.30	11035.65	10004.55
Nov-18	402.10	316.70	36389.22	34303.38	401.70	316.00	10922.45	10341.90
Dec-18	443.70	320.90	36554.99	34426.29	446.10	318.50	10985.15	10333.85
Jan-19	479.05	379.00	36701.03	35375.51	473.70	378.40	10838.05	10583.65
Feb-19	427.65	331.50	37172.18	35287.16	427.10	330.15	11118.10	10585.65
Mar-19	456.70	345.05	38748.54	35926.94	457.55	343.30	11630.35	10817.00

Source: Websites of the BSE Limited, Mumbai and National Stock Exchange

- xii. Shareholding pattern as on 31/3/2019:-

Category	Cases	Holding	% To Equity
Promoters – Four Port Trusts	4	205,72,013	73.47
Resident Individuals	53,013	37,47,246	13.38
Insurance Companies	3	18,77,735	6.71
Bodies Corporates	652	7,61,457	2.72
Indian Financial Institutions	6	4,68,351	1.67
H U F	1,464	1,94,981	0.70
Banks	3	1,23,809	0.44
Foreign Portfolio - Corp	4	70,469	0.25
Clearing Members	144	66,073	0.24
Non Resident Indians	381	61,485	0.22
Non Resident Indian Non Repatriable	259	32,543	0.12
Trusts	7	15,128	0.05
NBFC	7	5,575	0.02
I E P F	1	3,135	0.01
Total	55,948	280,00,000	100.00

- xiii. Distribution of shareholding as on 31/3/2019:-

S.no	Category	No. of Cases	% of Cases	Amount (in ₹)	% of Amount
1	1-5000	54563	97.52	24293720	8.68
2	5001- 10000	800	1.43	6294490	2.25
3	10001- 20000	325	0.58	4705260	1.68
4	20001- 30000	94	0.17	2355870	0.84
5	30001- 40000	48	0.09	1710660	0.61
6	40001- 50000	24	0.04	1132220	0.40
7	50001- 100000	58	0.10	4255590	1.52
8	100001 & Above	36	0.06	235252190	84.02
	Total:	55948	100.00	280000000	100.00

- xiv. Dematerialisation/ Rematerialisation of Shares and liquidity :

The shares of the Company are traded compulsorily in dematerialised form. Out of 2,80,00,000 fully paid up shares of ₹10/- each 2,05,72,013 shares (73.47%) are held by the Promoters represented by the four Port Trusts – Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust and Jawaharlal Nehru Port Trust and the remaining 74,27,987 shares (26.53%) are held by others. As on 31.03.2019, of the 2,79,97,096 shares are held in dematerialised form representing 99.99% of share capital. In the year 2018-19, 227 shares have been dematerialized covering 20 demat requests. During the year, 2 shares were rematerialised and share certificates issued covering 2 requests for Rematerialisation of Shares.

- xv. Distribution of shareholding w.r.t physical/ dematerialized form as on 31/3/19 is as under:-

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	1,064	2,904	0.01
N S D L	36,291	156,19,497	55.78
C D S L	18,593	123,77,599	44.21
Total	55,948	280,00,000	100.00

- xvi. Disclosures with respect to demat suspense account/unclaimed suspense account:



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- Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – 32 cases for 148 shares pertaining to Disinvestment by Offer for sale by GOI in 2003-04.
- No. of shareholders who approached listed entity for transfer of shares from suspense account during the year – NIL
- No. of shareholders to whom shares were transferred from suspense account during the year – NIL
- Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the end of the year - 32 cases – 148 shares

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

xvii. Project Locations :

The project offices of the Company at present are situated at Haldia, Kolkata, Paradip, Visakhapatnam, MNO Chennai, Cochin, Mumbai and Bangladesh. The Registered Office of the Company is at New Delhi and the Head Office is at Visakhapatnam. As and when a project is awarded at any other place, a Project Office is opened at that place..

xviii. Address for investors correspondence :

Company

Company Secretary
Dredging Corporation of India Limited.
Company Secretary Department,
"Dredge House", Port Area,
Visakhapatnam - 530001.
Phone: 0891- 2566537/ 2871 207/298
Fax: 0891 – 2529846
e-mail : sreekanth@dcil.co.in

Registrar & Transfer Agent :-

UNIT: Dredging Corporation of India Ltd.
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad- 500 032.
Phone : (040) 67162222
Fax : (040) 23001153
e-mail : einward.ris@karvy.com

(Please mention Unit name as Dredging Corporation of India Ltd. in all correspondence with R&T Agent.)

- Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments and hence has no Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.
- Commodity price risk or foreign exchange risk and hedging activities: The Company has in place a Forex Risk Management policy and the foreign currency exposure is hedged as per the terms of the policy ;
- Corporate Action: Dividend declared by the Company from 2012-13:

Year	Dividend declared	Year	Dividend declared
2012-13	20% (₹2/- per equity share)	2016-17	NIL
2013-14	30% (₹3/- per equity share)	2017-18	20% (₹2/- per equity share)
2014-15	30% (₹3/- per equity share)	2018-19	30% (₹3/- per equity share)
2015-16	30% (₹3/- per equity share)		

xxii. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments:

Rating Agency	Rating in current year	Previous year rating
Brickwork Ratings	BWR AA+ (SO)	BWR AA+ (SO)
Care Ratings	CARE A +, Stable	CARE A +, Negative

- Unpaid/Unclaimed dividend: Section 124 (1) of the Companies Act, 2013 provides that any dividend that has remained unpaid/unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Shareholders are also informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. The shareholders who have not yet encashed their dividend for the earlier years may write to the company or its R&T agent in this regard. The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 in May 2012 by virtue of which every company is required to file information of all unpaid and unclaimed amount, as referred to under section 125 of the Companies Act, 2013 within 90 days after holding of the AGM, in prescribed form 5INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the Company. In line with the said rules, DCI has filed information in the prescribed form/format with the MCA/IEPF website and also hosted on the DCI website.

All Unclaimed Dividend upto 2009-10 has been transferred to IEPF as per the provisions of the Companies Act in 2017-18 (September 2017)

No unclaimed dividend / shares are due for transfer to IEPF in 2018-19 and 2019-20.

The statement of unclaimed dividend as on 31/3/19 and due date for transfer to IEPF is as under:-

Financial Year	Date of Delcration	Unclaimed Dividend Cases	Unclaimed Dividend (amount ₹)	Financial Year for transfer to IEPF
2012-13	29/09/2013	2867	102498	2020-21 (October 2021)
2013-14	29/09/2014	2444	114387	2021-22 (October 2022)
2014-15	30/09/2015	2188	103974	2022-23 (October 2023)
2015-16	30/09/2016	2742	123069	2023-24 (October 2024)
2016-17	No Dividend Declared	--	--	--
2017-18	13/08/2018	3343	164536	2025-26 (September 2026)

37. OTHER INFORMATION :

- Board Meetings, its Committee Meetings and procedure: The number of Meetings of the Board/ Committee (s) of the Board as required under the Companies Act/ Listing Agreement are held every year. In case of business exigencies or urgency of matters, resolutions are passed by circulation which are placed in the next meeting of the Board. The information placed before the Board includes:-
 - Annual operating plans and budgets and any updates.

CORPORATE GOVERNANCE REPORT

- ii) Capital budgets and any updates.
- iii) Quarterly results for the Company and its operating divisions/ business segments.
- iv) Minutes of the meetings of Audit Committee and other Committees of the Board.
- v) The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- vi) Show Cause, demand, prosecution notices and penalty notices which are materially important.
- vii) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- viii) Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- ix) Any issue, which involves possible public liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- x) Details of any joint venture or collaboration agreement.
- xi) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- xii) Significant labour problems and their proposed solutions. Any significant development in human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- xiii) Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
- xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- xv) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- xvi) Terms of reference of the Board Committees.
- b) Agenda for Board / its Committee meetings: All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision or for information at the Board/ Committee meetings. The Members of the Board have complete access to all information on the organization. The Managing Director in consultation with the other functional Directors and senior management personnel finalises the agenda papers for the Board Meetings which are then communicated to the Company Secretary in advance for circulation to the Board/ Committee Members. The Board Agenda comprising of the Board notes, management reports and other explanatory notes are circulated to the Directors in advance. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.
- c) Post meeting Follow-up Mechanism : Follow-up Report on the decisions/ minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/ Committee.
- d) Recording of Minutes of proceedings at Board and Committee Meetings : The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The draft Minutes are circulated to all the members of the Board and Committee meetings for comments/approval. The Minutes are confirmed in the next meeting of the Board/ Committee. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.
- e) Reconciliation of Share Capital Audit Report : As per the requirements of the Listing Agreement with the Stock Exchanges, a Secretarial Audit is undertaken on quarterly basis for all the quarters in the year 2018-19 for the purpose of reconciliation of total admitted capital with both the depositories and the total issued and listed capital of the Company. The Reconciliation of Share Capital Audit Report obtained from M/s P.N.Rao & Co., Company Secretaries, Visakhapatnam was submitted to the Mumbai, Calcutta and National Stock Exchanges for all the quarters and was also placed before the Board for information.
- f) The financial results are filed in Websites of NEAPS and BSE Online Filing.
- g) The total fees paid to statutory Auditors during the year is ₹8.10 Lakhs.
- h) Subject to the provisions of the Act and Articles of the Company, the business of the Company is managed by the Board of Directors who may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do and who may, from time to time delegate such powers to the Chairman and/or Managing Directors as may be necessary for proper conduct of the business of the Company. Accordingly Board of Directors of the Company have delegated certain powers to the Chairman and/ or Managing Director and also to the other functional Directors. The day to day business of the Company is run by the Management on the basis of these delegated powers. MD has delegated some of these powers further down the line to functional and project heads.
- i) Regarding Compliance of laws applicable to the Company it is confirmed that no specific instances or reports of non-compliance/ default in compliance of any law were received by the Company.
- j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - (a) number of complaints filed during the financial year : Nil
 - (b) number of complaints disposed of during the financial year : Nil
 - (c) number of complaints pending as on end of the financial year : Nil




CORPORATE GOVERNANCE REPORT
Annexure I to report on Corporate Governance
CEO /CFO CERTIFICATION

We Shri. Rajesh Tripathi, in the capacity of Managing Director & CEO and Shri.D.Subbarao in the capacity of HOD (Finance) & CFO of Dredging Corporation of India Limited certify to the Board that

- (a) We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- significant changes in internal control over financial Reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(D SUBBA RAO)
HOD (FINANCE) & CFO
PLACE: VISAKHAPATNAM.
DATE: 30/05/19

(RAJESH TRIPATHI)
MANAGING DIRECTOR & CEO

Annexure -II to report on Corporate Governance
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
DREDGING CORPORATION OF INDIA LIMITED,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dredging Corporation Of India Limited having CIN: L29222DL1976GOI008129 and having registered office at Core-2, First Floor, "Scope Minar", Plot No. 2a & 2b, Laxmi Nagar, District Centre, Delhi-110091 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Tirumala Krishna Babu Movva	02795668	08.03.2019
2	Rajesh Tripathi	03379442	08.03.2019
3	Sanjay Jagdishchandra Sethi	02235406	08.03.2019
4	Sanjay Satyapal Bhatia	00084672	08.03.2019
5	Rinkesh Roy	07404080	08.03.2019

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Place : New Delhi
Date : 14.06.2019

CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Dredging Corporation of India Limited.

We have examined the compliance of conditions of Corporate Governance by **Dredging Corporation of India Limited** for the year ended 31st March, 2019, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LoDR) Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (LoDR) Regulations, 2015 except:

1. As per Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015, Company did not had requisite number of Independent Directors on the Board for the period 01.04.2018 to 31.03.2019 and a women Director on the Board for the period 08.03.2019 to 31.03.2019.
2. As per Regulation 17 (10) of SEBI (LoDR) Regulations, 2015, the performance evaluation of independent directors was not done by the entire Board of Directors.
3. As per Regulation 18 (1) of SEBI (LoDR) Regulations, 2015, there was no Audit Committee for the period from 08.03.2019 to 31.03.2019.
4. As per Regulation 19 (1) of SEBI (LoDR) Regulations, 2015, composition of the Nomination and Remuneration Committee did not include at least fifty percent of the directors as independent directors for the period 08.03.2019 to 31.03.2019.
5. As per Regulation 20 (1) of SEBI (LoDR) Regulations, 2015, Stakeholders Relationship Committee was not constituted for the period 08.03.2019 to 31.03.2019.
6. As per Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, the Nomination and Remuneration Committee shall:
 - (i) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - (ii) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
 - (iii) devise a policy on diversity of Board of Directors.
7. As per Regulation 25 (3) and (4) of SEBI (LoDR) Regulations, 2015, no Meeting of the independent directors was held during the year.

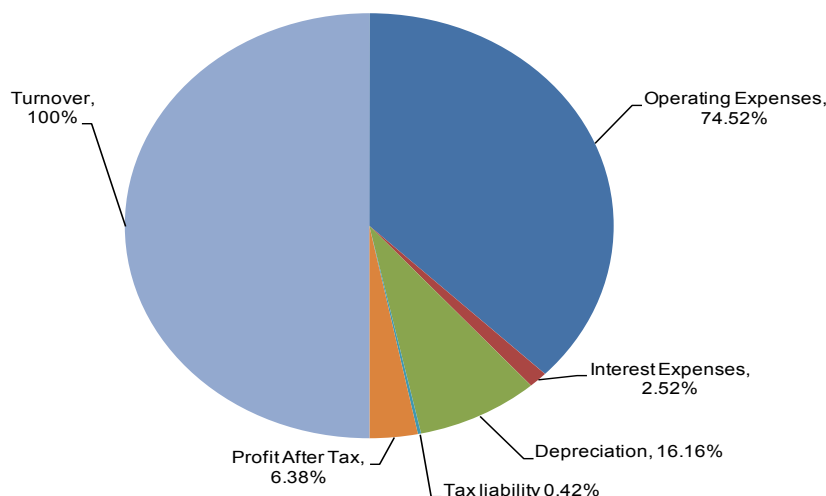
We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Place : New Delhi
Date : 24.06.2019

CS Sachin Agarwal
Partner
FCS No.: 5774
CP No.: 5910

Turnover Vs. Expenses(FY 2018-19)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2018-19

GLOBAL DREDGING MARKET

1. Despite the limited growth in the world's economy, increasing pace of urbanization is one of the key factors that is leading to increasing dredging activities around the globe.
2. Large European dredging companies have traditionally dominated the international dredging market. Europe has been the traditional hub of the international dredging market with activities concentrated in the Netherlands, Belgium and the United Kingdom with the Dutch and Belgian companies controlling a substantial portion of the international dredging market.
3. The major European companies account for a large proportion of the total international dredging fleet. Responding to demands from customers, continuous efforts are being made to increase the size of dredgers, improve technology and reduce costs. Jumbo trailer suction hopper dredgers with hopper capacities as large as 46,000 cubic meters are being deployed.
4. Many new markets have begun to open in recent years as dredging projects have become more complex and as international dredging companies develop new dredging techniques and more efficient dredgers to reduce unit costs well below that of most local contractors. In addition, dredging contracts increasingly include more demanding environmental clauses that must be satisfied during the performance of the work. Those contractors able to meet stringent environmental requirements are therefore better placed to win contracts.
5. In addition to the leading international dredging companies listed above, countries including China, Japan, Korea, the United Kingdom and the Ukraine also have large dredging companies mostly focused on their respective domestic markets. In addition, new players, especially from Asia, are entering the dredging market, although they are smaller in size.
6. Increasing emphasis on globalization and the need to synergize existing fleet strengths and competition may lead to consolidation in the international dredging industry.
7. Internationally, the dredging industry is experiencing changing regional patterns. Demand in Europe, which was formally concentrated in specific countries such as the Netherlands, Belgium and the United Kingdom, has spread throughout Europe in recent years. However, overall growth for Europe has been only marginal. Singapore, Hong Kong and the Middle East have witnessed higher levels of growth in dredging operations, which is expected to continue in the coming years.

INDIAN DREDGING MARKET

8. Indian dredging industry is driven largely by the dredging demand coming from its major and non-major ports. With recent developments to boost domestic manufacturing and Government's focus to improve Indian maritime sector, dredging industry is expected to be a direct beneficiary. Indian ports are preparing themselves to handle more cargo by accommodating bigger vessels and aspire to meet international standards in port infrastructure in a bid to achieve economies of scale. As a result, ports are moving towards improving the basic infrastructure like deepening of channels, mechanization and creation of more berths which will create demand for dredging industry. Further, creation of new greenfield ports would also drive the demand for dredging in the domestic market.
9. As per Ministry of Shipping (MoS), over the next few years, most of the major ports would improve their capacity to accommodate bigger ships. Given these prospects, coupled with new developments coming in from Navy, national waterways and off shore exploration, scope of Indian dredging industry seems vast.
10. As per Industry estimates, the Indian annual dredging market, was estimated as around 147 – 157 Million cubic meter (mcm) with maintenance dredging constituting around 70% of Indian dredging market. Capital dredging segment in India has been impacted by a number of factors such as delay in land acquisition and receiving necessary environment and project clearances. Since major ports had been created at natural harbors (Kandla) or at the mouth of rivers (Haldia) or at Cochin, the siltation pattern is very high at these ports leading to a very high maintenance dredging demand at major ports. While non-major ports have been largely created with artificial harbours and break water, reducing the demand for annual maintenance dredging.

GUIDELINES ON UNDERTAKING DREDGING AT MAJOR PORTS ISSUED BY MINISTRY OF SHIPPING

11. As per the Guidelines on undertaking dredging at major ports issued by Ministry of Shipping, all major ports shall invite open competitive bids for capital/maintenance dredging works. The present slump in the global dredging market and consequent entry of global players either directly or through their Indian arms competing to get the contracts at competitive rates has constrained DCI to quote competitively. This has put the financials of the Company under severe strain because of increasing cost due to frequent repairs and lay-up of the ageing dredgers.

STRATEGIC SALE OF DCI

12. The Government of India ("GOI") has concluded the Strategic disinvestment of DCIL by way of the transfer of management control and sale of 73.47% equity share capital of DCIL held by GOI to the four ports – Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust and Jawaharlal Nehru Port Trust. The Share Purchase Agreement in this regard was executed on 08th March 2019. Consequent to this DCI is no longer a Government Company and the above four ports which are under the control of the Government are the promoters of the Company. It is expected that under the new promoters, the Company would be in a position to get additional works and also make capital acquisitions to make further forays in Indian and International markets.

GROWTH DRIVERS :

13. New capacity creation by Indian ports, including channel deepening, is the single largest factor determining growth of Indian dredging market. Although, dredging demand would also come from other players such as Navy and shipyards, but the demand is miniscule as compared to ports.
14. Shallow water dredging demand due to development of national waterways is considered separately as the asset requirements, technology and players are completely different from maintenance and capital dredging market.
15. Economic growth : - India is expected to be one of the fastest growing major economies in the world over the next four years, with real GDP expected to grow at a CAGR of 7.4% between 2018 and 2022, according to Economic Intelligence Unit.
16. Sagarmala Plan : - The Government of India has envisioned the Sagarmala Program, which aims to exploit India's 7,500 km coastline and 14,500 km of potentially navigable waterways. It promotes port-led development in the country by harnessing strategic locations on key international maritime trade routes. A National Perspective Plan has been developed under this program, paving the way for 150 projects with investments of ₹ 4,00,000 Crore in the next 10 years. These projects have been identified across areas of port modernization and new port development, port connectivity enhancement, port-led industrial development and coastal community development.
17. Approximately 50 projects have been identified under the port modernization and new port development activity, which would increase the port capacity from 1,400 MMTPA to 2,500 MMTPA by 2025. Majority of the activity would be related to capital dredging. Approximately ₹1,00,000 Crore has been allocated to increase the capacity at existing ports with the development of five to six new ports also including

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a trans-shipment hub.

18. The new development would also focus on improvement of the port and hinterland connectivity to provide seamless transportation from production to consumption centers. This includes construction of 10,000 km of last mile port-connectivity infrastructure, 12 new freight expressways and heavy haul rail corridor to transport coal. New pipelines for transporting crude and petroleum products and development of multimodal logistics hubs have also been considered. With 65 proposed projects, ₹ 2, 00,000 Crore of investment is expected.
19. Additional infrastructure would include development of coastal economic zones ("CEZs") covering all maritime states and union territories. The CEZs would be segregated on the basis of manufacturing clusters and basic input industries. The manufacturing cluster would include labor intensive sectors of electronics, apparel, leather products, furniture and food-processing. However, basic input industries would include clusters for power, refineries and petrochemicals, steel and downstream industries and cement. Setting up infrastructure for these clusters will require an investment of ₹1,00,000 Cr. and is expected to attract an additional ₹7,00,000 Cr. of industrial investment.
20. Deeper draft at ports at least 18 meter : - The Government has plans to create a minimum depth of 18 metre at all 12 ports it owns, where depths currently range from 9-12 metre. The current upgrade would still be lower than the global average, which is around 23 metre, enabling berthing of latest built up ultra-size container, tanker and dry bulk vessels.
21. Increase in Exim trade and throughput capacity at ports : - Demand forecasts for dredging are encouraging given the foreign trade policy targets for 2015-20. Merchandise trade is set to leap following the encouragement provided to small and medium scale enterprises (SMEs). Initial estimates for exports of manufactured goods and services from India are quite encouraging. Indian ports are now waking up to the reality as they rush to attract more cargo and attempt to increase revenues. Accommodating bigger ships and achieving economies of scale would form the backbone to optimize the asset.
22. Other emerging trends : - Apart from ordinary ports, construction of various greenfield ports in India has also increased the necessity for dredging in India. Dredging is also important for local shipbuilding, which enables the same to act as an infrastructure empowerment program in the maritime sector. Hence, numerous tax concessions by granting infrastructure status to navigational channels under Section 80-IA of Income Tax Act would benefit ports.
23. Consequently, a number of channel/port deepening projects are currently being undertaken by various ports. In India, many ports are incapable of berthing fully-laden large vessels. Large vessels can be berthed only by dredging, which offers significant potential for higher dredging activity in the Indian market.
24. It is projected that in the next five years, 12 major ports are proposed to increase their capacity, which would entail huge capital investment in dredging works. Furthermore, setting up additional berth at majority of private ports, coupled with announcement of new major ports have pegged the size of the dredging market by volume at over 1 billion cubic metres in the next five years.
25. Given the prospects of development and maintenance of existing major ports, building new ports, onshore resources exploration, demand from navy and, more interestingly, projects envisaged for national waterways, there is huge scope for dredging.
26. Sand Mining : Due to various issues cropped up with sand mining activities, it is proposed that DCI will venture into the area for proper extraction of sand for development purpose abiding by the environmental protection laws.

PERFORMANCE

27. The capacity utilisation in number of days and quantity as against the targets during the year is as under:-

	Target	Actual	% Utilisation
No. of Days	3228	2501	77.47
Quantity (Mln. Cu.M)	63.90	54.51	85.30

FINANCIAL PERFORMANCE

28. The Financial performance during the year is as under: (₹ in lakhs)

	2017-18	2018-19
Income from Operations	59187	69174
Other income	2025	678
Total turnover	61212	69852
Total Comprehensive income (Profit after Tax)	1664	4459
Earnings Per Share (₹)	5.94	15.92

KEY STRENGTHS OF DCIL

29. Premier dredging company in India : - DCIL is a premier dredging company in India. The Company is also the preferred dredging company for Major Ports and the Indian Navy. The Company has been in this business since 1976 and has been catering to the dredging requirements of the major ports/ Indian Navy since then. Owing to the long association with the Major Ports, the Company is the most preferred company for dredging requirements of most of the Major Ports and the Indian Navy.
30. One of the largest hopper capacity in the Indian market : - DCIL has one of the largest hopper capacity in the Indian market which provides flexibility to handle projects involving larger dredging volumes as well as higher number of projects compared to any of the competitors in the Indian maintenance dredging market.
31. To maintain the value and effectiveness of the fleet, the Company emphasizes preventive maintenance so as to reduce the downtime, increase profitability, enhance the vessel life. With the addition of the Inland cutter suction dredger, the Company has re-entered into the inland dredging sector and is expecting to be a major player in the same.
32. The dredgers (Dredge – XIX, XX and XXI) are the premium assets of DCIL. They are equipped with the best technology among the fleet of Indian companies. The dredgers have shore pumping facilities which enables them to carry out the high premium jobs like aggregate dredging, beach nourishment and reclamation works.
33. Strong relationships with Customers: - The Company has been catering to the dredging requirements of the Major Ports and the Indian Navy right from its inception in 1976 and has a better understanding of the dredging requirements of the Indian Ports. The Company is the leader in maintenance dredging in India through its combination of usage of advanced equipment and experience.
34. Forty years of dredging experience: - DCIL has more than 40 years of dredging experience at the Major ports in India, which gives DCI the experience of dredging at locations with varying soil characteristics. Although the pre-qualification criteria in the dredging tenders needs the recent dredging operation history (5-7 years), 40 years' experience provides credibility to DCIL for bidding in the projects outside the country.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

35. The Company's senior managers have vast experience in the dredging and maritime industries. The Company believes that this experience provides the Company with a significant advantage over its competitors. The Company's floating personnel who manage the dredgers and the management team who give the support services are well trained professionals having vast experience in the dredging and maritime industries.

OUR WEAKNESS/ CONSTRAINTS AND STEPS TAKEN TO OVERCOME THE SAME

36. The dredging fleet of DCI has an average age of more than 20 years. Some of the equipment of the old vessels have already crossed their useful life. These equipment need extensive refurbishment which has resulted in the loss of production due to lower performance of vessels and increased breakdown days. Also, some of the dredging contracts limit the age of equipment to be deployed in the project as their pre-qualification criteria. To this extent, the Company has already taken steps to scrap some of assets which have outlived their useful life and found not to be profitable after a techno economic viability study. Accordingly Dr.VII and Dr.XI have been decommissioned and sold as scrap during the year. In order to overcome the reduction in capacity, DCI has initiated action procurement of 12000 Cu.M Hopper Capacity Dredger.
37. High lead time for the procurement of the spares and stores is resulting in delays in repairs and dry docks. This is primarily due to the aged dredgers and as stated the company has taken steps to scrap some of the dredgers which are not economically viable and outlived their life. Further ERP is being implemented for better management of inventory apart from having rate contract for spares being procured from OEMs.
38. Retirement and non-availability of skilled manpower in the areas of project management and limited availability of ship repair facility is leading to the delays in project execution as well as dry-docking of the vessels. The project management process needs to be fine tuned to make the execution of projects more efficient and time bound. Preventive maintenance dry-dock planning also needs to be fine tuned to cut down both cost and time overruns. In this direction, the Company has outsourced the manpower requirement and technical maintenance of two vessels. Further action will be taken in similar lines after cost benefit analysis of the same. DCI exploring the possibility of establishment of Dredge Training Institute & Repair facility.
39. High attrition leading to increased contractual manpower: The dredging industry has a shortage of skilled manpower which makes the retention of employee very difficult for DCI a PSU. It is easier for people to get expertise in the industry and leave the company for lucrative offers from its competitors. In the past, DCI has lost a lot of its experts to private and the international counterparts in the Indian market. To this end, the company has in place a robust career progression policy for shore based employees. The remuneration package for floating employee is at par with the industry standards in India. The company is trying its best to keep the attrition levels at manageable levels. Post the strategic sale on 08/03/2019, the company being no longer a government undertaking, the company will now have the flexibility to make pay packages flexible and attractive to retain and attract professionals.

OPPORTUNITIES

40. Since its inception DCI has been involved mainly in the maintenance dredging works at the major ports. Although it has executed capital dredging projects in the past, the expertise is not developed to the levels of the international players. As the growth opportunity in the Indian maintenance dredging market for a single player is limited up to ₹1,000 crore DCI needs to diversify to other segments and businesses related to the dredging industry. The diversification opportunities can be classified into following categories:

Diversification in core business:

41. The core business diversification opportunities include the dredging services in segments other than maintenance and capital dredging as well as the geographical diversification. The other segments in dredging would include beach nourishment, inland dredging, aggregate dredging, oil & gas dredging, shallow water dredging, offshore mining and land reclamation activities.

Diversification to new businesses:

42. Diversification to new businesses include the forward and backward integration opportunities for DCI which can bring high synergy among the businesses. Forward integration would include the diversifying to the businesses which use dredging services like ports, marine construction and offshore installation activities. Backward integration includes the opportunities like ship building, ship repair, bunker barge and spare parts manufacturing.

OUR STRATEGIES

43. We intend to increase income from operations and strengthen our domestic and international competitive position by expanding our operations in both our traditional and new dredging services and adopting a pro-active marketing strategy for our domestic and foreign operations.
44. Enhancement of market share in maintenance dredging and more participation in capital dredging in India. Making forays in foreign dredging market: Apart from consolidation in the Indian dredging market, we have plans to make forays in the foreign dredging market. The initiatives taken for setting our foot once again in foreign waters is likely to materialise in this financial year. DCI has already executing the dredging contract for Mongla Port, Bangladesh. Further, the Company has also signed a contract with National Highways Authority of India (NHAI) under DCI would bring the sand from abroad either on its own or through consortium partners and NHAI would facilitate the sale of the same for Mega road projects and bridges, and other construction projects across India which are facing shortage of sand.
45. Enhancement of the fleet capability : In continuation of the efforts to sustain the existing capacity for which orders were placed for three dredgers meant as replacement of existing aged dredgers, our Company plans to procure higher hopper capacity trailer suction hopper dredgers. Our Company also plans to refurbish the existing aged dredgers so as to increase their effectiveness and enhance their economic life. Further, with the impetus given to inland waterways by the Government and the consequent necessity and demand for inland dredging, the company has added to its fleet an inland cutter suction dredger which has already joined the fleet.
46. Reducing operational costs : Further, to the capacity enhancement initiatives discussed above, your Company also has taken initiatives to reduce operational costs by focusing on fuel efficiency in ship operations and ship procurement and further streamlining the spare parts procurement systems. Your Company also proposes to have tie-ups with ship repair yards for continued maintenance of our vessels for a period of time so as to make available the dredgers for a guaranteed minimum number of days every year. In this direction a long term MOU was signed with Cochin Shipyard Limited. The company has already tied with a PSU – BEML for indigenisation of select spare parts
47. Strategic alliances through long term contracts with major ports: - The Company is exploring to have strategic alliances with major ports. This will ensure assured business for the Company and enable the Company to plan in advance regarding the deployment of the vessels. The Company is also exploring to act as nodal agency to meet all dredging requirements for major ports in the country.
48. Optimize capacity utilization : - The Company intends to continue to optimize its capacity utilization by continuous project monitoring and review, reducing equipment downtime through preventive maintenance and working with repair yards to accelerate dry dock repair periods,

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

and increasing computerization, including introducing online connectivity between dredgers, projects and the head office. the Company also intends to continue to invest in quality pre-dredging surveys and equipment and continue to invest in repairs and maintenance. Through a renewed focus on training, your Company intends to introduce specific project planning and management initiatives to educate its staff to identify and develop new market opportunities. The Company believes in the introduction of best practices in procurement, costing and working capital management, along with the introduction of tailored human resources practices, participatory management and new technologies, which will create new competencies in its organization and add value for its dredging customers.

THREATS

49. The Company perceives the following threats:

- i Increasing foreign competition.
- ii Increasing competition from Indian dredging companies.
- iii Frequent and expensive repairs to dredgers due to ageing.

The increased competition has in a way helped the company to tighten up and become more competitive. The company has taken steps in this regard by appointing a consultant to benchmark different parameters -both technical and operational against the best in the world as well take corrective steps to match the same.

FOREIGN EXCHANGE RISKS AND CONCERNS

50. The foreign exchange variations may cause a dent in the cash flows apart from effecting the results of the Company due the debt service obligations in foreign exchange.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

51. The Company has an effective system of delegation at proper levels and an adequate system of internal control commensurate with its size and nature of its business. The Company has an adequate and independent internal audit department for conducting extensive audit of various important operational and financial matters. The internal audit work at Head Office and some of the projects has been outsourced to Chartered Accountant firms. The internal controls are reviewed by the Internal Audit Department. The Vigilance Department deals with vigilance and disciplinary cases with emphasis on preventive vigilance. C&AG conducts proprietary audit and the Statutory Auditors appointed by C&AG conduct the statutory audit as per the provisions of the Companies Act. The Company has constituted an Audit Committee and significant audit observations and follow up action thereon are reported to the Audit Committee. The proceedings of the Audit Committee meetings and also other Sub-Committee meeting of Directors are submitted to the Board.

INDUSTRIAL RELATIONS

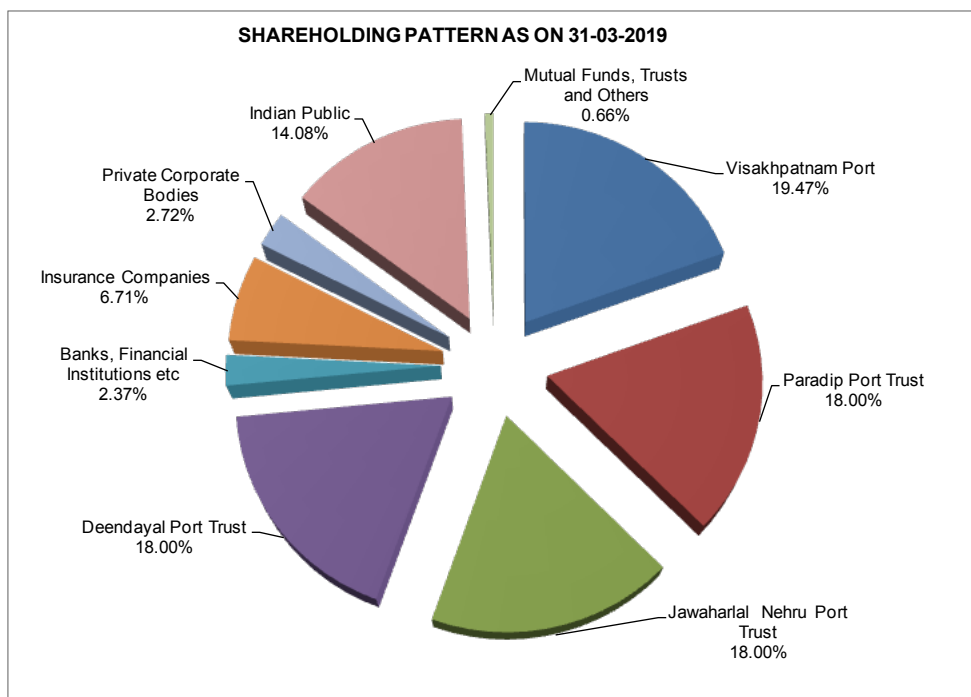
52. The industrial relations in the Corporation continued to be cordial throughout the year 2018-19. The employees of the Company, both on shore and floating side worked in full co-operation with the management and there has been no loss of manhours during the year.

CORPORATE SOCIAL RESPONSIBILITY

53. The Board of Directors of the Company have formulated the Corporate Social Responsibility Policy for the Company and also constituted a Sub-Committee of Directors for implementation of the same. The report of the Corporate Social Responsibilities activities of the Company is placed at Annexure - 2 to the Directors' Report

CAUTIONARY STATEMENT

54. Statements in this "Management Discussion and Analysis" describing the objectives, expectations, assumptions or predictions of the Company may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.





INDEPENDENT AUDITOR'S REPORT

To the Members of

Dredging Corporation of India Limited

Report on the IND AS Financial Statements:

Opinion

We have audited the accompanying IND AS financial statements of Dredging Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss (including other comprehensive income) and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information, in the manner so required, and give a true and fair view in conformity with the Indian Accounting standard prescribed under section 133 of the Companies Act 2013 and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit including other comprehensive income and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Key Audit Matter:

The Company carried out capital dredging for Mormugao Port Trust (MPT) during Financial Years 2015-16 and 2016-17 in pursuance of a Contract. Disputes arose between the Company and MPT on account of certain technical parameters and legal matters. The Company has recognised revenue of ₹10108 lakhs during the respective years and receivable as at 31st March 2019 is ₹2812 lakhs. The Company has put up a further claim of ₹9869 lakhs towards idle charges and consequential matters which is considered as and disclosed under Contingent Assets. The disputed matters are pending before the Inter Organisational Committee constituted by Indian Ports Association and as such, fair value of receivable is sensitive to outcome of the recommendations of the committee.

Auditor's Response

Our audit procedures consist of verifying management's assumptions relating to fair value of the receivable. We have considered the proceedings of the Committee and the correspondence between the parties from time to time and also relied upon the management's judgement that there is no reduction in the fair value of the receivable outstanding in the books of account.

2. Key Audit Matter:

The Company is availing Input Tax credit on eligible input goods and services and capital goods under respective GST Acts. The Company has not reconciled such Input Tax credits with the Electronic credit Ledgers as per GST Portal.

Auditor's Response

As per the explanations offered by the Company and in the opinion of the management, the reconciliation is under process and the effect of such reconciliation will not be material considering the turnover and profit of the Company. Procedure and the status of reconciliation have been appropriately considered by us and also relied upon the management's opinion.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT....

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

We draw attention to the following matters. Our opinion is not qualified in respect of this matter.

- Trade Receivables include a sum of ₹13627 lakhs due from M/s Sethusamudram Corporation Limited (SCL) towards works executed during 2005-06 to 2008-09 which has become a matter of dispute. A Committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee) compromised the outstanding issues between the Company and SCL by recommending for payment of ₹13627 lakhs which was accepted by both the Parties. As a consequence of AS & FA Committee recommendations dated 25.02.2019, the Company has reversed the provision for doubtful debts of ₹3019 lakhs held since FY 2011-12. Further, provision of ₹8444 lakhs made during the first half year of the current year has also been withdrawn.
- Outstanding balances under Trade Payables, Other Payables, Trade Receivables, Advance to Suppliers are subject to reconciliation.

Other Matters

We did not audit the financial statements of branch at Bangladesh included in the financial statements of the Company whose financial statements reflect total assets of ₹488 lakhs as at 31st March, 2019 and the total revenue of ₹4173 lakhs for the year ended on that date, as considered in the financial statements. The financial statements of this branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

The financial statements of the Company for the year ended 31st March 2018 were audited by other Auditors whose report dated 28th May 2018 expressed an unmodified opinion on those statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in "**Annexure A**".
- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness





INDEPENDENT AUDITOR'S REPORT....

of such controls, refer to our separate Report in "Annexure C".

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us.
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 26.1 to the financial statements;
 - The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

Place : Visakhapatnam
Date : 30th May 2019

CA. D.TEJA SAGAR
Partner
Membership No: 227878

ANNEXURE-A to the Independent Auditors' Report

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

S.No.	Areas Examined	Observations/Findings
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e. Microsoft Dynamics. Inventory accounting on Board Dredgers is manually maintained. Based on Manual Stores Consumption Reports (SCR), consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

Place : Visakhapatnam
Date : 30th May 2019

CA. D.TEJA SAGAR
Partner
Membership No: 227878

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dredging Corporation of India Limited on the financial statements for the year ended 31st March 2019)

- In respect of Company's fixed assets
 - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a programme of physical verification of fixed assets on a yearly basis, which in our opinion is reasonable having regards to the size of the Company and nature of its business. Fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties owned by the company are held in the name of the Company.
- Physical verification of Inventory has been conducted by the Management at reasonable intervals during the year. Material discrepancies that were noticed on physical verification as compared to the book records have been accounted for in the books of account.
- The Company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.
- In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and security attracting the provisions of section 185 and 186 of the Act.
- According to the information and explanations given to us the company has not accepted any deposit from the public pursuant to sections

INDEPENDENT AUDITOR'S REPORT....

73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.

- (vi) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's nature of business.
- (vii) (a) In our opinion and according to the information and explanation given to us, The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues to the appropriate authorities.
- (b) According to the information and explanations given to us, the following dues of Income Tax, Service Tax and Entry Tax have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount (₹ in lakhs)
1	Finance Act, 1994	Service Tax	CESTAT	2005-06 to 2015-16	13076
2	Karnataka Tax on Entry of Goods Act, 1979	Karnataka Entry Tax	High Court	1991-92	23

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government or dues to debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

Place : Visakhapatnam
Date : 30th May 2019

CA. D.TEJA SAGAR
Partner
Membership No: 227878

Annexure-C to the Independent Auditors' Report

(Referred to in paragraph 3(e) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dredging Corporation of India Limited on the financial statements for the year ended 31st March 2019)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting with reference to financial statements of Dredging Corporation of India Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to Financial Statements

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**INDEPENDENT AUDITOR'S REPORT....****Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to financial statements includes those policies and procedures that

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S
CA. D.TEJA SAGAR

Place : Visakhapatnam
Date : 30th May 2019

Partner
Membership No: 227878

CAG COMMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (B) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF DREDGING CORPORATION OF INDIA LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31ST MARCH 2019

The preparation of financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended 31st March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended 31st March 2019 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(M S Subrahmanyam)
Director General of Commercial Audit
& Ex-officio Member, Audit Board,
Hyderabad

Place : HYDERABAD

Date : 16 JULY 2019



**BALANCE SHEET AS AT 31-03-2019**

₹ in lakhs

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS:			
Non-current assets			
(a) Property, plant and equipment	9	1,71,855.60	1,81,661.80
(b) Capital work-in-progress	9	3,346.39	4,284.38
(c) Financial Assets			
(i) Investments	10	375.01	375.01
(ii) Other financial assets	11	38.51	45.23
Total non-current assets		1,75,615.51	1,86,366.42
Current assets			
(a) Inventories	12	19,113.42	19,265.04
(b) Financial Assets			
(i) Trade receivables	13	25,502.23	23,809.44
(ii) Cash and cash equivalents	14	8,431.62	8,208.95
(iii) Bank balances other than (ii) above		447.45	3.16
(iv) Other financial assets	15	10,335.33	12,123.97
(c) Current tax assets (Net)	16	5,702.51	4,963.40
(d) Other current assets	17	1,494.96	9,850.05
Total current assets		71,027.52	78,224.01
Total assets		2,46,643.03	2,64,590.44
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	1	2,800.00	2,800.00
(b) Other Equity	2	1,55,341.99	1,51,610.22
Total equity		1,58,141.99	1,54,410.22
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
Borrowings	3	52,026.28	67,240.47
(b) Provisions	4	1,112.28	1,175.05
(c) Other non-current liabilities	5	344.39	244.78
Total non-current liabilities		53,482.95	68,660.30
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	6	12,628.34	18,006.41
(ii) Other financial liabilities	7	13,365.91	13,948.12
(b) Provisions	4	320.00	320.00
(c) Other current liabilities	8	8,703.84	9,245.40
Total current liabilities		35,018.09	41,519.93
Total Liabilities		88,501.04	1,10,180.23
Total Equity And Liabilities		2,46,643.03	2,64,590.44

Significant Accounting policies 26

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

As per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032S

(Rinkesh Roy)
Chairman

(D.Subbarao)
HOD (Finance) & CFO

Rajesh Tripathi
Managing Director & CEO

(K.Aswini sreekanth)
Company Secretary

(D.Teja Sagar)
Partner
Membership no. 227878

Place : Visakhapatnam
Date : 30-05-2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2019

₹ in lakhs

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I Revenue from operations	18	69,173.86	59,187.36
II Other Income	19	677.72	2,024.54
III Total Income (I + II)		69,851.58	61,211.90
IV Expenses			
(a) Employee benefit expense	20	10,437.40	9,659.75
(b) Finance costs	21	1,754.03	2,023.07
(c) Depreciation and amortization expense	22	11,291.38	11,317.76
(d) Other expenses	23	41,616.98	36,034.48
Total expenses (IV)		65,099.79	59,035.06
V Profit before exceptional items and tax (III - IV)		4751.79	2176.84
VI Exceptional Items		-	-
VII Profit before tax (V-VI)		4751.79	2176.84
VIII Tax Expense:			
Current tax	24	292.81	462.56
		292.81	462.56
IX Profit for the year (VII - VIII)		4458.98	1714.28
X Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of the defined benefit plans		0.00	(50.01)
Total other comprehensive income (X)		-	(50.01)
XI Total comprehensive income for the year (IX + X)		4458.98	1664.27
XII Earnings per equity share			
Basic and Diluted (in ₹)		15.92	5.94
Significant Accounting policies	26		
The accompanying notes are an integral part of these financial statements			

For and on behalf of Board of Directors

(Rinkesh Roy)
Chairman(D.Subbarao)
HOD (Finance) & CFOAs per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032SRajesh Tripathi
Managing Director & CEO(K.Aswini sreekanth)
Company Secretary(D.Teja Sagar)
Partner
Membership no. 227878Place : Visakhapatnam
Date : 30-05-2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2019

₹ in lakhs

Particulars	2018-19	2017-18
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	4,751.79	2,176.84
Less/Add: (Profit)/Loss on sale of assets	-	(882.92)
	4,751.79	1,293.92
ADJUSTMENT FOR:		
Depreciation	11,291.38	11,317.76
Interest Expense	1,754.03	1,756.59
Interest Income	(668.17)	(533.75)
	12,377.24	12,540.60
Operating Profit before changes in WC	17,129.03	13,834.52
Working Capital Changes:		
(Increase) / Decrease in inventory	151.62	382.12
(Increase) / Decrease in Trade Receivables	1,046.78	6,816.19
(Increase) / Decrease in other current Assets	9,762.23	(4,252.94)
Increase / (Decrease) in Trade Payables & other liabilities	(7,340.64)	(4,124.99)
	3,619.99	(1,179.62)
Cash generated from operations	20,749.02	12,654.90
Less: Interest paid	(1,764.71)	(1,760.39)
Income Taxes paid	(1,020.13)	4,512.23
Excess Prov. No longer Written Back	(3,150.00)	(1,630.62)
	(5,934.84)	1,121.22
Net Cash from operating activities (A)	14,814.18	13,776.12
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	15.34	-
Sale proceeds from Assets sold	-	(819.00)
Capital Advance Paid/(Recovered)	(446.44)	-
Interest Received	778.19	923.00
	347.09	104.00
Net Cash from investing activities (B)		
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from/(Repayment of) Long term Borrowings	(13,819.19)	(12,679.92)
Dividend paid	(560.00)	-
Corporate Dividend Tax	(115.11)	-
	(14,494.30)	(12,679.92)
Net Cash from Financing Activities (C)		
Net increase/decrease in cash and cash equivalents (A+B+C)	666.96	1,200.20
Cash & Equivalents as at beginning of the year	8,212.11	7,011.91
Cash & Equivalents as at end of the year	8,879.07	8,212.11
The accompanying notes are an integral part of these financial statements		

For and on behalf of Board of Directors

As per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032S(Rinkesh Roy)
Chairman(D.Subbarao)
HOD (Finance) & CFORajesh Tripathi
Managing Director & CEO(K.Aswini sreekanth)
Company Secretary(D.Teja Sagar)
Partner
Membership no. 227878Place : Visakhapatnam
Date : 30-05-2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

1 Equity Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
3,00,00,000 (PY 3,00,00,000) Equity shares of ₹10 each	3,000.00	3,000.00
Issued Subscribed and Paid up		
1400 (PY 1400) Equity shares of ₹10/- each fully paid.	0.14	0.14
For consideration other than cash:		
2,79,98,600 (PY 2,79,98,600) Equity shares of ₹10/- each allotted as fully paid.	2,799.86	2,799.86
	2,800.00	2,800.00

1.1 Fully paid equity share

	As at 31-03-2019		As at 31-03-2018	
	Number of Shares in '000s	Share Capital ₹Lakhs	Number of Shares in '000s	Share Capital ₹Lakhs
Opening Balance	28,000	2,800.00	28,000	2,800.00
Movement during the year	-	-	-	-
Closing Balance	28,000	2,800.00	28,000	2,800.00

Terms attached to Equity Shares :

The company has one class of Equity shares. All shares carry equal voting rights

1.2 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019			As at March 31, 2018		
	Number of shares held	₹in Lakhs	% holding of equity shares	Number of shares held	₹in Lakhs	% holding of equity shares
Fully paid equity shares						
President of India	-	-	-	2,05,72,013	2,057.20	73.47
Visakhapatnam port Trust	54,51,710	545.17	19.47	-	-	-
Paradip port Trust	50,40,101	504.01	18.00	-	-	-
Jawaharlal Nehru Port Trust	50,40,101	504.01	18.00	-	-	-
Deendayal Port Trust	50,40,101	504.01	18.00	-	-	-
Life Insurance Corporation of India	15,80,508	158.05	5.64	18,77,735	187.77	6.70

	As at March 31, 2019	As at March 31, 2018

2. Other Equity:

General Reserve	44,984.00	44,984.00
Retained earnings	1,03,136.16	1,00,544.38
Reserve U/S 115VT of Income Tax Act	2,105.00	2,105.00
Debenture redemption reserve	3,000.00	3,000.00
Others (describe)		
Tonnage Tax Reserve	1,665.00	525.00
Capital Reserve	451.83	451.84
	1,55,341.99	1,51,610.22

2.1 General Reserve

Balance at the beginning of the year	44,984.00	44,984.00
Movements	-	-
Balance at the end of the year	44,984.00	44,984.00

2.2 Retained Earnings

Balance at the beginning of the year	1,00,544.38	98,721.52
Profit(loss) attributable to owners of the Company	4,458.98	1,664.26
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	(1,140.00)	(525.00)
Transfer to General Reserve	-	-
Transfer to Debenture Redemption Reserve	-	-
Payment of Dividend	(560.00)	-
Payment of Dividend Distribution Tax	(115.11)	-
Transfer from Tonnage Tax Utilisation Reserve A/C	-	-
Others		
Prior period Adjustments	(52.09)	683.60
Balance at the end of the year	1,03,136.16	1,00,544.38

2.3 Reserve u/s 115VT Utilisation Account

Balance at the beginning of the year	2,105.00	2,105.00
Movement during the year	-	-
Transfer to Profit & loss reserve A/c	-	-
Balance at the end of the year	2,105.00	2,105.00

2.4 Bonds Redemption Reserve

Balance at the beginning of the year	3,000.00	3,000.00
Movement during the year	-	-
Balance at the end of the year	3,000.00	3,000.00

2.5 Tonnage Tax Reserve u/s 115 VT of IT Act



NOTES TO FINANCIAL STATEMENTS

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
	Balance at the beginning of the year	525.00	-
	Movement during the year	1,140.00	525.00
	Less: Transfer to Reserve u/s 115 VT Utilisation Act	-	-
	Balance at the end of the year	1,665.00	525.00
2.6	Capital Reserve		
	Balance at the beginning of the year	451.83	451.83
	Movement during the year	-	-
	Balance at the end of the year	451.83	451.83
3	Non-current borrowings		
	Secured - at amortised cost		
	(i) Bonds/Debentures	5,887.80	5,887.80
	(ii) Term Loans		
	from banks	46,138.48	61,352.67
	Total non-current borrowings	52,026.28	67,240.47
	Foreign currency Term loans from banks represent the following(INR) denominated loans:		
	1 Loan for Dr-XIX	18,801.06	24,333.22
	2 Loan for Dr.XX	19,790.46	25,060.70
	3 Loan for Dr.XXI	20,722.75	25,666.33
	Sub total	59,314.27	75,060.25
	4 Current liability portion of Long term Debt	(13,175.79)	(13,707.58)
	Grand Total	46,138.48	61,352.67

3.1 Summary of Borrowings arrangements: The terms of repayment of term loans and other loans are stated below:

As at March 31, 2019			
Particulars	Amount outstanding	Terms of repayment	Rate of Interest
BNP PARIBAS	18,801.06	Repayable in 8 half year and equal installments	6 m Euribor+0.825% p.a
BNP PARIBAS	19,790.46	Repayable in 9 half year and equal installments	6m Euribor+0.825% p.a
EXPORT-IMPORT BANK OF INDIA, LONDON BRANCH	20,722.75	Repayable in 10 half year and equal installments	6m Euribor+2.85% p.a
Tax Free bonds	5,887.80	Tenor of the bonds is 10 years (Issued in 2012-13)	Coupon rate for Category I, II, III and IV is 6.97% p.a and additional coupon rate of 0.5% p.a for original allottees under category IV.

As at March 31, 2018			
Particulars	Amount outstanding	Terms of repayment	Rate of Interest
BNP PARIBAS	24,333.22	Repayable in 10 half year and equal installments	6m Euribor+0.825% p.a
BNP PARIBAS	25,060.70	Repayable in 11 half year and equal installments	6m Euribor+0.825% p.a
EXPORT-IMPORT BANK OF INDIA, LONDON BRANCH	25,666.33	Repayable in 12 half year and equal installments	6m Euribor+2.85% p.a
Tax Free bonds	5,887.80	Tenor of the bonds is 10 years (Issued in 2012-13)	Coupon rate for Category I, II, III and IV is 6.97% p.a and additional coupon rate of 0.5% p.a for original allottees under category IV.

Note : 1. No loan has been guaranteed by Directors and others there on.

2. There is no default on the Balance Sheet date in the Repayment of Borrowing and Interest thereon.

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
4.	NON CURRENT PROVISIONS		
	Employee Benefits:		
	Provision for Gratuity	623.12	456.67
	Provision for Leave Encashment	809.16	1,038.37
	Tax on dividend	-	-
	Total	1,432.28	1,495.05
	Current	320.00	320.00
	Non-Current	1,112.28	1,175.05
	Total	1,432.28	1,495.05
5.	OTHER NON-CURRENT LIABILITIES		
	Earnest money Deposit/SD	344.39	244.78
	Deferred revenue arising from Government grant	-	-
	Total	344.39	244.78
6.	TRADE PAYABLES-CURRENT		
	Amounts payables to Contractors/Suppliers	12,628.34	18,006.41
	Due to Micro,Small and Medium Enterprises ₹0.00 lakh	-	-
	Total	12,628.34	18,006.41
7.	OTHER FINANCIAL LIABILITIES		
	Current		
	a) Current Maturities of long term debt	13,175.79	13,707.58

NOTES TO FINANCIAL STATEMENTS

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
b)	Interest Accrued	190.12	240.54
		13,365.91	13,948.12
8.	OTHER CURRENT LIABILITIES		
a)	Unclaimed dividend	6.08	3.17
b)	EMD/SD from Contractors	270.40	186.35
c)	Payables to Customers	1,726.92	1,726.92
d)	Income-tax payable	69.46	374.29
e)	Other payables	6,630.98	6,954.67
		8,703.84	9,245.40
9	PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS.		
	Net Carrying amounts of :		
	Freehold Land	35.98	35.98
	Buildings	33.57	34.46
	Motor Vehicles	3.63	7.42
	Computers	85.55	90.37
	Temp Structures / Fixtures & Erections	-	-
	Plant and Equipment	1,71,669.40	1,81,450.97
	Furniture, Fittings & Equipments	27.47	42.61
	Sub-total	1,71,855.60	1,81,661.80
	Capital work-in-progress	3,346.39	4,284.38
		1,75,201.99	1,85,946.18
		₹in lakh	

	Freehold Land	Buildings	Motor Vehicles	Computers	Temp Structures/ Fixtures & Erections	Plant and Equipment	Furniture, Fittings & Equipments	Total
Gross Carrying amount								
Balance as at 01-04-2018	35.98	346.28	29.02	583.52	119.09	3,25,289.47	554.05	3,26,957.41
Additions during the year	-	12.66	-	28.65	-	3,726.86	-	3,768.17
Disposals during the year	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange differences	-	-	-	-	-	(2,270.32)	-	(2,270.32)
Asset Reclassified as held for sale	-	(49.54)	-	-	-	(1,565.17)	-	(1,614.71)
Others	-	-	-	-	-	-	-	-
Balance as on 31-03-2019	35.98	309.40	29.02	612.17	119.09	3,25,180.84	554.05	3,26,840.55
Balance as on 31-03-2018	35.98	309.40	29.02	582.52	119.09	3,23,724.30	554.05	3,25,354.36
Accumulated Depreciation								
Balance as at 01-04-2018	-	292.58	21.61	493.15	119.09	1,43,600.99	511.44	1,45,038.86
Depreciation during the year	-	0.89	3.78	33.47	-	11,238.10	15.14	11,291.38
Disposals during the year	-	-	-	-	-	-	-	-
Asset Reclassified as held for sale	-	(17.64)	-	-	-	(1,327.66)	-	(1,345.30)
Balance as on 31-03-2019	-	275.83	25.39	526.62	119.09	1,53,511.43	526.58	1,54,984.94
Balance as on 31-03-2018	-	274.94	21.61	493.15	119.09	1,42,273.33	511.44	1,43,693.55

Notes:

- As per the requirement of Schedule II to the Companies Act, 2013, where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately for depreciation purpose. After careful examination, the company is of the view that none of the component part of the fixed asset is considered to be significant as compared to total cost of the asset except Dry Dock expenses incurred for dredgers which are less than 25 years in usage. Consequently, other than for Dry Dock expenses, the charging of depreciation for component parts was not required. Dry Dock expenses are capitalized to the respective dredger and depreciated over a period of 2.5 years from the date of capitalization based on management evaluation.
- Capital-Work in progress includes advances paid to CPWD ₹2571.00lakhs.

₹In Lakhs

10. INVESTMENTS**Non-Current**

Unquoted Investments (all fully paid) : Refer Note
Investments in Equity Instruments at FVTOCI

Sethusamudram Corporation Limited

No. of Shares 300 lakhs

Face value ₹3000 lakhs

Fair value TOCI

Mittal Chambers Premises Co-Operative Society Limited

Total aggregate unquoted investments**Aggregate carrying value of unquoted investments through FVTOCI**

	375.00	375.00
	0.01	0.01
	375.01	375.01
	375.01	375.01

Note : The Company holds 4.0268% (₹30 crores investment in total Share Capital of ₹745 crores) of the equity share capital of M/s Sethusamudram Corporation Limited. Company involved in the development of shipping route in the shallow straits between India and Sri Lanka. The directors of the Company do not consider that the Company is able to exercise significant influence or control over Sethusamudram Corporation Limited



NOTES TO FINANCIAL STATEMENTS

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
11. OTHER FINANCIAL ASSETS			
Non-Current			
Security Deposits		38.51	45.23
		38.51	45.23
12. INVENTORIES			
a) Inventories (lower of cost and realisable value)			
Stock of Spares & Stores		19,415.18	19,590.34
Stock of Spares & Stores in Transit		23.54	0.00
(Less) Provision for Unserviceable spares		(325.30)	(325.30)
		19,113.42	19,265.04
13. TRADE RECEIVABLE			
Current			
Trade Receivables			
(a) Secured, considered good		-	-
(b) Unsecured, considered good		25,502.23	23,809.44
(c) Doubtful		5,928.15	8,667.71
Less: Allowance for doubtful debts (expected credit loss allowance)		(5,928.15)	(8,667.71)
		25,502.23	23,809.44
14. CASH AND CASH EQUIVALENTS			
Cash on hand		0.05	4.74
Balances with banks			
Current Accounts		1436.88	811.58
Fixed Deposits		6,994.69	7,392.63
		8,431.62	8,208.95
Bank balances other than above:			
Earmarked balances with banks		5.25	3.16
Margin money with banks		442.20	-
		447.45	3.16
Notes:			
1. Cash and cash equivalents as at March 31, 2019, include restricted cash and bank balances of ₹3683 Lakhs (PY ₹3641 Lakhs), respectively. The restrictions are primarily on account of bank balances held as Bonds redemption reserve deposits in syndicate bank ₹2403 lakhs (PY ₹2403 lakhs) & for obtaining Standby Letter of credit for Dr-XIX & Dr-XX loan instalments.			
2. Other Deposits maintained by the company with the banks comprise of time deposits which can be withdrawn by the company at any point without prior notice or penalty on the principal.			
15. OTHER FINANCIAL ASSETS			
Deposits		1,309.31	1,311.51
Unbilled Operational Income		5,550.59	5,650.32
Claims & Other Receivables		3,070.32	4,588.54
Interest Accrued on Deposits & Advances		300.22	410.25
		10,230.44	11,960.62
Loans to Employees		104.89	163.35
Total		10,335.33	12,123.97
16. CURRENT TAX ASSETS			
Current tax asset			
Benefit of tax losses to be carried back to recover taxes paid in prior period		-	-
Tax Refund receivable		5,702.51	4,963.40
		5,702.51	4,963.40
17. OTHER CURRENT ASSETS			
Advances to Employees		76.98	85.27
Prepaid Expenses		107.96	182.51
Advance to Suppliers		1,040.61	9,325.52
Asset held for Sale (At lower of Carrying amount or NRV)		269.41	256.75
		1,494.96	9,850.05
18. REVENUE FROM OPERATIONS			
a) Sale of Service			
Domestic		61,950.39	54,956.67
Exports		4,173.15	-
b) Other Operating revenues		3,050.32	4,230.69
Less: Rebates / Discounts		-	-
		69,173.86	59,187.36
19. OTHER INCOME			
a) Interest Income on			
Bank Deposits		415.80	446.77
		415.80	446.77
b) Other non-operating income (net of expenses directly attributable to such income)			
Interest on Tax Refunds		-	600.63

NOTES TO FINANCIAL STATEMENTS

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
	Interest on Employee advances	252.77	86.98
	Others	9.15	7.24
		261.92	694.85
c)	Other gains and losses	-	882.92
	Gain /(loss) on disposal of PPE	-	882.92
	Total	677.72	2,024.54
20	EMPLOYEE BENEFIT EXPENSE		
	Salaries and Wages	9,948.04	9,199.96
	Contribution to provident and other funds	369.20	346.75
	Staff Welfare expenses	120.16	113.04
		10,437.40	9,659.75
21	FINANCE COSTS		
(a)	Interest Costs		
	Interest on Foreign Currency loans	1,290.20	1,342.34
	Interest on Non-convertible bonds	414.13	414.25
(b)	Exchange differences (Gain)/Loss	(91.22)	122.30
(c)	Other finance Cost		
	Bank charges / Guarantee Fees	140.92	144.18
	Total	1,754.03	2,023.07
22	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation of Plant, Property and equipment pertaining to continuing operations	11,291.38	11,317.76
	Total depreciation and amortisation pertaining to continuing operations	11,291.38	11,317.76
	Depreciation of Property, plant and equipment pertaining to discontinued operations	-	-
	Total depreciation and amortisation expense	11,291.38	11,317.76
23	OTHER EXPENSES		
	Power and Fuel	26,532.60	23,266.78
	Rates & Taxes	234.07	12.56
	Rent	60.65	153.62
	Travelling and Conveyance	450.56	480.71
	Donations	-	10.10
	Provision for doubtful debts	915.70	102.20
	Provision for unserviceable spares and stores	-	325.30
	Other Establishment Expenses	362.36	562.71
	Payment to Contractors	4,222.19	1,138.14
	Pipeline laying / maintenance expenses	172.22	370.45
	Other Direct Work Expenses	387.17	358.25
	Boat / Tug & Crane hire Charges	529.04	522.05
	Legal Adviser Fee & Secretarial Expenses	178.87	163.21
	Repairs & Maintenance		
	Vessels	2,206.43	1,412.57
	Buildings	235.84	251.63
	Spares & Stores	3,803.47	5,601.80
	Insurance	621.88	660.44
	Remuneration to Auditors		
	a) Audit fee	7.20	7.30
	b) Tax Audit fee	0.90	0.70
	Corporate Social Responsibility*	77.97	107.03
	Miscellaneous Expenses	617.86	526.93
	Total	41,616.98	36,034.48
	*Corporate Social Responsibility amount to be spent ₹77.97 lakhs and full amount spent.		
24	INCOME TAXES RELATING TO CONTINUING OPERATIONS		
	24.1 Income taxes recognised in the statement of profit and loss		
	Current tax		
	In respect of the current year	292.81	462.56
	In respect of the previous years	-	-
	Others (describe)	-	-
		292.81	462.56
	Deferred tax		
	In respect of the current year	-	-
	Deferred tax reclassified from equity to profit or loss	-	-
	Adjustments to deferred tax attributable to changes in tax rates	-	-
	Write-downs (reversals of previous write-downs) of deferred tax assets	-	-
	Others (describe)	-	-
	Total income tax expense recognised in the current year relating to continuing operations- Income Tax computed as per Tonnage Tax Scheme	292.81	462.56


NOTES TO FINANCIAL STATEMENTS

		₹In Lakhs	
		As at March 31, 2019	As at March 31, 2018
25	PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		
	Profit for the year from continuing operations is attributable to :		
	Owners of the Company	4,458.98	1,714.28
	Non-Controlling interests	-	-
		4,458.98	1,714.28
26	ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS:		
1	A. Contingent Liabilities:		
	Claims made against the Company not acknowledged as debts	7611.55	8963.14
	Income Tax Demands received but disputed by the Company	3893.82	1936.00
	Service Tax Demands received but disputed by the Company	13076.00	13073.00
	Estimated amount of contracts remaining to be executed on capital account and not provided for	825.20	0.00
	Total	25406.57	23972.14
	B. Contingent Assets:		
	Claims made by the Company	7938.00	7175.00
	Total	7938.00	7175.00
	Particulars	2018-19	2017-18
2	Expenditure of foreign currency:		
	Travelling	31.48	6.73
	Interest	1290.20	1342.30
	Total	1321.68	1349.03
3	Value of Imports:		
	Components and spare parts (CIF Value)	16340.78	3835.93
	Value of imported spares and components consumed	3130.99	4676.91
	Value of indigenous spares and components consumed	342.36	485.75
	Percentage of imported spares & components consumed to total spares & components consumed	90.14	90.60
	Percentage of indigenous spares & components consumed to total spares & components consumed	9.86	9.40
4.	Financial Instruments:		
	Capital management – The Company manages its capital to ensure that Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.		
	The Capital structure of the company consists of net debt (borrowings as detailed in the note.12 and total equity as detailed in note 10 & 11.		
	Categories of Financial Instruments – The carrying value / fair value of the financial instruments by categories is as follows:		
	Financial Assets		
1	Measured at FVTOCI		
	Investment in equity instruments designated upon initial recognition	375.01	375.01
2	Measured at amortised cost:		
	Deposits (including security deposits)	1347.82	1356.47
	Unbilled Operational Income	5550.59	5650.32
	Claims & Other Receivables	3070.32	4,588.54
	Advances	1117.59	9410.80
	Loans to Employees	104.89	163.35
	Trade Receivable	25502.23	23809.44
	Cash and Bank balances	8879.06	8212.11
	Financial Liabilities		
3	Measured at amortised cost:		
	Bonds / Debentures	5887.80	5887.80
	Term Loans (including current maturities)	59314.27	75060.25
	Trade Payable	12628.34	18006.41
	Instances where the fair value of the financial instrument was different from the carrying value based on the above categorisation and the impact on account of the same is illustrated below.		
	Assets: Investment in equity instruments (M/s Sethusamudram)		
1.	Carrying Value	375.01	375.01
	Designated as Fair Value Through OCI on initial recognition	-	-
	Total Fair Value	375.01	375.01
2.	Liabilities: Term Loans		
	Carrying Value	58970.74	74837.95
	Impact on account of Effective Interest Rate	343.53	222.30
	Total Fair Value	59314.27	75060.25
	Fair value hierarchy (for valuation of M/s Sethusamudram Corporation Limited)		
	Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
	Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).		

NOTES TO FINANCIAL STATEMENTS

	Particulars	2018-19	2017-18
5.	Earnings per Share:		
	Profit for the year (₹In Lakhs)	4458.98	1664
	No. of Equity Shares	2800	2800
	Basic EPS (₹)	15.92	5.94
	Diluted No. of Equity Shares	2800	2800
	Diluted EPS (₹)	15.92	5.94
6.	Disclosure on the Ind As 8: Prior period errors		
	Non-Operating Income:Dr	37.13	0.00
	Excess Interest income recognised on loans to employees in earlier year		
	Other Expenses:		
	Expenses Short recognized	14.96	0.00
	Short excess recognized:Cr	0.00	683.00
	Total	(52.09)	683.60

7. **Key Managerial Personnel:**

Directors	:	Shri.RajeshTripathi , Managing Director Shri.M.S.Rao, Director (Operations&Technical) up to 08.03.2019
Company Secretary	:	Shri.K Aswini Sreekanth
HOD (Finance)& CFO	:	Shri.D.Subbarao
Total Salary & Benefits	:	₹145.88 lakhs

8. **Related party Disclosures:**

Related Parties	Nature of Relation
1.Visakhapatnam Port Trust	Significant influence
2.Paradip Port Trust	Significant influence
3.Jawaharlal Nehru Port Trust	Significant influence
4.Deendayal Port Trust	Significant influence

Largest single bill for each port (2018-19)			Largest single bill for each port (2017-18)		
S.N	Party	(₹lakhs)	S.N	Party	(₹lakhs)
1	Visakhapatnam Port Trust	892.13	1	Visakhapatnam Port Trust	833.60
2	Paradip Port Trust	388.54	2	Paradip Port Trust	805.00
3	Jawaharlal Nehru Port Trust	0.00	3	Jawaharlal Nehru Port Trust	0.00
4	Deendayal Port Trust	0.00	4	Deendayal Port Trust	0.00
Qualitative inputs	DCIL provides dredging services to these four port trusts on an on-going basis, and has in its Board a nominee of each of the Port Trusts. All the transactions have been on arm's length basis				
	DCIL provided dredging services to these four ports, but did not have on its Board any nominee of any of these Ports. All the transactions have been on arm's length basis				

9. **GENERAL**

- Letters seeking confirmation of balances have been sent to Customers and replies from the Customers are awaited and as such could not be reconciled.
- Income Tax appeals are pending for the Assessment years 2010-11 to 2016-17 before the Income Tax Authorities.
- The Company filed an appeal and an application for stay before the Customs, Excise and Service Tax Appellate Tribunal against Commission rate's Orders confirming recovery of ₹9453 lakhs towards irregular Cenvat credit availed during the period from June, 2005 to March, 2016 and imposing a penalty/interest of ₹3623 lakhs. No provision has been made as the matter is pending before the tribunal.
- Escalation claims (Labour / Material) have been preferred on the basis of latest available indices.
- Disclosure requirements under Ind AS 19 on Employee benefits are given hereunder.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year is under:

	2018-19	2017-18
Employer's Contribution to Provident Fund	369.20	346.75
(Inclusive of Contribution to Pension Fund)		

The contributions to employee's Provident Fund benefits are made to a separate trust. The trust is exempted u/s 17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. As per the Conditions for grant of exemption, the Company shall make good the deficiency if any, in the interest rate declared by the trust as against the statutory rate declared by Govt.

The Provident fund contributions are accounted for on accrual basis.

The Company offers to its employees defined benefit plans in the form of Gratuity, Leave Encashment and Post-retirement Medical Benefits as given under.

Gratuity: This benefit accrues to employee on retirement/resignation and is based on the number of years of service rendered by the employee. A Separate trust is formed for gratuity, which is funded by the Company.

Leave Encashment: This benefit represents un-availed leave accruing to the credit of the employees accumulated and paid to shore and floating employees as per respective rules.


NOTES TO FINANCIAL STATEMENTS
Defined benefit plans – as per actuarial valuation on 31st March, 2019

Particulars	Funded Plan		Unfunded plan			
	Gratuity		Leave (Shore)		Leave (Floating)	
	2019	2018	2019	2018	2019	2018
Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:						
1 Current service cost	80	56	185	192	27	28
2 Past Service Credit	-	-	-	-	-	-
3 Interest cost	-	-	-	-	-	-
Ib Included in other Comprehensive Income						
1 Return on plan assets	108	79	-	-	-	-
2 Actuarial (Gain)/Loss on account of :	-	-	-	-	-	-
Demographic Assumptions	-	-	-	-	-	-
Financial Assumptions	1	-48	8	-27	0	-1
Experience Adjustments	255	8	-593	-324	14	-36
3 Others (specify)	-	-	-	-	-	-
	256	-	-585	-351	14	-37
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:						
Service Cost	-	-	-	-	-	-
Current Service Cost	80	56	185	191	27	28
Past service cost and (gains)/losses from settlements	-	-	-	-	-	-
Net interest expense	27	7	39	31	3	3
Components of defined benefit costs recognised in profit or loss	107	63	224	222	30	31
Re-measurement on the net defined benefit liability						
Return on plan assets (excluding amount included in net interest expense)	47	-11	0	0	0	0
Actuarial gains and loss arising from changes in financial assumptions	267	-39	68	-351	-13	-38
Actuarial gains and loss arising from experience adjustments	-	-	-	-	-	-
Others (describe)	-	-	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-	-	-	-	-
Total	314	-50	68	-351	-13	-38
I Net Asset/(Liability) recognised in the Balance Sheet as at 31st March						
1 Present value of defined benefit obligation as at 31st March	1342	1400	759	575	50	34
2 Fair value of plan assets as at 31st March	762	946	0	0	0	-
3 Surplus/(Deficit)	-580	-454	-759	-575	-50	-34
4 Current portion of the above	179	415	76	562	19	18
5 Noncurrent portion of the above	1164	985	683	436	31	21
	1343	1400	759	422	-	78
Not included in Net Liability(*) (Current)	-	-	-	-	-	5
II Change in the obligation during the year ended 31st March						
1 Present value of defined benefit obligation at the beginning of the year	1400	1281	-	768	-	47
2 Add/(Less) on account of Scheme of Arrangement/Business transfer	-	-	-	-	-	-
3 Expenses Recognised in Profit and Loss Account						
- Current Service Cost	80	56	185	191	27	28
- Past Service Cost	-	-	-	-	-	-
- Interest Expense (Income)	87	75	39	48	3	3
4 Recognised in Other Comprehensive Income	-	-	-	-	-	-
Remeasurement gains / (losses)	-	-	-	-	-	-
- Actuarial Gain (Loss) arising from:	267	-39	68	-351	13	-38
i Demographic Assumptions	-	-	-	-	-	-
ii Financial Assumptions	-	-	-	-	-	-
iii Experience Adjustments	-	-	-	-	-	-
5 Benefit payments	-492	-313	108	-83	0	-6
6 Others (Specify)	-	-	-	-	-	-
7 Present value of defined benefit obligation at the end of the year	-	1060	-	573	50	34
III Change in fair value of assets during the year ended 31st March						
1 Fair value of plan assets at the beginning of the year	945	1180	-	-	-	-
2 Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-	-	-
3 Expenses Recognised in Profit and Loss Account	-	-	-	-	-	-
- Expected return on plan assets	107	79	-	-	-	-
4 Recognised in Other Comprehensive Income	-	-	-	-	-	-
Remeasurement gains / (losses)	-	-	-	-	-	-
- Actual Return on plan assets in excess of the expected return	-	-	-	-	-	-
- Others (specify)	-	-	-	-	-	-
5 Contributions by employer (including benefit payments recoverable)	200	0	108	83	-	6
6 Benefit payments	-492	-313	-108	-83	-	-6
7 Fair value of plan assets at the end of the year	-292	946	0	0	-	0
IV The Major categories of plan assets						
List the plan assets by category here						
V Actuarial assumptions						
1 Discount rate		7.55%		6.69%		7.55%
2 Expected rate of return on plan assets		-		-		-

NOTES TO FINANCIAL STATEMENTS

Defined benefit plans – as per actuarial valuation on 31st March, 2019

Particulars	Funded Plan		Unfunded plan	
	Gratuity		Leave (Shore)	Leave (Floating)
	2019	2018	2019	2018
3 Attrition rate		PS:0 to 42:5%	PS:0 to 42:5%	PS:0 to 42:5%
4 Medical premium inflation		-	-	-

VI Effect of one percentage point change in the assumed medical inflation rate

	One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate	
	2019	2018	2019	2018
1 Effect on the aggregate service and interest cost of post-employment medical benefits	-	-	-	-
2 Effect on the accumulated post employment medical benefits obligation	-	-	-	-

VIII. Experience Adjustments :

	2019	2018	Period Ended			
			Gratuity			
1 Defined Benefit Obligation	-	-	-	-	-	-
2 Fair value of plan assets	-	1180	1180	1263	1348	1031
3 Surplus/(Deficit)	-	-100	-100	-21	42	-247
4 Experience adjustment on plan liabilities [(Gain)/Loss]	-	-	-	-	-	-
5 Experience adjustment on plan assets [Gain/(Loss)]	-	-	6	-24	-28	6

f) Figures have been rounded off to decimals of lakhs.(except share data and otherwise stated)

g) Figures for the previous year have been re-grouped/reclassified wherever necessary to conform to current year groupings.

10 ACCOUNTING POLICIES:

GENERAL INFORMATION:

Dredging Corporation of India Limited ("DCIL"/ "the Company") is a limited Company incorporated in India with the primary objective of catering to the dredging requirements of Indian ports, Indian Navy etc.. The Company is engaged in providing the services of Capital Dredging , Maintenance Dredging, Beach Nourishment, Land Reclamation, Shallow water Dredging, Project Management Consultancy, Marine Construction. The Company has its Registered Office at Delhi and Corporate Office at Visakhapatnam. The Project offices are situated at different parts of the Country like Haldia, Kolkata, Cochin, Chennai, Mumbai etc. The details of the fleet etc are included in the Annual Report."

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

1.1 Statement of Compliance:

These financial statements comply in all material respects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, provisions of the Act to the extent notified and guidelines issued by the Securities and Exchange Board of India ("SEBI").

1.2 Basis of Measurement:

The Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 ACCOUNTING ESTIMATES:

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3 OPERATIONAL INCOME:REVENUE RECOGNITION:

- Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances wherever applicable as per the contract.
- Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined based on internal assessment/survey.



NOTES TO FINANCIAL STATEMENTS

- c) Claims preferred on customers for works/items not contemplated are considered as income on their acceptance.

4 OTHER INCOME:

- a) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- b) Interest on Tax refunds are accounted on receipt basis.

5 OPERATIONAL EXPENSES:

- a) All operational expenses are charged to revenue under accrual basis.
- b) Insurance: Final adjustments to insurance premium paid are considered in accounts on the basis of demands received.
- c) INSURANCE:
- Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred.
 - In respect of hull and machinery insurance claims, the claim is accounted as claims recoverable from underwriters on submission of average adjuster report to the underwriter under operational income. Necessary adjustments are made to the claims recoverable account as and when the actual claims are received from the underwriters. In respect of other claims, the same are accounted for on realization /settlement of the same by the underwriters and is accounted under operational income.

6 DEPRECIATION:

- a) Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.
- b) Freehold land is not depreciated.
- c) Dry Dock Expenses:
- Dry Dock Expenses incurred on Dredgers where estimated useful life of 25 years is completed is charged to the statement of Profit and Loss.
 - Dry Dock Expenses incurred on Dredgers where estimated useful life of 25 years is not completed is capitalized to property plant and Equipment and depreciated as a separate component over its estimated useful life of 2.5 years.
- d) The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in schedule II of the Companies Act, 2013 except for the following categories of assets in which case the estimated useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Type of Asset	Estimated Useful Life
Dredgers	25 years
Mild steel pipe lines equipment	4 years
High density polyethylene pipe line equipment	8 years
Second hand assets	As per estimated balance Service period.
Building on lease hold land	Cost of building construction on leasehold land amortized over the lease period or useful life of the building, whichever is lower.

- e) An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.
- f) Items of Fixed Assets whose cost does not exceed ₹5,000/- (Rupees five thousand) are capitalized and depreciated 100% during the year.

7 PROPERTY, PLANT & EQUIPMENT:

- a) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Entity's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
- b) Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.
- c) Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss.
- d) Dry Dock Expenses: Dry Dock Expenses incurred on Dredgers where estimated useful life of 25 years is not completed is capitalized to property plant and Equipment.
- e) Items of Fixed Assets whose cost does not exceed ₹5,000/- (Rupees five thousand) are capitalized and depreciated 100% during the year.
- f) Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related assets.

8 BORROWING COSTS:

- a) As per the transitional provisions given in the notification issued by the Ministry of Corporate Affairs, Government of India dated 31st Mar, 2009 read with the notification dated 9th August, 2012, the Company has opted for adjusting the exchange difference on the long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency items.
- b) Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset, till the time the asset is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

9 FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions in foreign currency are recorded at exchange rates prevailing at the dates of the transactions. As per the notification issued by the Ministry of Corporate Affairs dated 31st Mar, 2009, the Company has opted for adjusting the exchange difference

NOTES TO FINANCIAL STATEMENTS

on the long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency items. The Company has accordingly aligned its accounting policy based on the above notification. Exchange differences arising out of fluctuation in exchange rates on settlement/restatement at the period end are accounted based on the nature of transaction as under:

- (i) Short term foreign currency monetary assets and liabilities recognized in the profit and loss account.
- (ii) Long term foreign currency monetary liabilities used for acquisition of fixed assets: adjusted to the cost of the fixed assets and amortized over the remaining useful life of the asset.

10 INVENTORIES:

- a. Stock of spares and stores is valued at lower of weighted average cost and net realizable value.
- b. Spares are accounted for as per respective delivery/ shipment terms as material-in transit/ stock accounts, valued as per (a) above and are charged to revenue as and when consumed.
- c. Stores and lubricants delivered to crafts during the year are charged to revenue.

11 FINANCIAL INSTRUMENTS:

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

11.1 Initial Recognition:

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

12 EMPLOYEE BENEFITS:

- (A) All short-term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- (B) Employee benefits under defined contribution plans comprising of Provident fund, post-retirement medical benefits (wef 01.01.2007) and pension contribution are recognized based on the undiscounted amount of obligations of the company to contribute to the plan.
- (C) Employee benefits under defined benefit plans comprising of gratuity, leave salary benefits are recognized based on the present value of defined benefit obligation which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses are recognized in the statement of Profit & Loss during the period in which they occur.
- (D) For defined retirement gratuity benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.
- (E) Provision for Gratuity, Provident fund, Post-retirement Medical and Pension benefits is funded with separate Trusts formed for the purpose.

13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

- a) Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- b) Contingent Assets and Contingent liabilities are disclosed by way of notes.

14 TAX EXPENSES:

Provisions for income tax liability is made on operational income as per special provisions relating to shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the company. Provision for Income tax on non-operational income is made as per the provisions of the Income Tax Act 1961.

For and on behalf of Board of Directors

(Rinkesh Roy)
Chairman

(D.Subbarao)
HOD (Finance) & CFO

Rajesh Tripathi
Managing Director & CEO

(K.Aswini sreekanth)
Company Secretary

As per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032S

(D.Teja Sagar)
Partner
Membership no. 227878

Place : Visakhapatnam
Date : 30-05-2019



[illegible]

**DREDGING CORPORATION OF INDIA LIMITED**

CIN:L29222DL1976GOI008129

FORM NO. MGT-11 -PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

REGISTERED OFFICE : Core: 2, 1st Floor, "SCOPE MINAR", Plot No. 2A& 2B, Laxminagar District Centre, .
Delhi - 110 092, Phone No. : 011 22448528, Fax No. : 01122448527;
E-mail : sreekanth@dcil.co.in; website : www.dredge-india.com

NAME OF THE MEMBER(S) :

REGISTERED ADDRESS :

E-MAIL ID :

FOLIO NO/CLIENT ID* : DP ID :

I/ We, being the Member(s) of the Company holding _____ shares, hereby appoint

1.	Name:	E-Mail ID:
	Address	Signature: _____, or failing him/her
2.	Name:	E-Mail ID:
	Address	Signature: _____, or failing him/her
3.	Name:	E-Mail ID:
	Address	Signature: _____, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Thursday, the 8th day of August, 2019 at 11.00 a.m at Conference Hall, Core-2, Ground Floor, Scope Minar, Plot no. 2A & 2B, Laxminagar District Centre, New Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Sl. No.	Resolution(s)	Ordinary/ Special Resolution	** For	** Against
A	Ordinary business			
1	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.	Ordinary		
2	To consider and declare dividend on equity shares for the financial year ended March 31, 2019	Ordinary		
3	To approve remuneration of Statutory Auditor	Ordinary		
B	Special business			
4	To appoint Shri Rajesh Tripathi (DIN: 03379442) as Managing Director of the Company.	Ordinary		
5	To appoint Shri Rinkesh Roy (DIN: 07404080) as Director and Chairman of the Company.	Ordinary		
6	To appoint Shri Sanjay Jagdishchandra Sethi (DIN: 02235406) as Director of the Company.	Ordinary		
7	To appoint Shri Sanjay Kumar Mehta (DIN: 06912891) as Director of the Company.	Ordinary		





8	To appoint Shri Anoop Kumar Sharma (DIN: 03531392) as Independent Director of the Company.	Ordinary		
9	To appoint Shri Balachandran Srinivasan (DIN: 01962996) as Independent Director of the Company.	Special		
10	To appoint Shri Kartik Subramaniam (DIN: 01957227) as Independent Director of the Company.	Ordinary		
11	To appoint Shri Bhuvaragan Poiyaamozhi (DIN: 02235406) as Independent Director of the Company.	Ordinary		
12	To approve relate party transactions entered into or to be entered into by the company during the financial year 2019-20	Ordinary		
13	To approve and adopt amendment To Memorandum Of Association	Special		
14	To approve and adopt New Articles Of Association	Special		

In term of provisions of Section 188 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust, Jawaharlal Nehru Port Trust and KMPs qualify as Related Party(s), hence, they are not entitled to vote in respect of Resolution at Item No. 12.

**Affix
Revenue
Stamp**

Signed this _____ day of _____ 2019

Signature of Shareholder

Signature of Proxy holder(s)

1.

2.

3.

* Applicable for investors holding shares in electronic form.

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 20th Annual General Meeting.
- (4) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (5) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (6) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (7) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



DREDGING CORPORATION OF INDIA LIMITED.

CIN NO : L29222DL1976GOI008129

Registered Office : Core: 2, 1st Floor, "SCOPE MINAR",
Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110 092.

Head Office : "Dredge House", Port Area, Visakhapatnam - 530 001.

E-MAIL : sreekanth@dcil.co.in ; Website : www.dredge-india.com

ATTENDANCE SLIP FOR 43rd ANNUAL GENERAL MEETING

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Joint shareholders may obtain additional Attendance Slip on request.

DP ID * :

Client ID :

Folio No. (holding shares in physical mode) :

Name and address of the shareholder :

No. of shares held :

I hereby record my presence at the 43rd ANNUAL GENERAL MEETING of the company held on Thursday 08th August, 2019 at 11.00 a.m at Conference Hall, Core- 2, Ground Floor, Scope Minar, Plot no. 2 A & 2B, Laxminagar District Centre, New Delhi - 110092

*Applicable for investors holding shares in electronic form

Signature of the shareholder or proxy.

Notes:

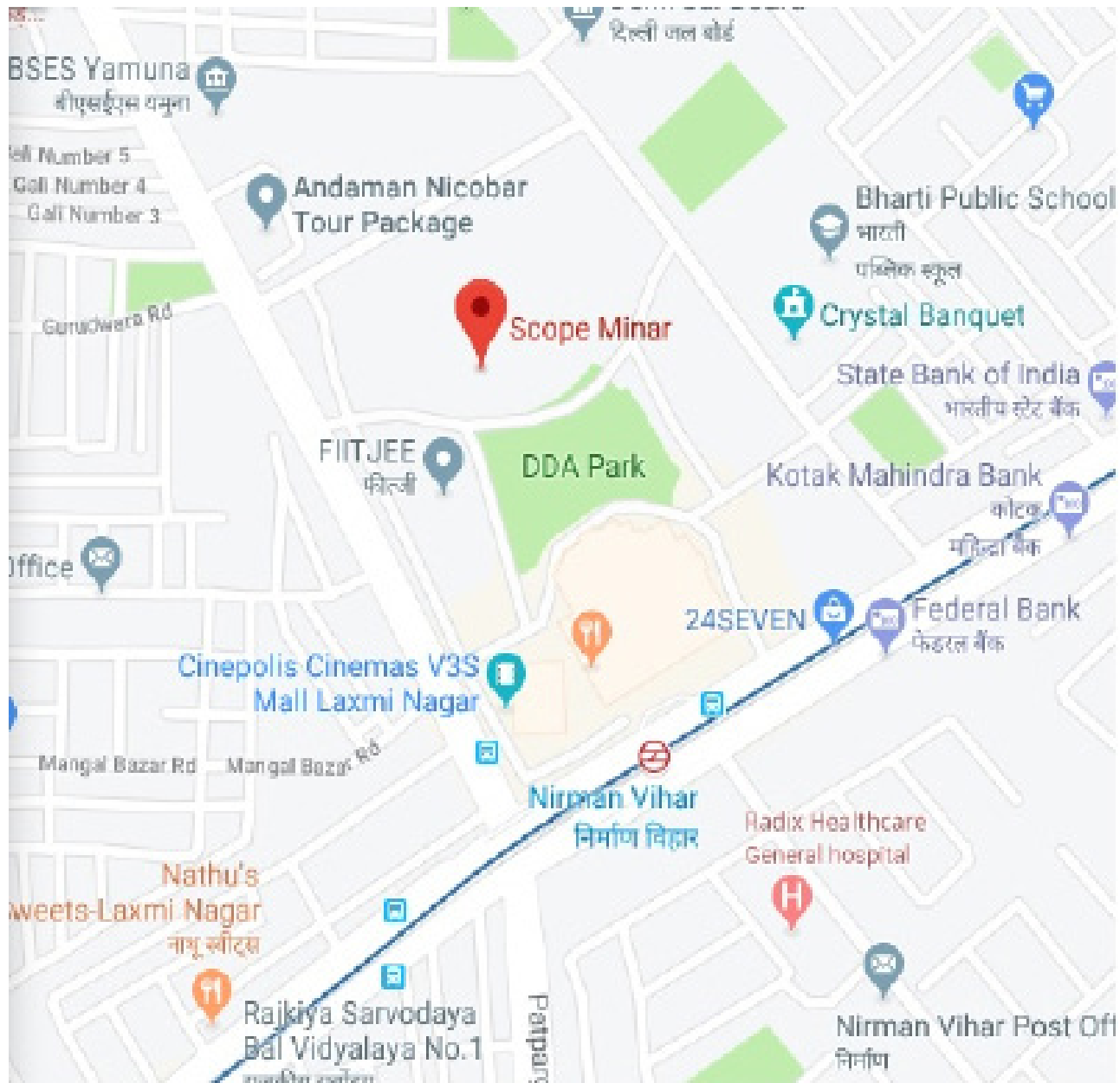
1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the venue of the Meeting.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.
3. NO GIFTS SHALL BE DISTRIBUTED IN THE ANNUAL GENERAL MEETING OR AFTERWARDS.





LOCATION MAP OF 43rd AGM

**VENUE - CONFERENCE HALL, CORE-2, GROUND FLOOR, SCOPE MINAR, PLOT NO.2A & 2B,
- LAXMINAGAR DISTRICT CENTRE, DELHI - 110092. DATE : 08/08/2019; TIME : 11.00 AM**



[illegible]

PRINTED MATTER

If undelivered please return to

KARVY FINTECH PRIVATE LIMITED,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032.
Tel. Nos.: (040) 67162222 ; Fax No.: (040) 23001153
E-mail Address : einward.ris@karvy.com