



ड्रेजिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
(भारत सरकार का उपक्रम)

**DREDGING CORPORATION OF INDIA LIMITED**

(A Government of India Undertaking)

IN: L29222DL1978GOI00812

प्रधान कार्यालय : "निकर्षण सदन", पत्तन क्षेत्र, विशाखपट्टणम-530 035

HEAD OFFICE : "Dredge House", Port Area, Visakhapatnam-530 035

फैक्स Fax : 0891-2560581/2565920, दूरभाष Phone : 0891-2523250



website : [www.dredge-india.com](http://www.dredge-india.com)

[www.dredge.gov.in](http://www.dredge.gov.in)

E-mail : [hodci@dcil.gov.in](mailto:hodci@dcil.gov.in)

DCI/CS/E.1/2018

28/08/2018

The Secretary, The Stock Exchange, Mumbai 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, Phiroze, Jeejeebhoy Towers Dalal Street, Fort, Mumbai -400001	Code : 523618	022 - 2272 2041, 2037, 3719, 2039, 2061/2272 1072
The Secretary The National Stock Exchange of India Ltd. 5 <sup>th</sup> Floor, Exchange Plaza, Bandra (E) Mumbai - 400051	Symbol : DREDGECOR P	022 - 26598237 / 38
The Secretary The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata - 700001		033 - 22104492/ 22104500

Dear Sir,

Sub : Submission of Annual Report for the year 2017-18.

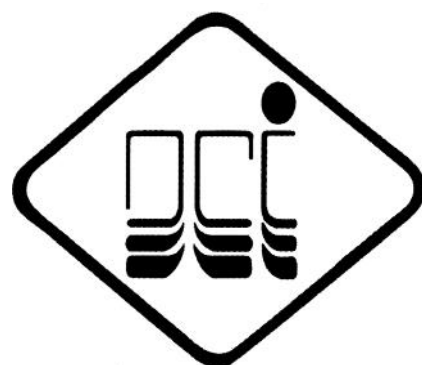
Please find enclosed Annual Report of the Company for the year 2017-18 pursuant to Regulation 34 (1) of the Listing Regulations.

Thanking you,

Yours faithfully,  
For Dredging Corporation of India Limited

(K.Aswini Sreekanth)  
Company Secretary

*42<sup>nd</sup>*  
*ANNUAL REPORT*  
*2017 - 2018*

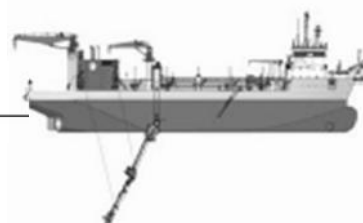


**DREDGING CORPORATION OF INDIA LTD.**

*(A Government of India Undertaking)*

*(A Mini Ratna Company)*

*Life line for Ports*



# INDEX

SI No.	CONTENT	Page Nos.
1.	Index	
2.	Vision, Mission & Objectives	1
3.	Decade at a glance	2
4.	DCI Fleet	3
5.	Past Assignments	3
6.	Notice	4
7.	Statement under Section 102 of the Companies Act, 2013	6
8.	Directors' Report	8
9.	CEO & CFO Certification	15
10.	Annexure- I- Form No. MGT-9 - Extract of Annual Return	15
11.	Annexure II-CSR	23
12.	Secretarial Audit Report	24
13.	Corporate Governance Report	26
14.	Corporate Governance Certificate	34
15.	Management Discussion and Analysis Report	35
16.	Independent Auditors' Report	39
17.	Comments of C&AG	42
18.	Balance Sheet as at 31 <sup>st</sup> March, 2018	43
19.	Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2018	44
20.	Notes-1 to 27	45
21.	Cash Flow Statement	58
22.	Route Map	59
23.	Proxy Form and Attendance Slip	60

## REGISTERED OFFICE

Core: 2. 1<sup>st</sup> 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

**For Hindi Version of the 42<sup>nd</sup> Annual Report 2017-18 please write/ e-mail to the Company Secretary giving the Folio No. / DP ID & Client ID.**

## BOARD OF DIRECTORS etc.

### BOARD OF DIRECTORS

Shri Rajesh Tripathi  
Chairman and Managing Director & CEO &  
Director (Finance) (Additional Charge- w.e.f 15/03/2018)  
Shri M S Rao  
Director (Operations & Technical)  
Ms. Sheila Sangwan  
Dr.(Ms.)Vrushali Rajendra Waghmare  
Shri Satinder Pal Singh  
(w.e.f 28/08/2017)  
Shri Shambhu Singh  
(w.e.f 03/05/2018)  
Shri S.Charles  
Director (Finance) & CFO  
(upto 14/03/2018)  
Ms. Leena Nandan  
(w.e.f 03/08/2017 upto 03/05/2018)  
Shri Pravir Krishn  
(w.e.f 03/03/2017 upto 25/07/2017)  
Shri Pradeep Kumar  
(w.e.f 29/05/2017 upto 27/07/2017)  
Shri Sanjeev Ranjan  
(upto 29/05/2017)

### COMPANY SECRETARY & COMPLIANCE OFFICER

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

### CFO & HEAD OF DEPARTMENT (FINANCE)

Shri D Subbarao  
dsbbarao@dcil.co.in

### BANKERS

Syndicate Bank  
State Bank of India  
BNP PARIBAS  
ABNAMRO Bank  
EXIM Bank  
Deutsche Bank

### STATUTORY AUDITORS

M/s. TUKARAM & Co.,  
Chartered Accountants,  
# 3-6-69, Flat No. 209, Venkatarama Towers  
Opp. Talwalkars, Basheerbagh,  
Hyderabad - 500 029

### SECRETARIAL AUDITORS

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

### REGISTRARS & SHARE TRANSFER AGENT KARVY COMPUTERSHARE 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

## VISION



*To emerge as a team of inspired performers with the focus on :*

- *To become a Nava Ratna company by 2020 by progressively increasing the share of DCI in the Indian maintenance dredging market to 80% and increasing the share in Indian capital dredging market.*
- *Establishing a global presence in providing integrated dredging services.*
- *Adopting and complying with best standards of corporate governance.*

## MISSION

*To provide integrated dredging and related marine services including beach nourishment, reclamation, inland dredging, environmental protection for promoting the national and international maritime trade and to become a global player in the field of dredging.*



## OBJECTIVES:



- *Maintaining its' numero uno' position in Indian Dredging Sector*
- *To make forays globally through formation of joint ventures with reputed international companies and /or chartering of vessels.*
- *To improve the Human Resource capital of the company by sustained programme of training and recruitment.*
- *To implement integrated e-governance in all the functional areas of the Company through the DCI FIIT project.i.e. DCI's Functional Integration through Information Technology.*




**DECADE AT A GLANCE**

₹ in lakhs

		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Ind AS)	2017-18 (Ind AS)
Operating Earnings (A)		79067	67304	50714	48469	63492	77041	73496	66586	58587	59187
Interest Income		4155	2091	1247	1289	310	227	699	953	832	447
Other Income		0	0	311	3	0	2	184	83	550	1578
Total Income (B)		83222	69395	52272	49761	63802	77270	74379	67622	59969	61212
Operating Expenses (C)		71937	55018	40754	39210	52480	58456	56177	48579	46888	45694
Interest Expenses		(172)	10	0	0	147	1099	2566	2043	1894	2023
Depreciation		5268	6602	7032	8795	9015	13832	9214	9820	9960	11318
Exceptional items		0	0	0	0	0	0	(114)	(1110)	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		77033	61630	47786	48005	61642	73387	67843	59332	58742	59035
Profit Before Tax		6189	7765	4486	1756	2160	3883	6536	8290	1228	2177
Tax Liability		1552	760	535	438	109	128	296	323	487	463
Profit after Tax (D)		4637	7005	3951	1318	2051	3755	6240	7967	741	1714
Other Comprehensive income (OCI)(E)		0	0	0	0	0	0	0	0	(28)	(50)
Total Comprehensive income for the period (OCI)(D+E) (F)		4637	7005	3951	1318	2051	3755	6240	7967	712	1664
Operating Expenses Vs. Operating Earnings		91%	82%	80%	81%	83%	76%	76%	73%	80%	77%
Operating Profit [A-C] (G)		7130	12286	9960	9259	11011	18585	17319	18007	11699	13493
Operating Profit Margin [G/A]		9%	18%	20%	19%	17%	24%	24%	27%	20%	23%
Net Profit Margin [F/B]		6%	10%	8%	3%	3%	5%	8%	12%	1%	3%
<b>WHAT THE COMPANY OWNED</b>											
<b>Fixed Assets</b>											
Gross Block		95663	99458	126738	140083	196556	327408	305119	321011	317762	325355
Less: Depreciation (Cum)		64437	71012	78011	86762	95778	108633	117185	127829	137008	143694
Net Block		31226	28446	48727	53321	100778	218775	187134	193182	180753	181662
Capital Working Progress. (including Capital Advance)		9	472	17105	50090	47306	1435	2519	6417	2600	4284
Working Capital		93194	100985	68023	57757	66196	58800	58645	53526	50414	49911
Financial Assets (Investments, other Financial assets)		3000	3000	3000	3000	3000	3000	3000	3000	907	921
TOTAL		127429	132903	136855	164168	217279	282010	251297	256125	234672	236778
<b>WHAT THE COMPANY OWED</b>											
<b>Long term Funds:</b>											
Secured Loans		0	0	0	25995	77710	139669	103865	101737	81778	80948
Unsecured Loans		0	0	0	0	0	0	0	0	0	0
Other Non-current liabilities		551	0	0	0	0	0	717	1026	832	1420
TOTAL		551	0	0	25995	77710	139669	104583	102355	82610	82368
<b>NET WORTH OF THE COMPANY</b>											
Share Capital		2800	2800	2800	2800	2800	2800	2800	2800	2800	2800
Reserves & Surplus		124078	130103	134055	135373	136769	139541	144632	151588	149262	151610
TOTAL		126878	132903	136855	138173	139569	142341	147432	154388	152062	154410
<b>Capital Employed (Net block+working capital)</b>											
Dividend		1400	840	0	0	560	840	840	840	0	0
Dividend %		50%	30%	0%	0%	20%	30%	30%	30%	0	20%
Debt/ Equity Ratio		0.004:1	0	0	0.19:1	0.56:1	0.98:1	0.72:1	0.67:1	0.54:1	0.53:1
Earnings per Share [PAT/2.8 crore no. of shares]]		16.56	25.02	14.11	4.71	7.32	13.41	22.29	28.45	2.64	5.94
MOU Rating Achieved		GOOD	EXCELLENT	GOOD	FAIR	GOOD	EXCELLENT	GOOD	V.GOOD	GOOD	GOOD**

\*\* Expected Rating for FY 2017-18

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

Craft	Year of Built	Type of Vessel	Maximum Dredging Depth (Mts.)	LOA (Mts.)	Installed Draft (Mts.)	Installed 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	109
DCI Dredge VIII	1977	Self Propelled TSHD	25	124.3	8.50	6500	-	4437	116
DCI Dredge IX	1984	Self Propelled TSHD	25	102.6	7.50	4500	-	1547	16
DCI Dredge XI	1986	Self Propelled TSHD	25	102.6	7.50	4500	-	1551	215
DCI Dredge XII	1990	Self Propelled TSHD	20	115	6.50	4500	-	1906	279
DCI Dredge XIV	1991	Self Propelled TSHD	20	115	6.50	4500	-	1906	197
DCI Dredge XV	1999	Self Propelled TSHD	25	122	8.50	7400	-	2421	73
DCI Dredge XVI	2000	Self Propelled TSHD	25	122	8.50	7400	-	2414	271
DCI Dredge XVII	2001	Self Propelled TSHD	25	122	8.50	7400	-	2414	234
DCI Dredge XIX	2012	Self Propelled TSHD	25	114	7.50	5500	-	2091	173
DCI Dredge XX	2013	Self Propelled TSHD	25	114	7.50	5500	-	2091	269
DCI Dredge XXI	2013	Self Propelled TSHD	25	114	7.50	5500	-	2091	298
DCI Dredge Aquarius	1977	Self Propelled CSD	25	107	4.85	-	2000	1019	104
DCI Dredge-XVIII	2009	Non-propelled CSD	25	88	3.00	-	2000	607	34
DCI Dredge-BH1	2011	Non-propelled Backhoe	21.5	55.68	2.5	-	370	293	0
DCI ID Ganga	2016	Non-propelled CSD	14	28.5	1.5	-	500	39	72
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)	-
DCI Multi cat-I	2015	Self pDropolled	NA	32	4.00	-	-	408(GT)	-

## 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
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
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.
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
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
14 Gangavaram Port	2015-16 & 2017-18
15 CSL	2015-16, 2016-17 & 2017-18
16 M/s Ultra Dimension Pvt Ltd	2017-18
17 M/s Vizag Sea Port Pvt Ltd	2017-18.

## 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, 2017-8
14 Ennore Port	2010-11 to 2012-13 & 2014-15
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



**NOTICE**

**NOTICE** is hereby given that the 42<sup>nd</sup> Annual General Meeting of the members of Dredging Corporation of India Limited will be held at 1100 hrs on Monday, the 13<sup>th</sup> August, 2018 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**

- To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of 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, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
- To declare a dividend on equity shares for the financial year ended March 31, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT a dividend at the rate of ₹2/- (Two rupees only) per equity share of ₹10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2018 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, 2018."
- To appoint Shri Rajesh Tripathi (DIN:03379442) who retires by rotation as a Director and is eligible for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajesh Tripathi (DIN:03379442), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 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 Tukaram & 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 2017-2018."

**SPECIAL BUSINESS**

- To appoint Shri Satinder Pal Singh (DIN: 07490296) as Director (Govt. Nominee) 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 the provisions of Section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Shri Satinder Pal Singh (DIN: 07490296) who was appointed as Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from him under Section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company and is liable to retire by rotation."
- To appoint Shri Shambhu Singh (DIN:01219193) as Director (Govt. Nominee) 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 the provisions of Section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Shri Shambhu Singh (DIN:01219193) who was appointed as Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from him under Section 160 of the Companies Act, 2013 be and is hereby appointed as Director of the Company and is liable to retire by rotation."

By Order of the Board of Directors

Place : Visakhapatnam

Date : 12/07/2018

(K. Aswini Sreekanth)

Company Secretary

**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.

- 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.
- 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.
- Members / Proxies / Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
- The Annual Report duly circulated to the members of the Company, is also available on the Company's Website at [www.dredge-india.com](http://www.dredge-india.com).
- Relevant documents referred to in the accompanying notice 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 12:30 p.m. up to the date of the Annual General Meeting.
- The Register of Members and share Transfer Books of the Company will remain closed from Tuesday, 7<sup>th</sup> August, 2018 till Monday, 13<sup>th</sup> August, 2018 (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 Monday, the 6<sup>th</sup> August, 2018.
- Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s Karvy Computershare 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](mailto:einward.ris@karvy.com)
- 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.
- 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.

**NOTICE....**

- ii) For shares held in physical form - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
- 10 Non-Resident Indian members are requested to inform the RTA, M/s Karvy Computershare 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.
- 11 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.
- 12 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 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		Financial Year for transfer
		Cases	Amount(₹)	to IEPF
2010-11	No Dividend Declared	--	--	--
2011-12	No Dividend Declared	--	--	--
2012-13	29/09/2013	2336	84070	2020-21 (October 2021)
2013-14	29/09/2014	1754	77496	2021-22 (October 2022)
2014-15	30/09/2015	1677	78063	2022-23 (October 2023)
2015-16	30/09/2016	1718	76815	2023-24 (October 2024)
2016-17	No Dividend Declared	--	--	--

- 13 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](http://www.iepf.gov.in).
14. **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.**
- 15 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. 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.
- 16 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 Monday, 6<sup>th</sup> August, 2018.
- 17 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.
- 18 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 will be treated as abstained.





**NOTICE....**

- 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. 6<sup>th</sup> August, 2018 may write to the Karvy on the email Id: evoting@karvy.com or to Ms.C.Shobha Anand, Contact No. 040-33215424, at Karvy Computershare 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)]:
- User ID and initial password as provided.
  - 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 Friday, the 10<sup>th</sup> August, 2018 at 09:30 A.M. and ends on Sunday, the 12<sup>th</sup> August, 2018, 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 Monday, 6<sup>th</sup> August, 2018, 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 Monday, 6<sup>th</sup> August, 2018.
- 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](http://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.
- 19 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.
- 20 It is to be noted that no gifts will be distributed at the meeting.

**By Order of the Board of Directors**

**Place : Visakhapatnam**

**Date : 12/07/2018**

**(K. Aswini Sreekanth)**

**Company Secretary**

**ANNEXURE TO NOTICE**

**BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item No.'s 3, 5 & 6) AND STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013 (FOR ITEMS 5 & 6)**

**ITEM No. 3 –**

**Shri Rajesh Tripathi** (DIN:03379442) aged 57 years (DOB:07/02/1961) was appointed as Chairman and Managing Director of the Company vide Ministry Letter No. SS-28012/01/2014-DCI dt.04/12/14. He took charge on 02/02/15. Pursuant to the provisions of the Companies Act, he is a Director liable to retire by rotation and is now to be retired and being eligible offers himself for re-appointment. Shri Rajesh Tripathi 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.

**Educational & Professional qualification**

: Master degree - M.Tech (Structures) and Post Graduate Diploma in Business Management.

**Details of Directorships in other Companies**

: 1

**Membership/Chairmanship in the Committee of other Companies**

: Nil

**No. of shares held in the Company as on date**

: 551

**Relationship between Directors inter-se**

: None

He will be liable to retire by rotation under Section 152 of the Companies Act, 2013.

The tenure, terms and conditions regulating his appointment is determined by Government of India.

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.

**NOTICE....**

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

**ITEM No. 5 –**

**Shri Satinder Pal Singh** (DIN:07490296) aged 50 years (DOB: 05/07/1968) was appointed as Part-time Official Director of the Company vide Ministry Letter No.SS-11012/6/2014-SY.II (Part I) dt. 28/08/17. He took charge on 28/08/17. Pursuant to the Articles of Associates of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM. The Company has received a notice in writing from him under section 160 of the Companies Act, 2013 intending to be appointed as Part-time Official Director of the Company. He has worked as Superintendent of Police in Districts Sirmour, Mandi and Kangra of Himachal Pradesh, UN Civilian Police in Kosovo, National Human Rights Commission of India, Special Secretary (Home Department), Shimla, Inspector General of Police (Law & Order), Shimla. He also served as Director(Housing) in the Ministry of Housing and Urban Poverty Alleviation before being posted as Joint Secretary in Ministry of Shipping which post he presently holds.

**Educational & Professional qualification**

: Bachelor of Engineering (Civil) from Kashmir University,  
Post Graduate Degree in Police Management from Osmania  
University and Master of Laws (LLM) from Brunel  
University, London

**Details of Directorships in other Companies**

Name of Company	Position held
1.Shipping Corporation of India Limited	Director
2.Cochin Shipyard Limited	Director
3.Sagarmala Development Company Limited	Director

**Membership/Chairmanship in the Committee of other Companies**

: Nil

**No. of shares held in the Company as on date**

: Nil

**Relationship between Directors inter-se**

: None

He will be liable to retire by rotation under section 152 of the Companies Act, 2013

The tenure will be from the date of appointment on the Board (i.e. 28/08/2017) or until further orders from Government of India in terms of Ministry of Shipping Letter No. SS-11012/6/2014-SY.II (Part I) dt. 28/08/2017. Other terms and conditions regulating his appointment is determined by Government of India.

Shri Satinder Pal Singh 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.

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

**Item No. 6 –**

**Shri Shambhu Singh** (DIN:01219193) aged 59 years (DOB: 28/12/1959) was appointed as Part-time Official Director of the Company vide Ministry Letter No.SS-11012/6/2014-SY-II Part-I dt.03/05/2018. He took charge on 03/05/18. Pursuant to the Articles of Associates of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM. The Company has received a notice in writing from him under section 160 of the Companies Act, 2013 intending to be appointed as Part-time Official Director of the Company. He has varied administrative experiences. He worked in various capacities in Government of India and is presently posted as AS&FA, Ministry of Shipping. He is also a Director in Shipping Corporation of India and Indian Port Rail Corporation Limited. He is also a Trustee in Mumbai Port Trust and Indian Maritime University

**Educational & Professional qualification**

: MA (Economics)

**Details of Directorships in other Companies**

Name of Company	Position held
1.Indian Port Rail Corpn. Ltd.	Director
2.Indian Maritime University	Director
3.Mormugao Port Trust	Director
4.Shipping Corporation of India Ltd.	Director

**Membership/Chairmanship in the Committee of other Companies:**

: Nil

**No. of shares held in the Company as on date**

: Nil

**Relationship between Directors inter-se**

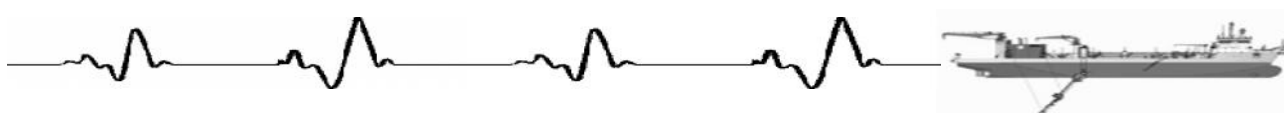
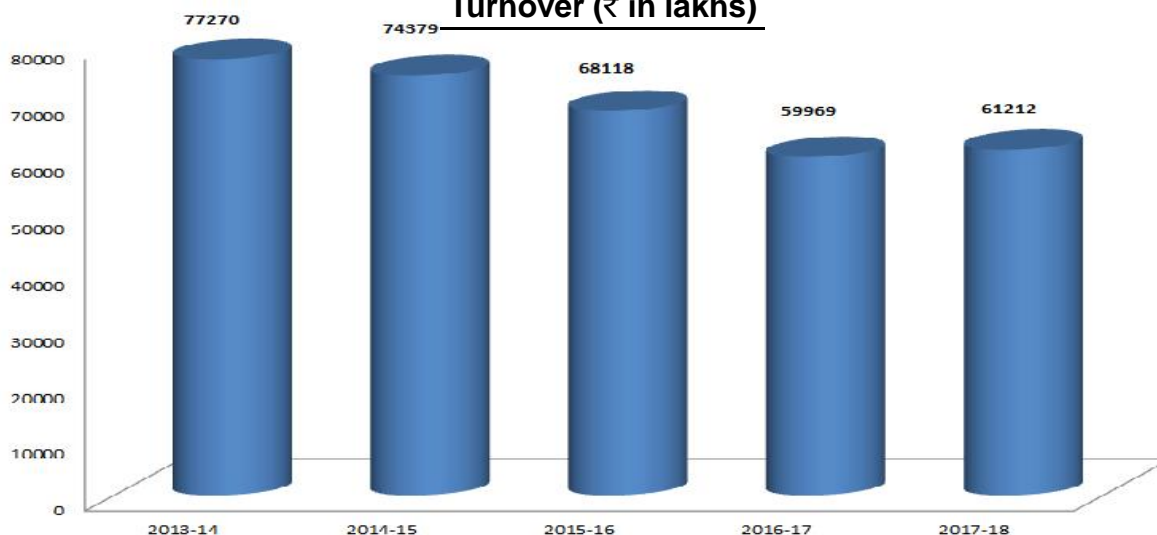
: None

He will be liable to retire by rotation under section 152 of the Companies Act, 2013

The tenure will be from the date of appointment on the Board (i.e. 03/05/2018) or until further orders from Government of India in terms of Ministry of Shipping Letter No. No.SS-11012/6/2014-SY-II Part-I dt.03/05/2018. Other terms and conditions regulating his appointment is determined by Government of India.

Shri Shambhu Singh 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.

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

**Turnover (₹ in lakhs)**



## DIRECTORS' REPORT FOR THE YEAR 2017-18

Your Directors have pleasure in presenting this 42<sup>nd</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS**

The Profit after tax of the Company is ₹1664.27 lakh for the year as compared to ₹712.26 lakh for the previous year. The Company's earning per share is ₹5.94 for 2017-18 as compared to ₹2.54 for 2016-17. The operational income of the Company is ₹59187.36 lakh as compared to ₹ 58514.77 lakh for the previous year. The other income is ₹2024.54 lakh as compared to ₹1381.78 lakh for the previous year. The total income for the year is ₹61211.90 lakh as compared to ₹59896.55 lakh for the previous year.

**DIVIDEND**

Keeping in view the financial performance of the Company and other relevant considerations, your Directors have recommended payment of dividend @ 20% on the paid up capital of the company i.e ₹2 per equity share amounting to ₹560 lakh for the year 2017-18.

**CAPACITY UTILISATION**

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

	Target	Actual	% Utilisation
No. of Days	2771	2459	88.74
Quantity (Mln. Cu.M)	60	47	77.79

**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. Two vessels DCI Dredge VII and DCI Dredge IX have been decommissioned and sold as scrap during the year.

**DREDGING OPERATIONS**

The Company has secured on tender basis the dredging contract at Haldia/ Kolkata Port for five years from 1/1/2017. The Company has been performing the dredging at the port for the past thirty years. The Company also caters to the maintenance dredging requirements of other major ports/ India Navy etc. The Company is taking up capital dredging assignments depending on the availability of the vessels and other logistic requirements.

During the year under review, maintenance dredging contracts were executed for Kolkata Port, Cochin Port Trust, Cochin Shipyard, RGPPL-Dabhol, Gangavaram, Mumbai Port Trust and New Sand Trap and its approaches of Visakhapatnam Port Trust. Capital Dredging Contracts were executed at Paradip Port, Bangladesh, Andaman and Nicobar island, Puducherry, Gogha and Dahej.

The above works were executed either under the existing contracts or renewal of the contracts entered into with the Ports etc., during the previous years or new contracts entered into during the year.

**MEMORANDUM OF UNDERSTANDING**

The Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2017-18. The Company is expecting a rating of "Good" for 2017-18.

**SAFETY MANAGEMENT SYSTEM (ISM)**

- All dredgers (except Tug-VII and dumb vessels- DR-XVIII and ID Ganga) of DCI hold valid Safety Management Certificate (SMC).
- 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.

**SHIP SECURITY SYSTEM (ISPS)**

All dredgers (except Tug-VII and dumb vessels- DR-XVIII and ID Ganga) of DCI holds valid International Ship Security Certificate (ISSC).

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

DCI is certified for Quality Management System (ISO 9001:2008) and the certificate is valid up to 14<sup>th</sup> September 2018. The QMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

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

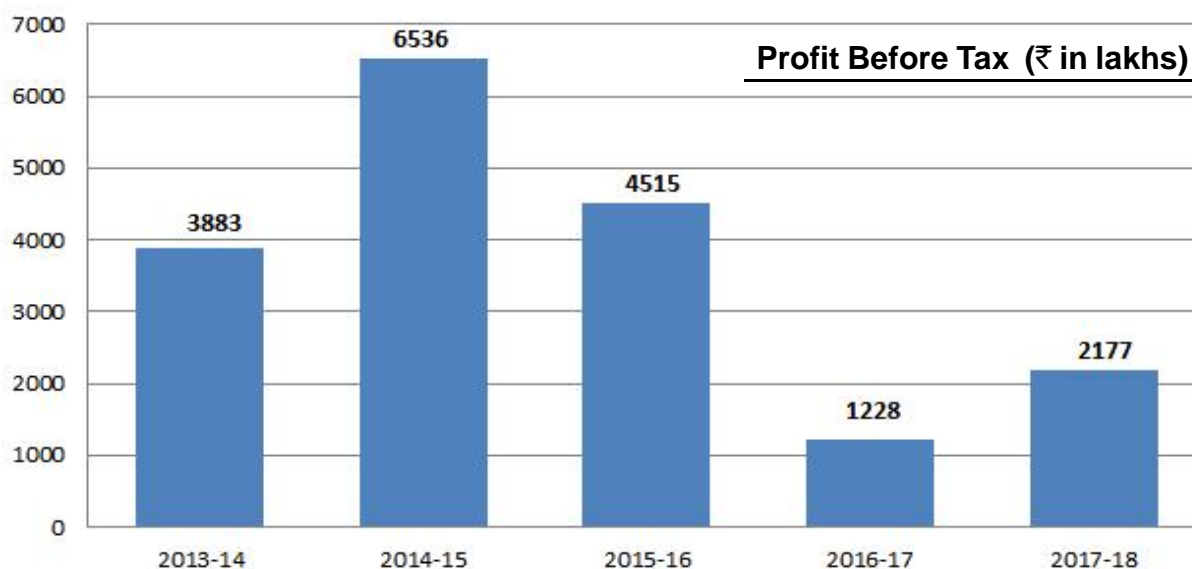
DCI is certified for Environmental Management System (ISO 14001:2004) and the certificate is valid up to 14<sup>th</sup> September 2018. The EMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

**ENVIRONMENTAL INITIATIVES :**

Implemented ISO 14001: 2015 (Environment Management System.)

Installed Sewage Treatment Plants onboard vessels.

Compliance to MARPOL 73/78 Regulations i.e (International Oil Pollution Prevention, IOPP)



## DIRECTORS' REPORT ....

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

### 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 Computershare 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.

### 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.
- b) Number of meetings of the Board :- During the financial year 2017-18 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;
  - (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) The Directors of the Company are appointed by Government of India as per the norms pertaining to qualifications etc., prescribed by Government of India. The whole time directors are paid remuneration as prescribed by Government of India from time to time. 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 are 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 qualifications, reservation or adverse remark or disclaimer made :-

(A) THE INDEPENDENT AUDITORS IN THEIR REPORT FOR 2017-18 HAVE STATED AS UNDER:-

EMPHASIS OF MATTERS:

#### 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 includes ₹11,433.18 lakhs receivable from M/s Sethusamudram Corporation Ltd.(SCL) which is pending for more than 4 years. Out of the above, Company has provided for doubtful debts to the extent of ₹3019.27 lakhs. The company is of the view that this will be reimbursed by GOI (at whose behest the contract with SCL was entered) to DCI to compensate the actual expenditure incurred on this project. In view of this, a provision for doubtful debts is not made in respect of receivables in this regard amounting to ₹8413.91 lakhs.*
- b) *The balances of sundry debtors, creditors, loans and advances, other receivables and other payables being subject to confirmation and reconciliation resulting in the balances as per books of account not verified by us.*

#### UNQUOTE

#### Management reply to emphasis of matter:

The above emphasis of matters at Sl. (a) include the views of the management on the same.

With regard to balance of sundry debtors etc., 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, are to be received.

(B) OBSERVATIONS MADE BY THE SECRETARIAL AUDITOR:

#### QUOTE

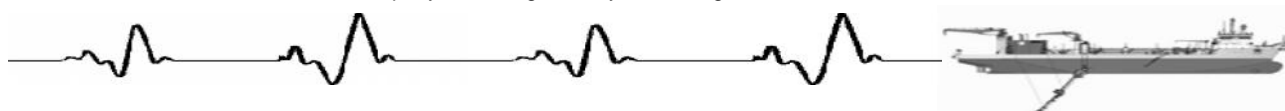
1. *Compliance of Section 149(4) of the Companies Act, 2013, Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.*
2. *Compliance of Regulation 17 (10) & 25 (4) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, w.r.t. Performance evaluation of the Directors.*

#### UNQUOTE

#### Management's reply

The Company is 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, has been taken up with the administrative Ministry - Ministry of Shipping and the same is pending with them. The performance evaluation of the Whole-time Directors and Part time official Directors is done by the Government of India. The independent Directors have carried out the performance evaluation of the other directors during the independent directors meeting held on 15/3/18.

- 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.



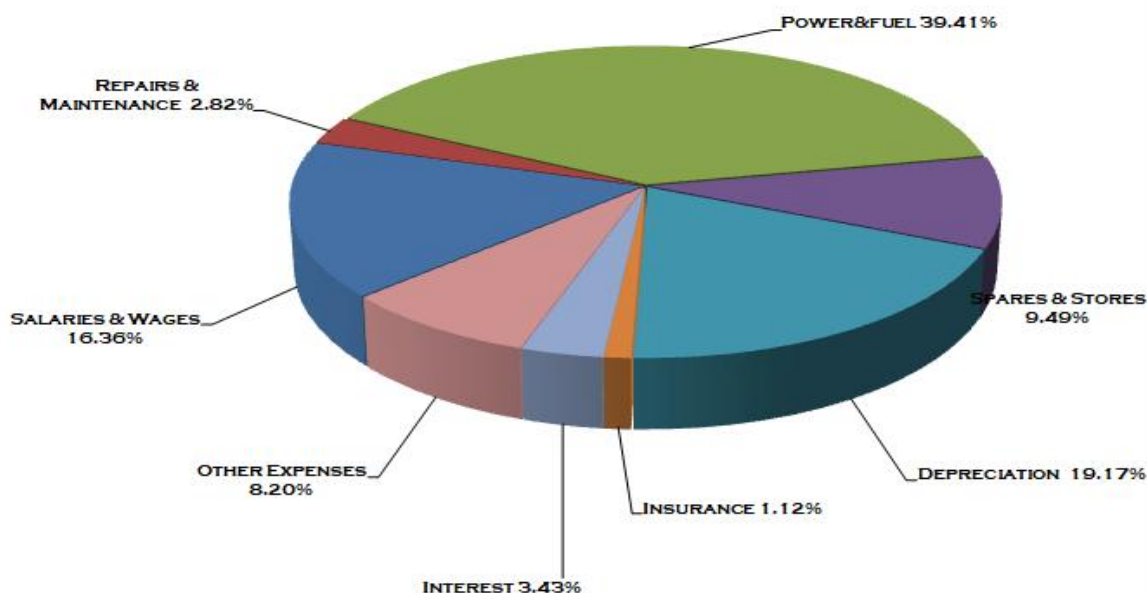


**DIRECTORS' REPORT ....**

- g) particulars of contracts or arrangements with related parties referred to in Section 188 (1) :- The Company has no contracts or arrangements with related parties referred to in Section 188 (1). In terms of Accounting Standard 18 (Revised-2000), no disclosure is required in the financial statements of State controlled enterprise (An enterprise which is under the control of the Central Government and/or State Government) as regards related party relationships with other State controlled enterprises and transactions with such enterprises. The related party transactions of DCI for the year 2017-18 are mainly with other State controlled enterprises. During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. As such disclosure under Form AOC-2 of Companies (Accounts) Rules 2014 is "NIL".
- h) the state of the company's affairs :- This has been explained elsewhere in this report.;
- 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 - ₹525 Lakhs
  - Transfer to General Reserve - NIL
  - Transfer to Debenture Redemption Reserve - NIL
- j) Dividend @20% i.e ₹2 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:  
All the dredgers in DCI fleet are installed with sophisticated and state-of-the art instrumentation like Differential Global Positioning System (DGPS) and Draft Volume Load Monitoring (DVLM) system to facilitate efficient dredging with potential energy saving.
    - While procuring new dredgers, fuel efficient design with advanced technology is selected.
    - Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 35-45% of operational cost.
  - Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the year.
  - Foreign Exchange earnings and outgo:
 

	(₹ In Lakhs)
i) Foreign Exchange Earnings :	0.00
<b>Total</b>	<b>0.00</b>
ii) Foreign Exchange outgo:	
a) Import of components and spares (CIF value)	4676.91
b) Payment of interest on foreign currency loan	1808.23
c) Repayment of installment of foreign currency loan	12680.34
d) Foreign travel	6.73
<b>Total</b>	<b>19172.21</b>
- 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 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.

**Breakup of Expenditure(2017-18)( ₹. in Lakhs 59035 in % of total expenditure**



## DIRECTORS' 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 2017-18, the amount required to be spent under CSR is ₹ 107.03 lakh. Against this, the Company spent ₹109.42 Lakhs. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure –II.

- 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;

The Board of Directors of the Company are appointed by Government of India. The administrative Ministry – Ministry of Shipping reviews the performance of the Company on regular basis. The performance reports of the whole time directors are reviewed by the Ministry on Annual basis. The independent Directors have carried out the performance evaluation of the other directors during the independent directors meeting held on 15/3/2018.

### DIVIDEND

Keeping in view the financial performance of the Company and other relevant considerations, your Directors have recommended payment of dividend @ 20% on the paid up capital of the company i.e ₹2 per equity share amounting to ₹ 5.60 Cr. which including dividend tax comes to ₹ 6.74 Cr. for the year 2017-18 and would be paid after the AGM.

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

As per Notification No. GSR 463(E) dated 5/6/2015 issued by 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

### 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. DCI has organized a State Level Vendor Development programme in association with local Micro, Small and & Medium Enterprises (MSME) Office(Visakhapatnam Branch) and has been continuously participating and interacting with the prospective vendors in most of the vendor development program cum Buyers- Sellers meet conducted by Ministry of MSME/ National Small Industries Corporation (NSIC) . The Company has invited MSME vendors to visit DCI's vessels for identification of spares for indigenization. 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 spare 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.

### 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 and giving frequent problems because of non-availability of spare parts/ services of the Original Equipment Manufacturer abroad. The newly installed PLC has been found to be cost effective and working satisfactorily.

### 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.

### MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31<sup>st</sup> March, 2018 was as under:-

Shore	284
Floating – Regular -143, Contract- 369	512
<b>Total</b>	<b>796</b>

### EMPLOYMENT OF VARIOUS RESERVED CATEGORIES:

The manpower position with regard to various reserved categories is as indicated hereunder:

#### A. Employment of SC/ST Candidates

The Corporation continued its efforts to fulfill its obligation in providing employment opportunities to SC/ST candidates, in accordance with the Government Policy. The overall representation of SC/STs in the Corporation (both Shore and Floating Establishments, but excluding MPWs) as on 31<sup>st</sup> March, 2018 was SCs - 70, i.e., 16.43% as against prescribed percentage of 16.66% and STs 23 i.e., 5.40% as against the prescribed percentage of 7.5%.

#### 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.

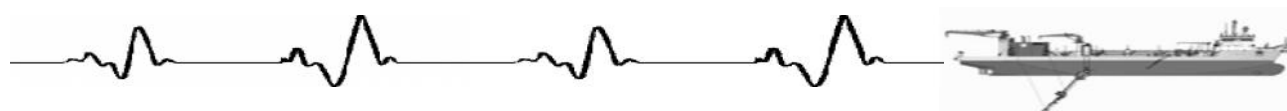
#### C. Employment of Physically Handicapped

The number of physically handicapped employees in the Corporation as on 31<sup>st</sup> March, 2018 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 to identified posts
A	169	04	2.37
B	32	01	3.13
C	71	01	1.42
D	11	-	-
Total	283	06	2.12

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

The Physically handicapped persons are being paid additional conveyance assistance as per the Government instructions.





## DIRECTORS' REPORT ....

### D. Employment of women

The number of women employees on Rolls as on 31<sup>st</sup> March, 2018 is 44 as against 49 as on 31<sup>st</sup> March, 2017. Out of them number of executives is 15 and Non-Executives is 29.

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

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

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

#### EXISTING BENEFITS AND WELFARE MEASURES FOR THE WOMEN EMPLOYEES :

- 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.
- As per Apex Court's judgement and basing on the Government instructions, 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.
- 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 to various in-house and also external training programmes. Eight women employees had undergone training during the year 2017-18

#### 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.

#### WAGE SETTLEMENTS

##### A. FLOATING ESTABLISHMENT :

- The INSA-MUI (FG/HT) Agreement in respect of Floating Officers, for the periods from 2012 to 2015 is revised and implemented w.e.f. 01.04.2014
- The NMB Agreement, relating to HT Petty Officers for the periods 2015-19 is revised and implemented w.e.f. 01.04.2015.
- The Wage Agreement of Crew/MPWs for the period from 2015-19 is revised and implemented w.e.f. 01.04.2015.

##### 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.

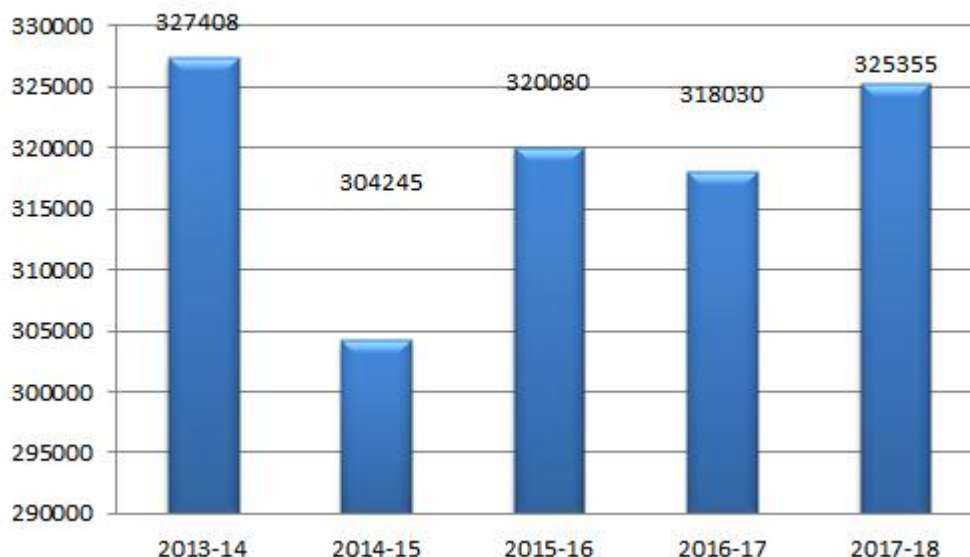
#### INDUSTRIAL RELATIONS:

The industrial relations in the Corporation continued to be cordial throughout the year 2017-18. The Unions representing the Non-Executives and Crew & Petty Officer of Dredging Corporation of India Limited were on one day strike on 11/4/17 and a three day strike from 20/12/17 to 22/12/17 in protest against the proposed strategic sale by GOI of its holding in the Company in which some of the executive employees also supported by taking leave. Further, the employees also participated in relay hunger strike. However there was no disruption in the operations of the Company.

#### 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.

### GROSS BLOCK(₹ in Lakhs)



## DIRECTORS' REPORT ....

### HUMAN RESOURCES DEVELOPMENT

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

- i) During the year 2017-18, 183 employees were trained in various training programs.
- ii) During the year 2017-18, 15 DCCP Apprentice Trainees and 10 Industrial Trainees were inducted for training for a period of 12 months.

### 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.

### 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.

### INFORMATION & FACILITATION COUNTER

In order to ensure transparency in the functioning of the Corporation and also for easy and speedy access for any information to the public, an INFORMATION & FACILITATION COUNTER (IFC) was set up at DCI Head Office, Visakhapatnam and the same is publicized in the web-site also.

### PROGRESSIVE USE OF HINDI

The Corporation continued its efforts to implement the Official Language Policy of the Government, an Incentive Scheme to award cash prizes, 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 held from 14-21, September, 2017.

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.

### CITIZEN'S 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 Citizens' 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.

### ACTIVITIES OF VIGILANCE DEPARTMENT

As a measure of preventive vigilance, 14 periodic, 16 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 2017 was observed at the Corporate Headquarters and various Project Offices of Dredging Corporation of India Ltd. from 30<sup>th</sup> October 2017 to 4<sup>th</sup> November 2017. CVC's theme for Vigilance Awareness Week 2017 was "My vision- Corruption free India" with emphasis on spreading awareness in fight against corruption to all sections of Society. Painting Competition was organised for the school students in various urban corporate/private schools, urban Govt. /Aided schools in Visakhapatnam. In addition to this, DCI conducted inter-collegiate Essay writing and Elocution competitions in English and Telugu at its Head Office. To create awareness and sensitise public a mass Integrity Pledge was conducted for the citizens including school and college students on 10<sup>th</sup> October 2017 at Araku, a tribal village, wherein 2000 citizens took the integrity pledge enthusiastically. Further to spread awareness against corruption amongst the general public, Dredging Corporation of India and Visakhapatnam Port Trust organized Vigilance Awareness Walk. A flash mob depicting the evils of corruption and a signature campaign was initiated at the venue in order to take the integrity pledge by general public.

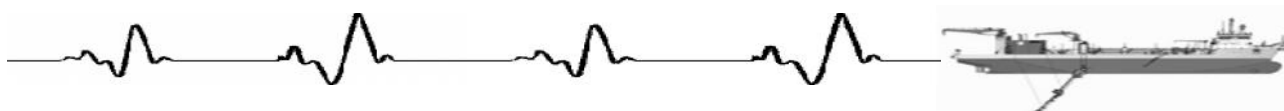
Systems improvement measures were suggested by the Vigilance department for implementation.

### STATUTORY AUDITORS

M/s Tukaram & Co., Chartered Accountants, Hyderabad were appointed by the Comptroller and Auditor General of India as Statutory Auditors for auditing the accounts of the Company for the financial year 2017-18. 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 ₹4.50 lakhs plus service tax as applicable for the year 2017-18 as statutory auditors for approval of the Members at this AGM.

### INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2017-18 given by the Statutory Auditors is placed along with the Accounts. Management Comments to the Emphasis of matters of the Auditors have been given elsewhere in this report.





## DIRECTORS' REPORT ....

### SECRETARIAL AUDIT REPORT

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

### 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 2018 and the same are placed next the Statutory Auditor's Report

### STRATEGIC SALE

The Government of India ("GOI") has granted an 'in-principle' approval for 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. In this connection, the GOI acting through Department of Investment & Public Asset Management (DIPAM) has appointed RBSA as its Transaction Advisor ("TA") and Link Legal as its legal advisor ("LA") to advise them on the Proposed Transaction and manage the disinvestment process. The Asset Valuers have also been appointed by the Ministry of Shipping.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the Articles of Association of the Company, all the Directors are appointed by the President of India as communicated through the administrative Ministry - Ministry of Shipping.

Shri Pradeep Kumar, IAS was appointed as part-time official Director of the Company and Shri Sanjeev Ranjan, IAS ceased to be director of the Company w.e.f. 29/05/2017 as per Ministry of Shipping vide Letter No. SS-11012/6/2014-SY.II-Part (1) dt 29/05/2017.

Shri Pravir Krishn, IAS and Shri Pradeep Kumar, IAS ceased to be on the Board of Directors of the Company w.e.f. 25/07/2017 and 27/07/2017 respectively as per Ministry of Shipping vide mail dated 31/07/2017.

Ms. Leena Nandan, IAS was appointed as part-time official Director of the Company in place of Shri Pradeep Kumar, IAS as per Ministry of Shipping vide Letter No. SS-11012/6/2014-SY.II-Part (1) dt 03/08/2017.

Shri Satinder Pal Singh, IPS was appointed as Part-time Official Director on the Board of the Company in place Shri Pravir Krishn, IAS w.e.f 28/8/2017 as per Ministry of Shipping Letter No. SS-11012/6/2014-SY.II – Part (1) dt. 28/8/2017.

Shri S. Charles, Director (Finance) ceased to be director of the Company on 14/03/2018 as per Ministry of Shipping letter No. SS-28012/2/2013-DCI dt. 28/2/18. Shri Rajesh Tripathi, CMD has been assigned the additional charge of Director (Finance) w.e.f 15/03/2018.

Shri Shambhu Singh, IAS was appointed as Part-time Official Director w.e.f 3/5/18 in place Ms. Leena Nandan, IAS as per Ministry of Shipping vide Letter No. SS-11012/6/2014-SY.II-Part (1) dt 03/05/2018

As per the provisions of Section 152 of the Companies Act, it is proposed to appoint Shri Satinder Pal Singh, IPS and Shri Shambhu Singh, IAS as directors on the Board of the Company at the AGM.

It is also proposed to retire and re-appoint Shri Rajesh Tripathi in this meeting pursuant to Section 152 of the Companies Act.

The directors recommend for approval of the Members the above appointments/re-appointment.

### 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**

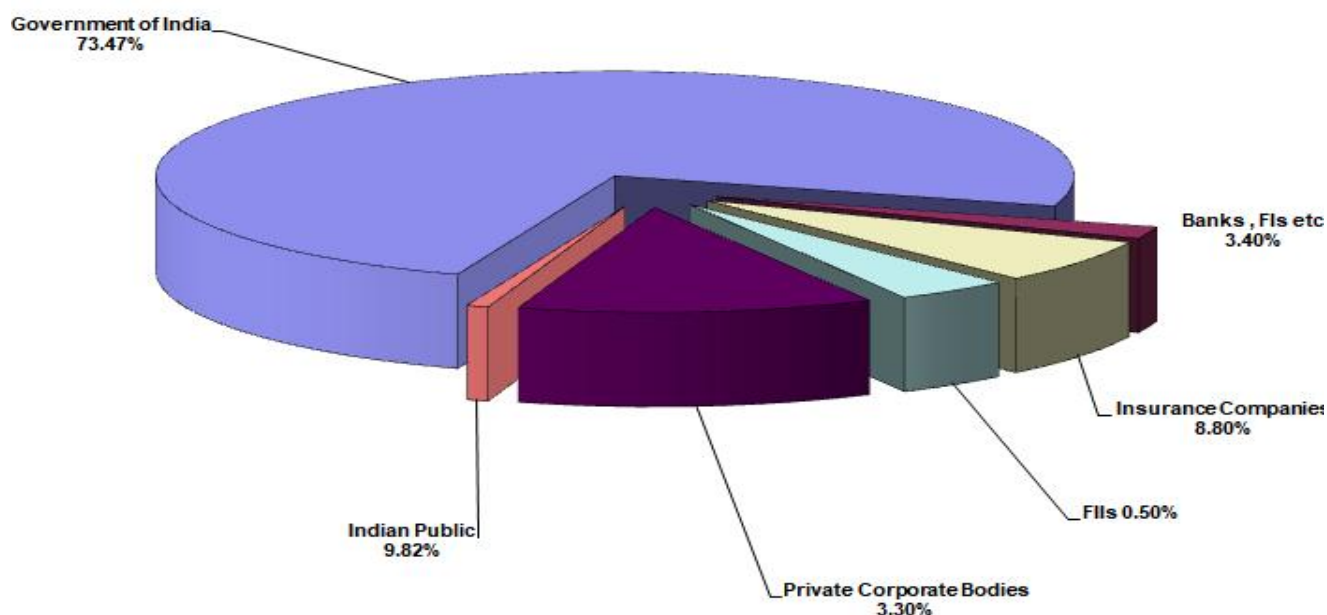
Place : Visakhapatnam

Date : 06/07/2018

**RAJESH TRIPATHI**

**CHAIRMAN AND MANAGING DIRECTOR**

**Shareholding Pattern as on 31-03-2018**



**DIRECTORS' REPORT ....****ENCLOSURE - A****CEO/CFO CERTIFICATION**

We Shri. Rajesh Tripathi, in the capacity of Chairman-and-Managing Director & CEO and Shri.D.Subbarao in the capacity of HOD (Finance) & CFO of Dredging Corporation of India Limited, a Government of India Undertaking under the Ministry of Shipping certify to the Board that

- (a) We have reviewed financial statements and the cash flow statement for the year 2017-18 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 SUBBARAO)  
HOD (FINANCE) & CFO  
Place: New Delhi.  
Date: 28/05/18



(Rajesh Tripathi)  
Chairman and Managing Director & CEO

**ANNEXURE-I****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2018

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   | Corporate Identification Number  | : | 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(Government 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 COMPUTERSHARE PVT. LTD,<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda, Hyderabad – 500 032<br>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:

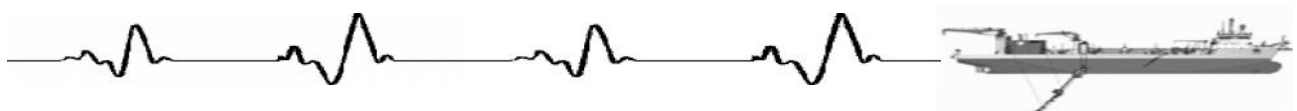
SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	DREDGING	63012	96.70

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

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

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
<b>(A) PROMOTER AND PROMOTER GROUP</b>									
<b>(1) INDIAN</b>									
(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	20572013	0	20572013	73.47	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(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
<b>Sub-Total A(1) :</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>0.00</b>
<b>(2) FOREIGN</b>									





## DIRECTORS' REPORT ....

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
(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
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total A=A(1)+A(2)</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>0.00</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) INSTITUTIONS</b>									
(a) Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b) Financial Institutions /Banks	950709	0	950709	3.40	520770	0	520770	1.86	-1.54
(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	2464799	0	2464799	8.80	1877735	0	1877735	6.71	-2.10
(f) Foreign Institutional Investors	139188	0	139188	0.50	240374	0	240374	0.86	0.36
(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
<b>Sub-Total B(1) :</b>	<b>3554696</b>	<b>0</b>	<b>3554696</b>	<b>12.70</b>	<b>2638879</b>	<b>0</b>	<b>2638879</b>	<b>9.42</b>	<b>-3.27</b>
<b>(2) NON-INSTITUTIONS</b>									
(a) Bodies Corporate	929661	100	929761	3.32	1125670	0	1125670	4.02	0.70
(b) Individuals									
(i) Individuals holding nominal share capital upto ₹1 lakh	2504325	3763	2508088	8.96	3390147	3093	3393240	12.12	3.16
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	242340	0	242340	0.87	77787	0	77787	0.28	-0.59
(c) Others									
Clearing Members	84278	0	84278	0.30	90730	0	90730	0.32	0.02
I E P F	0	0	0	0.00	3135	0	3135	0.01	0.01
Non-resident Indians	63985	0	63985	0.23	63157	0	63157	0.23	0.00
NRI Non Repatriation	18504	0	18504	0.07	24265	0	24265	0.09	0.02
Trusts	26335	0	26335	0.09	11124	0	11124	0.04	-0.05
(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total B(2) :</b>	<b>3869428</b>	<b>3863</b>	<b>3873291</b>	<b>13.83</b>	<b>4786015</b>	<b>3093</b>	<b>4789108</b>	<b>17.10</b>	<b>3.27</b>
<b>Total B=B(1)+B(2) :</b>	<b>7424124</b>	<b>3863</b>	<b>7427987</b>	<b>26.53</b>	<b>7424894</b>	<b>3093</b>	<b>7427987</b>	<b>26.53</b>	<b>0.00</b>
<b>Total (A+B) :</b>	<b>27996137</b>	<b>3863</b>	<b>28000000</b>	<b>100.00</b>	<b>27996907</b>	<b>3093</b>	<b>28000000</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by custodians, against which Depository Receipts have been issued</b>									
(1) Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2) Public	0	0	0	0	0	0	0	0	0
<b>TOTAL C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C) :</b>	<b>27996137</b>	<b>3863</b>	<b>28000000</b>	<b>100.00</b>	<b>27996907</b>	<b>3093</b>	<b>28000000</b>	<b>100.00</b>	<b>0</b>

## (ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		NO of shares	% of total shares	% of shares pledged of the encumbered company to total shares	NO of shares	% of total shares	% of shares pledged of the encumbered company to total shares	
1	President of India	20572013	73.47	0	20572013	73.47	0	0.00
	<b>Total</b>	<b>20572013</b>	<b>73.47</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>0</b>	<b>0.00</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING

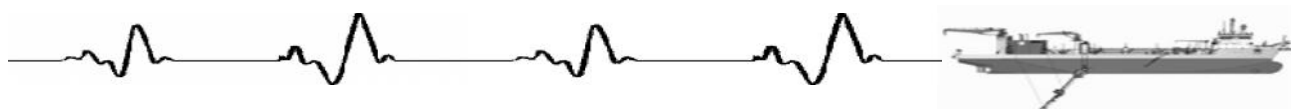
Sl. No.	Share holding		Cumulative Share holding	
	No. of Shares of the company	% of total shares	No of shares of the company	% of total shares
	NIL			

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
1. LIC of India Pension plus mixed fund	31/03/17	Opening	—	—	2384031	8.51
	07/04/17	sale	-23590	-0.08	2360441	8.43
	14/04/17	sale	-14690	-0.05	2345751	8.38
	21/04/17	sale	-34141	-0.12	2311610	8.26
	28/04/17	sale	6356	-0.02	2305254	8.23
	19/05/17	sale	-9157	-0.03	2296097	8.20

**DIRECTORS' REPORT ....****(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)**

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
2 General Insurance Corporation of India	23/06/17	sale	-95961	-0.34	2200136	7.86
	15/09/17	sale	-19780	-0.07	2180356	7.79
	22/09/17	sale	-88570	-0.32	2091786	7.47
	29/09/17	sale	-29000	-0.10	2062786	7.37
	13/10/17	sale	-57685	-0.21	2005101	7.16
	20/10/17	sale	-26479	-0.09	1978622	7.07
	27/10/17	sale	-28521	-0.10	1950101	6.96
	03/11/17	sale	-30000	-0.11	1920101	6.86
	10/11/17	sale	-128138	-0.46	1791963	6.40
	17/11/17	sale	-30085	-0.11	1761878	6.29
	24/11/17	sale	-108804	-0.39	1653074	5.90
	01/12/17	sale	-69557	-0.25	1583517	5.66
	31/03/18	Closing	—	—	1583517	5.66
	31/03/17	Opening	—	—	737029	2.63
	07/04/17	sale	-21029	-0.08	716000	2.56
	30/06/17	sale	-8434	-0.03	707566	2.53
	07/07/17	sale	-12090	-0.04	695476	2.48
	14/07/17	sale	-15476	-0.06	680000	2.43
	01/12/17	sale	-15000	-0.05	665000	2.38
	05/01/18	sale	-65000	-0.23	600000	2.14
	19/01/18	sale	-33576	-0.12	566424	2.02
	02/02/18	sale	-16424	-0.06	550000	1.96
	23/02/18	sale	-18937	-0.07	531063	1.90
	02/03/18	sale	-31063	-0.11	500000	1.79
	31/03/18	Closing	—	—	500000	1.79
	31/03/17	Opening	—	—	147262	0.53
	31/03/18	Closing	—	—	147262	0.53
	31/03/17	Opening	-	—	9566	0.03
3 National Insurance Co., Ltd	07/04/17	Purchase	463	0.00	10029	0.04
	07/04/17	Sale	-1570	-0.01	8459	0.03
	14/04/17	Purchase	2318	0.01	10777	0.04
	21/04/17	Purchase	903	0.00	11680	0.04
	21/04/17	Sale	-2416	-0.01	9264	0.03
	28/04/17	Purchase	3276	0.01	12540	0.04
	28/04/17	Sale	-913	0.00	11627	0.04
	05/05/17	Purchase	2463	0.01	14090	0.05
	05/05/17	Sale	-2267	-0.01	11823	0.04
	12/05/17	Purchase	1180	0.00	13003	0.05
	12/05/17	Sale	-490	0.00	12513	0.04
	19/05/17	Sale	-2610	-0.01	9903	0.04
	26/05/17	Purchase	1208	0.00	11111	0.04
	26/05/17	Sale	-699	0.00	10412	0.04
	02/06/17	Sale	-882	0.00	9530	0.03
	09/06/17	Purchase	165	0.00	9695	0.03
	09/06/17	Sale	-300	0.00	9395	0.03
	16/06/17	Purchase	5662	0.02	15057	0.05
	16/06/17	Sale	-1040	0.00	14017	0.05
	23/06/17	Purchase	1595	0.01	15612	0.06
	23/06/17	Sale	-5008	-0.02	10604	0.04
	30/06/17	Purchase	452	0.00	11056	0.04
	30/06/17	Sale	-669	0.00	10387	0.04
	07/07/17	Purchase	632	0.00	11019	0.04
	07/07/17	Sale	-358	0.00	10661	0.04
	14/07/17	Purchase	1907	0.01	12568	0.04
	14/07/17	Sale	-497	0.00	12071	0.04
	21/07/17	Purchase	2720	0.01	14791	0.05
	21/07/17	Sale	-402	0.00	14389	0.05
	28/07/17	Purchase	485	0.00	14874	0.05
	28/07/17	Sale	-5123	-0.02	9751	0.03
	04/08/17	Purchase	694	0.00	10445	0.04
	04/08/17	Sale	-1811	-0.01	8634	0.03
	11/08/17	Purchase	157	0.00	8791	0.03
	11/08/17	Sale	-563	0.00	8228	0.03
	18/08/17	Purchase	1170	0.00	9398	0.03
	18/08/17	Sale	-194	0.00	9204	0.03
	25/08/17	Purchase	427	0.00	9631	0.03
	25/08/17	Sale	-822	0.00	8809	0.03
	01/09/17	Sale	-351	0.00	8458	0.03
	08/09/17	Purchase	1209	0.00	9667	0.03
	15/09/17	Purchase	117	0.00	9784	0.03
	15/09/17	Sale	-1261	0.00	8523	0.03
	22/09/17	Purchase	1248	0.00	9771	0.03
	22/09/17	Sale	-447	0.00	9324	0.03
	29/09/17	Purchase	2729	0.01	12053	0.04
	29/09/17	Sale	-1022	0.00	11031	0.04
4 Edelweiss Broking Ltd	31/03/17	Opening	-	—	9566	0.03
	31/03/18	Closing	—	—	147262	0.53





## DIRECTORS' REPORT ....

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
	30/09/17	Purchase	110	0.00	11141	0.04
	30/09/17	Sale	-141	0.00	11000	0.04
	06/10/17	Purchase	335	0.00	11335	0.04
	06/10/17	Sale	-3355	-0.01	7980	0.03
	13/10/17	Purchase	3865	0.01	11845	0.04
	20/10/17	Purchase	1342	0.00	13187	0.05
	20/10/17	Sale	-3498	-0.01	9689	0.03
	27/10/17	Purchase	10349	0.04	20038	0.07
	27/10/17	Sale	-1492	-0.01	18546	0.07
	31/10/17	Purchase	75	0.00	18621	0.07
	31/10/17	Sale	-10265	-0.04	8356	0.03
	03/11/17	Purchase	1980	0.01	10336	0.04
	03/11/17	Sale	-1768	-0.01	8568	0.03
	10/11/17	Purchase	24878	0.09	33446	0.12
	17/11/17	Purchase	7786	0.03	41232	0.15
	17/11/17	Sale	-13083	-0.05	28149	0.10
	24/11/17	Purchase	382	0.00	28531	0.10
	24/11/17	Sale	-2873	-0.01	25658	0.09
	01/12/17	Purchase	698	0.00	26356	0.09
	01/12/17	Sale	-1144	0.00	25212	0.09
	08/12/17	Purchase	215	0.00	25427	0.09
	08/12/17	Sale	-2175	-0.01	23252	0.08
	15/12/17	Purchase	8747	0.03	31999	0.11
	22/12/17	Purchase	5046	0.02	37045	0.13
	22/12/17	Sale	-5312	-0.02	31733	0.11
	29/12/17	Purchase	5773	0.02	37506	0.13
	29/12/17	Sale	-11441	-0.04	26065	0.09
	30/12/17	Purchase	8634	0.03	34699	0.12
	05/01/18	Purchase	11619	0.04	46318	0.17
	05/01/18	Sale	-11028	-0.04	35290	0.13
	12/01/18	Purchase	7560	0.03	42850	0.15
	12/01/18	Sale	-4435	-0.02	38415	0.14
	19/01/18	Purchase	20022	0.07	58437	0.21
	19/01/18	Sale	-6122	-0.02	52315	0.19
	26/01/18	Purchase	27472	0.10	79787	0.28
	26/01/18	Sale	-5926	-0.02	73861	0.26
	02/02/18	Purchase	14847	0.05	88708	0.32
	02/02/18	Sale	-40719	-0.15	47989	0.17
	09/02/18	Purchase	7176	0.03	55165	0.20
	09/02/18	Sale	-12859	-0.05	42306	0.15
	16/02/18	Purchase	525	0.00	42831	0.15
	16/02/18	Sale	-12762	-0.05	30069	0.11
	23/02/18	Purchase	424	0.00	30493	0.11
	23/02/18	Sale	-4913	-0.02	25580	0.09
	02/03/18	Purchase	2796	0.01	28376	0.10
	02/03/18	Sale	-2805	-0.01	25571	0.09
	09/03/17	Purchase	1737	0.01	27308	0.10
	09/03/18	Sale	-3004	-0.01	24304	0.09
	16/03/18	Purchase	1932	0.01	26236	0.09
	16/03/18	Sale	-2054	-0.01	24182	0.09
	23/03/18	Purchase	7139	0.03	31321	0.11
	23/03/18	Sale	-2275	-0.01	29046	0.10
	30/03/18	Purchase	107051	0.38	136097	0.49
	30/03/18	Sale	-1631	-0.01	134466	0.48
	31/03/18	Purchase	49863	0.18	184329	0.66
	31/03/18	Sale	-50913	-0.18	133416	0.48
	31/03/18	Closing	—	—	133416	0.48
5 The New India Assurance Company Ltd	31/03/17	Opening	—	—	128000	0.46
	28/04/17	Sale	-12693	-0.05	115307	0.41
	31/03/18	Closing	—	—	115307	0.41
6 Kedia Securities Pvt Ltd	31/03/17	Opening	—	—	0	0.00
	05/01/18	Purchase	50000	0.18	50000	0.18
	26/01/18	Sale	-50000	-0.18	0	0.00
	30/03/18	Purchase	99000	0.35	99000	0.35
	31/03/18	Closing	—	—	99000	0.35
7 Emerging markets core equity portfolio	31/03/17	Opening	—	—	16616	0.06
	07/04/17	Purchase	7203	0.03	23819	0.09
	14/04/17	Purchase	6446	0.02	30265	0.11
	21/04/17	Purchase	22519	0.08	52784	0.19
	28/04/17	Purchase	18800	0.07	71584	0.26
	31/03/18	Closing	—	—	71584	0.26
8 Angel Broking Pvt Ltd	31/03/17	Opening	—	—	56998	0.20
	07/04/17	Purchase	14308	0.05	71306	0.25
	07/04/17	Sale	-2308	-0.01	68998	0.25
	14/04/17	Purchase	5511	0.02	74509	0.27

**DIRECTORS' REPORT ....****(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)**

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
	14/04/17	Sale	-17254	-0.06	57255	0.20
	21/04/17	Purchase	1885	0.01	59140	0.21
	21/04/17	Sale	-11493	-0.04	47647	0.17
	28/04/17	Purchase	1970	0.01	49617	0.18
	28/04/17	Sale	-3752	-0.01	45865	0.16
	05/05/17	Purchase	8696	0.03	54561	0.19
	05/05/17	Sale	-620	0.00	53941	0.19
	12/05/17	Purchase	3192	0.01	57133	0.20
	12/05/17	Sale	-5265	-0.02	51868	0.19
	19/05/17	Purchase	10935	0.04	62803	0.22
	19/05/17	Sale	-2959	-0.01	59844	0.21
	26/05/17	Purchase	387	0.00	60231	0.22
	26/05/17	Sale	-3222	-0.01	57009	0.20
	02/06/17	Purchase	3709	0.01	60718	0.22
	02/06/17	Sale	-3224	-0.01	57494	0.21
	09/06/17	Purchase	3648	0.01	61142	0.22
	09/06/17	Sale	-5382	-0.02	55760	0.20
	16/06/17	Purchase	29242	0.10	85002	0.30
	16/06/17	Sale	-13900	-0.05	71102	0.25
	23/06/17	Purchase	48825	0.17	119927	0.43
	23/06/17	Sale	-29997	-0.11	89930	0.32
	30/06/17	Purchase	3798	0.01	93728	0.33
	30/06/17	Sale	-13529	-0.05	80199	0.29
	07/07/17	Purchase	21360	0.08	101559	0.36
	07/07/17	Sale	-316	0.00	101243	0.36
	14/07/17	Purchase	299	0.00	101542	0.36
	14/07/17	Sale	-12131	-0.04	89411	0.32
	21/07/17	Purchase	8656	0.03	98067	0.35
	21/07/17	Sale	-1254	0.00	96183	0.35
	28/07/17	Purchase	14243	0.05	111056	0.40
	28/07/17	Sale	-27816	-0.10	83240	0.30
	04/08/17	Purchase	55957	0.20	139197	0.50
	04/08/17	Sale	-61716	-0.22	77481	0.28
	11/08/17	Purchase	2180	0.01	79661	0.28
	11/08/17	Sale	-6021	-0.02	73640	0.26
	18/08/17	Purchase	3394	0.01	77034	0.28
	18/08/17	Sale	-8875	-0.03	68159	0.24
	25/08/17	Purchase	8275	0.03	76434	0.27
	25/08/17	Sale	-4876	-0.02	71558	0.26
	01/09/17	Purchase	7040	0.03	78598	0.28
	01/09/17	Sale	-13816	-0.05	64782	0.23
	08/09/17	Purchase	6933	0.02	71715	0.26
	08/09/17	Sale	-10426	-0.04	61289	0.22
	15/09/17	Purchase	5547	0.02	66836	0.24
	15/09/17	Sale	-419	0.00	66417	0.24
	22/09/17	Purchase	10082	0.04	76499	0.27
	22/09/17	Sale	-1814	-0.01	74685	0.27
	29/09/17	Purchase	10446	0.04	85131	0.30
	29/09/17	Sale	-1057	0.00	84074	0.30
	06/10/17	Purchase	1529	0.01	85603	0.31
	06/10/17	Sale	-6569	-0.02	79034	0.28
	13/10/17	Purchase	4220	0.02	83254	0.30
	13/10/17	Sale	-2875	-0.01	80379	0.29
	20/10/17	Purchase	9488	0.03	89867	0.32
	20/10/17	Sale	-2586	-0.01	87281	0.31
	27/10/17	Purchase	3895	0.01	91176	0.33
	27/10/17	Sale	-9820	-0.04	81356	0.29
	31/10/17	Purchase	3372	0.01	84728	0.30
	31/10/17	Sale	-5470	-0.02	79258	0.28
	03/11/17	Purchase	20048	0.07	99306	0.35
	03/11/17	Sale	-41575	-0.15	57731	0.21
	10/11/17	Purchase	68871	0.25	126602	0.45
	10/11/17	Sale	-8526	-0.03	118076	0.42
	17/11/17	Purchase	26612	0.10	144688	0.52
	17/11/17	Sale	-10289	-0.04	134399	0.48
	24/11/17	Purchase	13438	0.05	147837	0.53
	24/11/17	Sale	-6614	-0.02	141223	0.50
	01/12/17	Purchase	24865	0.09	166088	0.59
	01/12/17	Sale	-2356	-0.01	163732	0.58
	08/12/17	Purchase	4378	0.02	168110	0.60
	08/12/17	Sale	-22490	-0.08	145620	0.52
	15/12/17	Purchase	10250	0.04	155870	0.56
	15/12/17	Sale	-5108	-0.02	150762	0.54
	22/01/17	Purchase	2588	0.01	153350	0.55
	22/01/17	Sale	-14036	-0.05	139314	0.50



## DIRECTORS' REPORT ....

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
9 MV SCIF Mauritius	29/12/17	Purchase	78718	0.28	218032	0.78
	29/12/17	Sale	-58235	-0.21	159797	0.57
	30/12/17	Purchase	30	0.00	159827	0.57
	05/01/18	Purchase	6398	0.02	166225	0.59
	05/01/18	Sale	-61198	-0.22	105027	0.38
	12/01/18	Purchase	31040	0.11	136067	0.49
	12/01/18	Sale	-17889	-0.06	118178	0.42
	19/01/18	Purchase	35777	0.13	153955	0.55
	19/01/18	Sale	-3915	-0.01	150040	0.54
	26/01/18	Purchase	6851	0.02	156891	0.56
	26/01/18	Sale	-11599	-0.04	145292	0.52
	02/02/18	Purchase	7695	0.03	152987	0.55
	02/02/18	Sale	-11681	-0.04	141306	0.50
	09/02/18	Purchase	10081	0.04	151387	0.54
	09/02/18	Sale	-25700	-0.09	125687	0.45
	16/02/18	Purchase	15808	0.06	141495	0.51
	16/02/18	Sale	-863	0.00	140632	0.50
	23/02/18	Purchase	72961	0.26	123593	0.76
	23/02/18	Sale	-66876	-0.24	146717	0.52
	02/03/18	Purchase	6991	0.02	153708	0.55
	02/03/18	Sale	-5128	-0.02	148580	0.53
	09/03/18	Purchase	13020	0.05	161600	0.58
	09/03/18	Sale	-5294	-0.02	156306	0.56
	16/03/18	Purchase	4942	0.02	161248	0.58
	16/03/18	Sale	-17072	-0.06	144176	0.51
	23/03/18	Purchase	12332	0.04	156508	0.56
	23/03/18	Sale	-11107	-0.04	145401	0.52
	30/03/18	Purchase	5181	0.02	150582	0.54
	30/03/18	Sale	-8413	-0.03	142169	0.51
	31/03/18	Purchase	10	0.00	142179	0.51
	31/03/18	Sale	-500	0.00	141679	0.51
	31/03/18	Closing	—	0.00	141679	0.51
	31/03/17	Opening	—	—	54305	0.19
	07/04/17	Purchase	1230	0.00	55535	0.20
	14/04/17	Purchase	615	0.00	56150	0.20
	21/04/17	Purchase	615	0.00	56765	0.20
	28/04/17	Purchase	6150	0.02	62915	0.22
	05/05/17	Purchase	1230	0.00	64145	0.23
	19/05/17	Purchase	6150	0.02	70295	0.25
	02/06/17	Purchase	615	0.00	70910	0.25
	16/06/17	Purchase	1250	0.00	72160	0.26
	23/06/17	Purchase	2569	0.01	74729	0.27
	07/07/17	Sale	-3828	-0.01	70901	0.25
	21/07/17	Sale	-1276	0.00	69625	0.25
	11/08/17	Purchase	870	0.00	70495	0.25
	15/09/17	Sale	-2568	-0.01	67927	0.24
	22/09/17	Sale	-2711	-0.01	65216	0.23
	29/09/17	Purchase	212	0.00	65428	0.23
	06/10/17	Purchase	68	0.00	65496	0.23
	27/10/17	Purchase	988	0.00	66484	0.24
	31/10/17	Purchase	1226	0.00	67710	0.24
	03/11/17	Purchase	1839	0.01	69549	0.25
	10/11/17	Purchase	2452	0.01	72001	0.26
	15/12/17	Purchase	612	0.00	72613	0.26
	22/12/17	Sale	-871	0.00	71742	0.26
	12/01/18	Sale	-607	0.00	71135	0.25
	09/02/18	Sale	-3032	-0.01	68103	0.24
	16/02/18	Purchase	314	0.00	68417	0.24
	23/03/18	Purchase	4667	0.02	73084	0.26
10 ICICI Bank Ltd	31/03/18	Closing	—	—	73084	0.26
	31/03/17	Opening	—	—	16186	0.06
	07/04/17	Sale	-7559	-0.03	8627	0.03
	14/04/17	Purchase	2393	0.01	11020	0.04
	21/04/17	Sale	-1018	0.00	10002	0.04
	28/04/17	Purchase	2612	0.01	12614	0.05
	05/05/17	Sale	-89	0.00	12525	0.04
	12/05/17	Purchase	8543	0.03	21068	0.08
	19/05/17	Purchase	16023	0.06	37091	0.13
	26/05/17	Purchase	9087	0.03	46178	0.16
	02/06/17	Purchase	12978	0.05	59156	0.21
	09/06/17	Sale	-2859	-0.01	56297	0.20
	16/06/17	Sale	-766	0.00	55531	0.20
	23/06/17	Sale	-14172	-0.05	41359	0.15
	30/06/17	Purchase	131	0.00	41490	0.15
	07/07/17	Purchase	2187	0.01	43677	0.16

**DIRECTORS' REPORT ....****(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS)**

Sl. Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
			No. of share	%	No. of shares	%
	14/07/17	Sale	-45	0.00	43632	0.16
	21/07/17	Purchase	10793	0.04	54425	0.19
	28/07/17	Sale	-23704	-0.08	30721	0.11
	04/08/17	Sale	-5924	-0.02	24797	0.09
	11/08/17	Sale	-1655	-0.01	23142	0.08
	18/08/17	Sale	-1076	0.00	22066	0.08
	25/08/17	Purchase	370	0.00	22436	0.08
	01/09/17	Purchase	1654	0.01	24090	0.09
	08/09/17	Sale	-1073	0.00	23017	0.08
	15/09/17	Sale	-12	0.00	23005	0.08
	22/09/17	Sale	-972	0.00	22033	0.08
	29/09/17	Purchase	1962	0.01	23995	0.09
	06/10/17	Sale	-23	0.00	23972	0.09
	13/10/17	Purchase	79	0.00	24051	0.09
	20/10/17	Sale	-14	0.00	24037	0.09
	27/10/17	Purchase	1330	0.00	25367	0.09
	31/10/17	Sale	-443	0.00	24924	0.09
	03/11/17	Sale	-9133	-0.03	15791	0.06
	10/11/17	Sale	-9736	-0.03	6055	0.02
	17/11/17	Purchase	4713	0.02	10768	0.04
	24/11/17	Purchase	4650	0.02	15418	0.06
	01/12/17	Sale	-48	0.00	15370	0.05
	08/12/17	Sale	-1626	-0.01	13744	0.05
	15/12/17	Sale	-131	0.00	13613	0.05
	22/12/17	Purchase	2715	0.01	16328	0.06
	29/12/17	Sale	-4630	-0.02	11698	0.04
	05/01/18	Sale	-1125	0.00	10573	0.04
	12/01/18	Purchase	9370	0.03	19943	0.07
	19/01/18	Purchase	2557	0.01	22500	0.08
	26/01/18	Purchase	1645	0.01	24145	0.09
	02/02/18	Purchase	7	0.00	24152	0.09
	09/02/18	Purchase	1235	0.00	25387	0.09
	16/02/18	Purchase	50	0.00	25437	0.09
	23/02/18	Purchase	3646	0.01	29083	0.10
	02/03/18	Sale	-1269	0.00	27814	0.10
	09/03/18	Purchase	14094	0.05	41908	0.15
	16/03/18	Purchase	4244	0.02	46152	0.16
	23/03/18	Sale	-1586	-0.01	44566	0.16
	30/03/18	Sale	-2128	-0.01	42438	0.15
	31/03/18	Closing	—	0.00	42438	0.15

**(v) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

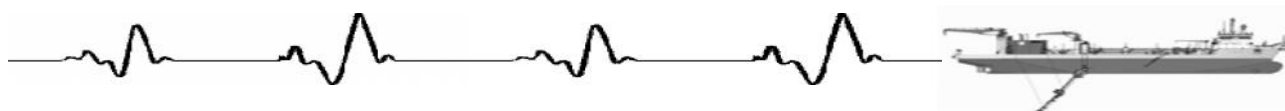
Sl.No	Name (S/Shri)	Change in shareholding	Cumulative shareholding	
			No. of shares	%
1	Rajesh Tripathi, CMD	No change during the year	551	0.0002
2	M S Rao, DOT	No change during the year	351	0.0001
3	K. Aswini Sreekanth, CS	No change during the year	300	0.0001

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	81777.78	0	0	81777.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	243.93	0	0	243.93
<b>Total (i+ii+iii)</b>	<b>82121.71</b>	<b>0</b>	<b>0</b>	<b>82021.71</b>
<b>Change in Indebtedness during the financial year</b>				
Additions : Exchange Variation	11628.31	0	0	11628.31
Reduction : Repayments made	-12680.34	0	0	-12680.34
Reduction : Interest accrued but not due	-3.39	0	0	-3.39
Ind AS Adj	265.89	0	0	265.89
<b>Net Change</b>	<b>-782.75</b>	<b>0</b>	<b>0</b>	<b>-782.75</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	80991.63	0	0	80991.63
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	240.54	0	0	240.54
<b>Total (i+ii+iii)</b>	<b>81232.16</b>	<b>0</b>	<b>0</b>	<b>81232.16</b>



**DIRECTORS' REPORT ....****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

₹ in lakhs

Sl.No		Name of the MD/WTD/Director/Manager			Total Amount
A. Managing Director, whole-time Directors and/ or Manager					
		Rajesh Tripathi	S. Charles	M.S. Rao	
		CMD	DFN	DOT	
1	Gross salary as per Income Tax Act 1961				
	(a) Salary u/s 17(1)	37.73	33.18	42.06	
	(b) Value of perquisites u/s 17(2)	3.62	0	0	
	(c ) Profits in lieu of salary u/s 17(3)	0	1.55	3.36	
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission				
	- as % of profit	-	-	-	
	- others (specify)	-	-	-	
5	Others, please specify				
	- Company Contribution to PF	3.31	2.51	2.60	
	- Superannuation benefits	2.35	1.79	1.85	
	Total (A)	47.01	39.03	49.87	135.91
Ceiling as per the Act.		Not Applicable for Government Companies			
B. Other Directors					
1	Independent Directors	Sheila Sangwan	Vrushali Waghmare		
	(a) Fee for attending board committee meetings	1.70	1.40		
	(b) Commission	0	0		
	(c ) Others, please specify	0	0		
	Total (1)	1.70	1.40		3.10
2	Other Non Executive Directors	S P Singh/Leena Nandan/Pravir Krishn/ Pradeep Kumar/ Sanjeev Ranjan			
	(a) Fee for attending board committee meetings		0		
	(b) Commission		0		
	(c) Others, please specify.		0		
	Total (2)		0		0
	Total (B)=(1+2)				3.10
Total Managerial Remuneration (A + B)					139.01
Overall Ceiling as per the Act.		Not Applicable for Government Companies			

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

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		<b>CEO</b>	<b>CS</b>	<b>CFO</b>	
1	Gross salary as per Income Tax. 1961.				
	(a) Salary as per section 17(1)	37.73	24.19	33.18	95.10
	(b) Value of perquisite u/s 17(2)	3.62	0.01		3.63
	(c) Profits in lieu of salary u/s 17(3)	0	0.14	1.55	1.69
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others (specify)	-	-	-	
5	Others (please specify)	-	-	-	
	Company Contribution to PF	3.31	1.37	2.51	7.19
	Superannuation	2.35	0.98	1.79	5.12
	<b>Total</b>	<b>47.01</b>	<b>24.78</b>	<b>39.03</b>	<b>110.82</b>

**VII 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**

Penalty/Punishment/Compounding

**B. DIRECTORS**

Penalty/Punishment/Compounding

**C. OTHER OFFICERS IN DEFAULT**

Penalty/Punishment/Compounding -----NIL-----

## DIRECTORS' REPORT ....

ANNEXURE – II

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18****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.nic.in/files/csr1718.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.

Ms. Sheila Sangwan	-	Chairperson
Shri S.Charles	-	Member
Shri M.S.Rao.	-	Member

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:- ₹ 5351.62 LAKHS****4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE):- ₹ 107.03 LAKHS****5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR :-**

Amount spent in 2017-18

(₹ in Lakhs)

	Budget Approval by CSR Committee	Actual Amount spent
Project 1 Construction of toilets – 5 big (Public) and 10 small (schools)	87.27	87.27
Project 2 Blind Organisation of India	0.21	0.21
Project 3 RO drinking water Plant – 6 schools	21.93	21.93
<b>Total</b>	<b>109.42</b>	<b>109.42</b>

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

(₹ in lakhs)

Sl. No. ( or ) Activity identified	Sector in which the project is covered (Clause No of Schedule VII to the Companies Act , 2013 as amended)	Projects or Programs 1.Local area or others 2.Specify the state and District where projects or programs was under taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads : 1.Direct Expenditure on projects or programs 2. Overheads	Cumulative upto the reporting period	Amount spent: :Direct or Through Implementing Agency
1. Construction of Toilets	Cl.(i) promoting health care and sanitation	In and around Visakhapatnam 5 in public places and 10 in Government Schools	87.27	87.27	87.27	
2. Blind Organisation of India	-do-	Mumbai, Maharashtra	0.21	0.21	87.48	Amounts Spent Directly
3. RO Plant – 6 schools	-do-	Visakhapatnam , Andhra Pradesh	21.93	21.93	109.42	

**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 ₹ 109.42 lakhs during the year which is more than 2% of the average net profit of the last three financial years amounting to ₹107.03 lakhs

**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

*Sheila Sangwan*  
Sheila Sangwan  
Chairperson, CSR Committee

Place : New Delhi  
Date : 29/06/2018





## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

**{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of**

**The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}**

To,  
The Members,  
Dredging Corporation of India Limited.

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by Dredging Corporation of India Limited (hereinafter called DCIL/the Company). 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 DCIL'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 year ended on 31<sup>st</sup> March, 2018 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 DCIL for the financial year ended on 31<sup>st</sup> March, 2018 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, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry), as listed below, to the Company are being verified on the basis of annual disclosure made to the Board of Directors of the Company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India - *Generally complied with.*
- (b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, Equity Listing Agreement with National Stock Exchange of India Limited, BSE Limited & Calcutta Stock Exchange Limited.
- (c) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines).

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. Compliance of Section 149(4) of the Companies Act, 2013, Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.
2. Compliance of Regulation 17 (10) & 25 (4) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, w.r.t. Performance evaluation of the Directors.

We further report that in the absence of requisite number of Independent Directors, the Company has not complied with the requirements pertaining to the composition of the Board of Directors, which is to be constituted as per the Companies Act, 2013, DPE Guidelines and SEBI (Listing Obligation & Disclosure Requirements) Regulations. 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.

As per the explanations/ representations received from the Company, Company is in the process of getting Board approval of policies as required under Regulation 19(4) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

BSE Limited has levied a fine towards late submission of financial results for the quarter ended 30<sup>th</sup> June, 2017 under regulation 33 of SEBI (LODR) Regulations, 2015 against which, Company has submitted an application for waiver.

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. In case of convening of meeting including sending of agenda at shorter notice, consent of members present in the meeting were taken.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

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, no specific event has occurred in the Company.

For Agarwal S. & Associates,  
Company Secretaries,  
CS Sachin Agarwal

Date: June 21, 2018

Place: Visakhapatnam

Partner- C.P No. : 5910, FCS No. : 5774

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.

**SECRETARIAL AUDIT REPORT**

"Annexure A"

To,

**The Members,  
Dredging Corporation of India Limited**

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

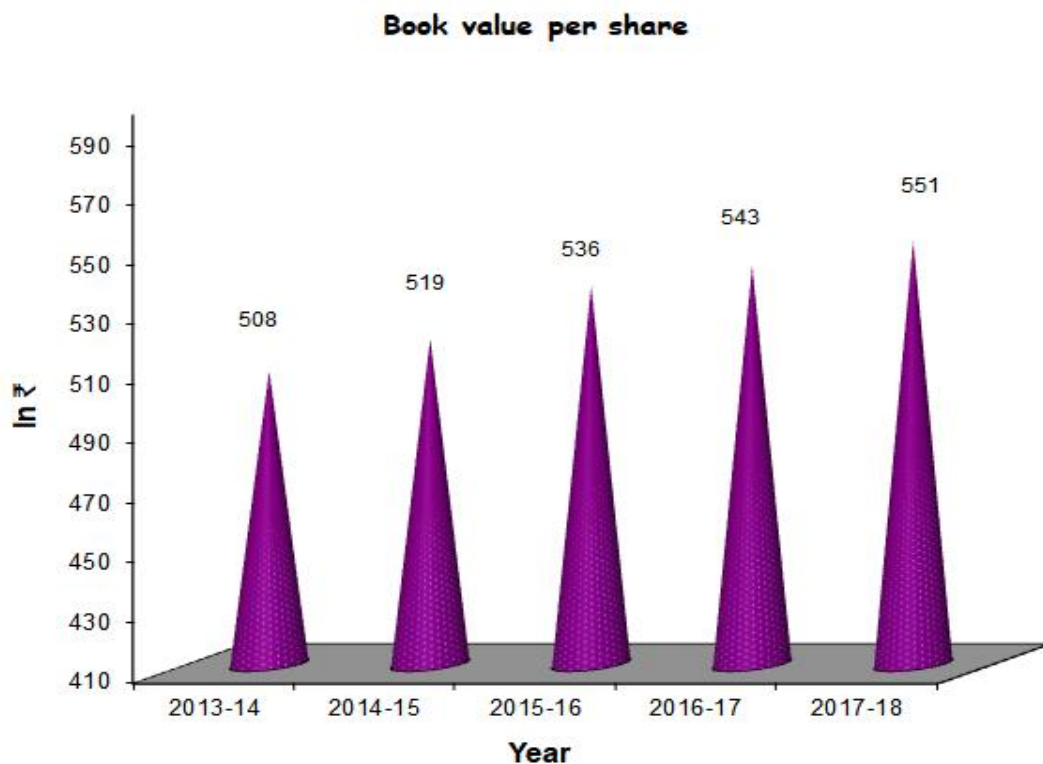
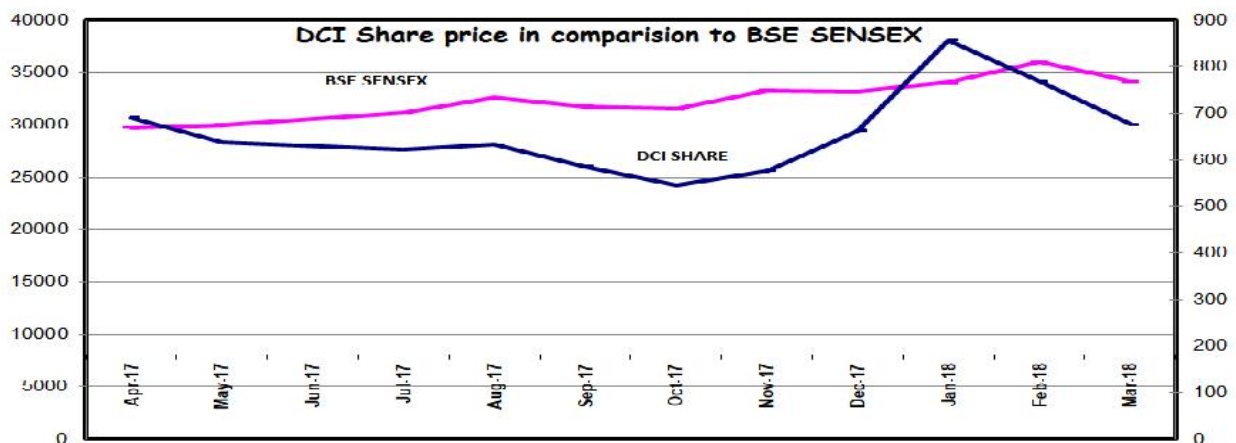
1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the 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.
4. Where ever required, we have obtained the Management's 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.
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,  
CS Sachin Agarwal

Date: June 21, 2018

Place: Visakhapatnam

Partner- C.P No. : 5910, FCS No. : 5774





## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

## 1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

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

## 2. BOARD OF DIRECTORS

**Composition of Board of Directors as on 31/03/2018:** Pursuant to the Articles of Association of the Company, all the Directors are appointed by the President of India. The Company could not meet the Corporate Governance requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, (LoDR)2015 & DPE Guidelines with regard to composition of Independent Directors as they are appointed by Government of India. The Company has already requested the Ministry of Shipping, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors on the Board of the Company to enable the company to comply with the applicable provisions of the SEBI (LoDR) 2015, DPE guidelines and the Provisions of Companies Act, 2013, and rules made thereunder.

As on 31/03/2018, the Company has six directors consisting of one Executive Director – Chairman and Managing Director, one Functional director – Director (Operations & Technical), two Part-time Official Directors and two Part-time Non-official Directors (Independent Directors). The two Independent Directors are women directors. There are vacancies for one post of functional director and three posts of independent directors.

## i The composition of the Board as on 31/03/2018 is as under:

Name	Official/Non-Official
<b>Executive Directors</b>	
i) Shri Rajesh Tripathi, Chairman and Managing Director	Whole-time official
ii) Shri M.S. Rao, Director (Operations & Technical)	Whole-time official
<b>Non-Executive Directors</b>	
iii) Shri Satinder Pal Singh	Part-time official
iv) Ms. Leena Nandan	Part-time official
v) Ms. Sheila Sangwan	Part-time Non-official
vi) Ms. Shobha Vrushali Waghmare	Part-time Non-official

## ii Changes in Board of Directors during 2017-18:

Director	Date	Nature of Change
i) Shri Sanjeev Ranjan	29/05/17	Cessation
ii) Shri Pradeep Kumar	29/05/17	Appointment
iii) Shri Pravir Krishn	25/07/17	Cessation
iv) Shri Pradeep Kumar	27/07/17	Cessation
v) Ms. Leena Nandan	03/08/17	Appointment
vi) Shri Satinder Pal Singh	28/08/17	Appointment
vii) Shri S Charles	14/03/18	Cessation

## iii Changes in Board of Directors from 1/4/18 till date of report:

Director	Date	Nature of Change
i) Ms. Leena Nandan	03/05/2018	Cessation
ii) Shri Shambhu Singh	03/05/2018	Appointment

## Brief profile of the Directors appointed from 1/4/17 and continuing on the date of report:

Shri. Satinder Pal Singh, IPS has done Bachelor of Engineering (Civil) from Kashmir University, Post Graduate Degree in Police Management from Osmania University and Master of Laws (LLM) from Brunel University, London and has worked as Superintendent of Police in Districts Sirmaur, Mandi and Kangra of Himachal Pradesh, UN Civilian Police in Kosovo, National Human Rights Commission of India, Special Secretary (Home Department), Shimla, Inspector General of Police (Law & Order), Shimla. He also served as Director(Housing) in the Ministry of Housing and Urban Poverty Alleviation before being posted as Joint Secretary in Ministry of Shipping which post he presently holds. He is also a Director on the Board of Shipping Corporation of India Limited, Sagarmala Development Company Limited and Cochin Shipyard Limited.

Mr. Shambhu Singh holds Master degree in MA (Economics). He has varied administrative experiences. He worked in various capacities in Government of India and is presently posted as AS&FA, Ministry of Shipping. He is also a Director on the Board of Shipping Corporation of India Limited and Indian Port Rail Corporation Limited. He is also a Trustee in Mumbai Port Trust and Indian Maritime University

## iv Board Meetings and Attendance: 2017-18

Six Board Meetings were held during the year 2017-18. Attendance of Directors at the meetings of Board of Directors during the financial year 2017-18 and the last Annual General Meeting held on 31.08.2017 is as follows:-

Director	No. of Board Meetings held		Attended last AGM (31/08/17)
	During tenure	Attended	
1. Shri Rajesh Tripathi, CMD	6	6	Yes
2. Shri S. Charles, DFN (upto 14/3/18)	6	6	Yes
3. Shri M.S. Rao, DOT	6	6	Yes
4. Ms. Sheila Sangwan	6	6	Yes
5. Dr.(Ms.)Vrushali Rajendra Waghmare	6	6	No
6. Shri Satinder Pal Singh (w.e.f.28/8/17)	3	3	No
7. Ms. Leena Nandan (w.e.f. 03/08/17)	4	3	No
8. Shri Sanjeev Ranjan (upto 29/5/17)	1	0	NA
9. Shri Pravir Krishn (upto 25/07/17)	2	2	NA
10. Shri Pradeep Kumar (upto 27/07/17)	1	0	NA

## CORPORATE GOVERNANCE REPORT ...

### v Number of other Boards / Board Committees in which Directors are Members/ Chairperson for 2017-18:

Director	Directorships	No. of outside position held	
		Committee	
		Member	Chairperson
1. Shri Rajesh Tripathi, CMD	1	-	-
2. Shri S. Charles, DFN (upto 14/3/18)	1	-	-
3. Shri M. S. Rao, DOT	-	-	-
4. Shri Sanjeev Ranjan (upto 29/5/17)	2	1	-
5. Shri Pravir Krishn (upto 25/7/17)	2	-	-
6. Shri Pradeep Kumar (upto 27/07/17)	6	3	-
7. Shri Satinder Pal Singh(w.e.f 28/08/17)	2	2	-
8. Ms. Leena Nandan(w.e.f 03/08/17)	1	1	-
9. Ms. Sheila Sangwan	8	8	4
10. Dr.(Ms.)Vrushali Rajendra Waghmare	-	-	-

### vi. Details of Board Meetings held during 2017-18

Sl.No.	Date	Place	Board Strength	Directors Present
1.	29/05/2017	New Delhi	7	6
2.	24/07/2017	New Delhi	7	6
3.	14/08/2017	New Delhi	6	6
4.	11/09/2017	New Delhi	7	7
5.	10/11/2017	New Delhi	7	6
6.	09/02/2018	New Delhi	7	7

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

## 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. 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 six Audit Committee Meetings during the financial year 2017-18.

### ii The Constitution of the Audit Committee as on 31-03-2018 is as under :-

- Ms. Sheila Sangwan : Chairman
- Dr.(Ms.)Vrushali Rajendra Waghmare : Member
- Shri Satinder Pal Singh : Member (w.e.f. 10/11/2017)

### iii Meetings of the Audit Committee and attendance during the year 2017-18:

#### Details of Audit Committee Meetings held:

Sl.No.	Date	Place	No. of Members Present
1.*	13/04/2017	Visakhapatnam	3
2.	29/05/2017	Delhi	3
3.	24/07/2017	Delhi	2
4.	14/08/2017	Delhi	3
5.	10/11/2017	Delhi	3
6.	09/02/2018	Delhi	3

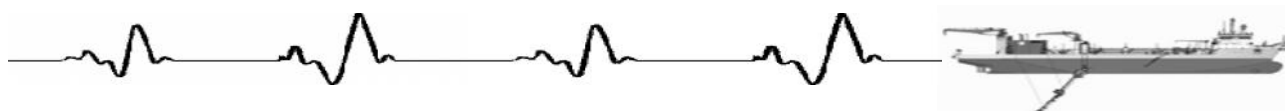
\* Meeting done by video conferencing

#### Details of attendance :

Sl.No.	Name of the Director	No. of Meetings held	
		During tenure	Attended
1.	Ms. Sheila Sangwan	6	6
2.	Dr.(Ms.)Vrushali Rajendra Waghmare	6	6
3.	Shri Pravir Krishn (upto 25/7/17)	3	3
4.	Shri M S Rao (w.e.f. 8/8/17 upto 10/11/17)	2	2
5.	Shri Satinder Pal Singh (w.e.f 10/11/17)	1	1

## 4. REMUNERATION OF DIRECTORS

- DCI being a Government of India Undertaking, the remuneration payable to its whole-time Directors is as per the Rules and Regulations prescribed by the Government of India, received through the Administrative Ministry, Ministry of Shipping.
- The Part-time Official (Government) Directors do not receive any remuneration from the Company.
- The 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 2017-18 is as under :-





## CORPORATE GOVERNANCE REPORT ...

(₹ in lakhs)

Name of the Director	Salary	Performance Related Incentive	Sitting Fees	Total
<b>Executive Directors (Whole-time)</b>				
1. Shri Rajesh Tripathi, CMD	47.01	0	-	47.01
2. Shri S. Charles, DFN	39.03	0	-	39.03
3. Shri M.S. Rao, DOT	49.87	0	-	49.87
<b>Non-Executive Directors (Independent)</b>				
4. Ms. Sheila Sangwan	-	-	1.70	1.70
5. Ms. Shobha Vrushali Waghmare	-	-	1.40	1.40

Part-time official Directors are not paid any remuneration. In addition to the above, wherever necessary, the travelling, hotel and other related expenditure is being arranged/ reimbursed to the Directors for attending the Board and other meetings.

vi. The Non-Executive Directors do not hold any shares in the Company.

vii. 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.

i. K.Aswni Sreekanth, Company Secretary is designated as Compliance Officer.

ii. A total of 37 complaints were received during the year 2017-18, there is no pending complaint as on 31/03/18.

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

iv. The Constitution of the Stakeholders Relationship Committee as on 31-03-2018 is as under :-

- |                                       |            |
|---------------------------------------|------------|
| 1. Ms. Sheila Sangwan                 | : Chairman |
| 2. Dr.(Ms.)Vrushali Rajendra Waghmare | : Member   |
| 3. Shri Satinder Pal Singh            | : Member   |

The Committee has held one meeting on 24/07/2017 for the financial year 2017-18.

## 6. SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee constituted in the year 1997. The Share Transfer Committee has Chairman and Managing Director, Director (Finance) and Director (Operations & Technical) as members. The Committee is authorized to approve transfer and transmission of shares of the Company. Share transfer/ transmission and other important matters are attended in time under the control of Company Secretary. As on 31-3-18 the company had 55,725 shareholders. During the year, 355 shares were transferred out of 359 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 Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent of the Company providing the services of physical share registry work and electronic interface facility with the depositories.

Sl.No	Date of approval of share transfer	No. of shares
1	10/05/2017	2
2	30/05/2017	1
3	30/08/2017	11
4	20/11/2017	280
5	21/02/2018	599
<b>Total</b>		<b>612</b>

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE(CSR)

A CSR Committee was constituted with the following directors:

- |                                       |               |
|---------------------------------------|---------------|
| i) Ms. Sheila Sangwan                 | : Chairperson |
| ii) Shri S. Charles (upto 14/03/2018) | : Member      |
| iii) Shri M. S. Rao                   | : Member      |

During the year 2017-18, the Company has spent a total of about ₹109.43 Lakh under CSR towards construction of toilets in Government Schools and public places located in and around Visakhapatnam and donations given to Blind Organisation of India and providing RO Plant in Government Schools in and around Visakhapatnam.

**Meetings of the CSR Committee and attendance during the year 2017-18:**

**Details of CSR Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1.	29/05/2017	Delhi	3
2.	11/09/2017	Delhi	3
3.	09/02/2018	Delhi	3

**Details of Attendance :**

Sl.No.	Name of the Director	No. of Meetings	
		During tenure	Attended
1.	Ms. Sheila Sangwan	3	3
2.	Shri S. Charles	3	3
3.	Shri M.S. Rao	3	3

## 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 are the members of the Committee as on 31/03/2018:

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

## CORPORATE GOVERNANCE REPORT ...

No Nomination and Remuneration Committee Meeting held during the year 2017-18

DCI being a Government Company, 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 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.

### 9. INDEPENDENT DIRECTORS MEETING:

An Independent Directors meeting was held on 15/03/2018 in which both the Independent Directors – Ms. Sheila Sangwan and Ms. Vrushali Rajendra Waghmare were present.

#### 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.

#### 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 is also available on the website of the Company – [www.dredge-india.com](http://www.dredge-india.com)

### 10. ANNUAL GENERAL MEETINGS

#### i. Details of last 3 Annual General Meetings:

	2014-15	2015-16	2016-17
	39 <sup>th</sup> AGM	40 <sup>th</sup> AGM	41 <sup>st</sup> AGM
1. Date	30-09-2015	30-9-2016	31-8-2017
2. Time	1000 hrs	1000 hrs.	1130 hrs.
3. Venue	Manekshaw Centre Parade Road New Delhi – 110010	Conference Hall Core 2, Scope Minar, Plot No 2A & 2B, Laxmi Nagar District Centre, New Delhi – 110092	Conference Hall Core 2, Scope Minar Plot No 2A & 2B, Laxmi Nagar District Centre, New Delhi – 110092

ii. During the previous years – 2015-16 and 2016-17 no special resolution was passed.

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

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

#### 11. Details of Directors seeking appointment/re-appointment :

Brief resume along with other details of Director being appointed – Shri Rajesh Tripathi ,Shri Satinder Pal singh and Shri Shambhu Singh and as required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015 is given along with the Notice of the Meeting.

12. The Company has complied with all the Accounting Standards issued by ICAI.

13. 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 the following:-

i) NSE and BSE have informed imposition of fine for non-appointment of women director on the Board as per the requirements of SEBI. 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 in the year 2015. Subsequently two women (independent directors) were appointed on the Board w.e.f. 23/03/2016 by Government.

ii) BSE has informed levy of fine towards delay in submission of financial results for the quarter ended 30<sup>th</sup> June, 2017 under Regulation 33 of SEBI (LODR) Regulations, 2015 against which, Company has submitted an application for waiver. The response from the Exchange is awaited. The delay was in submission in a particular format to the exchange. The results were submitted in time to other exchanges - NSE and CSE in the specified formats.

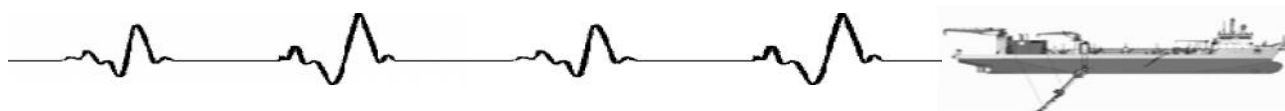
14. DCI is a Government of India undertaking and there are established Government guidelines and mechanism of reporting illegal or unethical behaviour. Employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor/Chief Vigilance Officer/ Chairman 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.

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.

15. **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.

16. **Code of Conduct for Board Members and Senior Management:** The Board in its 204<sup>th</sup> meeting held on 06-12-2005 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."





## CORPORATE GOVERNANCE REPORT ...

A copy of the Code has been posted on the Company's website [www.dredge-india.com](http://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 Chairman and 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 2017-18.

(Shri Rajesh Tripathi)  
Chairman and Managing Director

17. The Company does not have any subsidiary company.
18. 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.
19. The Management Discussion and Analysis Report forms part of this Annual Report.
20. 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.
21. The CEO and CFO i.e., Chairman and 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 2017-18.
22. 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.
23. **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 which is being pursued with the Government of India.
24. **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 appointment of Board level executives is done by the Government.
  - E. Reporting of Internal Auditor: The Internal auditor may report directly to the Audit Committee – The same will be examined.
25. **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 2017-18 are mainly with other State controlled enterprises. During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large 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.
26. 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.
27. 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.
28. **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 M.S.Rao, Director (Operations and Technical attended the training program on Corporate Governance - Past, Present and Future organised at IIM, Bangalore by DPE from 31<sup>st</sup> July, 2017 to 2<sup>nd</sup> August, 2017.  
Ms. Sheila Sangwan – Independent Director attended an Orientation Programme on the subject – "Capacity Building of newly appointed non-official (Independent) Directors of Central Public Sector Enterprises" from 5<sup>th</sup> October, 2017 to 6<sup>th</sup> October, 2017 at Gangtok during the financial year 2017-18 organised by Department of Public Enterprises (DPE), Government of India. The program was organised by DPE as part of its continuous initiative to sensitize non-official Directors of CPSEs about their role and responsibilities in the context of Companies Act, 2013. The Program was for two days.  
Mr Satinder Pal Singh, part-time Official Director attended one day orientation program on capacity building of Government Directors of CPSEs held on 20<sup>th</sup> February 2018 which was organised by DPE.  
These details are also available on our website – [www.dredge-india.com](http://www.dredge-india.com)
29. **Mechanism for evaluating non-executive Members**  
DCI, being a Government Company, where the Directors are appointed by the Government, the evaluation of performance of directors is done by the Government.

## CORPORATE GOVERNANCE REPORT ...

### 30. 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.

### 31. Means of Communication:

#### i. Quarterly Results

The schedule of consideration of quarterly results by the Board for the year 2017-2018 is as under:

- Results for the 1<sup>st</sup> quarter ending 30<sup>th</sup> June, 2017 :On 14-08-2017
- Results for the 2<sup>nd</sup> quarter ending 30<sup>th</sup> Sept. 2017 :On 10-11-2017.
- Results for the 3<sup>rd</sup> quarter ending 31<sup>st</sup> Dec. 2017 :On 09-02-2018.
- Audited results for the year ending 31<sup>st</sup> Mar., 2018 :On 28-05-2018.

- The Results are published in "Business standard" newspaper for both English and Hindi versions 48 hours from the time of declaration.
- The Quarterly Results are posted on the website of the Company - [www.dredge-india.com](http://www.dredge-india.com) after consideration and taking on record by the Board.
- The website of the Company - [www.dredge-india.com](http://www.dredge-india.com) displays the official news releases, if any
- The website of the Company - [www.dredge-india.com](http://www.dredge-india.com) displays the presentations made to institutional investors or to the analysts, if any.
- 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.
- 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 2017-18 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.

### 32. GENERAL SHAREHOLDERS INFORMATION:

- Annual General Meeting –  
Date, Time & Venue : 13<sup>th</sup> August, 2018 at 1100 hrs. in Scope Minar, Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110092.
- Financial Year : 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.
- Date of Book closure : 07/08/2018 to 13/08/2018 (both days inclusive)
- Remote e-voting cut off date : 07/08/2018
- Remote e-voting start date : 10/08/2018
- Remote e-voting end date : 12/08/2018

#### vii. Listing on Stock Exchanges :-

Name and address of the Exchange	Stock/ Scrip Code
a) National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	DREDGECORP
b) BSE Limited, 25 <sup>th</sup> Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	523618
c) Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001.	14050

Annual Listing fee for the financial year 2017-2018 has been paid to all the Stock Exchanges.

The tax free bonds of the company are listed with BSE Limited, Mumbai

#### viii. ISIN No. for trading in Demat form: INE 506A01018

#### ix. ISIN No. for Tax Free Bonds : INE 506A07015

#### x. The Corporate Identity Number of the Company is L29222DL1976GOI008129

#### xi. Registrar and Share Transfer Agents : M/s. Karvy Computershare Private Limited, Hyderabad are the R & T Agents of the Company.

#### xii. 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.

#### xiii. Market price data of the Company in comparison to BSE SENSEX and NSE (S&P CNX NIFTY) during 2017-2018

Month	BSE Share Price (₹)		BSE SENSEX(S&P)		NSE Share Price (₹)		NSE(CNXNIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-17	717.70	634.00	30184.22	29241.48	694.00	633.00	9273.90	9075.15
May-17	684.90	549.50	31255.28	29804.12	684.20	549.45	9637.75	9269.90
Jun-17	752.40	569.00	31522.87	30680.66	754.90	568.35	9709.30	9473.45
Jul-17	669.40	601.00	32672.66	31017.11	672.00	605.65	10085.90	9543.55
Aug-17	638.20	542.00	32686.48	31128.02	638.60	542.50	10137.85	9684.55
Sep-17	629.90	540.65	32524.11	31081.83	629.45	539.10	10178.95	9714.40
Oct-17	597.00	522.00	33340.17	31440.48	597.00	525.05	10384.50	9831.05
Nov-17	787.90	576.80	33865.95	32683.59	787.40	577.00	10490.45	10094.00
Dec-17	887.00	622.65	34137.97	32565.16	887.00	621.05	10545.45	10033.35
Jan-18	920.20	686.35	36443.98	33703.37	922.00	685.60	11171.45	10443.20
Feb-18	776.30	643.95	36256.83	33482.81	775.20	625.00	11117.35	10276.30
Mar-18	724.50	576.25	34278.63	32483.84	698.00	577.00	9,218.40	8,860.10

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





## CORPORATE GOVERNANCE REPORT ...

## xiv. Shareholding Pattern as on 31/03/2018

Category	No. of shareholders	No. of shares	Percentage
GOVERNMENT OF INDIA	1	20572013	73.47
RESIDENT INDIVIDUALS	52805	3294602	11.77
INSURANCE COMPANIES	3	1877735	6.71
BODIES CORPORATES	693	1103570	3.94
H U F	1419	176425	0.63
NON RESIDENT INDIANS	368	63157	0.23
NON RESIDENT INDIAN NON REPATRIABLE	239	24265	0.09
INDIAN FINANCIAL INSTITUTIONS	6	468351	1.67
FOREIGN PORTFOLIO INVESTORS	14	240374	0.86
CLEARING MEMBERS	163	90730	0.32
TRUSTS	4	11124	0.04
BANKS	3	52419	0.19
NBFC	6	22100	0.08
IEPF	1	3135	0.01
<b>Total:</b>	<b>55725</b>	<b>28000000</b>	<b>100.00</b>

## xv. Distribution of shareholding on 31/03/2018

Category	No. of Cases	Percentage of cases	Amount	% of Amount
1-5000	50319	97.66	21494690	7.68
5001- 10000	679	1.32	5279680	1.89
10001- 20000	290	0.56	4262270	1.52
20001- 30000	78	0.15	1927190	0.69
30001- 40000	40	0.08	1394500	0.50
40001- 50000	22	0.04	1016160	0.36
50001- 100000	60	0.12	4474990	1.60
100001& Above	37	0.07	240150520	85.77
<b>Total:</b>	<b>51525</b>	<b>100.00</b>	<b>280000000</b>	<b>100.00</b>

## xvi. 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 President of India and nominees and the remaining 74,27,987 shares (26.53%) are held by others. As on 31.03.2018, of the 74,27,987 shares held by others, 7424124 are held in dematerialised form. In the year 2017-18, 11 shares have been dematerialized covering 6 demat requests. During the year, 357 shares were rematerialised and share certificates issued covering 12 requests for Rematerialisation of Shares.

Distribution of shareholding w.r.t physical/ dematerialized form as on 31/3/18 is as under:-

Description	Cases	Shares	% Equity
PHYSICAL	2117	3093	0.01
NSDL	36272	26185999	93.52
CDSL	17336	1810908	6.47
<b>Total</b>	<b>55725</b>	<b>28000000</b>	<b>100.00</b>

Disclosures with respect to demat suspense account/unclaimed suspense account:

- 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.

## 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](mailto:sreekanth@dcil.co.in)

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

**Registrar & Transfer Agent :-**

UNIT: Dredging Corporation of India Ltd.  
Karvy Computershare 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](mailto:einward.ris@karvy.com)

## xix. 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.

Corporate Action: Dividend declared by the Company from 2008-09:

Year	Dividend declared	Year	Dividend declared
2008-09	50% (₹ 5/- per equity share)	2013-14	30% (₹3/- per equity share)
2009-10	30% (₹ 3/- per equity share)	2014-15	30% (₹ 3/- per equity share)
2010-11	NIL	2015-16	30% (₹ 3/- per equity share)
2011-12	NIL	2016-17	NIL
2012-13	20% (₹ 2/- per equity share)	2017-18	20% (₹ 2/- per equity share)

- xx. Unpaid 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 Company has published a Notice in the News paper – "Mint" on 02/05/2017 regarding transfer of Equity shares of the Company to IEPF. The Company has transferred 3135 shares to IEPF within the stipulated timelines during the year as per the provisions of the Companies Act and IEPF Guidelines.

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 51NV. 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 31/3/18 and due date for transfer to IEPF is as under:-

Financial Year	Date of Declaration	Unclaimed Dividend Cases Amount(₹)		Financial Year for transfer to IEPF
2010-11	No Dividend Declared	--	--	--
2011-12	No Dividend Declared	--	--	--
2012-13	29/09/2013	2336	84070	2020-21 (October 2021)
2013-14	29/09/2014	1754	77496	2021-22 (October 2022)
2014-15	30/09/2015	1677	78063	2022-23 (October 2023)
2015-16	30/09/2016	1718	76815	2023-24 (October 2024)
2016-17	No Dividend Declared	--	--	--

### 33. OTHER INFORMATION :-

#### a. 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.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions/ business segments.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- Show Cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- 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.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- 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.
- Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Terms of reference of the Board Committees.

#### b. Agenda for Board / its Committee meetings:

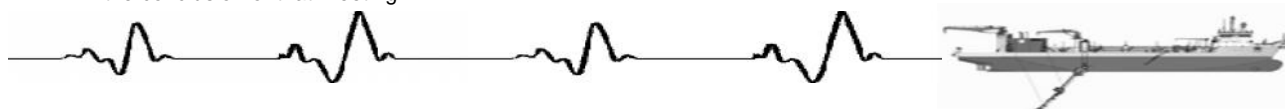
All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision or for information at the Board/ Committee meetings. The Members of the Board have complete access to all information on the organization. The Chairman and 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.





## **CORPORATE GOVERNANCE REPORT ...**

**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 2017-18 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. Subject to the provisions of the Act and to such directives and/ or instructions as the president may issue from time to time under these Articles, 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 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. CMD has delegated some of these powers further down the line to functional and project heads.**

**h. Regarding Compliance of laws applicable to the Company, no specific instances or reports of non-compliance/ default in compliance of any law were received by the Company.**

\*\*\*\*

### **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** (hereinafter called as "the Company" or "DCIL") for the year ended 31<sup>st</sup> March, 2018, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

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, D and E of Schedule V of Chapter IV of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

1. *Compliance of Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.*
2. *Compliance of Regulation 17 (10) & 25 (4) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, w.r.t. Performance evaluation of the Directors.*

The Company has explained that the appointment of Functional Directors, Part Time Official Directors (Govt. Directors) as well as Part Time Non-Official Directors (Independent Directors) on the Board of DCIL is made by Government of India (GOI) through Ministry of Shipping, being administrative ministry of DCIL. Therefore, terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Directors by the Administrative Ministry.

As per the explanations/ representations received from the Company, Company is in the process of getting Board approval of policies as required under Regulation 19(4) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations.

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,  
CS Sachin Agarwal

Date: June 21, 2018  
Place: Visakhapatnam

Partner- C.P No. : 5910, FCS NO. : 5774

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2017-18**

### **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 five leading Dutch and Belgian companies highlighted in the table below 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**

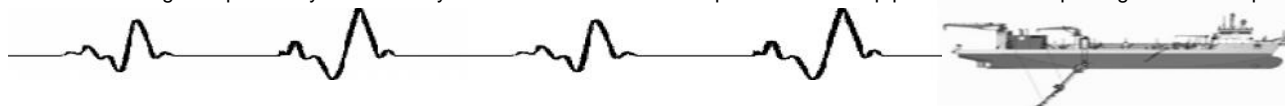
8. Indian dredging industry is driven largely by the dredging demand coming from its major and non-major ports. With recent developments to boost domestic manufacturing and Government's focus to improve Indian maritime sector, dredging industry is expected to be a direct beneficiary. Indian ports are 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, in FY 2017, was estimated as circa 180 million cubic meter ("MCM") with maintenance dredging constituting around 65% 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 harbors 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.
12. 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.

### **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. The following are expected to be the key drivers of dredging industry in India in future:
16. 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.
17. 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 ~INR 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.
18. Approximately 50 projects have been identified under the port modernization and new port development activity, which would increase the port capacity from 1,400 MMTA to 2,500 MMTA by 2025. Majority of the activity would be related to capital dredging. Approximately INR 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 a trans-shipment hub.
19. 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




**MANAGEMENT DISCUSSION AND ANALYSIS REPORT....**

products and development of multimodal logistics hubs have also been considered. With 65 proposed projects, ~INR 2, 00,000Crore of investment is expected.

20. 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 INR 1,00,000 Cr. and is expected to attract an additional INR7,00,000 Cr. of industrial investment.
21. 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.
22. 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.
23. 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.
24. Subsequently, 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.
25. It is projected that in the next five years, 12 major ports are proposed to increase their capacity, which would entail INR 20,000 Crore worth of new dredging contracts. 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.
26. 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, the scope for dredging is potentially vast.
27. 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**

28. 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	2771	2459	88.74
Quantity (Mln. Cu.M)	60	47	77.79

**FINANCIAL PERFORMANCE**

	2017-18	2016-17
Income from Operations (₹Lakhs)	59187	58514
Other income (₹Lakhs)	2025	1382
Total turnover (₹Lakhs)	61212	59897
Total Comprehensive income (Profit after Tax) (₹Lakhs)	1664	712
Earnings Per Share ( ₹)	5.94	2.54

**KEY STRENGTHS OF DCIL**

29. Premier and the only PSU dredging company in India : - DCIL is a premier and the only PSU 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.
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.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT....

### OUR WEAKNESS/ CONSTRAINTS AND STEPS TAKEN TO OVERCOME THE SAME

36. The dredging fleet of DCI has an average age of about 22 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 XIX 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.
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.

### 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 INR 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 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. We aim to achieve our mission by pursuing the following business strategies:  
Enhancement of market share in maintenance dredging and more participation in capital dredging in India.
44. 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 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 another 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, 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





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT....

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 reasonable 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. 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 2017-18. The Unions representing the Non-Executives and Crew & Petty Officer of Dredging Corporation of India Limited were on one day strike on 11/4/17 and a three day strike from 20/12/17 to 22/12/17 in protest against the proposed of strategic sale by GOI of its holding in the Company in which some of the executive employees also supported by taking leave. Further, the employees also participated in relay hunger strike. However there was no disruption of any nature of the day to day working of the Company

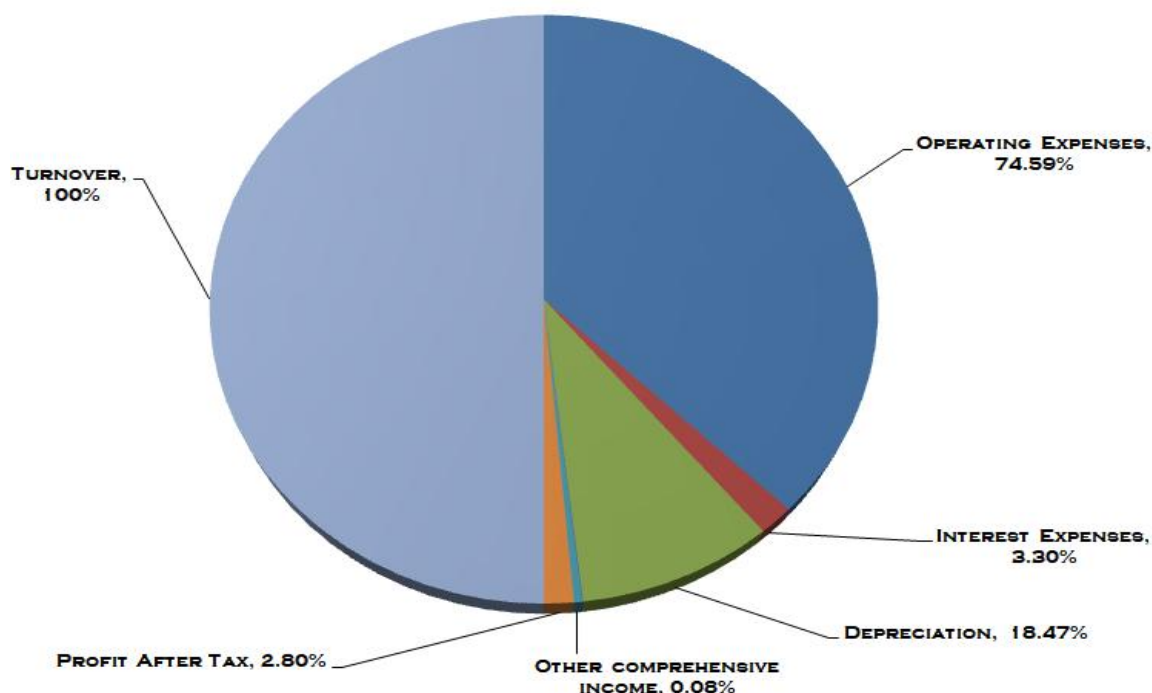
### CORPORATE SOCIAL RESPONSIBILITY

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 attached to the Director's 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.

### Turnover Vs. Expenses



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**DREDGING CORPORATION OF INDIA LIMITED**

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **DREDGING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

### Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

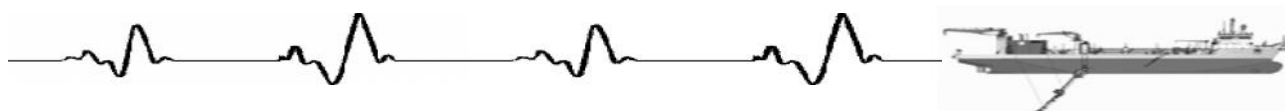
### Emphasis of Matters:

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 includes, ₹11,433.18 lakhs receivable from M/s Sethusamudram Corporation Ltd (SCL) which is pending for more than 4 years. Out of the above, Company has provided for doubtful debts to the extent of ₹3019.27 lakhs. The company is of the view that this will be reimbursed by GOI (at whose behest the contract with SCL was entered) to DCI to compensate the actual expenditure incurred on this project. In view of this, a provision for doubtful debts is not made in respect of receivables in this regard amounting to ₹8413.91 lakhs.
- b) The balances of sundry debtors, creditors, loans and advances, other receivable and other payables being subject to confirmation and reconciliation resulting in the balances as per books of account not verified by us.

### Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the *Annexure A*, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) 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.
  - c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
  - e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "*Annexure B*"; and





**INDEPENDENT AUDITORS' REPORT.....**

- g) 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, 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 standalone Ind AS financial statements – Refer Note 27 the standalone Ind AS financial statements.
  - The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - There are no delays in transferring amounts, required to be transferred to the Investor Education and Protection fund by the company during the year and
3. Directions under section 143(5) of the Companies Act, 2013 are form part of this report.

**For Tukaram & Co**  
Chartered Accountants  
[Firm Regn No. 004436S]

  
(P.MURALI)

Place : New Delhi  
Date : 28-05-2018

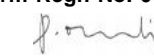
Partner : Membership No. 221625

**ANNEXURE A TO AUDITOR'S REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 are held in the name of the Company.
- According to the explanation and information provided by the company, that the Company has carried out physical verification of spares on board dredgers. It was informed that the company is in the process of reconciling the excess/deficit stock. Hence we are unable to comment on this at the moment.**
- According to the information and explanations given to us and based on our examination of the records of the company that the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- The Company has not granted any loans, made investments or provide guarantees and accordingly the clause 3 (iv) of the Companies (Auditors Report) Order, is not applicable to the Company.
- According to the information and explanations given to us that the company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
- To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the nature of business carried on by the Company.
- According to the information and explanations given to us in respect of statutory dues:
  - The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, sales tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Income Tax, GST, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.
  - There are no dues in respect of Income Tax, GST, Service Tax, Customs Duty and Value Added Tax as on 31 March, 2018 on account of disputes.
- 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.
- During the period the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- According to the information and explanations given to us and to the best of our knowledge and belief no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
- 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.
- The Company is not a Nidhi Company, hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the company.
- 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 Section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause 3 (xiv) of Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- 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 any non-cash transactions with directors or persons connected with him. Accordingly the clause 3 (xv) of the Companies (Auditors Report) Order, is not applicable to the Company.
- The nature of business and the 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 Tukaram & Co**  
Chartered Accountants  
[Firm Regn No. 004436S]

  
(P.MURALI)

Place : New Delhi  
Date : 28-05-2018

Partner, Membership No. 221625

## INDEPENDENT AUDITORS' REPORT.....

### Annexure- B to the Auditors' Report

#### Report on the Internal Financial Controls 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 of **DREDGING CORPORATION OF INDIA LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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.

#### 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at March 31, 2018, 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 Tukaram & Co  
Chartered Accountants  
[Firm Regn No. 004436S]

*P. Murali*

(P.MURALI)

Partner : Membership No. 221625

Place : New Delhi  
Date : 28-05-2018

#### DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013

##### Directions

- Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available
- Whether there are any cases of waiver/ write off of debts/leasons/interest etc. If yes, the reasons there for and the amount involved.
- Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Government or other authorities.

##### Company's Reply

Yes, the Company has clear title/ lease deeds for freehold/ leasehold land.

Not applicable

Yes, Stock register for the stock lying at various dredgers are being maintained. No gift/grant was received during the period.

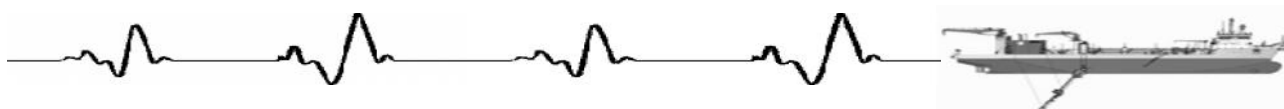
For Tukaram & Co  
Chartered Accountants  
[Firm Regn No. 004436S]

*P. Murali*

(P.MURALI)

Partner : Membership No. 221625

Place : Delhi  
Date : 28-05-2018





**CAG REPORT**

---

**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 31<sup>ST</sup> MARCH 2018**

The preparation of financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended on 31<sup>st</sup> March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the 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 28<sup>th</sup> May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended 31<sup>st</sup> March 2018. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

**(L TOCHHAWNG)  
Director General of Commercial Audit  
& Ex-officio Member, Audit Board,  
Hyderabad**

**Place : HYDERABAD  
Date : 22<sup>nd</sup> JUNE 2018**

**BALANCE SHEET****BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

(all amount in ₹ Lakhs, except share data and unless otherwise stated)

	Note No.	As at 31-3-2018	As at 31-3-2017
<b>Non-current assets</b>			
(a) Property, plant and equipment	10	181661.80	180752.60
(b) Capital work-in-progress	10	4284.38	2599.62
(c) Financial Assets			
(i) Investments	11	375.01	375.01
(ii) Other financial asset	12	545.99	531.69
<b>Total non-current assets</b>		<b>186867.18</b>	<b>184258.92</b>
<b>Current assets</b>			
(a) Inventories	13	19265.05	19426.95
(b) Financial Assets			
(i) Trade receivables	14	23809.44	28420.85
(ii) Cash and cash equivalents	15	7708.19	7009.57
(iii) Bank balances other than (ii) above		3.16	2.34
(iv) Other financial assets	16	12123.98	7834.92
(c) Current tax assets (Net)	17	4963.40	9860.61
(d) Other current assets	18	9850.05	9812.75
<b>Total current assets</b>		<b>77723.27</b>	<b>82367.99</b>
<b>TOTAL ASSETS</b>		<b>264590.45</b>	<b>266626.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	1	2800.00	2800.00
(b) Other Equity	2	151610.22	149262.36
<b>Total equity</b>		<b>154410.22</b>	<b>152062.36</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities Borrowings	3	67240.47	70023.51
(b) Provisions	4	1175.05	680.14
(c) Other non-current liabilities	5	244.78	152.14
<b>Total non-current liabilities</b>		<b>68660.30</b>	<b>70855.79</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	6	18006.41	21141.77
(ii) Other financial liabilities	7	13948.12	11998.20
(b) Provisions	4	320.00	236.00
(c) Current tax liabilities (Net)	8	374.29	188.85
(d) Other current liabilities	9	8871.11	10143.95
<b>Total current liabilities</b>		<b>41519.93</b>	<b>43708.77</b>
<b>TOTAL LIABILITIES</b>		<b>110180.23</b>	<b>114564.56</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>264590.45</b>	<b>266626.91</b>

For and on behalf of Board of Directors



(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO



(M S RAO)

Director (Operations &amp; Technical)

PLACE : NEW DELHI,

DATED : 28-05-2018



(D SUBBARAO)

HOD (Finance) &amp; CFO



(K.aswini sreekanth)

Company Secretary

As per our Report of even date

For Tukaram &amp; Co

Chartered Accountants

Firm Regn No. 004436S



(P.MURALI)

Partner

Membership No. 221625





## PROFIT AND LOSS ACCOUNT

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ in Lakh)

	Note No.	YEAR ENDED 31-3-2018	YEAR ENDED 31-3-2017
I. Revenue from operations	19	59187.36	58514.77
II. Other income	20	2024.54	1381.78
III. Total Income(I + II)		61211.90	59896.55
IV. Expenses:			
(a) Employee benefits expense	21	9659.75	9483.69
(b) Finance costs	22	2023.07	1821.68
(c) Depreciation and amortization expense	23	11317.76	9960.43
(d) Other expenses	24	36034.48	37402.93
Total Expenses IV		59035.06	58668.73
V. Profit before exceptional items and tax (III-IV)		2176.84	1227.83
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		2176.84	1227.84
VIII. Tax expense:			
Current tax	25	462.56	487.19
IX. Profit for the year (VII-VIII)		1714.28	740.64
X. Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of the defined benefit plans		(50.01)	(28.38)
<b>Total other comprehensive income (X)</b>		<b>-50.01</b>	<b>-28.38</b>
XI. Total comprehensive income for the period (IX+X)		1664.27	712.26
XII. Earnings per equity share			
Basic (in ₹)		5.94	2.54

See accompanying notes to the financial statements

For and on behalf of Board of Directors

As per our Report of even date

(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO

(D SUBBARAO)

HOD (Finance) &amp; CFO

(M S RAO)

Director (Operations &amp; Technical)

(K.aswini sreekanth)

Company Secretary

(P.MURALI)

Partner

Membership No. 221625

PLACE : NEW DELHI,

DATED : 28-05-2018

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2018**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

**General Information:**

"Dredging Corporation of India Limited ("DCIL"/ "the Company") is a limited Company incorporated in India and a Government of India Undertaking under the administrative control of Ministry of Shipping 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 is categorized as Mini Ratna Category – I enterprise by Government of India. 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."

	As at 31-3-2018	As at 31-3-2017
<b>1. Equity Share Capital</b>		
<b>Equity Share Capital</b>	<b>2800.00</b>	2800.00
	<b>2800.00</b>	<b>2800.00</b>
<b>Authorised Share Capital</b>		
3,00,00,000 Equity Shares of ₹10 each	<b>3,000.00</b>	3,000.00
<b>Issued and Subscribed capital expense</b>		
1400 Equity shares of ₹10/- each fully paid (as at March 31 <sup>st</sup> 2018: 1400 shares).	<b>0.14</b>	0.14
For consideration other than cash		
27998600 equity shares of ₹10/- each allotted as fully paid	<b>2799.86</b>	2799.86
	<b>2800.00</b>	<b>2800.00</b>

**1.1 Fully paid equity Shares**

	Number of Shares in '000s	Share Capital ₹ Lakhs
Opening Balance as at April 1 <sup>st</sup> ,2017	28000	2800
Movement during the year	-	-
Closing Balance as at March 31 <sup>st</sup> ,2018	<b>28000</b>	<b>2800</b>

**1.2 Details of shares held by each share Holder holding more than 5% (Fully paid Equity Shares)**

	As at March31, 2018			As at March31, 2017		
	No. of shares held	₹ In lakhs	% of holding	No. of sharesheld	₹ In lakhs	% of holding
President of India	20572013	2057.20	73.47	20572013	2057.20	73.47
LIC Pension Plus Mixed Fund	1877735	187.77	5.64	1580508	158.05	5.64

	As at March 31,2018	As at March 31,2017
<b>2. Other Equity</b>		
General Reserve	44984.00	44984.00
Retained earning	100544.38	98721.52
Reserve U/S 115 VT of Income Tax Act	2105.00	2105.00
Debenture redemption reserve	3000.00	3000.00
Others (describe)		
Tonnage Tax Reserve	525.00	-
Capital Reserve	451.84	451.83
	<b>151610.22</b>	<b>149262.36</b>
<b>2.1 General Reserve</b>		
Balance at the beginning of the year	44984.00	44984.00
Movements	-	-
<b>Balance at the end of the year / period</b>	<b>44984.00</b>	<b>44984.00</b>
<b>2.2 Retained Earnings</b>		
Balance at the beginning of the year	98721.52	75776.78
Profit attributable to owners of the company	1664.27	712.26
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	(525.00)	(72.00)
Transfer to General Reserve	-	-
Transfer to Debenture Redemption Reserve	-	(600.00)
Payment of Dividend	-	(840.00)
Payment of Dividend Distribution Tax	-	(171.00)
Transfer from Tonnage Tax Utilisation Reserve A/c	-	21737.00
Others		
- Prior period Adjustments	683.59	2178.48
<b>Balance at the end of the year</b>	<b>100544.38</b>	<b>98721.52</b>





## NOTES....

(All amounts in ₹lakhs, except share data and unless otherwise stated)

	As at March 31,2018	As at March 31,2017
<b>2.3 Reserve u/s 115 VT Utilisation Account</b>		
Balance at the beginning of the year	2105.00	23770.00
Movements during the year	-	72.00
Transfer to Profit and Loss Reserve A/c	-	(21737.00)
<b>Balance at the end of the year</b>	<b>2105.00</b>	<b>2105.00</b>
<b>2.4 Debenture Redemption Reserve</b>		
Balance at the beginning of the year/ period	3000.00	2400.00
Movements during the year	-	600.00
<b>Balance at the end of the year/ period</b>	<b>3000.00</b>	<b>3000.00</b>
<b>2.5 Tonnage Tax Reserve u/s 115 VT of IT Act</b>		
Balance at the beginning of the year /period	-	-
Movements during the year	525.00	72.00
Less: Transfer to Reserve u/s 115 VT Utilisation Act	-	(72.00)
<b>Balance at the end of the year /period</b>	<b>525.00</b>	<b>-</b>
<b>2.6 Capital Resrve</b>		
Balance at the beginning of the year/ period	451.83	451.83
Movements during the year	-	-
<b>Balance at the end of the year/ period</b>	<b>451.83</b>	<b>451.83</b>

## Note:2

## (A) Equity Share Capital

	As at 31-3-2018		As at 31-3-2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	2,80,00,000	2,800.00	2,80,00,000	2,800.00
Change in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	2,80,00,000	2,800.00	2,80,00,000	2,800.00

## (B) Other equity

Particulars	Capital Reserve	General Reserve	Tonnage Tax Reserve u/s 115 VT of IT Act	Debenture Redemption Reserve	Retained earnings	Total
<b>Balance at March 31,2017</b>	<b>451.83</b>	<b>44984.00</b>	<b>2105.00</b>	<b>3000.00</b>	<b>98721.52</b>	<b>149262.35</b>
Profit for the year ended March 31,2017	-	-	-	-	1714.28	1714.28
Other comprehensive income for the year , net of income tax	-	-	-	-	(50.01)	(50.01)
Total comprehensive income for the year	-	-	-	-	1664.27	1664.27
Payment of dividends	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	-	-	525.00	-	(525.00)	-
Others ( being adjustment pertaining to prior period errors)	-	-	-	-	683.59	683.59
Transfer to General Reserve	-	166.00	-	-	-	-
<b>Balance at March 31,2018</b>	<b>451.83</b>	<b>45150.00</b>	<b>2630.00</b>	<b>3000.00</b>	<b>100903.38</b>	<b>151610.21</b>

## 3. Non - Current borrowings

	As at March31,2018	As at March 31,2017
Secured - at amortised cost		
(i) Bonds / Debentures	5887.80	5887.80
(ii) Term Loans		
from Banks	61352.67	64135.71
from other Parties	-	-
<b>Total non- current borrowings</b>	<b>67240.47</b>	<b>70023.51</b>
<b>Borrowings from banks represent the following (INR) denominated loans:</b>		
1.Loan for Dr.- XIX	24333.22	24947.97
2.Loan for Dr-XX	25060.70	25313.76
3.Loan for Dr. XXI	25666.33	25628.25
<b>Sub-total</b>	<b>75060.25</b>	<b>75889.98</b>
4.Current liability portion of long term Debt.	(13707.58)	(11754.27)
<b>Grand Total</b>	<b>61352.67</b>	<b>64135.71</b>

**NOTES.....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

**3.1 Summary of Borrowings arrangements:**

(i) The terms of repayment of term loans and other loans are stated below:

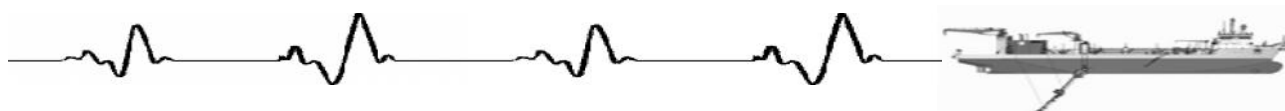
**As at March 31, 2018**

Particulars	Amount Outstanding	Terms of Payment	Rate of Interest
BNP PARIBAS	24333.22	Repayable in 10 half year and equal installments	6m Euribor+ 0.825% p.a
BNP PARIBAS	25060.70	Repayable in 11 half year and equal installments	6m Euribor+ 0.825% p.a
EXPORT- IMPORT BANK OF INDIA, London Branch	25666.33	Repayable in 12 half year and equal installments	6m Euribor+ 2.85% p.a
Tax Free Bonds	5887.80	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, 2017**

Particulars	Amount Outstanding	Terms of Payment	Rate of Interest
BNP PARIBAS	24947.97	Repayable in 12 half year and equal installments	6m Euribor+ 0.825% p.a
BNP PARIBAS	25313.76	Repayable in 13 half year and equal installments	6m Euribor+ 0.825% p.a
EXPORT- IMPORT BANK OF INDIA, London Branch	25628.25	Repayable in 14 half year and equal installments	6m Euribor+ 2.85% p.a
Tax Free Bonds	5887.80	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 March31,2018	As at March 31,2017
<b>4. Provisions</b>		
<b>Employee Benefits:</b>		
Provision for Gratuity	456.67	100.42
Provision for Leave Encashment	1038.37	815.72
<b>Total</b>	<b>1495.05</b>	<b>916.14</b>
Current	320.00	236.00
Non current	1175.05	680.14
<b>Total</b>	<b>1495.05</b>	<b>916.14</b>
<b>5. Other Non - Current Liabilities</b>		
Earnest money deposit	244.78	152.14
Deferred revenue arising from Government grants	-	-
<b>Total</b>	<b>244.78</b>	<b>152.14</b>
<b>6. Trade Payables</b>		
Trade Payables	18006.41	21141.77
<b>Total</b>	<b>18006.41</b>	<b>21141.77</b>
<b>7. Other Financial Liabilities</b>		
Current		
(a) Current Maturities of long term debt	13707.58	11754.27
(b) Interest Accrued	240.54	243.93
(c) Unclaimed dividend	-	-
<b>Total</b>	<b>13948.12</b>	<b>11998.20</b>
<b>8. Current Tax Liabilities</b>		
Income tax payable (net of advance Tax)	374.29	188.85
Others	-	-
<b>Total</b>	<b>374.29</b>	<b>188.85</b>
<b>9. ....</b>		
- Unclaimed dividend	3.16	2.34
- Deposit /SD from Contractors	186.35	239.70
- Advances from Customers	1726.92	2.16
- Other Payables	6954.67	9899.75
<b>Total</b>	<b>8871.11</b>	<b>10143.95</b>




**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

	As at March 31, 2018					As at March 31, 2017		
10. Property, plant and Equipment and capital work in progress								
Carrying amounts of:								
Freehold Land					35.98			35.98
Buildings					53.70			54.59
Motor Vehicles					7.42			11.20
Computers					90.37			109.15
Temp Structures / Fixtures & Erections					-			-
Plant and Equipment					181688.48			180732.54
Furniture, Fittings & Equipments					42.61			46.65
Asset classified Held for sale					-256.75			-237.51
Sub-total					181661.80			180752.60
Capital Work in progress					4284.38			2599.62
Total					185946.18			183352.22
	Freehold Land	Buildings	Motor Vehicles	Computers	Temp Structures & Fixtures & Erections	Plant & Equipment	Furniture, Fittings & Equipment	Total
Gross Carrying amount								
Balance as at April1,2017	35.98	346.28	29.02	558.05	119.09	316366.15	543.88	317998.45
Additions	-	-	-	25.47	-	648.91	10.17	684.56
Disposals	-	-	-	-	-	(3353.90)	-	(3353.90)
Effect of Foreign currency exchange differences	-	-	-	-	-	11628.31	-	11628.31
Asset Reclassified as held for sale	-	-36.88	-	-	-	-	-	(36.88)
Others	-	-	-	-	-	-	-	-
Balance as at March 31,2018	35.98	309.40	29.02	583.52	119.09	325289.47	554.05	326920.53
Accumulated Depreciation								
Balance as at April 1, 2017	-	291.69	17.83	448.89	119.09	135633.61	497.23	137008.34
Depreciation during the year	-	0.89	3.78	44.26	-	11254.63	14.21	11317.76
Disposals during the year	-	-	-	-	-	(3287.25)	-	(3287.25)
Asset Reclassified as held for sale	-	-17.64	-	-	-	-	-	(17.64)
Balance as at March 31,2018	-	274.94	21.61	493.15	119.09	143600.99	511.44	145021.21

**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 ₹1925.92 lakhs.
- During the year, Dredger-VII and IX were sold and profit on sale of condemned assets has been accounted ₹882.92 lakhs under other income.

**11. Investments**

	As at March 31, 2018		As at March 31, 2017	
	Qty	Amount	Qty	Amount
<b>Non - Current</b>				
Unquoted Investments (all fully paid) :				
Refer Note Investments in Equity Instruments				
at FVTOCI Sethusamudram Corporation Limited	300.00	375.00	300.00	375.00
	300.00	375.00	300.00	375.00
Less: Fair Value change in Investment		-		-
Mittal Chambers Premises Co-operative Society Limited	0.00	0.01	0.00	0.01
<b>Total Aggregate Un quoted Investments</b>		<b>375.01</b>		<b>375.01</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>375.01</b>		<b>375.01</b>

Notes: 1. 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

	As at March 31, 2018	As at March 31, 2017
<b>12. Other Financial Assets</b>		
Non- Current		
Security Deposits	545.99	531.69
<b>Total</b>	<b>545.99</b>	<b>531.69</b>

**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>13. Inventories (lower of cost and realisable value)</b>		
- Stock of spares & stores	19450.85	19786.86
(Less) Provision for Unserviceable spares	(325.29)	(545.51)
- Spares and Stock in Transit	139.49	185.60
<b>Total</b>	<b>19265.05</b>	<b>19426.95</b>
<b>14. Trade Receivable</b>		
<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	23809.45	28420.85
(c) Doubtful	8667.71	10872.50
Allowance for doubtful debts (expected credit loss allowance)	(8667.71)	(10872.50)
<b>Total</b>	<b>23809.44</b>	<b>28420.85</b>

**Notes:**

- Pursuant to the company's claim vide its letter dated 06.06.2012 for the works executed in sethusamudram project, the company is of the view that the actual cost incurred will be reimbursed by GOI and the same is under active consideration by GOI. In view of this, provisions for doubtful debts amounting to ₹84.14 Crores has not been made in respect of receivables in this regard.
- The average credit period on sale/services is 90 days. The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

	As at March 31, 2018	As at March 31, 2017
<b>15. Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
-Current Accounts	811.58	701.28
-Fixed Deposits	6891.87	6300.86
Cash on Hand	4.74	7.42
<b>Cash and cash Equivalents as per Balance Sheet</b>	<b>7708.19</b>	<b>7009.57</b>
Bank balances other than above:		
-Earmarked balances with banks	3.16	2.34
<b>Cash and Cash Equivalents as per statement of Cash flows</b>	<b>3.16</b>	<b>2.34</b>

Notes: Cash and cash equivalents as of March 31, 2018, March 31, 2017 include restricted cash and bank balances of ₹3641 Lakhs (PY ₹4200 Lakhs), respectively. The restrictions are primarily on account of bank balances held as debenture redemption reserve deposits in syndicate bank & for obtaining Standby Letter of credit for Dr-XIX & Dr-XX loan instalments.

**16. Other financial assets****Current**

Deposits	1311.51	1453.12
Unbilled Operational Income	5650.32	4425.81
Claims & Other Receivables	4588.54	1021.72
Interest Accrued on deposits & Advances	410.25	739.76
<b>Total</b>	<b>11960.63</b>	<b>7640.41</b>
Loans to Employees	163.35	194.51
<b>Total</b>	<b>12123.98</b>	<b>7834.92</b>

**17. Current tax Assets**

Benefit of tax losses to be carried back to recover taxes paid in prior period

Tax Refund receivable Net of provision for tax of (Net of provision for tax of ₹4403.30 Lakhs )	4963.40	9860.61
Others	-	-
<b>Total</b>	<b>4963.40</b>	<b>9860.61</b>

**18. Other Current Assets**

Loans & Advances to Employees	85.27	202.69
Prepaid Expenses	182.51	197.59
Advance to Suppliers	9325.52	9174.96
Asset held for Sale	256.75	237.51
<b>Total</b>	<b>9850.05</b>	<b>9812.75</b>

Year Ended  
March 31 2018

Year Ended  
March 31, 2017

**19. Revenue from Operations**

(a) Sale of Service	54956.67	55816.69
(b) Other Operating revenues	4230.69	2698.08
Less: Rebates / Discounts	-	-
<b>Total</b>	<b>59187.36</b>	<b>58514.77</b>




**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

	Year Ended March 31,2018	Year Ended March 31,2017
<b>20. Other Income</b>		
(a) Interest Income on Fixed Deposits	446.77	832.28
<b>Sub -Total</b>	<b>446.77</b>	<b>832.28</b>
(b) Other non-operating income (net of expenses directly attributable to such income)		
- Tax Refund and others	694.85	549.50
<b>Sub - Total</b>	<b>694.85</b>	<b>549.50</b>
(d) Other gains and losses		
Gain /(loss) on disposal of PPE	882.92	-
<b>Sub-Total</b>	<b>882.92</b>	<b>-</b>
<b>Total</b>	<b>2024.54</b>	<b>1381.78</b>
<b>21. Employee Benefit Expense</b>		
Salaries and Wages	9199.97	8993.65
Contribution to Provident and other funds	346.74	354.66
Staff Welfare expenses	113.04	135.37
<b>Total</b>	<b>9659.75</b>	<b>9483.69</b>
<b>22. Finance Costs</b>		
<b>Continuing Operations</b>		
(a) Interest costs :		
Interest on bank overdrafts and loans(other than those from related parties)	1756.59	1808.23
(b) Exchange differences (Gain)/ loss	122.30	(72.40)
(c) Other Borrowing Cost - Bank charges / Guarantee Fees	144.18	85.84
<b>Total</b>	<b>2023.07</b>	<b>1821.68</b>
<b>23. Depreciation and Amortisation expense</b>		
Depreciation of Plant, Property and equipment pertaining to continuing operations	11317.76	9960.43
Depreciation of Property, plant and equipment pertaining to discontinued operations	-	-
<b>Total depreciation and amortisation expense</b>	<b>11317.76</b>	<b>9960.43</b>
<b>24. Other expenses</b>		
Power and Fuel	23266.78	21414.56
Rates & Taxes	12.56	75.52
Rent Expense	153.62	82.72
Travelling and Conveyance	480.71	584.21
Donations	10.10	-
Provision for doubtful debts/Debts Written Off	427.50	515.17
Provision for unserviceable spares and stores		
Other Establishment Expenses	562.71	668.93
Payment to Contractors	1138.14	302.45
Pipeline laying / maintenance expenses	370.46	57.61
Other Direct Work Expenses	358.25	242.83
Boat / Tug / Crane hire Charges	522.05	680.02
Legal Adviser Fee & Expenses	163.21	225.27
Repairs & Maintenance		
-Vessels	1412.57	5481.45
-Buildings	251.63	226.10
Spares & Stores	5601.80	5036.67
Insurance	660.44	799.78
Payment to Auditors :		
a) for Audit	7.30	6.95
b) for Taxation matters	0.70	0.70
Corporate Social Responsibility	107.03	124.73
Miscellaneous Expenses	526.94	877.26
<b>Total</b>	<b>36034.48</b>	<b>37402.93</b>
<b>25. Income taxes relating to continuing operations</b>		
<b>25.1 Income taxes recognised in profit and loss</b>		
Current tax		
In respect of the current year	462.56	487.19
In respect of the previous years	-	-
Others (describe)	-	-
	<b>462.56</b>	<b>487.19</b>
	<b>Year Ended</b>	<b>Year Ended</b>

**NOTES.....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

	March 31,2018	March 31,2017
<b>Deferred tax</b>		
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)	-	-
<b>Total income tax expense recognised in the current year relating to continuing operations- Income Tax computed as per Tonnage Tax Scheme</b>	<b>462.56</b>	<b>487.19</b>
<b>26. Profit for the year from continuing operations</b>		
Profit for the year from continuing operations is attributable to :		
Owners of the Company	1714.28	740.64
Non-Controlling interests	-	-
<b>Total</b>	<b>1714.28</b>	<b>740.64</b>

**27. Additional Information on Accounts:**

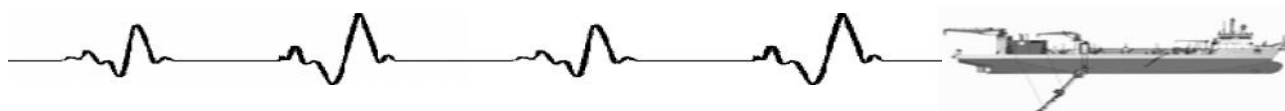
Particulars	As at March 31, 2018	As at March 31,2017
<b>1. Contingent Liabilities:</b>		
Claims made against the company not acknowledged as debts	8963.14	23047.09
Income Tax Demands received but disputed by the Company	1936.00	2833.00
Service Tax Demands received but disputed by the Company	13073.00	13904.00
<b>Total</b>	<b>23972.14</b>	<b>39784.09</b>
<b>2. Contingent Assets :</b>		
Claims made by the Company	7175.00	7175.00
<b>Total</b>	<b>7175.00</b>	<b>7175.00</b>
<b>3. Expenditure of foreign currency:</b>		
	<b>2017-18</b>	<b>2016-17</b>
Travelling	6.73	7.47
Interest	1342.30	1808.23
<b>Total</b>	<b>1349.03</b>	<b>1815.70</b>
<b>4. Value of Imports:</b>		
Components and spare parts (CIF Value)	3835.93	5386.13
Value of imported spares and components consumed	4676.91	3279.45
Value of indigenous spares and components consumed	485.75	340.59
Percentage of imported spares & components consumed to total spares & components consumed	90.60	91.63
Percentage of indigenous spares & components consumed to total spares & components consumed	9.40	8.37

**5. 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:

Particulars	As at March 31, 2018	As at March 31,2017
<b>Financial Assets</b>		
<b>Measured at FVTOCI</b>		
Investment in equity instruments designated upon initial recognition	375.01	375.01
<b>Measured at amortised cost:</b>		
Deposits (including security deposits)	1857.50	1984.81
Unbilled Operational Income	5737.96	4741.98
Claims & Other Receivables	4588.54	1021.72
Advances	9410.80	9377.65
Loans to Employees	163.35	194.51
Trade Receivable	24070.02	28420.85
Cash and Bank balances	7711.36	7011.25
<b>Financial Liabilities</b>		
<b>Measured at amortised cost:</b>		
Bonds / Debentures	5887.80	5887.80
Term Loans (including current maturities)	75060.25	75889.98
Trade Payable	18003.97	21141.77





## NOTES....

(All amounts in ₹lakhs, except share data and unless otherwise stated)

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)**

	As at March 31, 2018	As at March 31, 2017
<b>Carrying Value</b>	<b>375.01</b>	<b>375.01</b>
Designated as Fair Value Through OCI on initial recognition	-	-
<b>Total Fair Value</b>	<b>375.01</b>	<b>375.01</b>

**Liabilities: Term Loans**

Carrying Value

Impact on account of Effective Interest Rate

<b>Total Fair Value</b>	<b>75060.25</b>	<b>75889.98</b>
-------------------------	-----------------	-----------------

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).

**6. Earnings per Share:**

Particulars	2017-18	2016-17
Profit for the year ( ₹in lakhs)	1664	712
No. of Equity Shares (Number)	2800	2800
Basic EPS (₹)	5.94	2.54
Diluted No. of Equity Shares (Number)	2800	2800
Diluted EPS (₹)	5.94	2.54

**7. Dividend:**

Dividend @20% amounting to ₹2 per Equity share of ₹10 each will be paid for 2017-18 .

**8. Key Managerial Personnel :**

Directors	: Rajesh Tripathi , Chairman & Managing Director
	: M.S.Rao Director (Ops.& Tech.)
	: S Charles , Director (Finance) (Upto 14-03-2018)
Company Secretary	: K Aswini Sreekanth
Total Salary & Benefits	: ₹160.69 lakhs

**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 2009-10 to 2014-15 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 ₹9450lakhs towards irregular Cenvat credit availed during the period from June, 2005 to March, 2018 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:

₹ in Lakhs

	2017-18	2016-17
Employer's Contribution to Provident Fund (inclusive of Contribution to Pension Fund)	346.75	566.34

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.

**Defined benefit plans – as per actuarial valuation on 31<sup>st</sup> March, 2018**

Particulars	Funded Plan		Unfunded plan			
	Gratuity		Leave (Shore)		Leave (Floating)	
	2018	2017	2018	2017	2018	2017

**1a. Expense recognised in the Statement****of Profit and Loss for the year ended 31st March:**

1. Current service cost	56	61	192	168	28	54
2. Past Service Credit	-	-	-	-	-	-
3. Interest cost	-	-	-	-	-	-

**NOTES.....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

**1b. Included in other Comprehensive Income**

1. Return on plan assets	79	85	-	-	-	-
2. Actuarial (Gain)/Loss on account of:						
- Demographic Assumptions	-	-	-	-	-	-
- Financial Assumptions	-48	36	-27	30	-1	2
- Experience Adjustments	8	-58	-324	-148	-36	-32
3. Others(Specify)	-	-	-	-	-	-
	-	-	-351	-118	-37	-30

**Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**

Service Cost						
Current Service Cost	56	61	191	169	28	54
Past service cost and (gains)/losses from settlements	-	-	-	-	-	-
Net interest expense	7	11	31	52	3	2
Components of defined benefit costs recognised in profit or loss	<b>63</b>	<b>72</b>	<b>222</b>	<b>221</b>	<b>31</b>	<b>56</b>
Remeasurement on the net defined benefit liability	-	-	-	-	-	-
Return on plan assets (excluding amount included in net interest expense)	-11	-6	0	0	0	0
Actuarial gains and loss arising from changes in financial assumptions	-39	-23	-351	-118	-38	-31
Actuarial gains and loss arising from experience adjustments	-	-	-	-	-	-
Others	-	-	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-	-	-	-	-
Total	<b>-50</b>	<b>-29</b>	<b>-351</b>	<b>-118</b>	<b>-38</b>	<b>-31</b>

**I. Net Asset/(Liability) recognised in the Balance Sheet as at 31<sup>st</sup> March**

1. Present value of defined benefit obligation as at 31 <sup>st</sup> March	1400	1280	575	768	34	47
2. Fair value of plan assets as at 31 <sup>st</sup> March	946	1180	0	0	0	0
3. Surplus/(Deficit)	-454	-100	-575	-768	-34	-47
4. Current portion of the above	415	367	562	179	18	6
5. Non current portion of the above	985	913	436	589	21	41
	<b>1400</b>	<b>1280</b>	<b>422</b>	<b>0</b>	<b>78</b>	<b>94</b>
Not included in Net Liability(*) (Current)	-	-	-	370	5	0

**II. Change in the obligation during the year ended 31<sup>st</sup> March**

1. Present value of defined benefit obligation at the beginning of the year	1281	1285	768	731	47	31
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-	-	-
3. Expenses Recognised in Profit and Loss Account						
- Current Service Cost	56	60	191	169	28	54
- Past Service Cost	-	-	-	-	-	-
- Interest Expense (Income)	75	91	48	52	3	2
4. Recognised in Other Comprehensive Income						
Remeasurement gains / (losses)						
- Actuarial Gain (Loss) arising from:	-39	-23	-351	-118	-38	-31
i. Demographic Assumptions	-	-	-	-	-	-
ii. Financial Assumptions	-	-	-	-	-	-
iii. Experience Adjustments	-	-	-	-	-	-
5. Benefit payments	-313	-133	-83	-65	-6	-9
6. Others(Specify)	-	-	-	-	-	-
7. Present value of defined benefit obligation at the end of the year	<b>1060</b>	<b>1280</b>	<b>573</b>	<b>769</b>	<b>34</b>	<b>47</b>

**III. Change in fair value of assets during the year ended 31<sup>st</sup> March**

1. Fair value of plan assets at the beginning of the year	1180	1264	-	-	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	0	-227	-	-	-	-
3. Expenses Recognised in Profit and Loss Account						
- Expected return on plan assets	79	84	-	-	-	-
4. Recognised in Other Comprehensive Income						
Remeasurement gains / (losses)						
- Actual Return on plan assets in excess						




**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

of the expected return	-	-	-	-	-	-
- Others	-	-	-	-	-	-
5. Contributions by employer (including benefit payments recoverable)	0	192	83	65	6	9
6. Benefit payments	-313	-133	-83	-65	-6	-9
7. Fair value of plan assets at the end of the year	946	1180	0	0	0	0

**IV. The Major categories of plan assets**

- List the plan assets by category here	-	-	-	-	-	-
---	---	---	---	---	---	---

**V. Acturial assumptions**

1. Discount rate	7.55%	6.69%	6.69%	7.46%	7.55%	6.69%
2. Expected rate of return on plan assets	-	-	-	-	-	-
3. Attrition rate	PS:0 to 42:5%	PS:0 to 42:5%	PS:0 to 42:5%	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		decrease in medical inflation rate	
	2018	2017	2018	2017
1. Effect on the aggregate service and interest cost of post employment medical benefits	-	-	-	-
2. Effect on the accumulated post employment medical benefits obligation	-	-	-	-

**VII. Experience Adjustments (Gratuity):**

	Period Ended					
	2018	2017	2016	2015	2014	2013
1. Defined Benefit Obligation	-	-	-	-	-	-
2. Fair value of plan assets	1180	1,180	1,263	1,348	1,031	1,243
3. Surplus/(Deficit)	-100	-100	-21	42	-247	-193
4. Experience adjustment on plan liabilities [(Gain)/Loss]	-	-	-	-	-	-
5. Experience adjustment on plan assets [Gain/(Loss)]		6	-24	-28	6	-9

f) Disclosure of provisions required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

₹in Lakhs

	Carrying amount at the beginning of the year	Additional Provisions during the year	Amounts used during the year	Carrying amount at the end of the period
Provision for Employee Benefits	916.14	522.53	-	1438.67

g) Figures have been rounded off to decimals of lakh.

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

**10. ACCOUNTING POLICIES:**
**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 entity 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.

**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

**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:**

- a) Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances wherever applicable as per the contract.
- b) 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.
- 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:
  - i. Final adjustments to insurance premium paid are considered in accounts on the basis of demands received.
  - ii. Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred.
  - iii. 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:
  - i. Dry Dock Expenses incurred on Dredgers where estimated useful life of 25 years is completed is charged to the statement of Profit and Loss.
  - ii. 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.

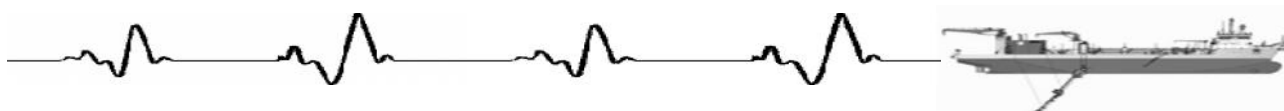
Building on lease hold land

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.



**NOTES....**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

- 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 31<sup>st</sup> Mar, 2009 read with the notification dated 9<sup>th</sup> 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 31<sup>st</sup> Mar, 2009, 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. 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

**NOTES....****(All amounts in ₹lakhs, except share data and unless otherwise stated)**

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


**(RAJESH TRIPATHI)**

Chairman and Managing Director &amp; CEO


**(M S RAO)**

Director (Operations &amp; Technical)

PLACE : NEW DELHI,

DATED : 28-05-2018


**(D SUBBARAO)**

HOD (Finance) &amp; CFO


**(K.aswini sreekanth)**

Company Secretary

As per our Report of even date

For Tukaram &amp; Co

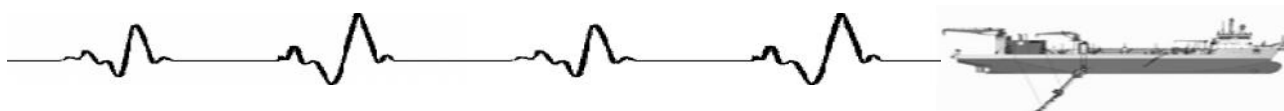
Chartered Accountants

Firm Regn No. 004436S


**(P.MURALI)**

Partner

Membership No. 221625



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31-03-2018**

(All amounts in ₹lakhs, except share data and unless otherwise stated)

To,  
The Board of Directors

Dredging Corporation of India Limited

We have examined the attached Cash Flow Statement of Dredging Corporation of India Limited for the year ended 31-03-2018. The Statement has been prepared by the company in accordance with the requirements of SEBI (LODR) regulations and based on and in agreement with the corresponding Profit & Loss Statement and Balance Sheet of the Company covered by our Report, dated 28-05-2018 to Members of the Company.

For Tukaram & Co  
Chartered Accountants  
Firm Regn No. 004436S

(P Murali)

Partner : Membership No. 221625

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31-03-2018**

	2017-18	2016-17	(₹ in lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before Tax	2176.84		1227.83
Less/Add: Profit/Loss on sale of assets	(882.92)		-
	1293.92		1227.83
<b>ADJUSTMENT FOR :</b>			
Depreciation	11317.76	9960.43	
Interest Expense	1756.59	1894.00	
Interest Income	(533.75)	(941.08)	10913.35
<b>Operating Profit before changes in working capital</b>	<b>13834.52</b>		<b>12141.18</b>
<b>Working Capital changes:</b>			
(Increase)/decrease in inventory	382.12	(6105.98)	
(Increase)/decrease in Trade Receivables	6816.19	10911.24	
(Increase)/decrease in other current Assets	(4754.71)	(2696.96)	
Increase/(decrease) in trade payables & other liabilities	(4123.99)	(1010.34)	1097.97
Cash generated from operations	12154.14		13239.15
Less: Interest paid	(1760.39)	(1054.79)	
Income Taxes paid	4512.23	(1130.56)	
Excess Prov.no longer Written Back	(1630.62)	(2361.00)	(4546.35)
<b>Net Cash from operating activities (A)</b>	<b>13275.36</b>		<b>8692.80</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Purchase) / Sale of Fixed Assets	(819.00)		(1271.60)
Sale proceeds from Assets sold	-		-
Interest Received	923.00		510.96
Investments	-		-
<b>Net Cash from investing activities (B)</b>	<b>104.00</b>		<b>(760.64)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from Long term Borrowings	(12679.92)		(13078.21)
Dividend paid	-		(840.00)
Corporate Dividend Tax	-		(171.00)
<b>Net Cash from Financing Activities (C)</b>	<b>(12679.92)</b>		<b>(14089.21)</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>699.44</b>		<b>(6157.05)</b>
<b>Cash &amp; Equivalents as at beginning of the year</b>	<b>7011.91</b>		<b>13168.96</b>
<b>Cash &amp; Equivalents as at end of the year</b>	<b>7711.35</b>		<b>7011.91</b>

For and on behalf of Board of Directors

As per our Report of even date

(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO

(D SUBBARAO)

HOD (Finance) &amp; CFO

(M S RAO)

Director (Operations &amp; Technical)

(K.aswini sreekanth)

Company Secretary

(P.MURALI)

Partner

Membership No. 221625

PLACE : NEW DELHI,

DATED : 28-05-2018

LOCATION MAP OF 42<sup>nd</sup> AGM VENUE - CONFERENCE HALL, CORE-2, GROUND FLOOR, SCOPE MINAR, PLOT NO.2A & 2B,  
- LAXMINAGAR DISTRICT CENTRE, DELH - 110092. DATE : 13/08/2018; TIME : 11.00 AM





**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 \_\_\_\_\_ shares of the above named Company, hereby appoint

1	Name Address E-Mail ID	Signature	or failing him
2	Name Address E-Mail ID	Signature	or failing him
3	Name Address E-Mail ID	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company to be held on Monday, the 13<sup>th</sup> day of August, 2018 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:-

**Ordinary Resolutions**

1. To receive, consider and adopt the audited Balance sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2018 together with the Reports of the Auditors and Directors thereon.
2. To declare dividend @ ₹2.00/- per Equity Share of ₹10/- each for the financial year 2017-18.
3. To appoint a Director in place of Shri Rajesh Tripathi (DIN:03379442) who retires by rotation and is eligible for re-appointment.
4. Fixation of remuneration of Statutory Auditors for 2017-18.
5. To appoint Shri Satinder Pal Singh (DIN: 07490296) as Director (Government Nominee) of the Company.
6. To appoint Shri Shambhu Singh (DIN : 01219193) as Director (Government Nominee) of the Company.

**Affix  
Revenue  
Stamp**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of the Shareholder \_\_\_\_\_

Signature of the proxy holder(s) \_\_\_\_\_

**NOTE: 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.**

**DREDGING CORPORATION OF INDIA LIMITED.**

CIN NO : L29222DL1976GOI008129

Registered Office : Core: 2, 1<sup>st</sup> 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 42<sup>ND</sup> 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*:
Regd. Folio

Client Id*:
No. of shares held

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 42<sup>nd</sup> ANNUAL GENERAL MEETING of the company held on 13<sup>th</sup> August, 2018 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

[illegible]

# PRINTED MATTER

To,

If undelivered please return to :  
**KARVY COMPUTERSHARE 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](mailto:einward.ris@karvy.com)