

# **DREDGING CORPORATION OF INDIA LTD.**

*(A Government of India Undertaking)*

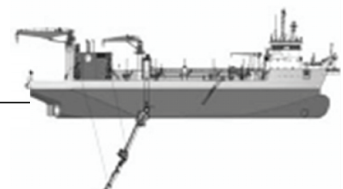
*(A Mini Ratna Company)*

**41<sup>ST</sup>**

***ANNUAL REPORT***

**2016 - 2017**

*Life line for Ports*





# INDEX

SI No.	CONTENT	Page Nos.
1.	Index	1
2.	Vision, Mission & Objectives	2
3.	Decade at a glance	3
4.	DCI Fleet	4
5.	Past assignments	5
6.	Notice	6-8
7.	Statement under Section 102 of the Companies Act, 2013	8
8.	Directors' Report	9 -15
9.	CEO & CFO Certification	16
10.	Form No. MGT-9 - Extract of Annual Return	16-19
11.	Annexure II-CSR	20
12.	Secretarial Audit Report	21-22
13.	Corporate Governance Report	23-30
14.	Corporate Governance Certificate	30
15.	Management Discussion and Analysis Report	31-33
16.	Independent Auditors' Report	34-36
17.	Comments of C&AG	37
18.	Balance Sheet as at 31 <sup>st</sup> March, 2017	38
19.	Statement of Profit and Loss for the year ended 31st March, 2017	39
20.	Notes-1 to 27	40-53
21.	Cash Flow Statement	54
22.	Route Map	55
23.	Proxy Form and Attendance Slip	56

### 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. 37AAACD6021B1ZB**  
**e-mail : sreekanth@dcil.co.in**  
**Website : www.dredge-india.com**

### HEAD OFFICE

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

### BOARD OF DIRECTORS etc.

#### BOARD OF DIRECTORS

Shri Rajesh Tripathi  
Chairman and Managing Director & CEO  
Shri S.Charles  
Director (Finance) & CFO  
Shri M S Rao  
Director (Operations & Technical)  
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)  
Ms.Sheila Sangwan  
Dr.(Ms.)Vrushali Rajendra Waghmare  
Shri Barun Mitra  
(upto 03/03/2017)  
Shri B.Poiyamozi  
(upto 31/08/2016)  
Shri Sanjeev Ranjan  
(upto 29/05/2017)

#### COMPANY SECRETARY & COMPLIANCE OFFICER

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

#### BANKERS

Syndicate Bank  
State Bank of India  
BNP PARIBAS  
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

#### REGISTRARS & 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

For Hindi Version of the 41<sup>st</sup> Annual Report 2016-17  
please write/ e-mail to the Company Secretary giving  
the Folio No. / DP ID & Client ID.





## **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

## OPERATIONAL STATISTICS

₹ in lakhs

		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (Ind AS)
<b>Operating Earnings</b>	(A)	72487	79067	67304	50714	48469	63492	77041	73496	66586	58587
Interest Income		3559	4155	2091	1247	1289	310	227	699	953	832
Other Income		1101	0	0	311	3	0	2	184	83	550
<b>Total Income</b>	(B)	<b>77147</b>	<b>83222</b>	<b>69395</b>	<b>52272</b>	<b>49761</b>	<b>63802</b>	<b>77270</b>	<b>74379</b>	<b>67622</b>	<b>59969</b>
<b>Operating Expenses</b>	(C)	<b>57767</b>	<b>71937</b>	<b>55018</b>	<b>40754</b>	<b>39210</b>	<b>52480</b>	<b>58456</b>	<b>56177</b>	<b>48579</b>	<b>46888</b>
Interest Expenses		130	(172)	10	0	0	147	1099	2566	2043	1894
Depreciation		4173	5268	6602	7032	8795	9015	13832	9214	9820	9960
Exceptional items		0	0	0	0	0	0	0	(114)	(1110)	0
Excess/short provision of Corporate tax of earlier years written back		(2105)	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>		<b>59965</b>	<b>77033</b>	<b>61630</b>	<b>47786</b>	<b>48005</b>	<b>61642</b>	<b>73387</b>	<b>67843</b>	<b>59332</b>	<b>58742</b>
<b>Profit Before Tax</b>		<b>17182</b>	<b>6189</b>	<b>7765</b>	<b>4486</b>	<b>1756</b>	<b>2160</b>	<b>3883</b>	<b>6536</b>	<b>8290</b>	<b>1228</b>
Tax Liability		1700	1552	760	535	438	109	128	296	323	487
<b>Profit after Tax</b>	(D)	<b>15482</b>	<b>4637</b>	<b>7005</b>	<b>3951</b>	<b>1318</b>	<b>2051</b>	<b>3755</b>	<b>6240</b>	<b>7967</b>	<b>741</b>
Other Comprehensive income (OCI)(E)		0	0	0	0	0	0	0	0	0	(28)
<b>Total Comprehensive income for the period (OCI)(D+E)</b>	(F)	<b>15482</b>	<b>4637</b>	<b>7005</b>	<b>3951</b>	<b>1318</b>	<b>2051</b>	<b>3755</b>	<b>6240</b>	<b>7967</b>	<b>712</b>
<b>Operating Expenses Vs. Operating Earnings</b>		<b>80%</b>	<b>91%</b>	<b>82%</b>	<b>80%</b>	<b>81%</b>	<b>83%</b>	<b>76%</b>	<b>76%</b>	<b>73%</b>	<b>80%</b>
<b>Operating Profit [A-C]</b>	(G)	<b>14720</b>	<b>7130</b>	<b>12286</b>	<b>9960</b>	<b>9259</b>	<b>11011</b>	<b>18585</b>	<b>17319</b>	<b>18007</b>	<b>11699</b>
<b>Operating Profit Margin [G/A]</b>		<b>20%</b>	<b>9%</b>	<b>18%</b>	<b>20%</b>	<b>19%</b>	<b>17%</b>	<b>24%</b>	<b>24%</b>	<b>27%</b>	<b>20%</b>
<b>Net Profit Margin [F/B]</b>		<b>20%</b>	<b>6%</b>	<b>10%</b>	<b>8%</b>	<b>3%</b>	<b>3%</b>	<b>5%</b>	<b>8%</b>	<b>12%</b>	<b>1%</b>

## FINANCIAL HIGHLIGHTS (as on 31st March of end of the year):

## WHAT THE COMPANY OWNED

## Fixed Assets

Gross Block	92357	95663	99458	126738	140083	196556	327408	305119	321011	318030
Less: Depreciation (Cum)	59187	64437	71012	78011	86762	95778	108633	117185	127829	137277
<b>Net Block</b>	<b>33170</b>	<b>31226</b>	<b>28446</b>	<b>48727</b>	<b>53321</b>	<b>100778</b>	<b>218775</b>	<b>187134</b>	<b>193182</b>	<b>180753</b>

Capital Working Progress.  
(including Capital Advance)

Working Capital	89902	93194	100985	68023	57757	66196	58800	58645	53526	50414
Financial Assets (Investments, other Financial assets)	2450	3000	3000	3000	3000	3000	3000	3000	3000	907
	<b>125531</b>	<b>127429</b>	<b>132903</b>	<b>136855</b>	<b>164168</b>	<b>217279</b>	<b>282010</b>	<b>251297</b>	<b>256125</b>	<b>234672</b>

## WHAT THE COMPANY OWED

## Long term Funds:

Secured Loans	0	0	0	0	25995	77710	139669	103865	101737	81778
Unsecured Loans	0	0	0	0	0	0	0	0	0	0
Other Non-current liabilities	1653	551	0	0	0	0	0	717	1026	832
	<b>1653</b>	<b>551</b>	<b>0</b>	<b>0</b>	<b>25995</b>	<b>77710</b>	<b>139669</b>	<b>104583</b>	<b>102355</b>	<b>82610</b>

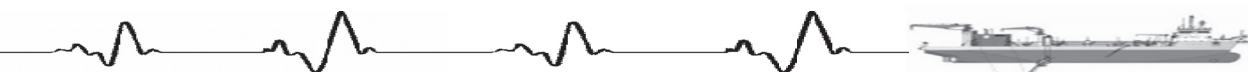
## NET WORTH OF THE COMPANY

Share Capital	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800
Reserves & Surplus	121078	124078	130103	134055	135373	136769	139541	144632	151588	149262
	<b>123878</b>	<b>126878</b>	<b>132903</b>	<b>136855</b>	<b>138173</b>	<b>139569</b>	<b>142341</b>	<b>147432</b>	<b>154388</b>	<b>152062</b>

## Capital Employed

(Net block+working capital)	123072	124420	129431	116750	111078	166974	277575	245779	246708	231166
Dividend	4200	1400	840	0	0	560	840	840	840	0
Dividend %	150%	50%	30%	0%	0%	20%	30%	30%	30%	0
Debt/ Equity Ratio	0.01:1	0.004:1	0	0	0.19:1	0.56:1	0.98:1	0.72:1	0.67:1	0.54:1
Earnings per Share [PAT/2.8 crore no. of shares]]	55.29	16.56	25.02	14.11	4.71	7.32	13.41	22.29	28.45	2.64
MOU Rating Achieved	V. GOOD	GOOD	EXCELLENT	GOOD	FAIR	GOOD	EXCELLENT	GOOD	V.GOOD	GOOD**

\*\* Expected Rating for FY 2016-17

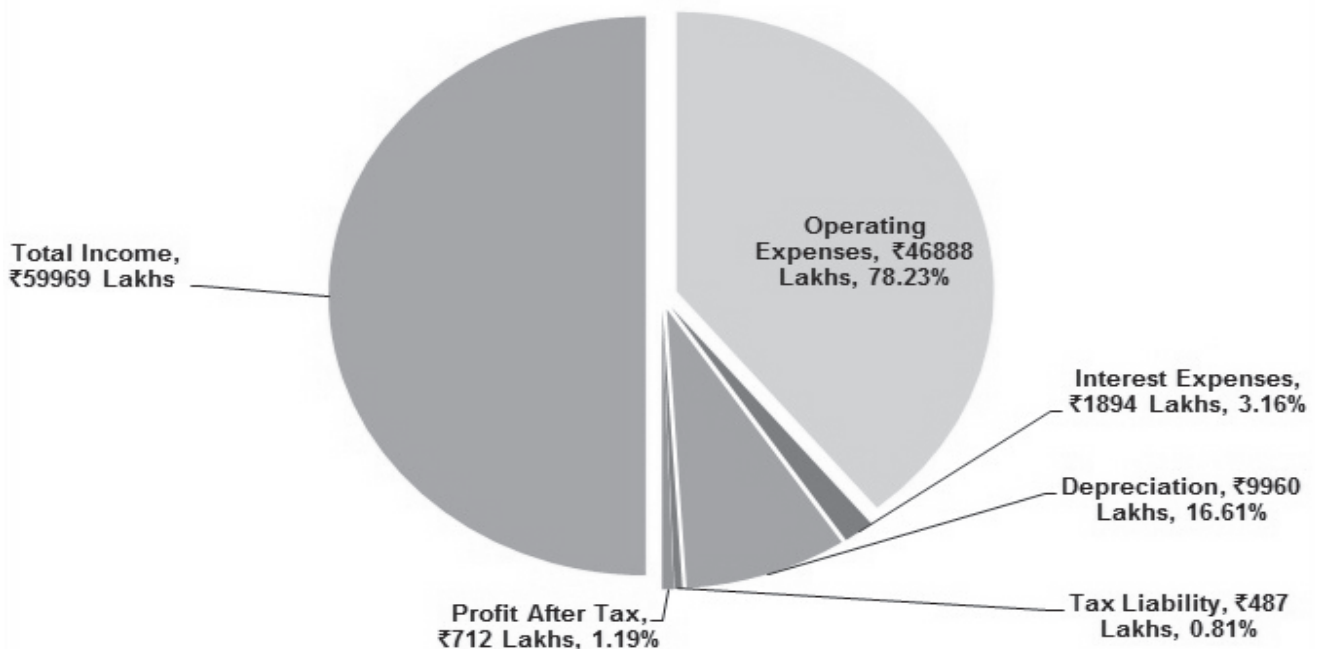


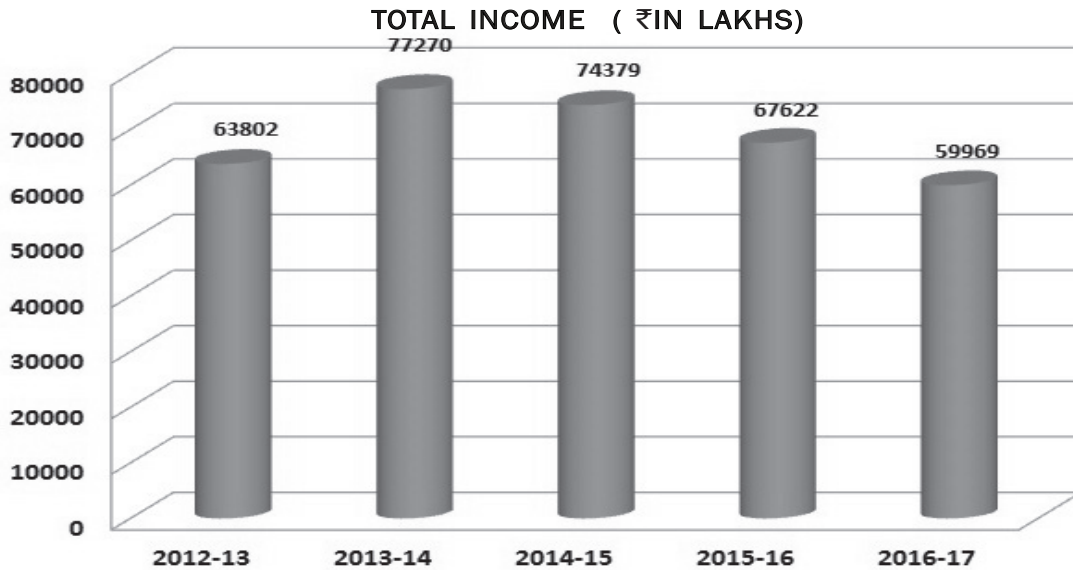


**INFORMATION IN RESPECT OF DREDGERS AND FLOATING CRAFTS OF DCI**

Craft	Year of Built	Type of Vessel	Maximum LOA 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	53
DCI Dredge VIII	1977	Self Propelled TSHD	25	124.3	8.50	6500	-	4437	84
DCI Dredge IX	1984	Self Propelled TSHD	25	102.6	7.50	4500	-	1547	167
DCI Dredge XI	1986	Self Propelled TSHD	25	102.6	7.50	4500	-	1551	300
DCI Dredge XII	1990	Self Propelled TSHD	20	115	6.50	4500	-	1906	197
DCI Dredge XIV	1991	Self Propelled TSHD	20	115	6.50	4500	-	1906	172
DCI Dredge XV	1999	Self Propelled TSHD	25	122	8.50	7400	-	2421	261
DCI Dredge XVI	2000	Self Propelled TSHD	25	122	8.50	7400	-	2414	113
DCI Dredge XVII	2001	Self Propelled TSHD	25	122	8.50	7400	-	2414	127
DCI Dredge XIX	2012	Self Propelled TSHD	25	114	7.50	5500	-	2091	201
DCI Dredge XX	2013	Self Propelled TSHD	25	114	7.50	5500	-	2091	241
DCI Dredge XXI	2013	Self Propelled TSHD	25	114	7.50	5500	-	2091	258
DCI Dredge VII	1976	Non-propelled CSD	22	86	2.50	-	1000	746 (GT)	-
DCI Dredge Aquarius	1977	Self Propelled CSD	25	107	4.85	-	2000	1019	9
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	35
DCI ID Ganga	2016	Non-propelled CSD	14	28.5	1.5	-	500	39	21
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)	-

**TOTAL INCOME VS. EXPENSES (FY 2016 -17)**





### 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
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
6 Kandla Port Trust, Kandla	2002-03, 2003-04, 2004-05, 2005-06, 2012-13, 2013-14
7 Mumbai Port Trust, Mumbai	2002-03 & 2003-04
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
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
14 Gangavaram Port	2015-16
15 CSL	2015-16 & 2016-17

### 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
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
17 Port of Pondicherry	2016-17
18 L & T Kattupally	2016-17
19 Gujarat Maritime Board	2016-17





**NOTICE**

NOTICE is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of Dredging Corporation of India Limited will be held at 11.30 AM on Thursday, the 31<sup>st</sup> August, 2017 in Conference hall, Core-2, Scope Minar, Plot No.2A & 2B, Laxminagar District Centre, Delhi - 110092 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017 together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Rajesh Tripathi (DIN:03379442) who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri M S Rao (DIN:07198524) who retires by rotation and is eligible for re-appointment.
4. To pass with or without modification, the following resolution as 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 ₹4.25 lakh (rupees four lakh and twenty five thousand only) plus taxes as applicable for the year 2016-2017.

**By Order of the Board of Directors**

**Place : Visakhapatnam  
Dated : 31/07/2017**

**(K. Aswini Srekanth)  
Company Secretary**

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

- Proxies in order to be valid and effective, must be delivered at the Registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting.
2. As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
  3. Members / Proxies / Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
  4. 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).
  5. 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. and 12:30 p.m. up to the date of the Annual General Meeting.
  6. The Register of Members and share Transfer Books of the Company will remain closed from Friday, 25<sup>TH</sup> August, 2017 till Thursday, 31<sup>st</sup> August, 2017 (both days inclusive).
  7. 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)
  8. 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.
  9. Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
    - i) For shares held in dematerialised form - to their respective Depository Participant.
    - ii) For shares held in physical form - to the RTA, M/s Karvy 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 2007-08 to Investor Education & Protection Fund (IEPF) established by the Central Government. Upon completion of 7 years, the Company would transfer the unclaimed / unpaid dividend for the financial year 2009-10 in September, 2017. 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. The members, who have not encashed their dividend warrant so far, for the financial years 2008-09 to 2015-16 (except for the years 2010-11 & 2011-12 for which dividend was not declared) may write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.
  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. DCI has already transferred the unpaid dividend for 2008-09 for which seven years is completed in October 2016 to IEPF in November 2016. As such now only the shares need to be transferred to IEPF. A Newspaper Notice in this regard is published in Newspaper in English and Regional language in May, 2017. Communication to this effect is also sent to the concerned shareholders. Further action will be taken as per the Rules notified by Ministry of Corporate Affairs.
  14. 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.



**NOTICE....**

- 15 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.
- 16 The cut-off date to be eligible to vote is Thursday, 24th August, 2017.
- 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.
  - 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: [sgsdel@gmail.com](mailto:sgsdel@gmail.com) with a copy marked to [evoting@karvy.com](mailto: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. 24th August, 2017 may write to the Karvy on the email ID: [evoting@karvy.com](mailto: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)]:
- i) User ID and initial password as provided.
  - ii) Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.
- C. The remote e-voting period commences on Tuesday, the 28th August, 2017 at 09:30 A.M. and ends on Wednesday, the 30th August, 2017, at 5.00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, 24th August, 2017, may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
- E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Thursday, 24th August, 2017.
- F. The Company has appointed Shri D.P.Gupta of SGS Associates, Practising Company Secretary (Membership No.-F2411) 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.




**NOTICE....**

- 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  
Dated : 31/07/2017

  
**(K. Aswini Sreekanth)**  
Company Secretary

**ANNEXURE TO NOTICE**

**BRIEF RESUME OF DIRECTORS BEING RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item No.'s 2,3)**

**Item No. 2 –**

Shri Rajesh Tripathi (DIN:0339442) aged 56 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.

**Educational & Professional qualification:** Shri Rajesh Tripathi is 1982 batch Indian Railways Services Engineering (IRSE) Officer. He holds Master degree - M.Tech (Structures) and Post Graduate Diploma in Business Management. 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.

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.

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

**Item No. 3 –**

Shri M.S.Rao (DIN:07198524) aged 53 years (DOB:01/06/1964) was appointed as Director (Operations & Technical) of the Company vide Ministry Letter No.SS-28012/03/2014-DCI dt.08/05/15. He took charge on 01/06/15. 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.

**Educational & Professional qualification:** He holds a bachelor's in Technology (Civil Engineering) from Regional Engineering College, Warangal and also holds Degree in Master of Business Administration from Andhra University, Visakhapatnam. He is having vast experience of about 25 years in the field of Dredging (Operations, Marketing, Contracts, Project Engineering, etc) and in other major Civil Engineering project. He has joined DCI in 2006 as DGM (Operations & Projects) worked in DCI in various capacities as Head of Operations Department, Head of Marketing Department, Project Engineering Department, Human Resources Department prior to his appointment as Director (Operations and Technical). Prior to joining DCI, he has worked as Assistant General with SIDBI and NABARD as Banks Engineer at Mumbai and Lucknow.

Details of Directorships in other Companies	:	Nil
Membership/Chairmanship in the Committee of other Companies	:	Nil
No. of shares held in the Company as on date	:	351
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 M S Rao 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.

## DIRECTORS' REPORT FOR THE YEAR 2016-17

Your Directors have pleasure in presenting this 41<sup>st</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company adopted Ind AS from 1st April, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles of Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Pursuant to the adoption of the Ind AS, the Accounting Policies have been revised as on transition date and the effect of the same has been reflected in the results. The figures for the previous year have been recast as per the new Ind As adopted by the company.

The Profit after tax of the Company is ₹ 712.27 lakh for the year as compared to ₹4350.18 lakh for the previous year.

The Company's earning per share is ₹2.54 for 2016-17 as compared to ₹15.54 for 2015-16.

The operational income of the Company is ₹58587.17 lakh as compared to ₹66585.89 lakh for the previous year. The other income is ₹1381.78 lakh as compared to ₹1532.21 lakh for the previous year. The total income for the year is ₹59968.95 lakh as compared to ₹68118.10 lakh for the previous year.

The fall in income for this year is mainly due to the lower capacity utilization which was due to the reduction in scope at the Haldia project and stopping of the Goa project which was not adequately compensated by other projects.

### 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	3425	2273	66.36
Quantity (Mln. Cu.M)	719	519	72.18

### CAPACITY ADDITIONS

The inland cutter suction dredger named as DCI GANGA has been inducted into the fleet on 6<sup>th</sup> December, 2016. The vessel has been put into operation at the dredging project being carried out at Puducherry. This is the first of Inland fleet being inducted into the fleet in recent times.

### DCI FLEET

The Company has, 12 Trailer Suction Hopper Dredgers (TSHDs), 4 Cutter Suction Dredgers (CSDs), one Back Hoe Dredger and one Inland Cutter Suction Dredger apart from other ancillary crafts.

### 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 and NST and its approaches of VPT. Capital Dredging Contracts were executed at Mormugao Port, Chennai Port, 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.

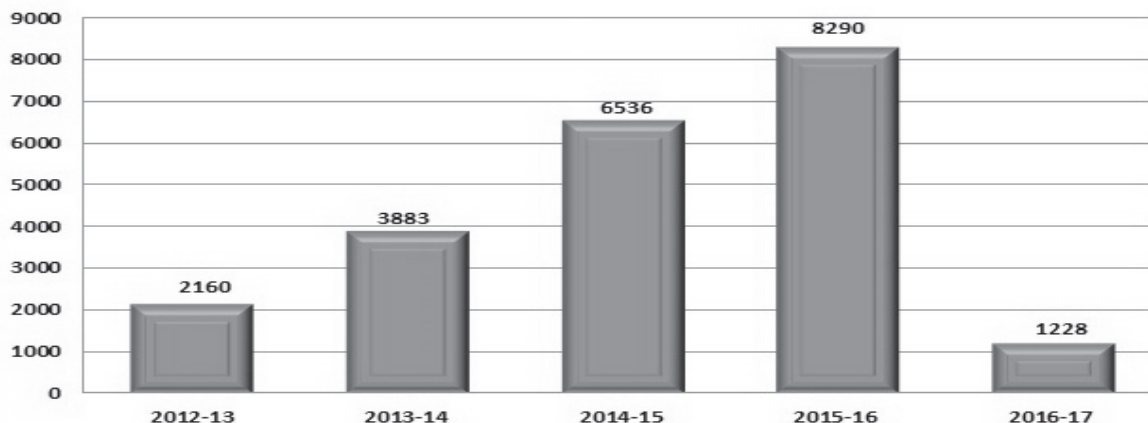
### MEMORANDUM OF UNDERSTANDING

The Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2016-17. The Company is expecting a rating of "Good" for 2016-17.

### OFFER FOR SALE TO EMPLOYEES BY GOVERNMENT OF INDIA.

Government of India offered 0.25% of the paid up share capital i.e 70000 equity shares to the eligible employees (employees on rolls as on 21/8/15) @ ₹.362.90 per equity share (which is 5% discount on the rate of ₹382 per equity shares offered for sale to the public through stock exchange mechanism in August 2015. The Offer was open from 30th October 2016 till 15th November 2016. The total number of eligible employees who have applied and allotted (on 21/11/16) were 126 is 25687 shares. The amount collected was ₹93.22 lakhs which was transferred to GOI. After the said offer to the employees, the shareholding of GOI in DCI is now 73.47% (20572013 shares) as against the earlier holding of 73.56% (20597700 shares).

## PROFIT BEFORE TAX (₹ in lakhs)





**DIRECTORS' REPORT ....**

**SAFETY MANAGEMENT SYSTEM (ISM)**

(a) All dredgers (except dumb vessels Dr - VII, Dr. XVIII, ID Ganga and Tug- VII) of DCI hold valid Safety Management Certificates (SMC).  
(b) DCI holds a Document of compliance (DOC) valid till 24-06-2017. The same is being endorsed every year after annual verification audit by DG Shipping. The Renewal of DOC audit was held on 25/04/2017 at HO Visakhapatnam.

**SHIP SECURITY SYSTEM (ISPS)**

All dredgers (except dumb vessels Dr - VII, Dr. XVIII, ID Ganga and Tug- VII) of DCI hold valid International Ship Security Certificates (ISSC).

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

DCI is certified for Quality Management System (ISO 9001:2008) and the certificate is valid upto 14th 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 till 14th September 2018. The EMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

**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 2016-17 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 2016-17 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) Componentization: (Refer note No. 3 of the financial statements)

As per note 4 of Schedule II to the Companies Act, 2013 -"Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to 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."

The above requirement is commonly known as 'component accounting'. Companies are required to identify and depreciate significant components with different useful lives separately.

However management is of the view that no component is having more than 10% value of total cost of the dredger hence component accounting is not applicable.

b) 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.

c) 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), and (b) include the views of the management on the same. With regard balance of sundry debtors etc., at Sl.No. (c) 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.

**DIRECTORS' REPORT ....**

(B) OBSERVATIONS/QUALIFICATIONS MADE BY THE SECRETARIAL AUDITOR:

**QUOTE**

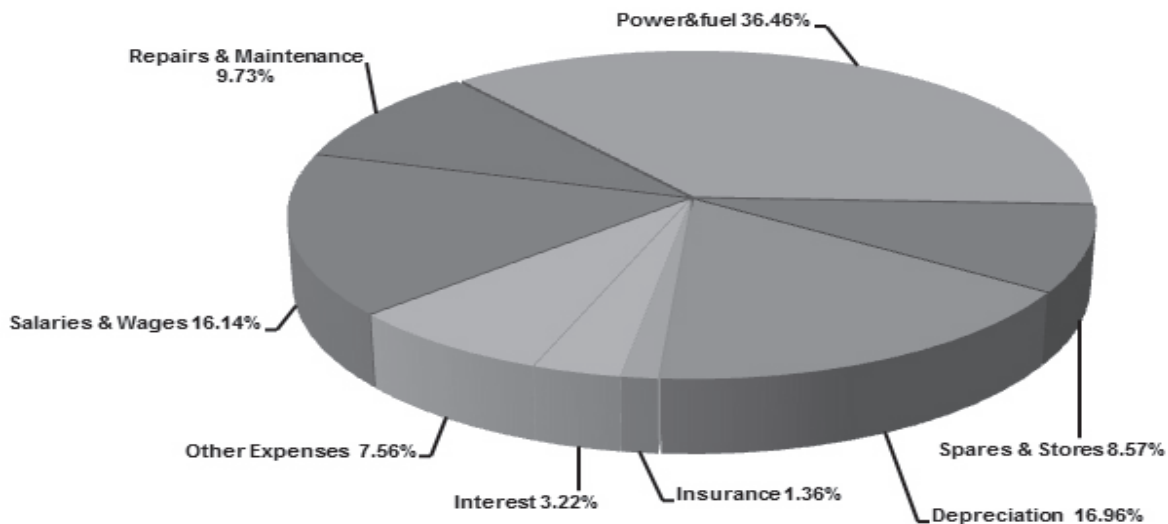
".... we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

*Compliance of Regulation 17 (1) of Securities 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."*

**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.

- f) particulars of loans, guarantees or investment under Section 186 :- details of investment given under the respective head in the financial statement. The Company has not given any loans or guarantees.
- g) particulars of contracts or arrangements with related parties referred to in Section 188 (1) :- 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 2016-17 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".  
the state of the company's affairs :- This has been explained elsewhere in this report.;
- h) the amounts, if any, which it proposes to carry to any reserves: The following amounts have been transferred to different reserves during the year:-
- |   |   |             |
|---|---|-------------|
| a) Tonnage Tax Reserve u/s 115VT utilisation of the IT Act. | - | ₹ 72 Lakhs  |
| b) Transfer to Debenture Redemption Reserve                 | - | ₹ 600 Lakhs |
- i) In view of the Commitments for servicing of the loans, no dividend has been recommended for the year 2016-17.
- j) 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
- k) 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.

**BREAKUP OF EXPENDITURE(2016-17)IN % OF TOTAL EXPENDITURE ( ₹ 58741 LAKHS )**





**DIRECTORS' REPORT ....**

iii)	Foreign Exchange earnings and outgo:	(₹ In Lakhs)
i.	<b>Foreign Exchange Earnings :</b>	<b>0.00</b>
ii)	<b>Foreign Exchange outgo:</b>	
a)	Import of components and spares (CIF value)	5386.13
b)	Payment of interest on foreign currency loan	1324.68
c)	Repayment of installment of foreign currency loan	12516.15
d)	Foreign travel	7.47
	<b>Total</b>	<b>19216.43</b>

- l) 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.
- m) 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 2016-17, the amount spent under CSR is ₹177.62 Lakhs. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure –II.
- n) 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.

**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.

**R & D ACTIVITIES**

Action is on hand to float the tender for design, manufacture, supply, installation, testing & commissioning of the fuel monitoring system to our vessels.

**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, 2017 was 503, as against 523 during the previous year excluding MPWs, Contract Officers and Crew.

**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, 2017 was SCs - 83, i.e., 32.13% as against prescribed percentage of 16.66% and STs 26 i.e., 9.39% as against the prescribed percentage of 7.5%.

**B. Employment of Ex-Servicemen**

The representation of Ex-Servicemen (both Shore and Floating) in group C and D categories in the Corporation was 1.17% and Nil as against the percentage of 10% and 20% respectively as prescribed by the Government.

**C. Employment of Physically Handicapped**

The number of physically handicapped employees in the Corporation as on 31<sup>st</sup> March, 2017 is 9 (Nine), the group-wise break-up A, B, C & D is as furnished hereunder:-

Group	Total Strength	No. of persons with disabilities actually Employed	Percentage with reference to identified posts
A	189	05	2.65
B	44	01	2.27
C	78	02	2.56
D	14	1	7.14
Total	325	09	2.77

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

**D. Employment of women**

The number of women employees on Rolls as on 31<sup>st</sup> March, 2017 is 49 as against 52 as on 31<sup>st</sup> March, 2016. Out of them number of executives is 18 and Non-Executives is 31.

**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.

## DIRECTORS' REPORT ....

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 :

- i) The women employees in the Corporation are entitled to 180 days of Maternity Leave.
- ii) Special Casual leave not exceeding 14 working days is sanctioned to regular women employees of the Corporation to undergo non-puerperal sterilisation.
- iii) One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD insertions.
- iv) Basing on Apex Court's judgement and keeping in view the Government instructions on Sexual harassment of Women at work places, a Complainants Committee headed by a Woman Officer was constituted to inquire into the complaints of Sexual Harassment at work places. A Complainants Register is also being maintained.
- v) As a welfare measure, a Rest Room/Recreation Room is provided exclusively for the women employees.
- vi) Working uniforms are provided to Group'D' women employees, as per the scales prescribed in the Rules.
- vii) A Recreation Room has been provided exclusively for the women employees in the Corporation.
- viii) 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 2016-17.
- ix) Women's Day was celebrated on 08.03.2017 in DCI.

### 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.

To observe small family norms, the following benefits are also given :

- Cash Award of ₹120/-; and
- One special increment/allowance in the form of personal pay throughout the service.

### WAGE SETTLEMENTS

#### A. FLOATING ESTABLISHMENT :

- i) The INSA-MUI (FG/HT) Agreement in respect of Floating Officers, is due from 1/4/15.
- ii) The NMB Agreement, relating to HT Petty Officers is implemented for the period 2015-19.
- iii) The Wage Agreement of Crew/MPWs is implemented for the period 2015-19.

#### B. SHORE ESTABLISHMENT:

The Revised Pay Scales for both Executives and non executives is due from 01.01.2017.

### INDUSTRIAL RELATIONS:

The industrial relations in the Corporation continued to be cordial throughout the year 2016-17. 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 in protest against rumors of strategic sale of DCI. However, there was no disruption of any nature on the day to day working of the Company. Further, there was no impact of the Strike on the operations of the DCI vessels and all the operational vessels are in uninterrupted dredging operations. There were no untoward incidents/disruption in any of the offices of the Company or onboard vessels.

### WELFARE MEASURES:

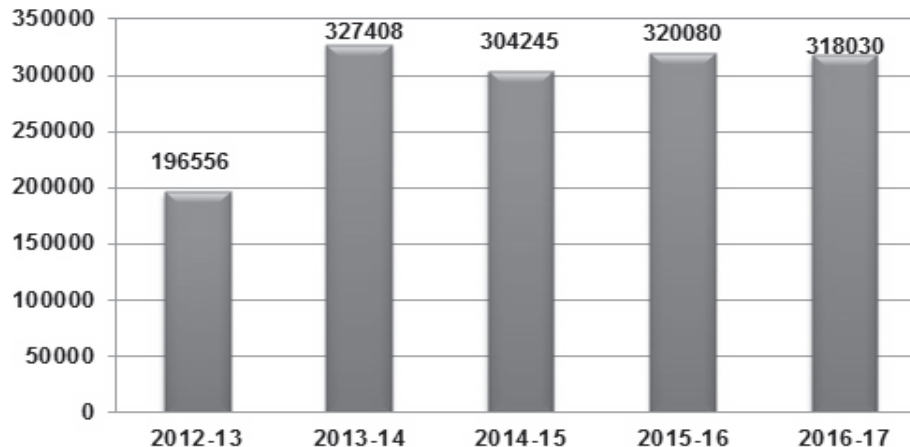
The Corporation continued various welfare schemes viz., Family Pension Scheme, Group Gratuity Assurance Scheme, Personal Accident Insurance Coverage, Group Savings Linked Insurance Scheme, Contributory Provident Fund, Maternity Benefit Scheme, Subsidised Canteen Facility, Transport Subsidy, Medical Attendance, Leave Travel Concession, Incentive Scheme for acquiring higher qualifications, Merit Scholarships for the children of SC/ST employees, and Mediclaim medical attendance facility for the retired employees etc. Other welfare measures such as House Building Advance, Special casual leave for maternity/paternity and incentives for adopting small family norms and advances for children's higher education, marriage and purchase of computer etc., are extended to the employees.

### HUMAN RESOURCES DEVELOPMENT

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

- i) During the year 2016-17, 311 employees were trained in various training programs.
- ii) During the year 2016-17, 15 DCCP Apprentice Trainees and 9 Industrial Trainees were inducted for training for a period of 12 months.

### GROSS BLOCK ( ₹ in lakhs)







**DIRECTORS' REPORT ....**

**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 Joint General Manager (HSE) is designated as 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 notified 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.

Hindi Fortnight was celebrated during September, 2016. Various Competitions were conducted for employees and nearby school/College students during the Hindi Fortnight Celebration held from 06-21, September, 2016. DCI participated in the Hindi Salakar Samiti meeting of the Ministry held on 08.03.2017. The officers of the Corporation actively participated in the meetings and activities of the Town Official Language Implementation Committee, (TOLIC) Visakhapatnam during the year. Two Employees of the Corporation (Hindi Cell) attended one National Seminar and one International Hindi Seminar held at Visakhapatnam during the year. 3 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.. Viswa Hindi Diwas was celebrated and a Lecture session on "The Global perspectives of Hindi" was conducted on 10.01.2017.

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.

**CHANGES IN ACCOUNTING POLICY**

Pursuant to the adoption of the Ind AS, the Accounting Policies have been revised as on transition date and the effect of the same has been reflected in the results. The figures for the previous year have been recast as per the new Ind AS adopted by the company.

**ACTIVITIES OF VIGILANCE DEPARTMENT**

During the year 2016-17, the Vigilance department has taken significant measures to integrate its activities with other departments of the Corporation and provide a pro-active orientation to interface it with managerial process. As a part of the same, periodic, surprise and CTE type inspections have been carried out and systemic deficiencies and irregularities noticed have been communicated to concerned departments for necessary action.

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

Vigilance Awareness week was observed during 31<sup>st</sup> October 2016 to 5<sup>th</sup> November, 2016. CVC's theme for this year's Vigilance Awareness Week is "Public participation in promoting integrity and eradicating corruption" 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, inter-collegiate Essay writing and Elocution competitions in English and Telugu were conducted at Head Office. A customer redressed camp for customers/vendors/contractors was organized on 01.11.2016. A panel discussion on the topic "Public participation in promoting integrity and eradicating corruption" was held on 02.11.2016. A workshop on "Role of RTI in Public Participation in promoting integrity and eradicating corruption" was also conducted for general public during the week.

**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 2016-17. 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 ₹4.25 lakhs plus service tax as applicable for the year 2016-17 for approval of the Members at this AGM.

**INDEPENDENT AUDITORS' REPORT**

The Independent Auditors' Report on the Accounts for 2016-17 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 – 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 of the qualification 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 31<sup>st</sup> March, 2017 and the same are placed next to the Statutory Auditor's Report.

**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 B. Poiyaamozhi ceased to be director of the Company on 31/08/2016 on attaining superannuation.

Ministry of Shipping vide its letter dated 22/09/2016 communicated appointment of Shri Sanjeev Ranjan as part time official Director on the Board of the Company. Ministry of Shipping vide its letter dated 03/03/2017 communicated appointment of Shri Pravir Krishn as part time official Director on the Board of the Company in place of Shri Barun Mitra. Shri Pravir Krishn has been appointed by the Board as additional director. Ministry of Shipping appointed Dr.Pradeep Kumar in place of Mr Sanjeev Ranjan vide letter date 29/5/17. Dr.Pradeep Kumar has been appointed by the Board as additional director. Ministry of Shipping has informed the cessation of directorship of Shri Pravir Krishn and Shri Pradeep Kumar from the Board of DCI with effect from 25/07/2017 and 27/07/2017 respectively.

It is also proposed to retire and re-appoint Shri Rajesh Tripathi and Shri M S Rao 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 Board expresses its sincere thanks to the Tax authorities for their co-operation. The Board also expresses its sincere thanks to the suppliers and vendors for their support and co-operation.

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

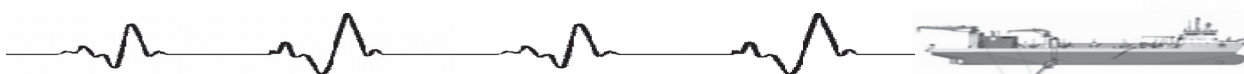
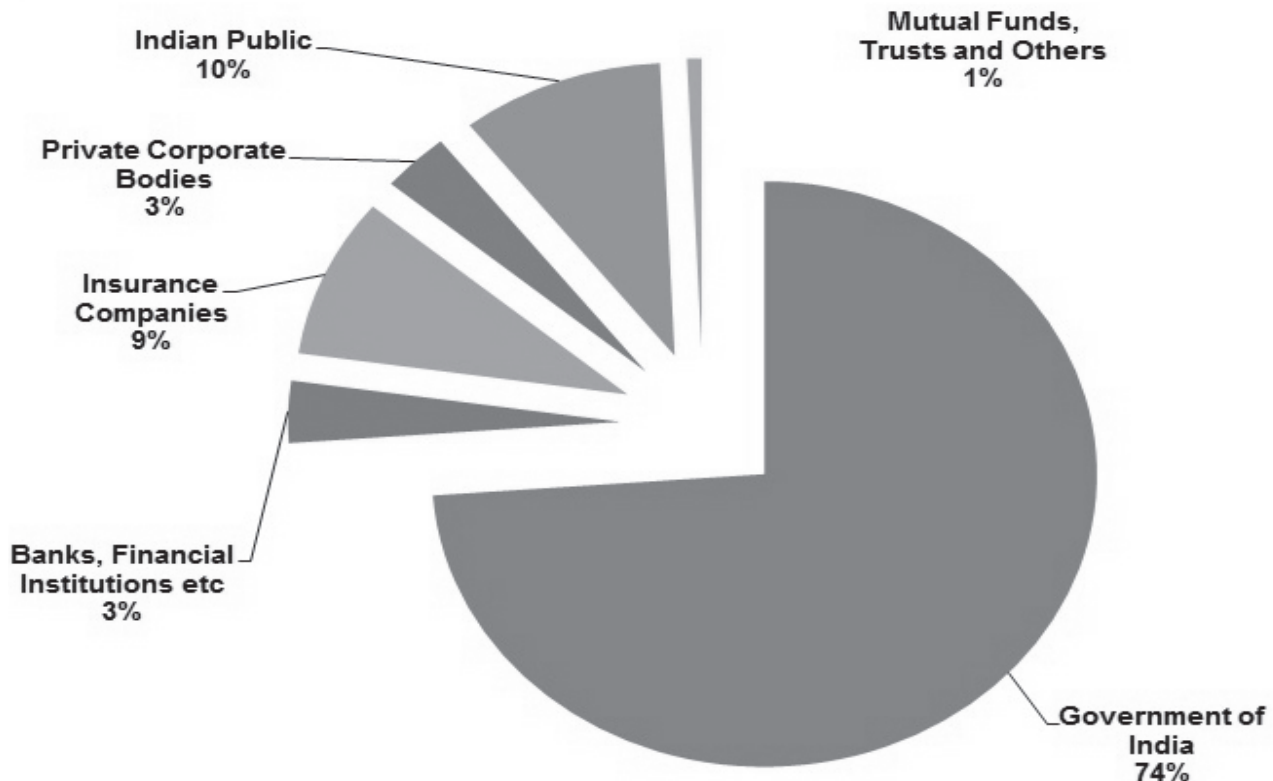
*Rajesh Tripathi*  
**RAJESH TRIPATHI**

CHAIRMAN AND MANAGING DIRECTOR

Place : Visakhapatnam

Date : 31/07/2017

**SHAREHOLDING PATTERN AS ON 31-03-2017**





**DIRECTORS' REPORT ....**

**ENCLOSURE - A**

**CEO/CFO CERTIFICATION**

We Shri. Rajesh Tripathi in the capacity of Chairman-and Managing Director and CEO and Shri. S. Charles in the capacity of Director (Finance) and CFO of Dredging Corporation of India Limited, a Government of India Undertaking certify to the Board that

- (a) We have reviewed financial statements and the cash flow statement for the year 2016-17 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) 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 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 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:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) 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.

  
**(Shri S.Charles)**  
**Director (Finance)**  
 Place: New Delhi.  
 Date: 29/5/17

  
**(Rajesh Tripathi)**  
**Chairman and Managing Director**

**ANNEXURE-I**

**FORM NO. MGT 9  
 EXTRACT OF ANNUAL RETURN  
 as on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I REGISTRATION & OTHER DETAILS:**

- i CIN : L29222DL1976GOI008129
- ii Registration Date : 29/03/1976
- iii Name of the Company : DREDGING CORPORATION OF INDIA LIMITED
- iv Category/Sub-category of the Company : Public Company(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, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032  
 Phone No. 040 44655000, e-mail : einward.ris@karvy.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	DREDGING	63012	97.70

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

Sl 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			% of Total shares	No. of Shares held at the end of the year			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF		0	0	0	0	0	0	0	0.00
b) Central Govt.or State Govt.	20597700	0	20597700	73.56	20572013	0	20572013	73.47	-0.09
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>20597700</b>	<b>0</b>	<b>20597700</b>	<b>73.56</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>-0.09</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	
<b>(2) Foreign</b>			0	0.00			0	0.00	0.00
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	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 Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>20597700</b>	<b>0</b>	<b>20597700</b>	<b>73.56</b>	<b>20572013</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>-0.09</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	135448	0	135448	0.48	0	0	0	0	0.48
b) Banks/FI	1035271	0	1035271	3.70	950709	0	950709	3.40	-0.30
c) Cenntral govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	2541209	0	2541209	8.75	2464799	0	2464799	8.80	-0.05
g) FIIS	108786	0	108786	0.39	139188	0	139188	0.50	0.11
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>3730714</b>	<b>0</b>	<b>3730714</b>	<b>13.32</b>	<b>3554696</b>	<b>0</b>	<b>3554696</b>	<b>12.70</b>	<b>-0.63</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	590023	100	590123	2.11	929661	100	929761	3.32	1.21
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	2817155	3497	2820652	10.07	2504325	3763	2508088	8.96	-1.12
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	127662	0	127662	0.46	242340	0	242340	0.87	0.41
c) Others (specify)									
NRIS	86378	0	86378	0.31	63985	0	63985	0.23	-0.08
Clearing Members	23502	0	23502	0.08	84278	0	84278	0.30	0.22
Trusts	23269	0	23269	0.08	26335	0	26335	0.09	0.01
NRI Non Repatriation	0	0	0	0.00	18504	0	18504	0.07	0.07
<b>SUB TOTAL (B)(2):</b>	<b>3667989</b>	<b>3597</b>	<b>3671586</b>	<b>13.11</b>	<b>3869428</b>	<b>3863</b>	<b>3873291</b>	<b>13.83</b>	<b>0.72</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7398703</b>	<b>3597</b>	<b>740230</b>	<b>26.44</b>	<b>7424124</b>	<b>3863</b>	<b>7427987</b>	<b>26.53</b>	<b>0.09</b>
<b>Grand Total (A+B)</b>	<b>27996403</b>	<b>3597</b>	<b>28000000</b>	<b>100.00</b>	<b>27996137</b>	<b>3863</b>	<b>28000000</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRS &amp; ADRS</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>GRAND TOTAL (A+B+C)</b>	<b>27996403</b>	<b>3597</b>	<b>28000000</b>	<b>100.00</b>	<b>27996137</b>	<b>3863</b>	<b>28000000</b>	<b>100.00</b>	<b>0.00</b>

## (ii) SHARE HOLDING OF PROMOTERS

SI 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 company to total shares	NO of shares	% of total shares	% of shares pledged of the company to total shares	
1	President of India	20597700	73.56	0	20572013	73.47	0	-0.09
	<b>Total</b>	<b>20597700</b>	<b>73.56</b>	<b>0</b>	<b>20572013</b>	<b>73.47</b>	<b>0</b>	<b>-0.09</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING

SI No.	Share holding	Share holding		Cumulative Share holding	
		No. of Shares of the company	% of total shares	No of shares of the company	% of total shares
1	At the beginning of the year	20597700	73.56	20597700	73.56
2	OFS-22/11/2016	(-) 25687	0.09	(-)25687	0.09
3	At the end of the year	20572013	73.47	20572013	73.47



**DIRECTORS' REPORT ....**

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

Sl.	Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
				No. of shares	%	No. of shares	%
1.	LIFE INSURANCE CORPORATION OF INDIA LTD	01/04/2016	Opening balance	-	-	1637931	5.85
		03/02/2017	Sale (net)	-17986	-0.06	1619945	5.79
		10/02/2017	Sale (net)	-39025	-0.14	1580920	5.65
		17/02/2017	Sale (net)	-412	-0.01	1580508	5.64
		31/03/2017	Closing Balance	-	-	1580508	5.64
2.	GENERAL INSURANCE CORPORATION OF INDIA LTD	01/04/2016	Opening Balance	-	-	666016	2.38
		24/06/2016	Purchase (net)	19812	0.07	685828	2.45
		30/06/2016	Purchase (net)	4617	0.02	690445	2.47
		08/07/2016	Purchase (net)	16062	0.05	706507	2.52
		22/07/2016	Purchase (net)	26381	0.10	732888	2.62
		29/07/2016	Purchase (net)	2980	0.00	735868	2.62
		05/08/2016	Purchase (net)	14577	0.06	750445	2.68
		31/03/2017	Sale (net)	-13416	-0.05	737029	2.63
		31/03/2017	Closing Balance	-	-	737029	2.63
		01/04/2016	Opening Balance	-	-	501712	1.79
3.	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	24/03/2017	Sale (net)	-64845	0.23	436847	1.56
		31/03/2017	Sale (net)	-12347	0.04	424500	1.52
		31/03/2017	Closing Balance	-	-	424500	1.52
4.	LIC OF INDIA PROFIT PLUS GROWTH FUND	01/04/2016	Opening Balance	-	-	352761	1.26
		31/03/2017	Closing Balance	-	-	352761	1.26
		31/03/2017	Closing Balance	-	-	352761	1.26
5.	BANG EQUITY BROKING PVT LTD	01/04/2016	Opening balance	-	-	-	-
		17/03/2017	Purchase (net)	13279	0.05	13279	0.05
		24/03/2017	Purchase (net)	115082	0.41	128361	0.46
		31/03/2017	Purchase (net)	27253	0.10	155614	0.56
		31/03/2017	Closing Balance	-	-	155614	0.56
6.	NATIONAL INSURANCE CO.LTD	01/04/2016	Opening Balance	-	-	147262	0.53
		31/03/2017	Closing balance	-	-	147262	0.53
7.	THE NEW INDIA ASSURANCE CO.LTD	01/04/2016	Opening Balance	-	-	128000	0.46
		31/03/2017	Closing balance	-	-	128000	0.46
8.	WALLFORT FINANCIAL SERVICES LTD	01/04/2016	Opening Balance	-	-	85000	0.30
		31/03/2017	Closing Balance	-	-	85000	0.30
9.	MV SCIF MAURITIUS	01/04/2017	Opening Balance	-	-	42277	0.15
		22/04/2016	Purchase (net)	4264	0.02	46541	0.17
		29/04/2016	Purchase (net)	1599	0.00	48140	0.17
		24/06/2016	Sale (net)	-1090	0.00	47050	0.17
		19/08/2016	Sale (net)	-520	0.00	46530	0.17
		23/09/2016	Purchase (net)	258	0.00	46788	0.17
		23/12/2016	Purchase (net)	8132	0.03	54920	0.20
		06/01/2017	Sale (net)	-615	0.01	54305	0.19
		03/02/2017	Sale (net)	-197	0.00	54108	0.19
		03/03/2017	Sale (net)	-794	0.00	53314	0.19
		24/03/2017	Purchase (net)	991	0.00	54305	0.19
		31/03/2017	Closing Balance	-	-	54305	0.19
		01/04/2016	Opening Balance	-	-	60000	0.21
		15/07/2016	Sale (net)	-7233	0.02	52767	0.19
		05/08/2016	Purchase (net)	7500	0.03	60267	0.22
10/02/2017	Sale (net)	-2916	0.02	57351	0.20		
17/02/2017	Sale (net)	-7084	0.02	50267	0.18		
31/03/2017	Closing Balance	-	-	50267	0.18		

**(iv) SHAREHOLDING PATTERN OF KEY MANAGEMENT PERSONNEL**

Sl.	Name	Date	Remarks	Change in shareholding		Cumulative shareholding	
				No. of shares	%	No. of shares	%
1.	Shri Rajesh Tripathi, CMD	22/11/16	OFS to Employees	551	0.0002	551	0.0002
2.	Shri S Charles, DFN	--	--	0	0	0	0
3.	Shri M S Rao	22/11/16	OFS to Employees	551	0.0002	551	0.0002
4.	Shri K Aswini Sreekanth	22/11/16	OFS to Employees	300	0.0001	300	0.0001

**V INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lakh)**

	Secured Loans	Unsecured	Deposits	Total
	excluding deposits	Loans		Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	101328.45	0	0	101328.45
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	357.64	0	0	357.64
<b>Total (i+ii+iii)</b>	<b>101686.09</b>	<b>0</b>	<b>0</b>	<b>101686.09</b>
<b>Change in Indebtedness during the financial year</b>				
Additions : Exchange variation	-7176.89	0	0	-7176.89
Reduction : Repayments made	12516.15	0	0	12516.15
Reduction : Decrease in interest accrued but not due	-113.71	0	0	-113.71
IND AS Adj	142.86	0	0	142.86
<b>Net Change</b>	<b>19663.89</b>	<b>0</b>	<b>0</b>	<b>19663.89</b>

**DIRECTORS' REPORT ....****Indebtedness at the end of the financial year**

i) Principal Amount	81777.7	0	0	81777.7
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>82021.71</b>	<b>0</b>	<b>0</b>	<b>82021.71</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager: ₹ in lakhs**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Rajesh Tripathi CMD	S.Charles DFN	M.S.Rao DOT	
1	Gross salary as per Income Tax. 1961.				
	(a) Salary as per section 17(1)	27.45	23.41	23.06	73.92
	(b) Value of perquisite u/s 17(2)	3.47	0	0	3.47
	(c) Profits in lieu of salary u/s 17(3)	0	1.52	2.98	4.50
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5	Others (please specify)	-	-	-	-
	Company Contribution to PF	2.65	2.11	2.08	6.84
	Superannuation	2.43	1.93	1.91	6.27
	PRP Amount	0.97	0.93	1.92	3.82
	<b>Total (A)</b>	<b>36.97</b>	<b>29.90</b>	<b>31.95</b>	<b>98.82</b>
	<b>Ceiling as per the Act</b>	Not Applicable for Government Companies			

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount
		Sheila Sangwan	Vrushali Waghmare	
1	<b>Independent Directors</b>			
	(a) Fee for attending board committee meetings	1.80	1.60	3.40
	(b) Commission	0	0	0
	(c) Others, please specify	0	0	0
	<b>Total (1)</b>	<b>1.80</b>	<b>1.60</b>	<b>3.40</b>
2	<b>Other Non Executive Directors</b>			
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify.			
	<b>Total (2)</b>			
	<b>Total (B)=(1+2)</b>	<b>1.80</b>	<b>1.60</b>	<b>3.40</b>
	<b>Total Managerial Remuneration (A + B)</b>			<b>102.22</b>
	<b>Overall Ceiling as per the Act.</b>	Not Applicable for Government Companies		

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Rajesh Tripathi CEO(CMD)	S.Charles CFO(DFN)	K.A Sreekanth CS	
1	Gross salary as per Income Tax. 1961.				
	(a) Salary as per section 17(1)	27.45	23.41	12.10	62.96
	(b) Value of perquisite u/s 17(2)	3.47	0	0.13	3.60
	(c) Profits in lieu of salary u/s 17(3)	0	1.52	1.56	3.08
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5	Others (please specify)	-	-	-	-
	Company Contribution to PF	2.65	2.11	1.09	5.85
	Superannuation	2.43	1.93	1.00	5.36
	PRP Amount	0.97	0.93	1.16	3.06
	<b>Total</b>	<b>36.97</b>	<b>29.90</b>	<b>17.04</b>	<b>83.91</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)
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**A. COMPANY**

Penalty/Punishment/Compounding

**B. DIRECTORS**

Penalty/Punishment/Compounding

**C. OTHER OFFICERS IN DEFAULT**

Penalty/Punishment/Compounding

-----NIL-----





**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17**

**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 of those listed in the Companies Act and Rules made thereunder.

The CSR activities of the Company are uploaded on the Company's website - <http://www.dredge-india.com>.

**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:- ₹ 6236 LAKHS**

**4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE):- ₹ 125 LAKHS**

**5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR :-**

Name of the Project	Amount spent(₹In lakhs)
<b>Spill over from 2015-16</b>	
I Medical equipment for Government Health Centres in Visakhapatnam District	36.86
II Toilets for Schools	11.41
<b>A. Amount spent in 2016-17 for projects spilled over from 2015-16</b>	<b>48.27</b>
<b>Approved in 2016-17</b>	
	Budget Approval by CSR Committee
Project 1 Construction of public toilets – 6 places	54.00
Project 2 Artificial Limbs	10.00
Project 3 Construction of public toilets – 2 places and toilets for schools	65.35
<b>B. Amount spent for projects in 2016-17</b>	<b>129.35</b>
<b>Total Amount spent in 2016-17 (A + B)</b>	<b>177.62</b>

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

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	( ₹In lakhs) Amount spent: :Direct or Through Implementing Agency
1. Construction of Toilets	Cl. (i) promoting Health care and sanitation	Visakhapatnam , Andhra Pradesh, Benares, UP	130.76	130.76	130.76	Amount Spent
2. Medical equipment	-do-	Visakhapatnam , Andhra Pradesh	40	36.86	167.62	Directly
3. Artificial Limbs	-do-	Visakhapatnam , Andhra Pradesh	10	10	177.62	

**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 ₹177.62 lakhs during the year and including the spilled over amount from last year of ₹47.91 lakhs which is more than 2% of the average net profit of the last three financial years amounting to ₹125 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  
Chairperson, CSR Committee**

Place : New Delhi  
Date : 24/07/2017



**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

{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, 2017 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, 2017 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 periodic certificate submitted 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 Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, Equity Listing Agreement with National Stock Exchange of India Limited & BSE 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 observation:

*Compliance of Section 149(4) of the Companies Act, 2013, Regulation 17 (1) of Securities 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.*

**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.

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), 30 & 30 (8) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations.

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.

**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.

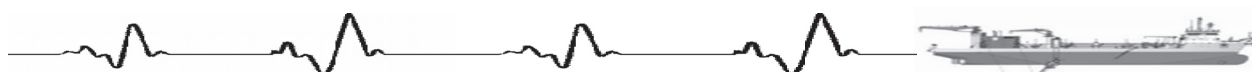
**We further report that** during the audit period, no specific event has occurred in the Company.

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



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

Date: June 17, 2017  
Place: Visakhapatnam





**SECRETARIAL AUDIT REPORT**

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

**"Annexure A"**

To,

The Members,

**Dredging Corporation of India Limited**

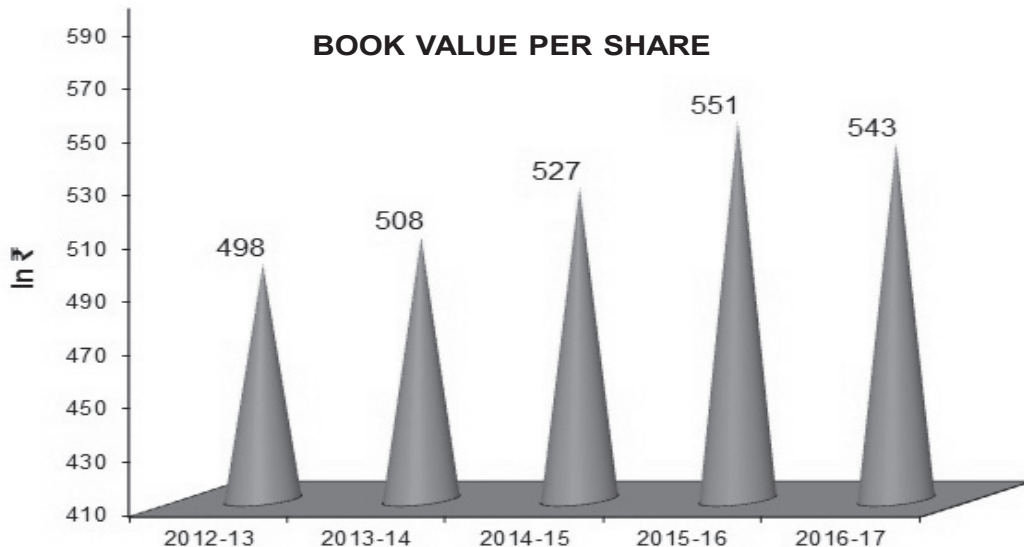
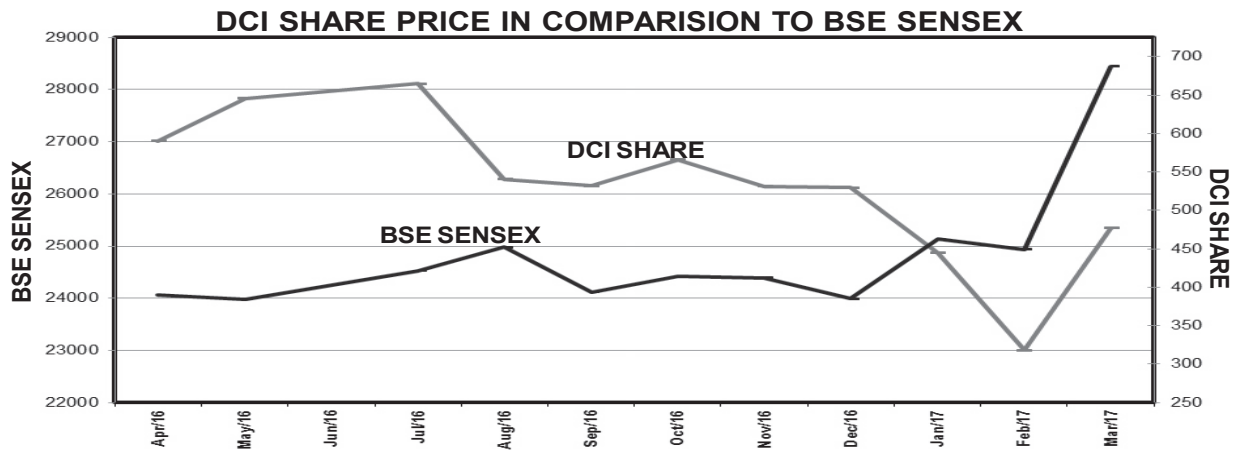
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial 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 17, 2017  
Place: Visakhapatnam

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



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17

**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 31/03/2017:** 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, 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.

The Company has seven directors consisting of one Executive Director – Chairman and Managing Director, two Functional directors – Director (Finance) and Director (Operations & Technical), two Part-time Official Directors and two Part-time Non-official Directors (Independent Directors). The two Independent Directors are women directors.

**i. The composition of the Board as on 31/03/2017 is as under:**

Name	Official/ Non-Official
<b>Executive Directors</b>	
i) Shri Rajesh Tripathi, Chairman and Managing Director	Whole-time official
ii) Shri S. Charles, Director (Finance)	Whole-time official
iii) Shri M.S. Rao, Director (Operations & Technical)	Whole-time official
<b>Non-Executive Directors</b>	
iv) Shri Sanjeev Ranjan, Government Director	Part-time official
v) Shri Pravir Krishn, Government Director	Part-time official
vi) Ms. Sheila Sangwan, Independent Director	Part-time Non-official
vii) Ms. Shobha Vrushali Waghmare, Independent Director	Part-time Non-official

**ii Changes in Board of Directors during 2016-17:**

Director	Date	Nature of Change
i) Shri B. Poiyaamozhi	31/08/16	Cessation
ii) Shri Barun Mitra	03/03/17	Cessation
iii) Shri Sanjeev Ranjan	22/09/16	Appointment
iv) Shri Pravir Krishn	03/03/17	Appointment

**iii Changes in Board of Directors from 1/4/17 till date of report:**

Director	Date	Nature of Change
i) Shri Sanjeev Ranjan	29/05/2017	Cessation
ii) Shri Pradeep Kumar	29/05/2017	Appointment
iii) Shri Pravir Krishn	25/07/2017	Cessation
iv) Shri Pradeep Kumar	27/07/2017	Cessation

**iv Board Meetings and Attendance: 2016-17**

Six Board Meetings were held during the year 2016-17. Attendance of Directors at the meetings of Board of Directors during the financial year 2016-17 and the last Annual General Meeting held on 30.09.2016 is as follows:-

Name of the Director	No. of Board Meetings		Attended last AGM (30/09/16)
	During tenure	Attended	
1. Shri Rajesh Tripathi, CMD	6	6	Yes
2. Shri S. Charles, DFN	6	6	Yes
3. Shri M.S. Rao, DOT	6	6	Yes
4. Shri B.Poiyaamozhi (upto 31.08.16)	2	1	NA
5. Shri Barun Mitra (upto 03.03.17)	6	6	No
6. Shri Sanjeev Ranjan (w.e.f. 22.09.16)	2	1	No
7. Shri Pravir Krishn (w.e.f. 03.03.17)	0	0	NA
8. Ms. Sheila Sangwan	6	6	No
9. Dr.(Ms.) Vrushali Rajendra Waghmare	6	6	Yes

**v Number of other Boards / Board Committees in which Directors are Members/ Chairperson for 2016-17:**

Director	No. of outside position held		
	Directorships	Committee Member	Committee Chairperson
1. Shri Rajesh Tripathi, CMD	1	-	-
2. Shri S. Charles, DFN	1	-	-
3. Shri M. S. Rao	-	-	-
4. Shri Barun Mitra (upto 31/08/2016)	2	-	-
5. Shri Poiyaamozhi (upto 03/03/2017)	1	-	-
6. Shri Sanjeev Ranjan	3	1	-
7. Shri Pravir Krishn	3	2	2
8. Ms. Sheila Sangwan	7	7	4
9. Dr.(Ms.) Vrushali Rajendra Waghmare	-	-	-

**vi. Details of Board Meetings held during 2016-17**

Sl.No.	Date	Place	Board Strength	Directors Present
1.	30/05/2016	New Delhi	7	6
2.	22/07/2016	New Delhi	7	7
3.	13/09/2016	Visakhapatnam	6	6
4.	19/09/2016	New Delhi	6	6
5.	02/12/2016	New Delhi	7	7
6.*	10/02/2017	Visakhapatnam	7	6

\* The Board meeting was conducted through video conferencing.



## CORPORATE GOVERNANCE REPORT ...

vii. **Disclosure of relationships between directors interse** : The directors are not related to each other interse.

**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 2016-17.

ii **The Constitution of the Audit Committee as on 31-03-2017 is as under :-**

1. Ms. Sheila Sangwan : Chairman
2. Dr.(Ms.) Vrushali Rajendra Waghmare : Member
3. Shri Pravir Krishn : Member (w.e.f. 03/03/2017)

iii **Meetings of the Audit Committee and attendance during the year 2016-17:Details of Audit Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1.	30/05/2016	Delhi	2
2.	22/07/2016	Delhi	3
3.	13/09/2016	Visakhapatnam	3
4.	19/09/2016	Delhi	3
5.	02/12/2016	Delhi	3
6.	10/02/2017	Visakhapatnam	3

**Details of attendance :**

Sl.No.	Name of the Director	No. of Meetings	
		Attended	During tenure
1.	Ms. Sheila Sangwan	6	6
2.	Dr.(Ms.) Vrushali Rajendra Waghmare	6	6
3.	Shri B. Poiyaamozhi (upto 31/08/2016)	2	1
4.	Shri Barun Mitra (w.e.f 13/09/2016 upto 03/03/2017)	4	4

**4. REMUNERATION OF DIRECTORS**

- i. DCI being a Government of India Undertaking, the remuneration payable to its whole-time Directors is as per the Rules and Regulations prescribed by the Government of India, received through the Administrative Ministry, Ministry of Shipping.
- ii. The Part-time Official (Government) Directors do not receive any remuneration from the Company.
- iii. The Part-time Non-Official Directors were paid sitting fees @ ₹10,000/- for each Board meeting and each committee meeting they attend.
- iv. DCI does not have a policy of paying commission on profits to any of the Directors of the Company.
- v. Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2016-17 is as under :-

(₹in lakhs)

Name of the Director	Salary	Performane Related Incentive	Sitting Fees	Total
<b>Executive Directors (Whole-time)</b>				
1. Shri Rajesh Tripathi, CMD	36.00	0.97	-	36.97
2. Shri S. Charles, DFN	28.97	0.93	-	29.90
3. Shri M.S. Rao, DOT	30.03	1.92	-	31.95
<b>Non-Executive Directors (Independent)</b>				
4. Ms. Sheila Sangwan	-	-	1.80	1.80
5. Dr.(Ms.)Vrushali Rajendra Waghmare	-	-	1.60	1.60

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.Aswini Sreekanth, Company Secretary is designated as Compliance Officer.
- ii. A total of 121 complaints were received during the year 2016-17, there is no pending compliant as on 31/03/17.
- 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 31-03-2017 is as under :-
  1. Ms. Sheila Sangwan : Chairman
  2. Dr.(Ms.) Vrushali Rajendra Waghmare : Member
  3. Shri Pravir Krishn : Member

The Committee has held one meeting on 22/07/2016 for the financial year 2016-17.

**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 31-3-17 the company had 46,616 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.

## CORPORATE GOVERNANCE REPORT ...

Sl.No	Date of approval of share transfer	No. of shares
1	20/05/2016	114
2	15/06/2016	2
3	05/07/2016	1
4	20/07/2016	6
5	30/07/2016	20
6	16/08/2016	1
7	10/09/2016	5
8	30/11/2016	34
9	03/02/2017	20
10	20/02/2017	39
11	10/03/2017	113
12	25/03/2017	75
<b>Total</b>		<b>430</b>

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

A CSR Committee was constituted with the following directors:

- i) Ms. Sheila Sangwan : Chairperson  
 ii) Shri S. Charles : Member  
 iii) Shri M. S. Rao : Member

During the year 2016-17, the Company has spent a total of about ₹177.62 Lakh under CSR towards construction of toilets in Government Schools and providing of artificial limbs to disabled persons and providing medical equipments in various PHCs and CHCs in and around Visakhapatnam.

**Meetings of the CSR Committee and attendance during the year 2016-17:****Details of CSR Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1.	13/09/2016	Visakhapatnam	3
2.	09/12/2016	Delhi	3

**Details of attendance :**

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

**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 31/03/2017:

- Ms. Sheila Sangwan : Chairperson  
 Dr.(Ms.) Vrushali Rajendra Waghmare : Member  
 Shri Pravir Krishn : Member

**Meetings of the Nomination and Remuneration Committee and attendance during the year 2016-17:****Details of Nomination and Remuneration Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1.	07/04/2016	Delhi	3
2.	24/03/2017	Delhi	3

**Details of attendance :**

Sl.No.	Name of the Director
1.	Ms. Sheila Sangwan
2.	Dr.(Ms.) Vrushali Rajendra Waghmare
3.	Shri B. Poiyaamozhi (upto 31/8/2016)
4.	Shri Pravir Krishn (w.e.f 03/03/2017)

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.

**9. INDEPENDENT DIRECTORS MEETING:**

An Independent Directors meeting was held on 24/03/2017 with the existing two Independent Directors – Ms. Sheila Sangwan and Ms. Vrushali Waghmare.

**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:**

	2013-14	2014-15	2015-16
1.Date	38 <sup>th</sup> AGM 29-9-2014	39 <sup>th</sup> AGM 30-9-2015	40 <sup>th</sup> AGM 30-9-2016
2.Time	1000 hrs.	1000 hrs.	1000 hrs.
3.Venue	Manekshaw Centre Parade Road, New Delhi - 110010	Manekshaw Centre Parade Road, New Delhi - 110010	Conference Hall Core 2, Scope Minar, Plot No 2A & 2B, Laxmi Nagar District Centre, New Delhi – 009

**ii. During the previous years – 2014-15 and 2015-16 no special resolution was passed.**





CORPORATE GOVERNANCE REPORT ...

- iii. During the previous year, no special resolution was passed through postal ballot.
- iv. No resolution was passed through postal ballot during the previous year.
- v. There is no proposal before the AGM of this year requiring conduct of business through postal ballot.
- 11. **Details of Directors seeking appointment/re-appointment :**  
Brief resume along with other details of Director being reappointed – Shri Rajesh Tripathi and Shri M S Rao 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 for that 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.
- 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."  
A copy of the Code has been posted on the Company's website www.dredge-india.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the 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 2016-17.

Place :Visakhapatnam

Date : 08/05/2017

  
(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 Director (Finance) Shri S. Charles, 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 2016-17.
- 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 2016-17 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

## CORPORATE GOVERNANCE REPORT ...

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.

Dr. Ms. Shobha Vrushali Waghmare – Independent Director attended an Orientation Programme on the subject – “Capacity Building of non-official (Independent) Directors of Central Public Sector Enterprises” from 17th March, 2017 to 18th March, 2017 at Puducherry during the financial year 2016-17 organised by Department of Public Enterprises, Government of India. The Program was for two days covering about 12 hrs. 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.

**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 2016-2017 is as under:

- a) Results for the 1<sup>st</sup> quarter ending 30<sup>th</sup> June, 2016 :On 13-09-2016  
 b) Results for the 2<sup>nd</sup> quarter ending 30<sup>th</sup> Sept. 2016 :On 02-12-2016.  
 c) Results for the 3<sup>rd</sup> quarter ending 31<sup>st</sup> Dec. 2016 :On 10-02-2017.  
 d) Audited results for the year ending 31<sup>st</sup> Mar., 2017 :On 29-05-2017.

ii. The Results are published in the English newspaper - “Mint” and Hindi newspaper – “Hindustan” within 48 hours from the date of declaration.

iii. 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.

iv. The website of the Company - [www.dredge-india.com](http://www.dredge-india.com) displays the official news releases, if any

v. 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.

vi. Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form part of the Annual Report. Chairman’s speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the company for information of the shareholders residing in various parts of the country.

vii. Green Initiative: Sending important communication to shareholders through e-mail. The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Accordingly, the Company would send the copy of the Annual Report for the year 2016-17 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:**

i. Annual General Meeting –

Date, Time & Venue : 31<sup>st</sup> August, 2017 at 1130 hrs. in Scope Minar, Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110092.

ii. Financial Year : 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

iii. Date of Book closure : 25/08/2017 to 31/08/2017 (both days inclusive)

iv. Remote e-voting cut off date : 24/08/2017

v. Remote e-voting start date : 28/08/2017

vi. Remote e-voting end date : 30/08/2017

**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 2016-2017 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

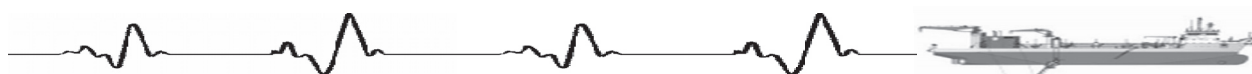
ix ISIN No. for Tax Free Bonds : INE 506A07015

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.







**CORPORATE GOVERNANCE REPORT ...**

**xiii Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2016-2017**

Month	BSE Share Price (₹)		BSE SENSEX(S&P)		NSE Share Price (₹)		NSE(CNXNIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-16	420.00	375.00	26,100.54	24,523.20	386.45	375.00	7,992.00	7,516.85
May-16	411.00	370.00	26,837.20	25,057.93	394.90	386.70	8,213.60	7,678.35
Jun-16	439.50	372.05	27,105.41	25,911.33	440.00	428.55	8,308.15	7,927.05
Jul-16	463.00	413.40	28,240.20	27,034.14	439.70	427.00	8,674.70	8,287.55
Aug-16	465.00	396.10	28,532.25	27,627.97	466.00	446.00	8,819.20	8,518.15
Sep-16	456.90	382.00	29,077.28	27,716.78	396.75	385.25	8,968.70	8,555.20
Oct-16	419.00	390.00	28,477.65	27,488.30	415.00	411.50	8,806.95	8,506.15
Nov-16	434.00	360.20	28,029.80	25,717.93	417.00	410.30	8,669.60	7,916.40
Dec-16	436.05	375.00	26,803.76	25,753.74	437.00	415.00	8,274.95	7,893.80
Jan-17	496.20	382.00	27,980.39	26,447.06	476.35	460.00	8,672.70	8,133.80
Feb-17	494.95	440.20	29,065.31	27,590.10	454.65	448.65	8,982.15	8,537.50
Mar-17	720.95	440.25	29,824.62	28,716.21	706.40	678.55	9,218.40	8,860.10

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

**xiv. Shareholding Pattern as on 31/03/2017**

Category	No. of shareholders	No. of shares	Percentage
GOVERNMENT OF INDIA	1	20572013	73.47
RESIDENT INDIVIDUALS	44073	2582622	9.22
INSURANCE COMPANIES	3	2464799	8.80
BODIES CORPORATES	569	924976	3.30
H U F	1231	167806	0.60
NON RESIDENT INDIANS	361	63985	0.23
NON RESIDENT INDIAN NON REPATRIABLE	199	18504	0.07
INDIAN FINANCIAL INSTITUTIONS	6	931523	3.33
FOREIGN PORTFOLIO INVESTORS	10	139188	0.50
CLEARING MEMBERS	148	84278	0.30
TRUSTS	7	26335	0.09
BANKS	2	19186	0.07
NBFC	6	4785	0.02
<b>Total:</b>	<b>46616</b>	<b>28000000</b>	<b>100.00</b>

**xv. Distribution of shareholding on 31/03/2017**

Category	No. of Cases	Percentage of cases	Amount	% of Amount
1-5000	45644	97.91	15501940.00	5.54
5001- 10000	531	1.14	4100810.00	1.46
10001- 20000	213	0.46	3113040.00	1.11
20001- 30000	73	0.16	1842110.00	0.66
30001- 40000	32	0.07	1143560.00	0.41
40001- 50000	24	0.05	1112090.00	0.40
50001- 100000	63	0.14	4545450.00	1.62
100001& Above	36	0.08	248641000.00	88.80
<b>Total:</b>	<b>46616</b>	<b>100.00</b>	<b>28000000.00</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 31.03.2017, of the 74,27,987 shares held by others, 7424124 are held in dematerialised form. In the year 2016-17, 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.

Description	Cases	Shares	% Equity
PHYSICAL	2713	3863	0.01
NSDL	32392	26772402	95.62
CDSL	11511	1223735	4.37
<b>Total:</b>	<b>46616</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 shareholders 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 shareholders for 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, Pondicherry, MNO Chennai, Cochin, Mumbai and Kandla. The Registered Office of the Company is at New Delhi and the Head Office is at Visakhapatnam.

## CORPORATE GOVERNANCE REPORT ...

## 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)

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

## 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)	2012-13	20% (₹3/- per equity share)
2009-10	30% (₹3/- per equity share)	2013-14	30% (₹3/- per equity share)
2010-11	NIL	2014-15	30% (₹3/- per equity share)
2011-12	NIL	2015-16	30% (₹3/- per equity share)

No dividend recommended for the year 2016-17.

## 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 is in the process of transferring shares to IEPF.

The shareholders who have not yet encashed their dividend for the earlier years may write to the company or its R&T agent in this regard. The Ministry of Corporate Affairs (MCA) had notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 in May 2012 by virtue of which every company is required to file information of all unpaid and unclaimed amount, as referred to under section 125 of the Companies Act, 2013 within 90 days after holding of the AGM, in prescribed form 5INV. Thereafter, a detailed investor-wise information is required to be uploaded on the IEPF website as well as the website of the Company. In line with the said rules, DCI has filed information in the prescribed form/format with the MCA/IEPF website and also hosted on the DCI website.

## 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:-

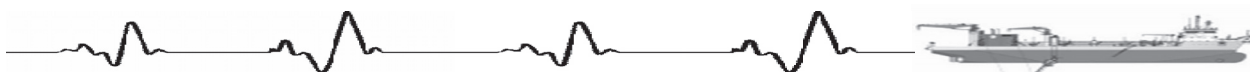
- i. Annual operating plans and budgets and any updates.
- ii. Capital budgets and any updates.
- iii. Quarterly results for the Company and its operating divisions/ business segments.
- iv. Minutes of the meetings of Audit Committee and other Committees of the Board.
- v. The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- vi. Show Cause, demand, prosecution notices and penalty notices which are materially important.
- vii. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- viii. Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- ix. Any issue, which involves possible public liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- x. Details of any joint venture or collaboration agreement.
- xi. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- xii. Significant labour problems and their proposed solutions. Any significant development in human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- xiii. Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
- xiv. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- xv. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- xvi. Terms of reference of the Board Committees.

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

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





**CORPORATE GOVERNANCE REPORT ...**

- 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 Minutes after approval of the Chairman are circulated to all the members of the Board and Committee meetings. The Minutes are confirmed in the next meeting of the Board/ Committee. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.
- e. **Reconciliation of Share Capital Audit Report :**  
As per the requirements of the Listing Agreement with the Stock Exchanges, a Secretarial Audit is undertaken on quarterly basis for all the quarters in the year 2016-17 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 NSE 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.

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**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by **Dredging Corporation of India Limited** for the year ended 31<sup>st</sup> March, 2017, 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 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:

*Compliance of Regulation 17 (1) of Securities 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.*

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), 30 & 30 (8) of the Securities 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 17, 2017  
Place: Visakhapatnam

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2016-17

### GLOBAL DREDGING MARKET

1. Global dredging market is around Euro 12 billion growing at 4.1% per annum during 2005 to 2014. Seaborne trade has been the largest contributor to global dredging demand with ~56% share. Other major contributors are urban settlement (20% share) & Energy sector (15% share). The open dredging market excluding closed markets of China and USA, was around Euro 7.1 billion in 2015.
2. Global dredging market is expected to grow at 4% CAGR to reach ~Euro 22 billion by 2030. Major growth is expected to come from seaborne trade with its share of total dredging demand increasing from 56% in 2014 to 67% in 2030. The share of open dredging market in 2030 is expected to be around Euro 13 – 14 billion.
3. Middle East, South-East Asia and Africa are likely to generate a bulk of seaborne trade related demand as the trade momentum is expected to shift from developed economies to developing economies. New trade lanes expected to emerge between Asia and Africa; China - India trade lane is expected to be the fastest growing pair and likely to be seventh largest in terms of trade flows by 2030; Trade links between China and other low cost South East Asian economies and Africa will also intensify.
4. Open market global dredging supply is dominated by about 4 international dredging players together controlling ~ 40% - 45% of dredging supply. Global demand supply gap analysis suggests that the global dredging market is expected to remain oversupplied in the near term. However, in the medium - long term, the supply is expected to get engaged with initiation of big dredging projects such as Garuda project (Investment of USD 40 bn), Singapore project (5000 ha land reclamation until 2030, investment Euro 23 bn), Nicaragua - New canal (USD 50 bn). The Big players are likely to continue dominating the global dredging market. However, emergence of China in global dredging sector is a threat to established players. Sovereign Support is very important for geographical expansion of dredging companies.

### INDIAN DREDGING MARKET

5. The Indian dredging market for FY16 was about ₹ 3000 Cr. out of which ₹ 1750 Cr (₹1550 Cr – Major Ports and ₹200 Cr non-major ports) is the third party dredging (i.e.dredging by dredging companies like DCI and other players) and ₹1250 is captive dredging i.e dredging by ports like Adani, Essar etc., which are serviced by their own dredging assets. Out of the ₹1750 Cr third party dredging, capital dredging market is ₹900 Cr and ₹850 Cr is towards maintenance dredging.
6. Seaborne trade is the single largest demand driver for growth of dredging market in India. Indian ports handled ~1070 MTPA of cargo in 2016 growing at ~4% over last 5 years, wherein the cargo at non-major ports grew at ~ 8%. The cargo handling capacity of Indian ports has grown from 1100 MTPA in 2011 to ~ 1700 MTPA in 2016. While the capacity of major ports grew at 8%, the capacity of non-major ports grew at 12%
7. Sagarmala initiative by Government is expected to drive dredging demand in India. Third party Indian dredging market is expected to be INR 2400 - 2500 crs in 2030; Maintenance and capital dredging to contribute equally towards dredging demand.
8. Indian dredging market is expected to remain oversupplied in short to medium term. The international dredging companies have consolidated their position in high value capital dredging projects in India. DCI and other Indian private dredging companies are focused in Maintenance dredging market.
9. Indian dredging market is tender based and hence focus on low cost dredging is essential through high productivity and depreciated fleet. Capturing perennial maintenance dredging markets of - Cochin, Kandla and Haldia provides flexibility to service seasonal markets and save idling cost of dredgers. High capacity hopper dredgers provide an edge in capital dredging projects. Possessing technology to execute high value dredging projects including rock dredging is essential for bidding and successful completion of capital dredging projects. Based on existing competition and technology capabilities, a single player is not expected to capture more than INR 700 - 1000 cr in Indian dredging market.

### 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.

### CORPORATE STRATEGY

13. With the materialisation of the efforts taken for laying its foot hold outside the country and also consolidating the maintenance dredging market in the country, DCI is expected to be a ₹900~ ₹1000 Crore company by 2020. With focus on developing Inland waterways of India, DCI is expected to capture a sizeable market share for inland dredging in years to come.

### PERFORMANCE

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

#### PHYSICAL

	Target	Actual	% Utilisation
No.of Days	3425	2273	66.36
Quantity (Mln. Cu.M)	719	519	72.18

#### FINANCIAL PERFORMANCE (as per Ind AS – Previous year figures also recast as per Ind AS)(₹ Lakhs)

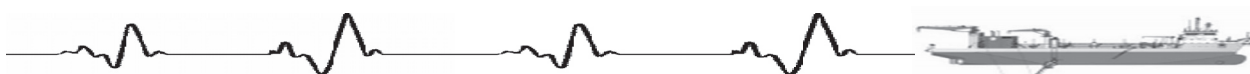
	2016-17	2015-16
Income from Operations	59587	66586
Other income	1382	1532
Total Income	59969	68118
Total Comprehensive income (Profit after Tax)	712	4350
Earnings Per Share (₹ )	2.54	15.54

### OUR COMPETITIVE STRENGTHS

15. We believe that we are well -positioned to maintain and enhance our leadership position in the Indian dredging market, on account of our competitive strengths, which include the following:

#### Premier and the only PSU dredging company in India

16. We are a premier and the only PSU dredging company in India. We are also the preferred dredging company for Major Ports and the Indian Navy. We have been in this business since 1976 and have been catering to the dredging requirements of the major ports/ Indian Navy since then. Owing to the long association with the Major Ports, our Company is the most preferred company for dredging requirements of most of the Major Ports and the India Navy.





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

Largest hopper capacity in the Indian market and Flexible portfolio of dredging assets

17. DCI has 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.
18. Our Company operates a diverse dredging fleet which is the largest in India in terms of capacity. The size, versatility and technical capabilities of our fleet improves its competitiveness as it generally permits our Company to select the appropriate equipment for a particular maintenance dredging job. To maintain the value and effectiveness of 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 this year, the Company has re-entered into the inland dredging sector and is expecting to be a major player in the same.
19. The new dredgers (Dredge – XIX, XX and XXI) are the premium assets of DCI. 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.

Strong relationships with Customers

20. Our Company caters 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. Our Company is the leader in maintenance dredging in India through its combination of usage of advanced equipment and experience. Our Company believes that its size as the largest dredging company in India and its extensive experience significantly enhanced its ability to profitably bid for and complete the contracts awarded to it.

Forty years of dredging experience

21. DCI has 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 DCI for bidding in the projects outside the country.
22. Our Company's senior managers have vast experience in the dredging and maritime industries. Our 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

Fully depreciated fleet

23. A majority of the fleet of DCI is fully depreciated which reduces the operating cost. The lower operating cost increases the competency of DCI in the cost-driven Indian maintenance dredging market.

**OUR WEAKNESSES/ CONSTRAINTS AND STEPS TAKEN TO OVERCOME THE SAME**

24. The dredging fleet of DCI has an average age of more than 20 years . Some of the major equipment of the old vessels have already crossed their useful life. These equipment need extensive refurbishment.. Also, some of the ports limiting 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 the assets which have outlived their useful life and found not to be profitable after a techno economic viability study. DCI is also engaged technical consultants for condition study and preparation of dry dock package close supervision of dry-dock repairs.*

25. The dredgers in the fleet of DCI are comparatively of the small to medium hopper size and cutter capacity. The higher operating cost of lower capacity dredgers affect the competitiveness of DCI in the bidding process.

*The Company has taken steps for procurement of higher capacity trailer suction hopper dredger. The DPR for the same is ready and action for procurement will be initiated once the financial position improves in the form realization of the dues from Sethusamudram Corporation and other Major ports.*

26. 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.

*The Company is taking steps by increasing intake of dredging cadets both on engine side as well as on deck side. Further to prevent attrition of skilled manpower company is taking steps taking into consideration the recommendations of the consultant appointed for the purpose.*

27. Improvements required for inventory management system etc.

*The shortcomings in the existing inventory management system/ project management system/ preventive maintenance management systems etc., were analysed and identified with the help of consultants appointed for the purpose in order to improve the effectiveness of these systems and the suggestions of the consultants are in the implementation stage.*

**OPPUORTUNITIES**

28. Since its inception DCI has been involved predominantly in the maintenance dredging works at the major ports. Although it has executed many 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 about 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:

29. 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, dredging for oil & gas sector, shallow water dredging, inland waterways, offshore mining and land reclamation activities.

Diversification to new businesses:

30. 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.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT...

### OUR STRATEGIES

31. 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:
- In order to improve the operations of the Company and also position itself amongst the global players, the company has appointed a leading consultant to formulate the strategic plan for the company for the years to come. The draft report submitted by the consultant will be implemented after finalisation of the same. In continuation of this endeavour, the company has also appointed consultants with regard to benchmarking, technical consultancy, project consultancy etc., and the reports submitted by them are under various stages of implementation.
  - 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 secured the dredging contract for Mongla Port, Bangladesh. The agreement in this regard was already signed on 16/7/17 and the work is scheduled to begin by September 2017. The Company is making efforts to start dredging operations in other foreign countries like Turkey, Bahrain etc., where the negotiations are in an advanced stage.
  - Enhancement of the fleet capability :The Company plans to procure a higher volume hopper capacity trailer suction hopper dredger, action for which would be taken after improvement of the financial position and realisation of outstanding dues from ports and Sethusamudram Corporation. 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 and has executed its maiden project at Puducherry.
  - Reducing operational costs :The Company also has taken initiatives to reduce operational costs by focusing on fuel efficiency in dredger operations and streamlining the spare parts procurement systems. The Company also has a tie-up with Cochin Shipyard Ltd for carrying out the drydock repairs of the dredgers. The company has also tied-up with another PSU – BEML for indigenisation of select spare parts
  - Nodal Agency : The Company has proposed to act as nodal agency to meet all dredging requirements for majorports in the country and submitted a proposal in this regard to the Ministry. The Company is also taking up with Ports and Ministry for allocation of the maintenance dredging for major ports in the country on a turnkey basis at agreed rates which would help in optimal utilisation and deployment of the dredgers and also economies of scale both for the ports and the Company.
  - Optimize capacity utilisation : - The Company continues 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.

### THREATS

34. The Company perceives the following threats

- Increasing foreign competition.
- Increasing competition from Indian dredging companies.
- 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

35. 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

36. 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

37. The industrial relations in the Corporation continued to be cordial throughout the year 2016-17. 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 in protest against rumors of strategic sale of DCI. However, there was no disruption of any nature of the day to day working of the Company. Further, there was no impact of the Strike on the operations of the DCI vessels and all the operational vessels are in uninterrupted dredging operations. There were no untoward incidents/disruption in any of the offices of the Company or onboard vessels.

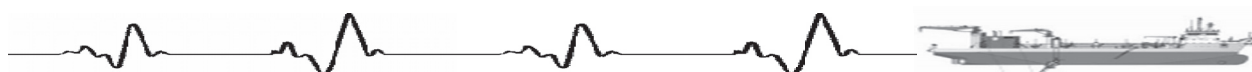
### CORPORATE SOCIAL RESPONSIBILITY

38. 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 Responsibility activities of the Company is attached to the Director's Report.

### CAUTIONARY STATEMENT

39. 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.

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## 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, 2017, 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, 2017, 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) **Componentization: (Refer Note No. 3 of the financial statements)**

As per note 4 of Schedule II to the Companies Act, 2013 - "Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to 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."

The above requirement is commonly known as 'component accounting'. Companies are required to identify and depreciate significant components with different useful lives separately.

**However management is of the view that no component is having more than 10% value of total cost of the dredger hence component accounting is not applicable.**

b) 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 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.

c) 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 to 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 – Refer Note to the standalone Ind AS financial statements.
  - 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
  - The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note to the standalone Ind AS financial statements.
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)

Partner : Membership No. 221625

Place : New Delhi  
Date : 29-05-2017

**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 2017, we report that:

- (a) 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, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.
  - There are no dues in respect of Income Tax, Service Tax, Customs Duty and Value Added Tax as on 31 March, 2017 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



**P Murali**  
Partner, Membership No. 221625

Place: New Delhi  
Date: 29<sup>th</sup> May, 2017



**INDEPENDENT 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, 2017 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, 2017, 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]**

*(Signature)*  
**(P.MURALI )**

**Partner : Membership No. 221625**

**Place : Delhi  
Date : 29-05-2017**

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

**Directions**

1. 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
2. Whether there are any cases of waiver/ write off of debts/leasons/interest etc. If yes, the reasons there for and the amount involved.
3. 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]**

*(Signature)*  
**(P.MURALI )**

**Partner : Membership No. 221625**

**Place : Delhi  
Date : 29-05-2017**

**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 2017**

The preparation of financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended on 31 March 2017 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 29th May 2017.

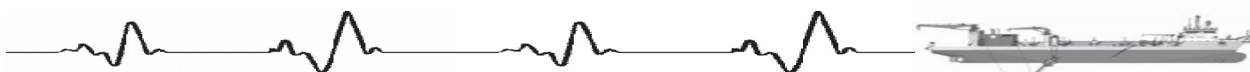
I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended 31 March 2017. This supplementary audit has been carried out 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 : 21ST JUNE 2017





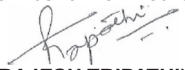
## BALANCE SHEET

## BALANCE SHEET AS AT 31ST MARCH, 2017

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

	Note No.	As at 31-3-2017	As at 31-3-2016	As at 01-04-2015
<b>Non-current assets</b>				
(a) Property, plant and equipment	10	180752.60	192762.86	186551.05
(b) Capital work-in-progress	10	2599.62	3836.69	2518.00
<b>(c) Financial Assets</b>				
(i) Investments	11	375.01	375.01	375.01
(ii) Other financial asset	12	531.69	711.55	866.69
<b>Total non-current assets</b>		<b>184258.92</b>	<b>197686.11</b>	<b>190310.75</b>
<b>Current assets</b>				
(a) Inventories	13	19426.95	13320.98	10793.60
<b>(b) Financial Assets</b>				
(i) Trade receivables	14	28420.85	34216.31	37305.37
(ii) Cash and cash equivalents	15	7009.57	13164.49	11778.68
(iii) Bank balances other than (ii) above		2.34	4.96	5.67
(iv) Other financial assets	16	7834.92	7436.17	8388.70
(c) Current tax assets (Net)	17	9860.61	10415.79	9196.88
(d) Other current assets	18	9812.75	6606.24	6575.96
<b>Total current assets</b>		<b>82367.99</b>	<b>85164.94</b>	<b>84044.86</b>
<b>TOTAL ASSETS</b>		<b>266626.91</b>	<b>282851.05</b>	<b>274355.61</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	1	2800.00	2800.00	2800.00
(b) Other Equity	2	149262.36	147382.61	142435.28
<b>Total equity</b>		<b>152062.36</b>	<b>150182.61</b>	<b>145235.28</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities Borrowings	3	70023.51	88512.71	92310.41
(b) Provisions	4	680.14	835.58	532.76
(c) Other non-current liabilities	5	152.14	190.67	184.37
<b>Total non-current liabilities</b>		<b>70855.79</b>	<b>89538.96</b>	<b>93027.54</b>
<b>Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Trade Payables	6	21141.77	6738.97	6116.16
(ii) Other financial liabilities	7	11998.20	13173.38	11975.79
(b) Provisions	4	236.00	246.13	491.43
(c) Current tax liabilities (Net)	8	188.85	215.96	83.12
(d) Other current liabilities	9	10143.94	22755.04	17426.29
<b>Total current liabilities</b>		<b>43708.76</b>	<b>43129.48</b>	<b>36092.79</b>
<b>TOTAL LIABILITIES</b>		<b>114564.55</b>	<b>132668.44</b>	<b>129120.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>266626.91</b>	<b>282851.05</b>	<b>274355.61</b>

For and on behalf of Board of Directors

  
 (RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO

  
 (S.CHARLES)

Director (Finance) &amp; CFO

PLACE : NEW DELHI,

DATED : 29-05-2017

As per our Report of even date

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



(P.MURALI)

Partner

Membership No. 221625

  
 (K.ASWINI SREEKANTH)  
 Company Secretary



**PROFIT AND LOSS ACCOUNT****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lakh)

	Note No.	YEAR ENDED 31-3-2017	YEAR ENDED 31-3-2016
I. Revenue from operations	19	58587.17	66585.89
II. Other income	20	1381.78	1532.21
III. Total Income(I + II)		59968.95	68118.10
IV. Expenses:			
(a) Employee benefits expense	21	9483.69	11915.12
(b) Finance costs	22	1894.07	1761.11
(c) Depreciation and amortization expense	23	9960.43	9331.17
(d) Other expenses	24	37402.93	41705.99
Total Expenses IV		58741.11	64713.39
V. Profit before exceptional items and tax (III-IV)		1227.84	3404.71
VI. Exceptional items		-	1110.15
VII. Profit before tax (V - VI)		1227.84	4514.86
VIII. Tax expense:			
Current tax	25	487.19	323.39
IX. Profit for the year (VII-VIII)		740.65	4191.47
X. Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of the defined benefit plans		(28.38)	158.71
<b>Total other comprehensive income (X)</b>		<b>(28.38)</b>	<b>158.71</b>
XI. Total comprehensive income for the period (IX+X)		712.27	4350.18
XII. Earnings per equity share			
Basic (in ₹)		2.54	15.54

See accompanying notes to the financial statements

For and on behalf of Board of Directors



(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO



(S.CHARLES)

Director (Finance) &amp; CFO

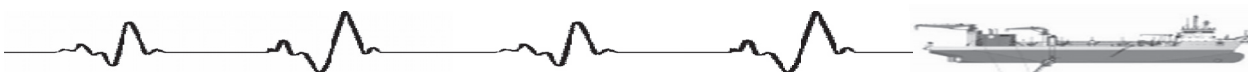
PLACE : NEW DELHI,

DATED : 29-05-2017


(K.ASWINI SREEKANTH)  
Company SecretaryAs per our Report of even date  
For Tukaram & Co  
Chartered Accountants  
Firm Regn No. 004436S

(P.MURALI)  
Partner

Membership No. 221625





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2017**

(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.

**Applicability of new and revised Ind AS:**

These financial statements of Dredging Corporation of India Limited, for the year ended March 31, 2017 have been prepared in accordance with Ind AS. This is the company's first set of financial statements in accordance with Ind AS. For the purpose of transition into Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015 with effect from April 1, 2016.

	As at 31-3-2017	As at 31-3-2016	As at April1,2015
<b>1. Equity Share Capital</b>			
<b>Equity Share Capital</b>	<b>2800.00</b>	2800.00	2800.00
	<b>2800.00</b>	<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	3,000.00
<b>Issued and Subscribed capital expense</b>			
1400 Equity shares of ₹10/- each fully paid (as at March 31st 2015: 1400 shares).	<b>0.14</b>	0.14	0.14
For consideration other than cash 27998600 equity shares of ₹10/- each allotted as fully paid	<b>2799.86</b>	2799.86	2799.86
	<b>2800.00</b>	<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 1st ,2015	28000	2800
Movement during the year	-	-
Closing Balance as at March 31st 2016	28000	2800
Movement during the year	-	-
Closing Balance as at March 31st ,2017	<b>28000</b>	<b>2800</b>

**1.2 Details of shares held by each share Holder holding more than 5%**

	As at March31, 2017			As at March31, 2016			As at March ,2015	
	No. of shares held	₹ In lakhs	% of holding equityshares	No. of shares Held	₹ In lakhs	% of holding equityshares	No. of shares Held	% of holding equityshares
<b>Fully paid equity Shares</b>								
President of India	<b>20572013</b>	<b>2057.20</b>	<b>73.47</b>	20597700	2059.77	73.56	21997700	78.56
Life Insurance Corporation of India Ltd	<b>1580508</b>	<b>158.05</b>	<b>5.64</b>	1637931	163.79	5.85	837456	2.99

**2. Other Equity**

	As at March 31,2017	As at March 31,2016
General Reserve	44984.00	44984.00
Retained earning	98721.53	75776.78
Reserve U/S 115 VT of Income Tax Act	2105.00	23770.00
Debenture redemption reserve	3000.00	2400.00
Others (describe)	-	-
Tonnage Tax Reserve	-	-
Capital Reserve	451.83	451.83
	<b>149262.36</b>	<b>147382.61</b>

**2.1 General Reserve**

	As at March 31,2017	As at March 31,2016
Balance at the beginning of the year	44984.00	44184.00
Movements	-	800.00
<b>Balance at the end of the year / period</b>	<b>44984.00</b>	<b>44984.00</b>

**2.2 Retained Earnings**

	As at March 31,2017	As at March 31,2016
Balance at the beginning of the year	75776.78	74249.45
Profit attributable to owners of the company	712.27	4350.18
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	(72.00)	(2020.00)

**NOTES....**

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

	As at March 31,2017	As at March 31,2016
Transfer to General Reserve	-	(800.00)
Transfer to Debenture Redemption Reserve	(600.00)	(600.00)
Payment of Dividend	(840.00)	(840.00)
Payment of Dividend Distribution Tax	(171.00)	(171.00)
Transfer of Residual Value	-	-
Transfer from Tonnage Tax Utilisation Reserve A/c	21737.00	-
Others		
- Prior period Adjustments	2178.48	1608.15
<b>Balance at the end of the year</b>	<b>98721.53</b>	<b>75776.78</b>
<b>2.3 Reserve u/s 115 VT Utilisation Account</b>		
Balance at the beginning of the year	23770.00	21750.00
Movements during the year	72.00	2020.00
Transfer to Profit and Loss Reserve A/c	(21737.00)	-
<b>Balance at the end of the year</b>	<b>2105.00</b>	<b>23770.00</b>
<b>2.4 Debenture Redemption Reserve</b>		
Balance at the beginning of the year/ period	2400.00	1800.00
Movements during the year	600.00	600.00
<b>Balance at the end of the year/ period</b>	<b>3000.00</b>	<b>2400.00</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	72.00	2020.00
Less: Transfer to Reserve u/s 115 VT Utilisation Act	(72.00)	(2020.00)
<b>Balance at the end of the year /period</b>	<b>-</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 31-3-2017		As at 31-3-2016		As at April1,2015	
	No. of Shares	Amount	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	2,80,00,000	2,800.00
Change in equity share capital during the year	-	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>2,80,00,000</b>	<b>2,800.00</b>	<b>2,80,00,000</b>	<b>2,800.00</b>	<b>2,80,00,000</b>	<b>2,800.00</b>

**(B) Other equity**

Particulars	Capital Reserve	General Reserve	Tonnage Tax Reserve u/s 115 VT of IT Act	Debenture Redemption Reserve	Retained earnings	Total
	Balance at April 1,2015	451.83	44184.00	21750.00	1800.00	74249.45
Profit for the year ended March 31,2016	-	-	-	-	4191.47	4191.47
Other comprehensive income for the year, net of income tax	-	-	-	-	158.71	158.71
Total comprehensive income for the year	-	-	-	-	4350.18	4350.18
Payment of dividends ( ₹3 per share)	-	-	-	-	(840.00)	(840.00)
Tax on Dividend	-	-	-	-	(171.00)	(171.00)
Others (being adjustment pertaining to prior period errors)	-	-	-	-	1608.15	1608.15
Transfer to Debenture redemption Reserve	-	-	-	600.00	(600.00)	-
Transfer to Tonnage tax reserve	-	-	2020.00	-	(2020.00)	-
Transfer to General Reserve	-	800.00	-	-	(800.00)	-
<b>Balance at March 31,2016</b>	<b>451.83</b>	<b>44984.00</b>	<b>23770.00</b>	<b>2400.00</b>	<b>75776.78</b>	<b>147382.61</b>
Profit for the year ended March 31,2017	-	-	-	-	740.65	740.65
Other comprehensive income for the year , net of income tax	-	-	-	-	(28.38)	(28.38)
Total comprehensive income for the year	-	-	-	-	712.27	712.27
Payment of dividends ( ₹ 3 per share)	-	-	-	-	(840.00)	(840.00)
Tax on Dividend	-	-	-	-	(171.00)	(171.00)
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	-	-	72.00	-	(72.00)	-
Others ( being adjustment pertaining to prior period errors)	-	-	-	-	2178.48	2178.48
Transfer to Debenture redemption Reserve	-	-	-	600.00	(600.00)	-
Transfer from Tonnage Utilisation A/c to Profit and Loss A/c	-	-	(21737.00)	-	21737.00	-
<b>Balance at March 31,2017</b>	<b>451.83</b>	<b>44984.00</b>	<b>2105.00</b>	<b>3000.00</b>	<b>98721.53</b>	<b>149262.37</b>

**DREDGING CORPORATION OF INDIA LIMITED****NOTES.....**

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

**3. Non - Current borrowings**

	As at March31,2017	As at March 31,2016	As at April 1,2015
Secured - at amortised cost			
(i) Bonds / Debentures	5887.80	5887.80	5887.80
(ii) Term Loans			
from Banks	64135.71	82624.91	86422.61
from other Parties			
<b>Total non-current borrowings</b>	<b>70023.51</b>	<b>88512.71</b>	<b>92310.41</b>
<b>Borrowings from banks represent the following (INR) denominated loans:</b>			
1. Loan for Dr.- XIX	24947.97	31725.52	32802.78
2. Loan for Dr-XX	25313.76	31819.07	32640.52
3. Loan for Dr. XXI	25628.25	31896.06	32534.68
<b>Sub-total</b>	<b>75889.98</b>	<b>95440.65</b>	<b>97977.98</b>
4. Current liability portion of long term Debt.	(11754.27)	(12815.74)	(11555.37)
<b>Grand Total</b>	<b>64135.71</b>	<b>82624.91</b>	<b>86422.61</b>

**3.1 Summary of Borrowings arrangements:**

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

Particulars	Amount Outstanding	Terms of Payment	Rate of Interest	As at March 31 , 2017 Security
BNP PARIBAS	24947.97	Repayable in 12 half year and equal installments	6m Euribor+ 0.825% p.a	First Charge on DCI Dredge-XIX
BNP PARIBAS	25313.76	Repayable in 13 half year and equal installments	6m Euribor+ 0.825% p.a	First Charge on DCI Dredge-XX
EXPORT- IMPORT BANK OF INDIA, London Branch	25628.25	Repayable in 14 half year and equal installments	6m Euribor+ 2.85% p.a	First Charge on DCI Dredge-XXI
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	First Charge on DCI Dredge-BH-I

	As at March31,2017	As at March 31,2016	As at April 1,2015
<b>4. Provisions</b>			
<b>Employee Benefits:</b>			
Provision for Gratuity	100.42	202.00	185.66
Provision for Leave Encashment	815.72	879.71	838.53
<b>Total</b>	<b>916.14</b>	<b>1081.71</b>	<b>1024.19</b>
Current	236.00	246.13	491.43
Non current	680.14	835.58	532.76
<b>Total</b>	<b>916.14</b>	<b>1081.71</b>	<b>1024.19</b>
<b>5. Other Non - Current Liabilities</b>			
Earnest money deposit	152.14	190.67	184.37
Deferred revenue arising from Government grants	-	-	-
<b>Total</b>	<b>152.14</b>	<b>190.67</b>	<b>184.37</b>
<b>6. Trade Payables</b>			
Trade Payables	21141.77	6738.97	6116.16
<b>Total</b>	<b>21141.77</b>	<b>6738.97</b>	<b>6116.16</b>
<b>7. Other Financial Liabilities</b>			
Current			
(a) Current Maturities of long term debt	11754.27	12815.74	11555.37
(b) Interest Accrued	243.93	357.64	420.42
(c) Unclaimed dividend	-	-	-
<b>Total</b>	<b>11998.20</b>	<b>13173.38</b>	<b>11975.79</b>
<b>8. Current Tax Liabilities</b>			
Income tax payable (net of advance Tax)	188.85	215.96	83.12
Others	-	-	-
<b>Total</b>	<b>188.85</b>	<b>215.96</b>	<b>83.12</b>
<b>9. Other Current Liabilities</b>			
- Unclaimed dividend	2.34	4.96	5.67
- Deposit /SD from Contractors	239.70	232.08	128.11
- Advances from Customers	2.16	802.16	1.37
- Other Payables	9899.75	21715.85	17291.14
<b>Total</b>	<b>10143.95</b>	<b>22755.04</b>	<b>17426.29</b>

**NOTES....**

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

	As at March 31, 2017				As at March 31, 2016		As at April 1, 2015	
<b>10. Property, plant and Equipment and capital work in progress</b>								
Carrying amounts of:								
Freehold Land			35.98		35.98		35.98	
Buildings			54.59		56.13		57.67	
Motor Vehicles			11.19		14.97		18.75	
Computers			109.16		139.46		99.53	
Temp Structures / Fixtures & Erections			-		-		-	
Plant and Equipment			180495.04		192462.17		186280.67	
Furniture, Fittings & Equipments			46.65		54.15		58.45	
<b>Sub-total</b>			<b>180752.60</b>		<b>192762.86</b>		<b>186551.05</b>	
Capital Work in progress			2599.62		3836.69		2518.00	
<b>Total</b>			<b>183352.23</b>		<b>196599.55</b>		<b>189069.05</b>	
	<b>Freehold Land</b>	<b>Buildings</b>	<b>Motor Vehicles</b>	<b>Computers</b>	<b>Temp Structures Fixtures &amp; Erections</b>	<b>Plant &amp; Equipment</b>	<b>Furniture, Fittings &amp; Equipment</b>	<b>Total</b>
<b>Cost or deemed cost</b>								
Balance as at April 1, 2015	35.98	57.67	18.75	99.53	-	186280.67	58.45	186551.05
Additions during the year	-	-	-	83.57	-	5534.01	14.29	5631.87
Disposals during the year	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange differences	-	-	-	-	-	9933.77	-	9933.77
<b>Balance as at March 31, 2016</b>	<b>35.98</b>	<b>57.67</b>	<b>18.75</b>	<b>183.10</b>	<b>-</b>	<b>201748.45</b>	<b>72.74</b>	<b>202116.69</b>
Additions during the year	-	-	-	19.79	-	5332.35	12.43	5364.57
Disposals / Deletion during the year	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange differences	-	-	-	-	-	(7176.89)	-	(7176.89)
Reclassified as held for sale	-	-	-	-	-	(237.51)	-	-
<b>Balance as at March 31, 2017</b>	<b>35.98</b>	<b>57.67</b>	<b>18.75</b>	<b>202.89</b>	<b>-</b>	<b>199666.40</b>	<b>85.17</b>	<b>200304.37</b>
<b>Accumulated Depreciation and impairment</b>								
Balance as at April 1, 2015	-	-	-	-	-	-	-	-
Depreciation expense	-	(1.54)	(3.78)	(43.64)	-	(9263.62)	-18.59	(9331.17)
Elimination on disposal of assets	-	-	-	-	-	(22.66)	-	(22.66)
Balance as at March 31, 2016	-	(1.54)	(3.78)	(43.64)	-	(9286.28)	(18.59)	(9353.83)
Others	-	-	-	-	-	-	-	-
Balance as at March 2017	-	-	-	-	-	-	-	-
Depreciation expense	-	(1.54)	(3.78)	(50.10)	-	(9885.08)	(19.93)	(9960.43)
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>(3.08)</b>	<b>(7.56)</b>	<b>(93.74)</b>	<b>-</b>	<b>(19171.36)</b>	<b>(38.52)</b>	<b>(19314.26)</b>
<b>Carrying amount</b>								
Balance as at April 1, 2015	35.98	57.67	18.75	99.53	-	186280.67	58.45	186551.05
Additions	-	-	-	83.57	-	5534.01	14.29	5631.87
Disposals	-	-	-	-	-	(22.66)	-	(22.66)
Effect of Foreign currency exchange differences	-	-	-	-	-	9933.77	-	9933.77
Derecognised on disposal of subsidiary	-	-	-	-	-	-	-	-
Transferred as consideration for acquisition of subsidiary	-	-	-	-	-	-	-	-
Depreciation expense (net)	-	(1.54)	(3.78)	(43.64)	-	(9263.62)	-18.59	(9331.17)
Impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Reversal of impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>35.98</b>	<b>56.13</b>	<b>14.97</b>	<b>139.46</b>	<b>-</b>	<b>192462.17</b>	<b>54.15</b>	<b>192762.86</b>
Additions	-	-	-	19.79	-	5332.35	12.43	5364.57
Disposals	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange differences	-	-	-	-	-	(7176.89)	-	(7176.89)
Derecognised on disposal of subsidiary	-	-	-	-	-	-	-	-
Transferred as consideration for acquisition of subsidiary	-	-	-	-	-	-	-	-
Depreciation expense (net)	-	(1.54)	(3.78)	(50.10)	-	(9885.08)	(19.93)	(9960.43)
Impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Reversal of impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	(237.51)	-	(237.51)
Others	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>35.98</b>	<b>54.59</b>	<b>11.19</b>	<b>109.16</b>	<b>-</b>	<b>180495.04</b>	<b>46.65</b>	<b>180752.60</b>





**NOTES....**

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

- Notes: 1. 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.
2. The Cutter Suction Dredger, DCI-XVIII after major repair came out of the Dry-dock yard in Dec,15 & sailed to Goa for operation in April,16. The management is of the view that there is no impairment required for this vessel as in "Value in use " is more than carrying amount.
3. Capital-Work in progress includes advances paid to CPWD - ₹1412.60

**11. Investments**

	As at March31,2017		As at March 31,2016		As at April 1,2015	
	Qty	Amount	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	3000.00
Less: Fair Value change in Investment		-		-		-2625.00
Mittal Chambers Premises Co-operative Society Limited	0.00	0.01	0.00	0.01	0.00	0.01
<b>Total Aggregate Un quoted Investments</b>		<b>375.01</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>		<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
2. The Management has evaluated the fair value of the above equity instruments in accordance with Ind AS 109 as at April 01, 2015. The accounting with respect to the difference in the carrying value of the investment as at the date of transition and the fair value on the same date have been dealt with in the opening balance sheet.

	As at March31,2017	As at March 31,2016	As at April 1,2015
<b>12. Other Financial Assets</b>			
Non- Current			
Security Deposits	531.69	711.55	866.69
<b>Total</b>	<b>531.69</b>	<b>711.55</b>	<b>866.69</b>

**13. Inventories (lower of cost and realisable value)**

- Stock of spares & stores	19786.86	13646.93	10544.19
(Less) Provision for Unserviceable spares	(545.51)	(545.51)	(968.29)
- Spares and Stock in Transit	185.60	219.56	1217.70
<b>Total</b>	<b>19426.95</b>	<b>13320.98</b>	<b>10793.60</b>

**14. Trade Receivable**

<b>Current</b>			
Trade Receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	39293.35	50204.57	51012.26
(c) Doubtful	-	-	-
Allowance for doubtful debts (expected credit loss allowance)	(10872.50)	(15988.25)	(13706.89)
<b>Total</b>	<b>28420.85</b>	<b>34216.31</b>	<b>37305.37</b>

- Notes: 1. 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.
2. 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.

**NOTES....**

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

	As at March31,2017	As at March 31,2016	As at April 1,2015
<b>15. Cash and Cash Equivalents</b>			
<b>Balances with Banks</b>			
-Current Accounts	701.28	646.32	316.76
-Fixed Deposits	6300.86	12510.11	11454.00
Cheques, draft on Hand	-	-	5.02
Cash on Hand	7.42	8.06	2.90
<b>Cash and cash Equivalents as per Balance Sheet</b>	<b>7009.57</b>	<b>13164.49</b>	<b>11778.68</b>
Bank balances other than above:			
-Earmarked balances with banks	2.34	4.96	5.67
<b>Cash and Cash Equivalents as per statement of Cash flows</b>	<b>2.34</b>	<b>4.96</b>	<b>5.67</b>

Notes: Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of ₹ 4200 Lakhs (PY ₹ 3060 Lakhs, ₹ 2396 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 installments, and Foreign Bank Guarantee for Bangladesh dredging works obtained from State Bank of India.

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

Deposits	1453.12	1082.12	2443.97
Unbilled Operational Income	4425.81	4443.86	4471.92
Claims & Other Receivables	1021.72	1401.22	1032.45
Interest Accrued on deposits & Advances	739.76	298.42	292.28
<b>Total</b>	<b>7640.41</b>	<b>7225.62</b>	<b>8240.62</b>
<b>Loans to Employees</b>	<b>194.51</b>	<b>210.55</b>	<b>148.08</b>
<b>Total</b>	<b>7834.92</b>	<b>7436.17</b>	<b>8388.70</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 ₹3948.54 Lakhs )	9860.61	10415.79	9196.88
Others	-	-	-
<b>Total</b>	<b>9860.61</b>	<b>10415.79</b>	<b>9196.88</b>

**18. Other Current Assets**

Loans & Advances to Employees	202.69	638.12	273.73
Prepaid Expenses	197.59	151.95	458.38
Advance to Suppliers	9174.96	5816.17	5843.85
Asset held for Sale	237.51	-	-
<b>Total</b>	<b>9812.75</b>	<b>6606.24</b>	<b>6575.96</b>

**19. Revenue from Operations**

	Year Ended March 31 2017	Year Ended March 31,2016
(a) Sale of Service	55816.69	66366.23
(b) Other Operating revenues	2770.48	219.66
Less: Rebates / Discounts	-	-
<b>Total</b>	<b>58587.17</b>	<b>66585.89</b>

**20. Other Income**

(a) Interest Income		
Interest income earned on financial assets that are not designated as at Fair Value through profit or loss	-	-
(b) Other financial assets carried at amortised cost	832.28	952.54
<b>Total</b>	<b>832.28</b>	<b>952.54</b>
(c) Other non-operating income (net of expenses directly attributable to such income)		
- Tax Refund and others	549.50	83.73
- Provision written back (unserviceable spares)	-	495.94
<b>Total</b>	<b>549.50</b>	<b>579.67</b>
(d) Other gains and losses		
Gain /(loss) on disposal of PPE	-	-
Gain /(loss) on debt instruments at FVTOCI	-	-
Net foreign exchange gains/(losses)	-	-
<b>Total</b>	<b>1381.78</b>	<b>1532.21</b>

**DREDGING CORPORATION OF INDIA LIMITED****NOTES.....**

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

	Year Ended March 31 2017	Year Ended March 31,2016
<b>21. Employee Benefit Expense</b>		
Salaries and Wages	8993.65	11502.23
Contribution to Provident and other funds	354.66	412.89
Staff Welfare expenses	135.37	-
<b>Total</b>	<b>9483.69</b>	<b>11915.12</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)	1808.23	1634.75
Total interest expenses for financial liabilities not classified as FVTPL		
Less:Amounts included in the cost of qualifying assets	-	-
<b>Sub-Total</b>	<b>1808.23</b>	<b>1634.75</b>
(b) Dividend on redeemable Preference Shares	-	-
(c) Exchange differences regarded as an adjustment to borrowing costs	-	-
(d) Other Borrowing Cost - Bank charges / Guarantee Fees	85.84	126.36
<b>Sub-Total</b>	<b>85.84</b>	<b>126.36</b>
<b>Total</b>	<b>1894.07</b>	<b>1761.11</b>
<b>23. Depreciation and amortisation expense</b>		
Depreciation of Plant, Property and equipment pertaining to continuing operations	9960.43	9331.17
Depreciation of Property, plant and equipment pertaining to discontinued operations	-	-
<b>Total</b>	<b>9960.43</b>	<b>9331.17</b>
<b>24. Other expenses</b>		
Power and Fuel	21414.56	22201.97
Rates & Taxes	75.52	13.96
Rent Expense	82.72	44.67
Travelling and Conveyance	584.21	508.36
Donations	-	203.32
Provision for doubtful debts/Debts Written Off	515.17	2276.09
Other Establishment Expenses	668.93	321.44
Payment to Contractors	302.45	448.94
Pipeline laying / maintenance expenses	57.61	87.40
Other Direct Work Expenses	242.83	342.31
Crane Hire Charges	22.39	95.21
Boat / Tug / Crane hire Charges	657.63	950.74
Legal Adviser Fee & Expenses	225.27	188.15
Repairs & Maintenance		
-Vessels	5481.45	7307.53
-Buildings	226.10	185.77
Spares & Stores	5036.67	4616.55
Insurance	799.78	1551.94
Payment to Auditors :		
a) for Audit	6.95	6.50
b) for Taxation matters	0.70	0.70
Corporate Social Responsibility	124.73	83.86
Miscellaneous Expenses	877.26	270.58
<b>Total</b>	<b>37402.93</b>	<b>41705.99</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	487.19	323.39
In respect of the previous years	-	-
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>487.19</b>	<b>323.39</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	740.65	4191.47
Non-Controlling interests	-	-
<b>Total</b>	<b>740.65</b>	<b>4191.47</b>

**NOTES....**

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

**27. Additional Information on Accounts:**

Particulars	As at March 31, 2017	As at March 31,2016	As at April 01,2015
<b>1. Contingent Liabilities:</b>			
Letters of Credit	66.43	603.90	40.85
Claims made against the company not acknowledged as debts	23047.09	21606.78	18989.13
Estimated amount of contracts remaining to be executed on capital account and not provided for	4747.90	6540.43	1960.51
Income Tax Demands received but disputed by the Company	2833.00	5296.63	3587.00
Service Tax Demands received but disputed by the Company	13904.00	8755.24	7517.12
<b>2. Contingent Assets :</b>			
Claims made by the Company	7175	150	
<b>3. Expenditure of foreign currency:</b>			
	<b>2016-17</b>	<b>2015-16</b>	
Travelling	7.47	11.50	
Interest	1808.23	1634.75	
<b>Total</b>	<b>1815.70</b>	<b>1646.25</b>	
<b>4. Value of Imports:</b>			
Components and spare parts (CIF Value)	5386.13	5265.75	
Value of imported spares and components consumed	3279.45	3788.10	
Value of indigenous spares and components consumed	340.59	322.16	
Percentage of imported spares & components consumed to total spares & components consumed	91.63	92.30	
Percentage of indigenous spares & components consumed to total spares & components consumed	8.37	7.84	

**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, 2017	As at March 31,2016	As at April 01,2015
<b>Financial Assets</b>			
<b>1 Measured at FVTOCI</b>			
Investment in equity instruments designated upon initial recognition	375.01	375.01	375.01
<b>2. Measured at amortised cost:</b>			
Deposits (including security deposits)	1984.81	1793.67	3309.66
Unbilled Operational Income	4741.98	4443.86	4471.92
Claims & Other Receivables	1021.72	1401.22	1032.45
Advances	528.71	298.42	292.28
Loans to Employees	194.51	210.55	148.08
Trade Receivable	27802.06	34216.33	37305.37
Cash and Bank balances	7011.25	13169.45	11784.35
<b>Financial Liabilities</b>			
<b>3. Measured at amortised cost:</b>			
Bonds / Debentures	5887.80	5887.80	5887.80
Term Loans (including current maturities)	75889.98	95440.65	97977.98
Trade Payable	21141.77	6738.97	6116.16

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.

<b>Assets: Investment in equity instruments (M/s Sethusamudram)</b>			
<b>4 Carrying Value</b>	<b>375.01</b>	<b>375.01</b>	<b>3000.00</b>
Designated as Fair Value Through OCI on initial recognition	-	-	2626.99
<b>Total Fair Value</b>	<b>375.01</b>	<b>375.01</b>	<b>375.01</b>
<b>5. Liabilities: Term Loans</b>			
Carrying Value			
Impact on account of Effective Interest Rate			
<b>Total Fair Value</b>	<b>75889.98</b>	<b>95440.65</b>	<b>97977.98</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.			



**NOTES.....**

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

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	2016-17	2015-16
Profit for the year ( ₹in lakhs)	712	4350
No. of Equity Shares (Number)	2800	2800
Basic EPS (₹)	2.54	15.54
Diluted No. of Equity Shares (Number)	2800	2800
Diluted EPS (₹)	2.54	15.54

**7. Dividend:**

No dividend recommended for the year 2016-17. Dividend @30% amounting to ₹3 per Equity share of ₹10 each paid for 2015-16.

**8. The Company held the following Specified Bank Notes (SBN) & other denomination notes held and transacted during the period 08/11/2016 to 30/12/2016 as follows:**

Particulars	Specified Bank Notes (SBN)	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	2435000	4702	2439702
(+) Permitted receipts	1000	120064	121064
(-) Permitted payments	(769000)	(90863)	(859863)
(-) Amount deposited in Banks	(1667000)	(1028)	(1668028)
Closing Cash in hand as on 30.12.2016	0	32875	32875

**9. Exceptional Items for the year FY 2015-16 :**

Commissioner (Appeals) Vide order no.S.N.P-5-360/CUS/ (ARS)/KPL (port)/2013 dated 30/06/2015 stated that the company is entitled to refund of the entire amount of ₹1132.81 lakhs custom duty paid by the company. Aggrieved by this order, Assistant commissioner approached the CESTAT, Kolkata for stay of the commissioner orders dated 30/06/2015. CESTAT dismissed the stay petition filed by the department in favour of the company. The company has submitted all the documents for obtaining refund of the amount. Last year (FY 2015-16) an amount of ₹1110.15 lakhs was considered and shown under exceptional items in Profit & Loss account and reduced residual value of Dr-Aquarius by ₹22.66 lakhs.

**10. Key Managerial Personnel :**

Directors	: Rajesh Tripathi , Chairman & Managing Director
	: S.Charles Director (Finance)
	: M.S.Rao Director (Ops.& Tech.)
Company Secretary	: K Aswini Sreekanth
Total Salary & Benefits	: ₹115.86 lakhs

**11. 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 ₹8920 lakhs towards irregular Cenvat credit availed during the period from June, 2005 to March, 2016 and imposing a penalty/interest of ₹4984 lakhs. No provision has been made as the matter is pending before the tribunal.
- Physical verification of Inventory on board dredger has been carried out for all the dredgers and the same is pending for reconciliation. Necessary adjustments for surplus/ deficit of the items will be made in the accounts soon after completion of reconciliation.
- Escalation claims (Labour / Material) have been preferred on the basis of latest available indices.
- During the financial year 2014-15 and 2015-16, company has capitalised an amount of ₹6987 lakhs being amount incurred for dry dock of dredgers whose useful life of 25 years (Company has estimated the dredger useful life as 25 years) was completed. The Company has referred the same to expert advisory committee (EAC) of ICAI and EAC has opined that the company has to charge the capitalised amount to the repairs and maintenance as the estimated useful life of the dredgers were expired.  
In compliance with the companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act 2013, the company has restated the financial statements of 2015-16 by giving effect of ICAI opinion as an Ind AS adjustment.
- 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 :

	2016-17	2015-16	₹ in Lakhs
Employer's Contribution to Provident Fund			
(inclusive of Contribution to Pension Fund)	566.34	412.83	

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 Gol. The Provident fund contributions are accounted for on accrual basis.



**NOTES....**

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

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 31st March, 2017**

Particulars	Funded Plan Gratuity		Unfunded plan			
	2017	2016	Leave (Shore) 2017	2016	Leave (Floating) 2017	2016
<b>Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:</b>						
1. Current service cost	60	57	169	108	54	34
2. Past Service Credit	-	-	-	-	-	-
3. Interest cost	-	-	-	-	-	-
<b>Ib. Included in other Comprehensive Income</b>						
1. Return on plan assets	85	73	-	-	-	-
2. Actuarial (Gain)/Loss on account of:						
- Demographic Assumptions	-	-	-	-	-	-
- Financial Assumptions	36	15	30	10	2	1
- Experience Adjustments	-58	120	-148	66	-32	-38
3. Others	-	-	-	-	-	-
	-	-	-118	76	-30	-37

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

Service Cost						
Current Service Cost	61	57	169	108	54	34
Past service cost and (gains)/losses from settlements	-	-	-	-	-	-
Net interest expense	11	-7	52	44	2	3
Components of defined benefit costs recognised in profit or loss	<b>72</b>	<b>50</b>	<b>221</b>	<b>152</b>	<b>56</b>	<b>37</b>
Remeasurement on the net defined benefit liability	-	-	-	-	-	-
Return on plan assets (excluding amount included in net interest expense)	-6	24	0	0	0	0
Actuarial gains and loss arising from changes in financial assumptions	-23	135	-118	76	-31	-38
Actuarial gains and loss arising from experience adjustments	-	-	-	-	-	-
Others	-	-	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-	-	-	-	-
Total	<b>-29</b>	<b>159</b>	<b>-118</b>	<b>76</b>	<b>-31</b>	<b>-38</b>

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

1. Present value of defined benefit obligation as at 31st March	1280	1285	769	730	47	31
2. Fair value of plan assets as at 31st March	1180	1263	0	0	0	0
3. Surplus/(Deficit)	-100	-22	-769	-730	<b>-47</b>	<b>-31</b>
4. Current portion of the above	367	245	180	512	6	78
5. Non current portion of the above	913	1040	589	588	41	19
	<b>1280</b>	<b>1285</b>	<b>769</b>	<b>1100</b>	<b>47</b>	<b>97</b>
Not included in Net Liability*(Current)	-	-	-	370	0	66

**II. Change in the obligation during the year ended 31st March**

1. Present value of defined benefit obligation at the beginning of the year	1285	1307	731	622	31	32
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-	-	-	-	-
3. Expenses Recognised in Profit and Loss Account						
- Current Service Cost	60	57	169	108	54	34
- Past Service Cost	-	-	-	-	-	-
- Interest Expense (Income)	91	89	52	44	2	3
4. Recognised in Other Comprehensive Income						
Remeasurement gains / (losses)						
- Actuarial Gain (Loss) arising from:						
i. Demographic Assumptions	-23	135	-118	76	-31	-38
ii. Financial Assumptions	-	-	-	-	-	-
iii. Experience Adjustments	-	-	-	-	-	-
5. Benefit payments	-133	-303	-65	-119	-9	0

**DREDGING CORPORATION OF INDIA LIMITED****NOTES....**

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

Particulars	Funded Plan Gratuity		Unfunded plan			
	2017	2016	Leave (Shore)		Leave (Floating)	
	2017	2016	2017	2016	2017	2016
6. Others	-	-	-	-	-	-
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>1280</b>	<b>1285</b>	<b>769</b>	<b>731</b>	<b>47</b>	<b>31</b>
<b>III. Change in fair value of assets during the year ended 31st March</b>						
1. Fair value of plan assets at the beginning of the year	1264	1349	-	-	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-227	-42	-	-	-	-
3. Expenses Recognised in Profit and Loss Account - Expected return on plan assets	84	73	-	-	-	-
4. Recognised in Other Comprehensive Income Remeasurement gains / (losses)						
- Actual Return on plan assets in excess of the expected return	-	-	-	-	-	-
- Others	-	-	-	-	-	-
5. Contributions by employer (including benefit payments recoverable)	192	187	65	119	9	-
6. Benefit payments	-133	-303	-65	-119	-9	-
7. Fair value of plan assets at the end of the year	1180	1264	-	-	-	-
<b>IV. The Major categories of plan assets</b>						
- List the plan assets by category here	-	-	-	-	-	-
<b>V. Actuarial assumptions</b>						
1. Discount rate	6.69%	7.46%	6.69%	7.46%	6.69%	7.46%
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	-	-	-	-	-	-
<b>VII. Effect of one percentage point change in the assumed medical inflation rate</b>						
	<b>increase in medical inflation rate</b>		<b>One percentage point decrease in medical inflation rate</b>			
	2017	2016	2017	2016	2017	2016
1. Effect on the aggregate service and interest cost of post employment medical benefits	-	-	-	-	-	-
2. Effect on the accumulated post employment medical benefits obligation	-	-	-	-	-	-
<b>VIII. Experience Adjustments :</b>						
	2017	2016	<b>Period Ended</b>			
			<b>Gratuity</b>			
1. Defined Benefit Obligation	-	-	2015	2014	2013	
2. Fair value of plan assets	1,180	1,263	1,348	1,031	1,243	
3. Surplus/(Deficit)	-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	
h) Disclosure of provisions required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets."						
	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		
				₹in Lakhs		
Provision for Employee Benefits	1081.71	-	(265.99)	815.72		
i) Figures have been rounded off to decimals of lakh.						
j) Figures for the previous year have been re-grouped/reclassified wherever necessary to conform to current year groupings.						

**NOTES....****(All amounts in ₹lakhs, except share data and unless otherwise stated)****12. ACCOUNTING POLICIES:****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:****1.1 Statement of Compliance:**

- a. 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").
- b. The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP").
- c. These financial statements are the first financial statements of the Company under Ind AS. Refer note.2 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**1.2 Basis of Measurement:**

- a. 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.
- b. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
- c. 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.
- d. 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.

**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:**

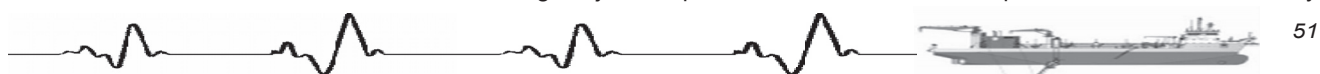
- a. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances wherever applicable as per the contract.
- b. Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion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





**NOTES....**

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

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 ₹5000/- (Rupees five thousand) are capitalized and depreciated 100% during the year.

**7. PROPERTY, PLANT & EQUIPMENT:**

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

**8. BORROWING COSTS:**

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

**9. FOREIGN CURRENCY TRANSACTIONS:**

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

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

differences arising out of fluctuation in exchange rates on settlement/restatement at the period end are accounted based on the nature of transaction as under:

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

**10. INVENTORIES:**

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

**11. FINANCIAL INSTRUMENTS:**

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

**11.1 Initial Recognition:**

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

**12. EMPLOYEE BENEFITS:**

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

**13. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:**

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

**14. TAX EXPENSES:**

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

For and on behalf of Board of Directors

  
(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO

  
(S.CHARLES)

Director (Finance) &amp; CFO

PLACE : NEW DELHI,

DATED : 29-05-2017

  
(K.ASWINI SREEKANTH)  
Company SecretaryAs per our Report of even date  
For Tukaram & Co  
Chartered Accountants  
Firm Regn No. 004436S  
(P.MURALI)Partner  
Membership No. 221625



**DREDGING CORPORATION OF INDIA LIMITED****CASH FLOW STATEMENT FOR THE PERIOD ENDED 31-03-2017**

(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 31-03-2017. 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 29-05-2017 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 31-03-2017**

	2016-17	2015-16
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	1228	4515
Less/Add: Profit/Loss on sale of assets	-	-
	<u>1228</u>	<u>4515</u>
<b>ADJUSTMENT FOR :</b>		
Depreciation	9960	9331
Interest Expense	1894	1761
Interest Income	(941)	(953)
<b>Operating Profit before changes in working capital</b>	<u>10913</u>	<u>10139</u>
<b>Working Capital changes:</b>		
(Increase)/decrease in inventory	(6106)	(2105)
(Increase)/decrease in Trade Receivables	10911	808
(Increase)/decrease in other current Assets	(2697)	2197
Increase/(decrease) in trade payables & other liabilities	(1010)	2072
Cash generated from operations	<u>13239</u>	<u>20637</u>
Less: Interest paid	(1055)	(2105)
Income Taxes paid	(1131)	(1625)
Exceptional Income	-	(1110)
Prior period expenses	(2361)	-
<b>Net Cash from operating activities (A)</b>	<u>8693</u>	<u>15797</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) / Sale of Fixed Assets	(1272)	(2711)
Sale proceeds from Assets sold	-	-
Interest Received	511	965
Investments	-	-
<b>Net Cash from investing activities (B)</b>	<u>(761)</u>	<u>(1746)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term Borrowings	(13078)	(11655)
Dividend paid	(840)	(840)
Corporate Dividend Tax	(171)	(171)
<b>Net Cash from Financing Activities (C)</b>	<u>(14089)</u>	<u>(12666)</u>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<u>(6157)</u>	<u>1385</u>
<b>Cash &amp; Equivalents as at beginning of the year</b>	<u>13169</u>	<u>11784</u>
<b>Cash &amp; Equivalents as at end of the year</b>	<u>7012</u>	<u>13169</u>

For and on behalf of Board of Directors

  
(RAJESH TRIPATHI)

Chairman and Managing Director &amp; CEO

  
(S.CHARLES)  
Director (Finance) & CFO

PLACE : NEW DELHI,  
DATED : 29-05-2017

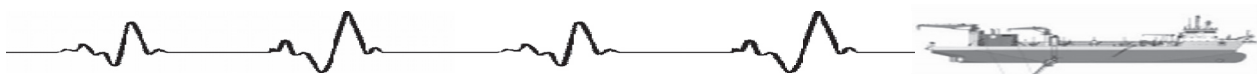
  
(K.ASWINI SREEKANTH)  
Company Secretary

As per our Report of even date

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

  
(P.MURALI)  
Partner  
Membership No. 221625

LOCATION MAP OF 41st AGM VENUE - CONFERENCE HALL, SCOPE MINAR, CORE-2, PLOT NO.2A & 2B, - LAXMINAGAR DISTRICT CENTRE, DELH - 110092. DATE : 31/08/2017; TIME : 11.30 AM





**DREDGING CORPORATION OF INDIA LIMITED**



**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 41st Annual General Meeting of the Company to be held on Thursday, the 31st day of August, 2017 at 11.30 a.m at Conference Hall, Scope Minar, Core-2, Ground Floor, 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 31st March, 2017, the statement of Profit and Loss Account for the year ended 31st March, 2017 together with the Reports of the Auditors and Directors thereon.
- 2. To appoint a director in place Shri Rajesh Tripathi (DIN:0337944)who retires by rotation and is eligible for re-appointment
- 3. To appoint a director in place Shri M S Rao (DIN:07198524)who retires by rotation and is eligible for re-appointment
- 4. Fixation of remuneration to Statutory Auditors for 2016-17.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017  
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, 1st Floor, "SCOPE MINAR", Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110 092.

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

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

**ATTENDANCE SLIP FOR 41ST 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.**

<b>DP. Id*:</b>
<b>Regd. Folio</b>

<b>Client Id*:</b>
<b>No. of shares held</b>

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 41<sup>th</sup> ANNUAL GENERAL MEETING of the company held on 31st August, 2017 at 11.30 a.m at Conference Hall, Scope Minar, Core- 2, Ground Floor, 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.



# 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)