



**DREDGING CORPORATION OF INDIA LTD.**

*(A Government of India Undertaking)*

**39<sup>TH</sup> ANNUAL REPORT  
2014 - 2015**

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**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**

**e-mail : sreekanth@dcj.gov.in**

**Website : www.dredge-india.com**

**HEAD OFFICE**

"DREDGE HOUSE", Port Area,  
Visakhapatnam - 530 001.

Phone: 0891 2523250; Fax : 0891 2560581

For Hindi Version of the 39<sup>th</sup> Annual Report 2014-15  
please write/ e-mail to the Company Secretary giving  
the Folio No. / DP ID & Client ID.

**BOARD OF DIRECTORS, BANKERS, AUDITORS etc.**

**BOARD OF DIRECTORS**

Shri Rajesh Tripathi  
Chairman and Managing Director & CEO  
(from 02/02/2015)

Shri S.Charles  
Director (Finance) & CFO  
(from 26/12/2014)

Shri M S Rao  
Director (Operations & Technical)  
(from 01/06/2015)

Shri Barun Mitra  
(from 21/01/2015)

Shri B.Pooyaamozhi  
Capt. D K Mohanty  
(upto 31/1/2015)

Cmdr. (Retd.) P. Jayapal  
(upto 31/05/2015)

Shri M.C.Jauhari  
(upto 20/01/2015)

Shri S.Balachandran  
(upto 10/11/2014)

Shri Vinai Kumar Agarwal  
(upto 10/11/2014)

**GENERAL MANAGER (FINANCE)**

Shri P. P. Govindachari

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Shri K.Aswini Sreekanth  
sreekanth@dcj.gov.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



**NOTICE**

**NOTICE** is hereby given that the 39<sup>th</sup> Annual General Meeting of the shareholders of Dredging Corporation of India Limited will be held at 10.00 a.m. on Wednesday, the 30<sup>th</sup> September, 2015 in Manekshaw Centre, Parade Road, Delhi Cantt - 110010 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance sheet as at 31st March, 2015, the Statement of Profit and Loss Account for the year ended 31st March, 2015 together with the Reports of the Auditors and Directors thereon.
2. To declare dividend @ ₹3.00/- per Equity Share of ₹10/- each for the financial year 2014-15.
3. 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, Tukaram & Co., Chartered Accountants, appointed by Comptroller and Auditor General of India be and is hereby fixed at ₹3.50 lakh (rupees three lakh and fifty thousand only) plus service tax as applicable for the year 2014-2015.

**SPECIAL BUSINESS**

4. To appoint Shri S.Charles (DIN: 07063274) as Director of the Company.

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

**RESOLVED THAT** pursuant to the provisions of section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri S. Charles (DIN: 07063274) who was appointed as an Additional Director and designated as Director (Finance) by the Board of Directors effective from 26/12/14 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from him under section 160 of the Companies Act, 2013 be and is hereby appointed as Director (Finance) of the Company liable to retire by rotation.

5. To appoint Shri Barun Mitra (DIN: 07012558) as Director (Government Nominee) of the Company.

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

**RESOLVED THAT** pursuant to the provisions of section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri Barun Mitra (DIN: 07012558) who was appointed as an Additional Director by the Board of Directors effective from 21/01/2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from him under section 160 of the Companies Act, 2013 be and is hereby appointed as Director (Government Nominee) of the Company liable to retire by rotation.

6. To appoint Shri Rajesh Tripathi (DIN: 03379442) as Chairman and Managing Director of the Company.

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

**RESOLVED THAT** pursuant to the provisions of section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri Rajesh Tripathi (DIN: 03379442) who was appointed as an Additional Director by the Board of Directors effective from 02/02/2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from him under section 160 of the Companies Act, 2013 be and is hereby appointed as Chairman and Managing Director of the Company liable to retire by rotation.

7. To appoint Shri M S Rao (DIN: 03512808) as Director (Operations and Technical) of the Company.

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

**RESOLVED THAT** pursuant to the provisions of section 161(1) of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force and the Articles of Association of the Company, Shri M S Rao (DIN: 03512808) who was appointed as an Additional Director by the Board of Directors effective from 01/06/2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from him under section 160 of the Companies Act, 2013 be and is hereby appointed as Director (Operations and Technical) of the Company liable to retire by rotation.

8. Granting Borrowing Powers under the provisions of section 180 (1) (c) of the Companies Act, 2013:

To consider and if thought fit to pass with or without modifications (s) the following resolution as special resolution:

**RESOLVED THAT** in supersession of the earlier resolution passed at the 36<sup>th</sup> Annual General Meeting held on 28/09/2012 by the Members of the Company and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), as amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which expression shall be deemed to include any Committee/s thereof) for borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate or financial institutions, whether in India or abroad and by issue of any instrument or otherwise as the Board may deem fit, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets, licences and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves,



## DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

so that the total amount upto which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of ₹2,500 (Rupees two thousand and five hundred Crores only);

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman and Managing Director or any Director or any other Officer(s) of the Company to give effect to this resolution.

**RESOLVED FURTHER THAT** all borrowings made by the Company under section 293(1)(d) of the Companies Act, 1956, be and are hereby ratified.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts deeds and things to execute all documents and writings as may be necessary, proper, desirable or expedient to effect to this resolution.

9. Granting power under section 180(1)(a) of the Companies Act, 2013 to the Board or a Committee thereof to mortgage and/ or create charge on the movable and immovable properties of the Company both present and future, in respect of borrowings: To consider and if thought fit to pass with or without modifications (s) the following resolution as special resolution:

**RESOLVED THAT** in supersession of the earlier resolution passed at the 36th Annual General Meeting held on 28/09/2012 by the Members of the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), as amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which expression shall be deemed to include any Committee/s thereof) to mortgage and/or create charge in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), agent(s) and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and convertible/non-convertible securities (including fully/partly convertible debentures and/or nonconvertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company upto the limit approved by the Members under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or other Agreements or any other document entered into/to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s), agent(s) and/or trustee(s);

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman and Managing Director or any Director or any other Officer(s) of the Company to give effect to this resolution.

**RESOLVED FURTHER THAT**, all the charges created on the movable and immovable properties of the Company, till date be and are hereby ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/ or creating the aforesaid mortgage(s) and/ or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions.

By Order of the Board of Directors

sd/-

(K.Aswini Sreekanth)

Company Secretary

Place : Visakhapatnam

Dated : 27/08/2015

### NOTES

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

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

As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent 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.

- 2 A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 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 Thursday 24<sup>th</sup> September, 2015 to Wednesday 30<sup>th</sup> September 2015 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of dividend. The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on Wednesday, the 23<sup>rd</sup> September, 2015.
- 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 & 205C of the Companies Act, 1956, the Company has transferred all unpaid dividend declared upto the financial year 2006-07 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 2007-08 in October, 2015. The dividend for the financial year 2008-09 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 2007-08 to 2013-14 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 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.
- 14 In terms of Section 108 of Companies, Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. The cut-off date to be eligible to vote is Wednesday, the 23<sup>rd</sup> September, 2015.
- 15 Facility for E-Voting
  - (1) 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.
  - (2) 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 mentioned below). 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 with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
  - xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 23<sup>rd</sup> September, 2015, may write to the Karvy on the email Id: varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Name of the Company] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, 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 below.**
  - ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The remote e-voting period commences on **Saturday, the 26<sup>th</sup> September, 2015 at 09:30 A.M. and ends on Tuesday, the 29<sup>th</sup> September, 2015, 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 **Wednesday, 23<sup>rd</sup> September, 2015**, 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 **Wednesday, 23<sup>rd</sup> September, 2015**.
- F. The Company has appointed Shri D.P.Gupta of SGS Associates, Practicing 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 three days of conclusion of the meeting, a consolidated scrutiner'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 3 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.
- 16 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.

**STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No. 4 –**

**Shri S.Charles** (DIN: 07063274), aged 54 years (DOB :13/04/1961) was appointed as Director (Finance) of the Company vide Ministry Letter No. SS-28012/02/2013-DCI dt. 22/12/2014. He took charge on 26/12/14. Pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He holds a degree in Bachelors of Science and is a Member of both Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is also a Member of Institute of Chartered Ship Broker (London).

He initially worked with M/s. PEEKAY Consultants, Chennai handling the job of preparation of project reports for their clients, besides handling internal audit work of their corporate clients. Prior to joining DCI, he worked as Vice President in M/s. Shipping Corporation of India Ltd., Mumbai handling multifarious portfolios in Finance, Accounts, Audit, Taxation, HR & Administration.

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

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

He does not hold any shares in the Company. He is not a Director in any other Company and consequently not a Member of any committee of Directors in any other Company.

Shri S Charles 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. 5 –**

**Shri Barun Mitra** (DIN: 07012558) aged 53 years (DOB : 06/03/1962) was appointed as Part-time official Director (Government Nominee director) of the Company vide Ministry Letter No. SS-28012/01/2015-DCI dt. 20/01/15. He took charge on 21/01/15. Pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He is a Master of Arts (History) from St. Stephen's College, Delhi and holds LL.B from Delhi University. He is from Indian Administrative Service and is presently serving as Joint Secretary (Shipping), Ministry of Shipping. Prior to this he served in various senior level posts in Government of Manipur and Secretariat of President of India.

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

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

He does not hold any shares in the Company. He is a Director (Government Nominee) in Shipping Corporation of India Ltd. He is not a Member of any committee of Directors in any other Company.

Shri Barun Mitra is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. None of the Directors and Key Managerial Personnel or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

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

**Item No. 6 –**

**Shri Rajesh Tripathi** (DIN: 03379442) aged 54 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 Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

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 Railway Project and Chief Engineer of Jammu Kashmir Railway Project. He also worked as Director (Way and Works) in Konkan Railway Corporation.

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

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

He does not hold any shares in the Company. He is representing Dredging Corporation of India Limited as Director in Sethusamudram Corporation Limited and INSA (Indian National Ship owners Association). He is not a Member of any committee of Directors in any other Company.

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. 7 –

Shri M.S. Rao (DIN: 03512808) aged 51 years (DOB: 04/05/1955) 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 Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He holds a bachelor's degree in Technology (Civil Engineering) from Regional Engineering College, Warangal and also hold a Degree in Masters of Business Administration from Andhra University, Visakhapatnam. Prior to joining DCI, he has worked as Assistant General Manager with SIDBI and NABARD as Banks Engineer at Mumbai and Lucknow. 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 projects. He 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)

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

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

He does not hold any shares in the Company. He is not a Director in any other Company and consequently not a Member of any committee of Directors in any other Company.

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.

### Item No. 8

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Under the provisions of Section 180(1)(c) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, in excess of the paid up capital and free reserves of the Company.

The shareholders of the Company in the 36th AGM held on 28/9/2012 has accorded their consent to the Board of Directors for borrowing upto ₹250000 Lakh and also for creation of charge/ provide security for the sums borrowed.

As on 31st March, 2015, the aggregate of paid-up capital and free reserves of the company is ₹123430 Lakh. The total loan funds as on 31/3/15 is ₹103865 lakh. It is proposed to pass an enabling resolution to maintain the borrowing limits at the same level earlier approved by shareholders i.e, ₹250000 lakh in order to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed ₹250000 lakh or the aggregate of the paid up capital and free reserves of the Company, whichever is higher, under the aegis of section 180(1)(c) of the Act. For this purpose, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution. It is also proposed to ratify under section 180(1)(c) of the Act, the existing borrowings made by the Company.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the above Resolution.

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

### Item No. 9:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is





necessary to obtain fresh enabling approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders, to secure the repayment of monies borrowed by the Company. Standard market terms of long term debt finance include conditions whereby lenders in certain circumstances (such as non-payment or other events of default) can take over the management of the Company, to recover their dues. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/mortgages/hypothecations etc. in respect of borrowings upto ₹2,500Crores.

The Board recommends the Resolution at Item No. 9 of the Notice for approval of the shareholders by a Special Resolution. It is also proposed to ratify under section 180(1)(a) of the Act, the existing charges created by DCI.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the above Resolution.

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

**By Order of the Board of Directors**

**sd/-**

**(K.Aswini Sreekanth)**

**Company Secretary**

**Place : Visakhapatnam**

**Dated : 27/08/2015**

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**DIRECTORS' REPORT FOR THE YEAR 2014-15**

Your Directors have pleasure in presenting this 39<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

**FINANCIAL RESULTS**

The Profit after tax of the Company increased to ₹6240.84 lakh for the year as compared to ₹3754.67 lakh for the previous year i.e a rise of 66%

The Company's earning per share also increased to ₹22.29 for 2014-15 as compared to ₹13.41 for 2013-14.

The operational income of the Company is ₹73496.05 lakh as compared to ₹77040.86 lakh for the previous year. The other income is ₹883.25 lakh as compared to ₹229.41 lakh for the previous year. The total income for the year is ₹74379.30 lakh as compared to ₹77270.27 lakh for the previous year.

**DIVIDEND**

Keeping in view the financial performance of the Company and other relevant considerations, your Directors have recommended payment of dividend @30% on the paid up capital of the company i.e ₹3 per equity share amounting to ₹840 lakh for the year 2014-15. A sum of ₹620.00 lakh has been transferred to General Reserves during the year ended 31/03/2015.

**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	3080	3138	102%
Quantity (Mln. Cu.M)	67	65	97%

**CAPACITY ADDITIONS**

In continuation of the steps taken for capacity augmentation, the Company has proposals to purchase two more higher capacity dredgers in 12<sup>th</sup> Plan 2012-17. The Company is also planning to take up refurbishment of the existing aged Dredgers so as to enhance their life as well as their efficiency. The Company is also planning to take up refurbishment of the existing aged Dredgers so as to enhance their life as well as their efficiency.

The Company is sure that with the ongoing capacity augmentation, the performance will continue to improve over the years to come.

**DCI FLEET**

The Company has, 12 Trailer Suction Hopper Dredgers (TSHDs), 3 Cutter Suction Dredgers (CSDs) and one Back Hoe Dredger apart from other ancillary crafts. The dredger wise particulars as on date are as under: -

Craft	Year of Built	Hopper Capacity (Cu.M)	Pumping Capacity (Cu.M/hr)
<b>Trailer Suction Hopper Dredger (TSHD)</b>			
DCI Dredge VI	1975	3770	-
DCI Dredge VIII	1977	6500	-
DCI Dredge IX	1984	4500	-
DCI Dredge XI	1986	4500	-
DCI Dredge XII	1990	4500	-
DCI Dredge XIV	1991	4500	-
DCI Dredge XV	1999	7400	-
DCI Dredge XVI	2000	7400	-
DCI Dredge XVII	2001	7400	-
DCI Dredge XIX	2012	5500	-
DCI Dredge XX	2013	5500	-
DCI Dredge XXI	2014	5500	-
<b>Cutter Suction Hopper Dredger (CSD)</b>			
DCI Dredge VII	1976	-	1000
DCI Dredge Aquarius	1977	-	2000
DCI Dredge-XVIII	2009	-	2000
<b>Back Hoe Dredger</b>			
DCI Dredge-BH1	2011	-	-

**DREDGING OPERATIONS**

The Company is catering to the dredging requirements of the Haldia/ Kolkata 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, Haldia, Kandla, Cochin Port Trust, Ernakulam, RGPPL-Dabhol and NST and its approaches of VPT. Capital Dredging Contracts were executed at Kandla Port, Kamarajar Port and Visakhapatnam Port.

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 2015-16. The Company is expecting a rating of "Good" for 2014-15.

#### **SAFETY MANAGEMENT SYSTEM (ISM)**

- (a) All dredgers (except dumb vessels Dr - VII and Dr. XVIII) 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.

#### **SHIP SECURITY SYSTEM (ISPS)**

All dredgers (except dumb vessels Dr. - VII and Dr. - XVIII) 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 till 26<sup>th</sup> February' 2016 and recertification of the same shall be carried out.

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

DCI is certified for Environmental Management System (ISO 14001:2004) and the certificate is valid till 14<sup>th</sup> March' 2016 and recertification of the same shall be carried out.

#### **MEMBERS/INVESTOR SERVICES**

The shares of the Company are listed on Delhi, Mumbai, Kolkata 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 GDA Trusteeship Ltd., Pune is the Trustee for the Tax free bonds issued in the year 2013-14.

#### **BORROWING POWERS**

The Members of the company in the 36<sup>th</sup> AGM held on 28/9/2012 accorded their consent by ordinary resolution to the Board of Directors for borrowing upto ₹250000 Lakh and also for creation of charge/ provide security for the sums borrowed. The said borrowing powers have been exercised upto 31/3/2013 and the balance as on 31/3/15 is ₹103865.78 Lakhs. The aggregate of paid-up capital and free reserves of the Company as on 31/3/2015 is ₹123430 Lakh. Under the provisions of Section 180(1) (c) of the Companies Act, 2013 which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by Special Resolution. Accordingly, for the purpose of enabling the Board for exercising any further borrowing powers as may be required for any further capital acquisition, the Board in its 294<sup>th</sup> Board Meeting held on 26/5/15 had recommended for approval of the shareholders at the ensuing AGM for authorising the Board of Directors of the Company (which shall include any Committee which the Board may constitute for the purpose) to borrow from time to time, as it may consider fit, pursuant to Section 180(1)(c) of the Companies Act, 2013, and the Articles of Association of the Company, any sums of money (on such terms and conditions as the Board may deem fit) which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the Ordinary Course of Business), in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose upto a maximum limit of ₹250000 lakhs as well as for creation of charge on the movable and immovable properties of the Company both present and future, as may be required in respect of such borrowings under Section 180(1) (a).

#### **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 2014-15 the company has held nine 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;
  - (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) Statement on declaration by the independent directors under section 149(6):- During the year 2014-15, the term of two independent directors (appointed by Government of India w.e.f 11/11/2011) was completed on 10/11/2014. Company does not have any independent Director from 11/11/2014.
- e) 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 Directors are not paid any remuneration by the Company. The Key Managerial personnel are paid as per the norms fixed by the department of public enterprises from time to time. At present the company does not have any independent director. The Company has two non-executive directors. The Constitution of Nomination and Remuneration committee as per Section 178 will take place after the independent directors are appointed by Government of India

- f) explanations or comments by the Board on every qualifications, reservation or adverse remark or disclaimer made :-  
 (i) The Independent Auditors in their report for 2014-15 have stated as under:-

**QUOTE**

**I. Basis for Qualified Opinion:**

The Company had not complied with the provisions of Section 135, 149 (1),149(4) 177 and 178 of the Companies Act, 2013. At this stage, we are unable to comment on the consequential impact of non-compliance of these provisions, if any.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

**EMPHASIS OF MATTERS:**

We draw attention to the following matters in the Notes to the financial statements:

- We draw attention to the Note No. VI of the financial statements, where in the Company has made investments in Equity shares amounting to ₹3,000 lakhs in Sethusamudram Corporation Limited (SCL), a special purpose vehicle was incorporated on 06.1.2004 for developing the Sethusamudram Channel Project. The dredging work at Palk Strait was suspended from 16-07-2009. The management does not consider any diminution in the value of the investment and the same has been carried at cost. With regard to the previous statutory auditors qualification in this respect on the accounts for the financial year 2012-13, National Stock Exchange of India Ltd. (NSE) vide its letter No. NSE/LIST/8500 dated 26/12/2014 advised the Company to restate the financial statements for FY 2012-13. In response Company has filed review petition dated 21/01/2015 to the NSE to review its decision.  
 We were informed that, SEBI has given personal hearing on the review petition filed by the DCI and decision from the SEBI is awaited, hence the provision for diminution on investment is not made.
- Trade Receivables includes, ₹11,433.18 lakhs receivable from M/s. Sethusamudram Corporation Ltd. (SCL) which is pending for more than 3 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 an amount of ₹30897.00 lakhs 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.
- DCI acquired Dredge XVIII from Mazagon Dock Limited, Mumbai (MDL) in Jan 2011 with performance Bank Guarantee of ₹27 cr. Since there were major guarantee defects and MDL has failed to attend the performance defects, BG of ₹27 cr. has been invoked by the DCI. DCI had entered into new agreement with L&T for ₹30 cr. to remedy the manufacturing defects and ₹20 cr. has been capitalized during the current financial year.
- The balance 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's reply on Qualified Opinion:-**

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 qualification is in view of non-appointment of the independent directors and women director by the Government of India in view of which the different committees like Audit Committee, CSR Committee, Stakeholders Committee, Nomination and Remuneration Committee could not be constituted. The issue of appointment of requisite number of independent directors, women director, has been taken up with the administrative Ministry - Ministry of Shipping and the same is pending with them. Constitution of different committees as required under the Act, will be taken up after the appointment of the said Directors by the Ministry of Shipping. The said qualification has no impact on the profit of the Company for the year.

**Management's reply Emphasis of matter:-**

- As regards equity investment made in Sethusamudram Corporation Ltd (SCL) amounting to ₹3000 lakhs. National Stock Exchange of India Ltd (NSE) vide its letter no. NSE/LIST/8500 dated 26/12/2014 advised the company to restate the financial statement for FY 2012-13 suitably on the qualifications raised by the then Statutory Auditors of the Company. Aggrieved by the said directions the Company vide its letter no.DCI/CS/E.1/2015 requested SEBI to review its decision appropriately as it would not be correct to consider any diminution in value of the investment as investee company's (SCL) network has been increasing over the period as under: (₹ in Lakhs)

Financial Years	Share Capital	Reserves&Surplus	Net worth
2011-12	74500	5397	79897
2012-13	74500	5602	80102
2013-14	74500	5818	80318



Decision of SEBI on the revision petition is awaited. Pending the final decision of SEBI in this regard, the equity investment in SCL is shown at cost as the management does not consider any diminution in its value.

- b) Pursuant to the company claims vide its letter dated 06-06-2012 for the works executed in sethusamudram project, the company is of the view that an amount of ₹30897 lakhs will be reimbursed by Gol to DCI to compensate the actual expenditure incurred on this project as per the recommendations of the Committee constituted by the Ministry of Shipping. In view of this, provisions for doubtful debts has not been made in respect of receivables in this regard.
- c) DCI acquired Dredge XVIII from Mazagon Dock Limited, Mumbai (MDL) in Jan 2011 with performance Bank Guarantee of ₹27 cr. Since there were major manufacturing defects and MDL was failed to attend the performance guarantee defects, BG of ₹27 cr. has been invoked by the DCI. DCI had entrusted the job of repairs to another firm for ₹30 cr. to remedy the manufacturing defects and bring the vessel back to operations. ₹20 cr. being the expenditure incurred during the current financial year has been capitalized as per the applicable accounting standards.
- d) The balances of sundry debtors, creditors, loans and advances, other receivables and other payables are the amounts as at the end of financial year. Confirmation for some of the amounts particularly with regard to sundry debtors are those due from various ports etc., for the works executed by DCI and/or bills raised for the same are to be received.

(ii) The company secretary in practice in his secretarial audit report for 2014-15 stated as under:-

**QUOTE**

... ..the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. .... The Company does not have any Independent Director and a Woman Director on Board and to that extent has not complied with the statutory requirement.

**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, women director, has been taken up with the administrative Ministry - Ministry of Shipping and the same is pending with them.

- g) 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.
- h) 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 2014-15 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".
- (i) the state of the company's affairs :- This has been explained elsewhere in this report.;
- (j) 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 of the IT Act. - ₹1800 Lakhs
  - b) Transfer to General Reserve - ₹620 Lakhs
  - c) Transfer to Debenture Redemption Reserve - ₹600 Lakhs.
- (k) the amount, if any, which it recommends should be paid by way of dividend: stated elsewhere in this report
- (l) 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
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo:
  - i) 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.
  - ii) Import substitution : The Company has been set a target by government of India for indigenization of spares of atleast 3 items of values more than ₹5 lakhs for the year 2014-15. Agisnt this for the year 2014-15, the Company has indigenized spares for six items procured through and Indian Company - M/s BEML Ltd, Mysore
  - iii) Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the year.
  - iv) Research and development: The Company has been set a target by government of India for setting up of Solar and wind power lighting on a cutter section dredger by 31/13/2014. The Company has achieved this target and the solar and wind power system was installed on a Cutter Suction Dredger by 30/09/2014 at an expenditure of ₹3.5 lakhs.



iii) Foreign Exchange earnings and outgo:	(₹ In Lakhs)
i. Foreign Exchange Earnings :	0.00
<b>Total</b>	<b>0.00</b>
ii Foreign Exchange outgo:	
a) Import of components and spares (CIF value)	4912.57
b) Payment of interest on foreign currency loan	2152.02
c) Repayment of installment of foreign currency loan	13208.90
d) Foreign travel	0.45
<b>Total</b>	<b>20273.94</b>

(n) 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:

During the year, your Directors have approved 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 formed in the Board Meeting held in December 2014. The threats, risk and concerns are discussed in the Management Discussion and Analysis Report.

(o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:

The Corporate Social Responsibility Committee has been formed as per the DPE Guidelines, 2010 in the Board Meeting held in the year 2010. As per the requirement of the Companies Act, 2013, Board accorded approval for Corporate Social Responsibility and sustainability Policy of the Company. The same has been hosted on the website of the company. During the year 2014-15, the Company has spent a total of about ₹70 Lakh under CSR – ₹33 lakh towards purchase of medical equipment to KGH hospital and ₹37 lakhs towards construction of toilets for six Government Schools in Visakhapatnam. The Company has further donated ₹50 Lakhs to Chief Minister's Relief Fund to provide relief to those affected by HUDHUD Cyclone that struck the Coast of Visakhapatnam in October 2014. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure -II

(p) 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 THE REQUIREMENTS OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.**

(i) the ratio of the remuneration of each functional director (for 2014-15) to the median remuneration of the employees of the company for the financial year is given below. Other Directors are not paid any remuneration by the Company. Independent Directors are paid only the sitting fees for attending each meeting of the board or Committee thereof.

S.No.	Name of the Director	Designation	Ratio
1.	Shri Rajesh Tripathi	CMD (w.e.f 02/02/2015)	0.56:1
2.	Capt.D.K.Mohanty	CMD (upto 31/01/2015)	6.51:1
3.	Shri S. Charles	DFN (w.e.f 26/12/2014)	0.84:1
4.	Shri P. Jayapal	DOT (upto 31/05/2015)	4.04:1

(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : As per the policy of the Company, the annual increment in basic pay of the employees of the company is 3%. The Dearness Allowance is increased as per Government Rules. Further Performance Related Payments are paid as per the applicable Rules depending on the performance of the Company and the individual during the relevant year.

(iii) the percentage increase in the median remuneration of employees in the financial year: There is increase in the median remuneration of employees in the financial year by 15.78%

(iv) the number of permanent employees on the rolls of company : 566 as on 31/3/2015

(v) the explanation on the relationship between average increase in remuneration and company performance:

There is no direct co-relation between Company's performance and various element of employee remuneration, except the performance related pay. As stated above, the annual increment of the basic pay of the employees is 3%. The performance related pay is linked to the performance of the employees as per his annual appraisal reports and also the performance of the company as per the Memorandum of Understanding signed with the administrative Ministry – Ministry of Shipping.

(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The remuneration of the employees of the Company is as per the guidelines issued by DPE from time to time. The Remuneration consists of two parts – the fixed part which is as per the scale of pay of the employee and the variable part which is related to the performance of the employee as well as the performance of the company.

(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:



	Market Capitalisation (₹In Cr.)	P E Ratio	Price at which the shares were offered in the last public offers for sale in 2003-04 (Disinvestment)	% increase/ decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer
As on 31/3/2014	667.94	17.79:1	₹380/-	(-) 37.22%
As on 31/3/2015	1045.80	16.75:1		(-) 1.71%
% increase/ decrease	56.57%	(-) 5.84		

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

As already stated above, the remuneration of the personnel is governed by the DPE guidelines issued in this regard. While the fixed portion has an annual increment of 3%, the variable portion is dependent on the performance of the company and the performance of the employee. There are no exceptional circumstances for increase in the managerial remuneration.

(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

S.No.	Name of the Key Management Personnel	Remuneration in the year (₹in lakh)		% increase/ (decrease)
		2014-15	2013-14	
1.	Rajesh Tripathi, CMD (w.e.f 02/02/2015)	3.74	--	(employed for part of year 2014-15)
2.	Capt.D.K.Mohanty, CMD (upto 31/01/2015)	43.15	50.22	- 16%
3.	S. Charles, DFN (w.e.f 26/12/2014)	5.57	--	(employed for part of year 2014-15)
4.	P. Jayapal, DOT (upto 31/05/2015)	26.82	25.85	3.75%
5.	K.Aswini Sreekanth, Company Secretary	12.87	8.83	46%

The above remuneration does not include a) the provision made on actuarial valuation of retirement benefits schemes and provision made during the year towards post retirement benefits. The remuneration of key managerial personnel is in accordance with their terms of employment. Performance related pay is paid to all employees including whole time directors in accordance with Govt. guidelines, which is based on the performance of the company as stipulated in MOU with Ministry and the performance of the individual employee.

(x) the key parameters for any variable component of remuneration availed by the directors :

The key parameter is the rating of the company based on the actual performance of the company vis-a-vis the targets fixed as per the Memorandum of understanding with administrative Ministry – Ministry of shipping.

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : During the year no employee who is not a director received remuneration in excess of the highest paid director.

(xii) affirmation that the remuneration is as per the remuneration policy of the company :

The remuneration policy of the Company is as per the guidelines issued by Government of India/ Department of Public Enterprises from time to time. The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company

(xiii) The particulars of employees for the year 2014-15 as required to be disclosed under Rule 5 (2) of the Companies (appointment and remuneration of Managerial Personnel) Rules, 2014 is "NIL" as no employee had earning beyond the limits prescribed therein .

#### **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.

#### **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.

#### **IMPORT SUBSTITUTION**

As part of import substitution, the Company has signed agreement with another PSU for design, manufacture and supply of the spare parts indigenously. In the year 2014-15 eight items have been indigenized. This small step would go a long way in reducing the dependence on outside suppliers for spare parts.

#### **CHANGE IN ACCOUNTING POLICY**

Based on technical evaluation and confirmation from the builder of the Dredgers, the useful life of Dredgers has been fixed as 25years, instead of 14years as specified in Part C of schedule II of Companies Act, 2013, as per the amended Sub-paragraph (i) of paragraph 3 of Part A of the said schedule, Vide notification No G.S.R 237(E) dated 31-03-2014 issued by MCA of Guide to change in depreciation accounting policy in this regard. It has resulted in increase in the profit after tax by ₹9754.85lakhs in this year. (of this impact on account of change in useful life as per Schedule-II in respect of other asset was ₹-89.30lakhs.)



**SECRETARIAL AUDIT, CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS**

Pursuant to the requirements of the Companies Act, Listing Agreement and DPE Guidelines the Secretarial audit Report, 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. The reply to the qualification of the Secretarial auditor regarding non-appointment of independent directors and woman director is given elsewhere in this report.

**CEO & CFO CERTIFICATION**

Certificate from CEO and CFO pursuant to the provisions of the Clause 49 of the Listing Agreement, for the year under review was placed before the Board of Directors of the Company at its meeting held on 26/5/15. A copy of the certificate on the financial statements for the financial year ended 31st March 2015 is given at Enclosure - A to this report.

**MAN POWER:**

The total number of employees (both Shore and Floating) in the Corporation, as on 31<sup>st</sup> March, 2015 was 566, as against 599 during the previous year.

**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, 2015 was SCs - 90, i.e., 18.39% as against prescribed percentage of 16.66% and STs 33 i.e., 12.23% 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 1.09% and Nil as against the percentage of 14.5% and 24.5% 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, 2015 is 7 (seven), 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	178	04	2.24
B	53	01	1.88
C	91	02	2.19
D	15	Nil	Nil
<b>Total</b>	<b>337</b>	<b>07</b>	<b>2.07</b>

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, 2015 is 53 as against 57 as on 31<sup>st</sup> March, 2014. Out of them number of executives is 18 and Non-Executives is 35.

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

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

DCI is a Life Member of the Forum for Women in Public Sector and one woman 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 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.
- v) DCI is a Life Member of the Forum for Women in Public Sector and one woman 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.
- vi) As a welfare measure, a Rest Room is provided exclusively for the women employees.
- vii) Working uniforms are provided to Group'D' women employees, as per the scales prescribed in the Rules.
- viii) The women employees of DCI are sponsored to various in-house and also external training programmes. Ten women employees had undergone training during the year 2014-15.
- ix) Women's Day was celebrated on 19.03.2015 in DCI.





## **WAGE SETTLEMENTS**

### **A. FLOATING ESTABLISHMENT :**

- i) The INSA-MUI (FG/HT) Agreement in respect of Floating Officers, for the periods from 2012 to 2015 is revised and implemented w.e.f. 01.04.2014
- ii) The INSA-NUSI Agreement, relating to HT Petty Officers for the periods 2012-15 has been implemented.
- iii) The Wage Agreement of Crew/MPWs for the period from 2012-15 has been implemented.

### **B. SHORE ESTABLISHMENT:**

- i) The Revised Pay Scales of Executives have been implemented w.e.f. 01.01.2007.
- ii) The wage revision of Non-Executive employees in the Shore Establishment has been implemented w.e.f.01.01.2007.

## **INDUSTRIAL RELATIONS:**

The industrial relations in the Corporation continued to be cordial throughout the year under report.

## **WELFARE MEASURES:**

The Corporation continued various welfare schemes viz., Family Pension Scheme, Group Gratuity Assurance Scheme, Personal Accident Insurance Coverage, Group Savings Linked Insurance Scheme, Contributory Provident Fund, Maternity Benefit Scheme, Subsidised Canteen Facility, Transport Subsidy, Medical Attendance, Leave Travel Concession, Incentive Scheme for acquiring higher qualifications, Merit 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, HBA Interest Subsidy, HBA Family Security Mutual Fund, Special casual leave for maternity/paternity and incentives for adopting small family norms and advances for children's higher education, marriage and purchase of computer etc., are extended to the employees.

## **HUMAN RESOURCES DEVELOPMENT**

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

- i) During the year 2014-15, 114 employees were trained in various training programmes.
- ii) During the year 2014-15, 8 DCCP Apprentice Trainees and 8 Industrial Trainees were inducted for training for a period of 12 months.
- iii) One employee attended advanced Leadership Programme for Public Sector Leadership in the Emerging Global Environment, organized by the IIPA, New Delhi from 02.6.14 to 01.07.14.

## **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**

- i) 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 inservice training in Hindi and qualified in various examinations conducted thereunder are being awarded cash awards.
- ii) Hindi week was celebrated during September 2014. Table Training / work-shop was arranged for employees to impart working skills drafting & noting in Hindi, and operation of Bilingual software.
- iii) Computerisation of forms / correspondence and reports in Hindi, was implemented in various departments. Several formats, salary slips, PF Statements, letter-heads, visiting cards, banners and other items of stationery were got printed / made bilingual and the same were made available on the computers. Web-site information was also updated in Hindi. Unicode was installed in various functional Departments.
- iv) Issue of Office Orders / Circulars, Reports submitted to Government and Parliamentary Committees was ensured in bilingual. ISM Policy, ISM Code, all ISM Manuals, Safety Instructions, etc., were translated into Hindi and subsequent amendments are being updated from time to time. Correspondence in Hindi was extended to some more areas of work - such as, RTI and Public Grievances.
- v) The Chairman, Town Official Language Implementation Committee (TOLIC), Visakhapatnam has awarded an Official Language Shield to CMD, DCI for excellent implementation of Hindi/Official Language Policy in the Corporation. The officers of the Corporation actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam during the year.



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

## **ACTIVITIES OF VIGILANCE DEPARTMENT**

During the year 2014-15, 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.

As a result of inspections, during the period under review, the disciplinary authority has ordered minor and major penalty proceedings against officers and issue of advisory memos.

Vigilance Awareness week was observed during 27<sup>th</sup> October 2014 to 31<sup>st</sup> October, 2014. Vigilance web page on the Company's website has been redesigned incorporating various aspects of vigilance, besides launching of online complaint system. Quarterly Vigilance Bulletin "Alert" is being published for dissemination of the latest information and knowledge on vigilance.

As a part of management education, illuminating articles on management & leadership are being circulated at regular intervals. Training programs on various matters were being held regularly.

## **DISINVESTMENT**

The Government of India has disinvested 5% of paid up capital of ₹28 Crore in August 2015 through Stock Exchange Mechanism (OFS). Post disinvestment, the holding of Government of India in the paid up share capital of the company has come to 73.56% against 78.56% earlier.

## **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 2014-15. 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 ₹3.50 lakhs plus service tax as applicable for the year 2014-15 for approval of the Members at this AGM.

## **INDEPENDENT AUDITORS' REPORT**

The Independent Auditors' Report on the Accounts for 2014-15 given by the Statutory Auditors is placed along with the Accounts. Reply to the Qualified Opinion etc., of the Auditors have 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, 2015 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.

Ministry of Shipping vide its letter dated 22/12/2014 communicated appointment of Shri S. Charles, as Director (Finance) of the Company. Shri S. Charles has taken over charge as Director (Finance) (DFN) and also as CFO of the Company w.e.f. 26/12/2014.

Ministry of Shipping vide its letter dated 20/01/2015 communicated appointment of Shri Barun Mitra as Part-time Official Director of the Company. Shri Barun Mitra has taken over charge as Part-time Official Director of the Company w.e.f. 20/01/2015.

Ministry of Shipping vide its letter dated 04/12/2014 communicated appointment of Shri Rajesh Tripathi as Chairman and Managing Director of the Company. Shri Rajesh Tripathi has taken over charge as Chairman and Managing Director (CMD) of the Company and also as CEO of the Company w.e.f. 02/02/2015.

Ministry of Shipping vide its letter dated 08/05/2015 communicated appointment of Shri M. S. Rao as Director (Operations & Technical) of the Company. Shri M. S. Rao has taken over charge as Director (Operations & Technical) of the Company w.e.f. 01/06/2015.

Shri K.Aswini Sreekanth, Company Secretary has been appointed as the Key Managerial Personnel as per the provisions of the Companies Act, 2013 w.e.f 28/5/2014

Pursuant to the provisions of the Companies Act and Articles of Association, the directors have first been appointed as additional directors by the Board and hold office till the date of this AGM. The proposal for appointment of the directors - Shri S. Charles, Shri Barun Mitra, Shri Rajesh Tripathi and Shri M.S.Rao is submitted for approval of Members in the Annual General Meeting.

## **ACKNOWLEDGEMENTS**

The Directors thank Hon'ble Minister of Shipping and officers and staff of Ministry of Shipping for the valuable help, assistance and guidance rendered from time to time. The Directors thank all other Ministries for the help and co-operation extended by them. The Board is grateful to the Comptroller & Auditor General of India, the Member, Audit Board and the Statutory Auditors for their co-



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

operation. The Board also thanks the Bankers of the Company for their valuable services. The Board expresses its gratitude to the valued customers for their continued patronage.

The Directors place on record their appreciation of the services rendered by all the employees of the Corporation.

**For and on behalf of the Board of Directors**  
sd/-

**Place : Visakhapatnam**

**Date : 27/08/2015**

**RAJESH TRIPATHI**  
**CHAIRMAN AND MANAGING DIRECTOR**

**Enclosure - A**

### CEO & CFO CERTIFICATION

We, S.Charles in the capacity of Director (Finance) & CFO and Rajesh Tripathi in the capacity of Chairman and Managing Director & CFO of the Company certify to the Board that

- (a) We have reviewed financial statements and the cash flow statement for the year 2014-15 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 statements 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 of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Board (in the absence of Audit Committee), deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Board (in the absence of 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) There has been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

sd/-  
Rajesh Tripathi  
Chairman and Managing Director & CEO

sd/-  
S.Charles  
Director (Finance) & CFO

Place: New Delhi  
Date: 26.05.2015

### ANNEXURE-I

#### FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2015 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 INDIALIMITED			
iv	Category/Sub-category of the Company	A Public Sector Undertaking (Government Company)			
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 44655000e-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	NIC Code of the Product /service products/services	% to total turnover of the company		
1	DREDGING	63012	98.81		
III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES					
SI No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)									
i) Category-wise shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	21997700	0	21997700	100	21997700	0	21997700	100	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>21997700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21997700</b>	<b>0</b>	<b>21997700</b>	<b>0</b>	<b>0</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>21997700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21997700</b>	<b>0</b>	<b>21997700</b>	<b>0</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	117	0	117	0	373577	0	373577	12.83	12.82
b) Banks/FI	1030731	0	1030731	30.83	908035	0	908035	31.18	0.35
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	1457791	0	1457791	43.6	1457791	0	1457791	50.06	6.46
g) FIIS	854877	0	854877	25.57	172798	0	172798	5.93	-19.63
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>3343516</b>	<b>0</b>	<b>3343516</b>	<b>100</b>	<b>2912201</b>	<b>0</b>	<b>2912201</b>	<b>100</b>	<b>0</b>
(2) Non Institutions									
a) Bodies corporate	458452	100	458552	17.25	519530	100	519630	16.82	-0.43
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2027062	6378	2033440	76.48	2396823	3230	2400053	77.67	1.19
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	17000	0	17000	0.64	53416	0	53416	1.73	1.09
c) Others (specify)	0	0	82486	0	0	0	0	0	0
NRIS	82486	0	0	3.1	62960	0	62960	2.04	-1.06
Clearing Members	53262	0	53262	2	30761	0	30761	1	-1.01
Trusts	14044	0	14044	0.53	23279	0	23279	0.75	0.23
<b>SUB TOTAL (B)(2):</b>	<b>2652306</b>	<b>6478</b>	<b>2658784</b>	<b>100</b>	<b>3086769</b>	<b>3330</b>	<b>3090099</b>	<b>100</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>27993522</b>	<b>-2.2</b>	<b>6002300</b>	<b>225.75</b>	<b>27996670</b>	<b>-2.2</b>	<b>6002300</b>	<b>194.24</b>	<b>-31.51</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>27993522</b>	<b>6478</b>	<b>28000000</b>		<b>27996670</b>	<b>3330</b>	<b>28000000</b>		



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India	21997700	78.56	0	21997700	78.56	0	0
	<b>Total</b>	<b>21997700</b>	<b>78.56</b>	<b>0</b>	<b>21997700</b>	<b>78.56</b>	<b>0</b>	<b>0</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
There is no change in the holding of the promoter – President of India – during the year.					

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

Given at Enclosure – I

## (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL - None of the Directors and KMP hold any shares in the Company

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment ( Rupees in lakh)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	139668.99	0	0	139668.99
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	841.79	0	0	841.79
<b>Total (i+ii+iii)</b>	<b>140510.78</b>	<b>0</b>	<b>0</b>	<b>140510.78</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0	0
Reduction	36224.58	0	0	36224.58
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	103865.78	0	0	103865.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	420.42	0	0	420.42
<b>Total (i+ii+iii)</b>	<b>104286.2</b>	<b>0</b>	<b>0</b>	<b>104286.2</b>
The foreign exchange outgo during the year towards repayment of principal and interest is Rupees 15360.92 lakh. The balance reduction during the year is due to the foreign exchange rate variation in respect of Euro Loans..				



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						Rupees in Lakhs	
A. Remuneration to Managing Director, whole-time Directors and/ or Manager:							
Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount	
1	<b>Gross salary</b>	Capt.D.K.Mohanty, CMD (upto 31/01/2015 )	Rajesh Tripathi, CMD (w.e.f 02/02/15)	S. Charles, DFN (w.e.f 26/12/14)	P. Jayapal, DOT	79.28	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	43.15	3.74	5.57	26.82		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961						
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961						
2	Stock option	-	-	-	-	79.28	
3	Sweat Equity	-	-	-	-		
4	Commission	-	-	-	-		
	as % of profit	-	-	-	-		
	others (specify)	-	-	-	-		
5	Others, please specify	-	-	-	-	79.28	
	<b>Total (A)</b>	<b>43.15</b>	<b>3.74</b>	<b>5.57</b>	<b>26.82</b>		
	<b>Ceiling as per the Act</b>	NA					

B. Remuneration to other directors:				(Rupees in lakhs)	
Sl.No	Particulars of Remuneration	Name of the Directors		Total Amount	
1	Independent Directors	S. Balachandran	Vinai Kumar Agarwal		
	(a) Fee for attending board committee meetings	1.20	1.20	2.40	
	(b) Commission				
	(c ) Others, please specify				
	<b>Total (1)</b>	<b>1.20</b>	<b>1.20</b>	<b>2.40</b>	
2	Other Non Executive Directors	-	-	-	
	(a) Fee for attending board committee meetings	-	-	-	
	(b) Commission	-	-	-	
	(c ) Others, please specify.	-	-	-	
	<b>Total (2)</b>	-	-	-	
	<b>Total (B)=(1+2)</b>	-	-	-	
	<b>Total Managerial Remuneration</b>	<b>1.20</b>	<b>1.20</b>	<b>2.40</b>	
	<b>Overall Ceiling as per the Act.</b>	NA			

C Remuneration to Key Managerial Personnel other than MD/ Manager/ Wholetime Director			(Rupees in lakh)	
SL.No.	Name	KMP (Other than CEO/CFO mentioned above)		
	<b>Gross Salary</b>	<b>CS (K.A.Sreekanth)</b>		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	12.87		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	as % of profit	--	--	--
	others, specify	--	--	--
5	Others, please specify	--	--	--
	<b>Total</b>	<b>12.87</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)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

Enclosure - I

IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF ADR'S AND GDR'S)								
Sl.No.	Name	Shareholding		Date	Increase/ (-) Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	837456	2.99	01/04/2014	0			
		837456	2.99	31/03/2015			837456	2.99
		553564	1.98	01/04/2014				
2	LIC OF INDIA MARKET PLUS 1 GROWTH FUND			30/05/2014	-29104	Transfer	524460	1.87
				13/06/2014	-22748	Transfer	501712	1.79
		501712	1.79	31/03/2015		Transfer	501712	1.79
3	GENERAL INSURANCE CORPORATION OF INDIA	473073	1.69	01/04/2014	0			
		473073	1.69	31/03/2015			473073	1.69
		405465	1.45	01/04/2014				
4	LIC OF INDIA PROFIT PLUS GROWTH FUND			30/05/2014	-38195	Transfer	367270	1.31
				13/06/2014	-14509	Transfer	352761	1.26
		352761	1.26	31/03/2015				
5	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY	0	0.00	01/04/2014				
				23/05/2015	64820	Transfer	64820	0.23
				30/05/2014	61180	Transfer	126000	0.45
				13/06/2015	46599	Transfer	172599	0.62
				20/06/2015	22000	Transfer	194599	0.69
		194566	0.69	31/03/2015				
6	NATIONAL INSURANCE COMPANY LTD	147262	0.53	01/04/2014	0			
		147262	0.53	31/03/2015			147262	0.53
		0	0.00	01/04/2014				
7	SBI PSU FUND			05/09/2015	56240	Transfer	56240	0.20
				12/09/2015	39100	Transfer	95340	0.34
		95340	0.34	31/03/2015				
8	MV SCIF MAURITIUS	0	0.00	01/04/2014				
				19/12/2014	2453	Transfer	2453	0.01
				31/12/2014	76481	Transfer	78934	0.28
				02/01/2015	2174	Transfer	81108	0.29
				13/02/2015	1989	Transfer	83097	0.30
				27/03/2015	-26276	Transfer	56821	0.20
9	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STR			31/03/2015	479	Transfer	57300	0.20
		57300	0.20	31/03/2015				
		0	0.00	01/04/2014				
				03/10/2014	6754	Transfer	6754	0.02
				14/11/2014	30000	Transfer	36754	0.13
10	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT THEMATIC			06/03/2015	3246	Transfer	40000	0.14
				27/03/2015	10000	Transfer	50000	0.18
		50000	0.18	31/03/2015				
		0	0.00	01/04/2014				
				16/05/2014	18176	Transfer	18176	0.06
11	ANGEL FINCAP PRIVATE LIMITED			23/05/2014	18541	Transfer	36717	0.13
				30/05/2014	-717	Transfer	36000	0.13
		36000	0.13	31/03/2015				
		51635	0.18	01/04/2014				
				04/04/2014	-2205	Transfer	49430	0.18
				11/04/2015	-5743	Transfer	43687	0.16
				18/04/2014	-3240	Transfer	40447	0.14
				25/04/2014	374	Transfer	40821	0.15
				02/05/2014	2625	Transfer	43446	0.16
				09/05/2014	-3057	Transfer	40389	0.14
				16/05/2014	-8235	Transfer	32154	0.11
				23/05/2014	-24816	Transfer	7338	0.03
				30/05/2014	-3562	Transfer	3776	0.01
				06/06/2014	976	Transfer	4752	0.02
				13/06/2014	-338	Transfer	4414	0.02
				20/06/2014	3140	Transfer	7554	0.03
				30/06/2014	7934	Transfer	15488	0.06
				04/07/2014	-836	Transfer	14652	0.05
				11/07/2015	-1263	Transfer	13389	0.05
				25/07/2014	966	Transfer	14355	0.05
				01/08/2014	-1048	Transfer	13307	0.05
				08/08/2014	-1052	Transfer	12255	0.04
				15/08/2014	-1974	Transfer	10281	0.04
				22/08/2014	-227	Transfer	10054	0.04
				29/08/2014	-1830	Transfer	8224	0.03
				05/09/2014	3786	Transfer	12010	0.04
				12/09/2014	12247	Transfer	24257	0.09
				19/09/2014	7438	Transfer	31695	0.11
				26/09/2014	2448	Transfer	34143	0.12



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Contd.. 11	ANGEL FINCAP PRIVATE LIMITED			03/10/2014	-58	Transfer	34085	0.12
				10/10/2014	-5087	Transfer	28998	0.10
				17/10/2014	-1574	Transfer	27424	0.10
				24/10/2014	7	Transfer	27431	0.10
				31/10/2014	-943	Transfer	26488	0.09
				07/11/2014	135	Transfer	26623	0.10
				14/11/2014	350	Transfer	26973	0.10
				21/11/2014	2779	Transfer	29752	0.11
				28/11/2014	-2323	Transfer	27429	0.10
				05/12/2014	-1100	Transfer	26329	0.09
				12/12/2014	-1281	Transfer	25048	0.09
				19/12/2014	1494	Transfer	26542	0.09
				31/12/2014	281	Transfer	26823	0.10
				02/01/2015	262	Transfer	27085	0.10
				09/01/2015	-1283	Transfer	25802	0.09
				16/01/2015	4730	Transfer	30532	0.11
				23/01/2015	395	Transfer	30927	0.11
				30/01/2015	988	Transfer	31915	0.11
				06/02/2015	1284	Transfer	33199	0.12
				13/02/2015	-45	Transfer	33154	0.12
				20/02/2015	-1937	Transfer	31217	0.11
		27/02/2015	-1724	Transfer	29493	0.11		
		06/03/2015	-5291	Transfer	24202	0.09		
		13/03/2015	-1795	Transfer	22407	0.08		
		20/03/2015	-370	Transfer	22037	0.08		
		27/03/2015	-2105	Transfer	19932	0.07		
		31/03/2015	1182	Transfer	21114	0.08		
12	DB INTERNATIONAL (ASIA) LTD	615460	2.20	01/04/2014				
				13/06/2014	-72359	Transfer	543101	1.94
				20/06/2014	-226286	Transfer	316815	1.13
				30/06/2014	-299888	Transfer	16927	0.06
				04/07/2014	-16927	Transfer	0	0.00
		0	0.00	31/03/2015				
13	DEUTSCHE SECURITIES MAURITIUS LIMITED	100323	0.36	01/04/2014				
				13/06/2014	-100323	Transfer	0	0.00
				31/03/2015				
14	DIMENSIONAL EMERGING MARKETS VALUE FUND	53414	0.19	01/04/2014				
				16/05/2015	-1932	Transfer	51482	0.18
				20/02/2015	-3997	Transfer	47485	0.17
				27/02/2015	-8808	Transfer	38677	0.14
				13/03/2015	-3157	Transfer	35520	0.13
				20/03/2015	-5325	Transfer	30195	0.11
				27/03/2015	-4445	Transfer	25750	0.09
		31/03/2015	-3003	Transfer	22747	0.08		
		22747	0.08	31/03/2015				
15	LIC OF INDIA MONEY PLUS GROWTH FUND	23663	0.08	01/04/2014				
				23/05/2014	-23663	Transfer	0	0.00
				0	0.00	31/03/2015		





**ANNEXURE – II**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15**

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. During the year 2014-15, the Company has spent a total amount of about Rupees 70 Lakh under CSR – Rupees 33 lakhs towards purchase of medical equipment to KGH hospital and Rupees 37 lakhs towards construction of toilets for six Government Schools in Visakhapatnam. The Company has further donated Rupees 50 Lakhs to Chief Minister's Relief Fund to provide relief to those affected by HUDHUD Cyclone. The CSR activities of the Company are uploaded on the Company's website - <a href="http://www.dredge-india.com">http://www.dredge-india.com</a>
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. However, in view of the vacancies in all the five posts of the Independent directors to be appointed by GOI the company at present does not have a CSR Committee of Directors. However, the Company is carrying on the CSR activities, with the approval of the Board.
3.	Average Net Profit of the Company for last three financial years	Rupees 2375 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rupees 48 Lakhs
5.	Details of CSR spent during the financial year:	
	Total amount to be spent for the financial year	Rupees 70 Lakhs
	Amount unspent, if any	Not Applicable

Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project 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 other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rupees in Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads; (Rupees in Lakhs)	Cumulative expenditure upto the reporting period (Rupees in Lakhs)	Amount spent: Direct or through implementing agency
1	Medical Equipment to Govt. Hospital	Cl. (i) promoting preventive health care and sanitation	Visakhapatnam, Andhra Pradesh	70	33	70	Amount spent directly
2	Construction of Toilets for Govt. Schools				37		

There is no overhead expenditure booked to CSR account.

6. 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 could not spend amount on CSR activities for the years 2011-12 and 2012-13 due to financial position as there was liquidity crunch. The unspent amount will be spent in due course.

**7. RESPONSIBILITY STATEMENT**

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

(As there is no CSR Committee, the report is being signed by CEO/CMD)

**For Dredging Corporation of India Limited**  
-sd-  
**Rajesh Tripathi**  
Chairman and Managing Director



**SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
Dredging Corporation of India Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dredging Corporation of India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 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: I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 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 (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (c) 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;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges in India.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned above.

I further report that there were no actions/events in pursuance of

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- d) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009.
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of audit, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable laws, general laws like labour laws, environment laws and other laws, their rules, regulations and guidelines, and as informed, the Company has responded to notices for demands, claims, penalties etc levied by various statutory/ regulatory authorities and initiated actions for corrective measures, wherever necessary.

I further report that the NSE advised the Company to restate the financial statements pertaining to the financial year 2012-13 on the qualifications raised by the statutory auditors that the company has not recognised impairment of long term investments of ₹3000 lakhs in M/s Sethusamudram Corporation Limited which is not in accordance with para 17 of "AS-13 Accounting for investments" as prescribed under sub-section 3c of Section 211 of the Companies Act, 1956. In response, Company has filed review petition with the NSE to review this decision. I was informed that SEBI has given personal hearing on the review petition filed by DCI and decision from SEBI is awaited, hence the provision for diminution is not made.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by the statutory audit and other designated professionals.

I further report that that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 had not complied with the provisions of Section 149(4) relating to appointment of Independent directors and as a result not complied with Section 135 (CSR Committee) Section 177 (Audit Committee) and Section 178 (Nomination and Remuneration Committee and stakeholders relationship Committee) under the Companies Act, 2013. Further, the Company*



## **DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company**

*has not complied with the conditions of Listing Agreement with the Stock Exchanges which mandated appointment of independent Directors.*

*The Company has also not complied with Section 149 (1) of Companies Act, 2013 which mandates appointment of a woman director.*

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there based on the information furnished to me, 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, except non-compliance with the requirement of appointment of independent directors and a woman director.

I further report that during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the company's affairs.

**For P.N.Rao & Co.,  
Company Secretaries**

-sd-

**(P. NARASINGA RAO)**

**FCS No. 4406**

**CP. No. 2552**

**Place : Visakhapatnam**

**Date : 02/07/2015**

This Report is to be read with out letter of even date which is annexed as Annexure A and form 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 with 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 record.
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 appropriation of financial records and books of accounts of the company.
4. Wherever required, we have obtained management representation from the Company Secretary about compliance, / non Compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**For P.N.Rao & Co.,  
Company Secretaries**

-sd-

**(P. NARASINGA RAO)**

**FCS No. 4406**

**CP. No. 2552**

**Place : Visakhapatnam**

**Date : 02/07/2015**



**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15**

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

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

**2. BOARD OF DIRECTORS**

**i Composition of Board of Directors as on 31/03/2015:** 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 Listing Agreement & DPE Guidelines with regard to composition of Independent Directors as the appointment of requisite number of independent directors by Government of India is awaited. Non-Official Part-time Directors are Independent Directors. The composition of the Board as on 31/03/2015 is as under:

Name	Executive/ Non-Executive	Official/ Non-Official	Age	Qualifications
i) Shri Rajesh Tripathi Chairman and Managing Director	Executive	Whole-time official	54	M.Tech
ii) Cmde. P. Jayapal, (Retd.) Director (Operations and Technical)	Executive	Whole-time official	60	Master (FG) Charge Hydrographic Surveyor
iii) Shri S. Charles	Executive	Whole-time official	54	CA,CS
iv) Shri B. Poiyaamozhi	Non-Executive	Part-time official	59	ME
v) Shri Barun Mitra	Non-Executive	Part-time official	53	LL.B

**ii Changes in Board of Directors during 2014-15:**

Director	Date	Nature of Change
i) Shri S. Balachandran	10/11/14	Cessation
ii) Shri Vinai Kumar Agarwal	10/11/14	Cessation
iii) Capt.D.K.Mohanty	31/01/15	Retirement
iv) Shri M C Jauhari	20/01/15	Cessation
v) Shri S. Charles	26/12/14	Appointment
vi) Shri Barun Mitra	21/01/15	Appointment
vii) Shri Rajesh Tripathi	02/02/15	Appointment

**iii Changes in Board of Directors from 1/4/15 till date of report:**

Director	Date	Nature of Change
i) Cmde P.Jayapal	31/05/15	Retirement
ii) Shri M S Rao	01/06/15	Appointment

**iv Brief profile of the Directors appointed/re-appointed from 1/04/2014 till date of report.**

**Shri S.Charles** (DIN: 07063274), aged 54 years (DOB :13/04/1961) was appointed as Director (Finance) of the Company vide Ministry Letter No. SS-28012/02/2013-DCI dt. 22/12/2014. He took charge on 26/12/14. Pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He holds a degree in Bachelors of Science and is a Member of both Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is also a Member of Institute of Chartered Ship Broker (London).

He initially worked with M/s. PEEKAY Consultants, Chennai handling the job of preparation of project reports for their clients, besides handling internal audit work of their corporate clients. Prior to joining DCI, he worked as Vice President in M/s. Shipping Corporation of India Ltd., Mumbai handling multifarious portfolios in Finance, Accounts, Audit, Taxation, HR & Administration.

**Shri Barun Mitra** (DIN: 07012558) aged 53 years (DOB : 06/03/1962) was appointed as Part-time official Director (Government Nominee director) of the Company vide Ministry Letter No. SS-28012/01/2015-DCI dt. 20/01/15. He took charge on 21/01/15. Pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He is a Master of Arts (History) from St. Stephen's College, Delhi and holds LL.B from Delhi University. He is from Indian Administrative Service and is presently serving as Joint Secretary (Shipping), Ministry of Shipping. Prior to this he served in various senior level posts in Government of Manipur and Secretariat of President of India.

**Shri Rajesh Tripathi** (DIN: 03379442) aged 54 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 Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

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 Railway Project and Chief Engineer of Jammu Kashmir Railway Project. He also worked as Director (Way and Works) in Konkan Railway Corporation.



**Shri M.S. Rao** (DIN: 03512808) aged 51 years (DOB: 04/05/1955) 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 Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, he was appointed as Additional Director on the Board and holds office upto the date of this AGM.

He holds a bachelor's degree in Technology (Civil Engineering) from Regional Engineering College, Warangal and also hold a Degree in Masters of Business Administration from Andhra University, Visakhapatnam. Prior to joining DCI, he has worked as Assistant General Manager with SIDBI and NABARD as Banks Engineer at Mumbai and Lucknow. 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 projects. He 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)

**v Attendance Record of Directors : 2014-15**

Nine Board Meetings were held during the year 2014-15. Attendance of Directors at the meetings of Board of Directors during the financial year 2014-15 and the last Annual General Meeting held on 29.09.2014 is as follows:-

Name of the Director	No. of Board Meetings		Attended last AGM (29/09/14)
	During tenure	Attended	
1. Capt.D.K.Mohanty, Ex-CMD	8	8	Yes
2. Shri Rajesh Tripathi, CMD	0	-	-
3. Cmde P. Jayapal(Retd.), DOT	9	9	Yes
4. Shri S Charles, DFN	1	1	-
5. Shri Barun Mitra	1	1	-
6. Shri M C Jauhari			
7. Shri B.Poijaamozhi	9	6	Yes
8. Shri S. Balachandran	7	3	No
9. Shri Vinai Kumar Agarwal	7	6	No

**vi Number of other Boards / Board Committees in which Directors are Members/ Chairperson for 2014-15:**

Director	No. of outside position held	
	Directorships	Committee
1. Capt.D.K.Mohanty, Ex-CMD	2	-
2. Shri Rajesh Tripathi, CMD	2	-
3. Cmde. P. Jayapal (Retd.), DOT	-	-
4. Shri S. Charles, DFN	-	-
5. Shri Barun Mitra	1	-
6. Shri M C Jauhari	2	-
7. Shri B. Poijaamozhi	1	-
8. Shri S.Balachandran	4	5
9. Shri Vinai Kumar Agarwal	2	2

**vii Details of Board Meetings held during 2014-15**

Sl.No.	Date	Place	No. of Directors Present
1.	02/05/2014	Delhi	8
2.	28/05/2014	Delhi	7
3.	30/06/2014	Delhi	8
4.	14/07/2014	Delhi	7
5.	12/08/2014	Hyderabad	5
6.	29/10/2014	Delhi	6
7.	10/11/2014	Visakhapatnam	5
8.	12/12/2014	Visakhapatnam	5
9.	14/02/2015	Delhi	5

**3 AUDIT COMMITTEE**

**i** The Audit Committee was constituted in accordance with the requirements of the provisions of the Companies Act, DPE Guidelines and Clause 49 of the Listing Agreement. The quorum for meetings of the Audit Committee is two Members or one third of the Members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present. The powers, terms of reference and regulations of the Committee have been fixed by the Board as per the 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 four Audit Committee Meetings during the financial year 2014-15. Due to absence of Independent directors after 10/11/14 to be appointed by Government of India, the company does not have an Audit Committee since then and hence has not held any Audit Committee Meetings thereafter.



**ii The Constitution of the Audit Committee as on 31-03-2015 is as under :-**

As there are no Independent Directors on the Board of the company, there is no Audit Committee constituted as on 31/03/2015.

**iii Meetings of the Audit Committee and attendance during the year 2014-15:**

**Details of Audit Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1.	27/05/2014	Delhi	3
2.	04/07/2014	Visakhapatnam	3
3.	12/08/2014	Hyderabad	3
4.	10/11/2014	Visakhapatnam	2

**Details of attendance :**

Sl.No.	Name of the Director	No. of Meetings	
		During tenure	Attended
1.	Shri S. Balachandran	4	4
2.	Shri Vinai Kumar Agarwal	4	4
3.	Shri B. Poiyaamozhi	4	2

**4 REMUNERATION OF DIRECTORS**

- DCI being a Government of India Undertaking, the remuneration payable to its whole-time Directors is as per the Rules and Regulations prescribed by the Government of India, received through the Administrative Ministry, Ministry of Shipping. As such, the company has not constituted any remuneration committee for Directors.
- The Part-time Official (Government) Directors do not receive any remuneration from the Company.
- The Part-time Non-Official Directors were paid sitting fees @ ₹10,000/- for each Board meeting and each committee meeting they attend.
- DCI does not have a policy of paying commission on profits to any of the Directors of the Company.
- Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2014-15 is as under :-

(₹ in lakhs)

Name of the Director	Salary & Performane Related Incentive	Sitting Fees	Total
<b>Executive Directors (Whole-time)</b>			
1.Capt.D.K.Mohanty, CMD (upto 31/01/2015)	43.15	-	43.15
2.Shri Rajesh Tripathi, CMD (w.e.f. 02/02/15)	3.74	-	3.74
3.Shri S. Charles, DFN (w.e.f. 26/12/14)	5.57	-	5.57
4.Shri P.Jayapal, DOT	26.82	-	26.82
<b>Non-Executive Directors (Part-time Non-official/Independent)</b>			
5.Shri S. Balachandran (upto 10/11/14)	-	1.20	1.20
6.Shri Vinai Kumar Agarwal (upto 10/11/14)	-	1.20	1.20

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.

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

**5. SHAREHOLDERS COMMITTEE**

**SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE**

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

- As there are no Independent Directors on the Board of the company, there is no Shareholders/Investor Grievance Committee constituted as on the 31/03/2015.
- K.Aswini Sreekanth, Company Secretary is designated as Compliance Officer.
- A total of 174 complaints were received during the year 2014-15, There is no pending compliant as on 31/03/15.
- Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agents.

**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 31-3-15 the company had 49,127 shareholders. During the year, 835 shares were transferred covering 935 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 SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Policy has been formed as per the Companies Act, 2013. The policy contains the constitution of CSR Committee as per the requirements of the Companies Act, 2013. Accordingly, the Company had Corporate Social Responsibility Committee upto 10/11/2014 with Shri Vinai Kumar Agarwal, independent Director as Chairman and Director (Finance) and Director (Operations and Technical) as Members of the Committee. However, as there are no Independent Directors on the Board after 10/11/14, the company does not have CSR Committee from 10/11/14.

During the year 2014-15, the Company has spent a total of about ₹70 Lakh under CSR – ₹33 lakhs towards purchase of medical equipment to KGH hospital and ₹37 lakhs towards construction of toilets for six Government Schools in Visakhapatnam. The Company has further donated ₹50 Lakhs to Chief Minister's Relief Fund to provide relief to those affected by HUDHUD Cyclone.

## 6 ANNUAL GENERAL MEETINGS

i. Details of last 3 Annual General Meetings:

	2011-12	2012-13	2013-14
	36 <sup>th</sup> AGM	37 <sup>th</sup> AGM	38 <sup>th</sup> AGM
1. Date	28-9-2012	26-9-2013	29-9-2014
2. Time	1000 hrs.	1000 hrs.	1000 hrs.
3. Venue	Siri Fort Auditorium August Kranti Marg New Delhi - 110049	Siri Fort Auditorium August Kranti Marg New Delhi - 110049	Manekshaw Centre Parade Road, New Delhi - 110010

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

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

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

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

## 7. DISCLOSURES

i. 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 2014-15 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.

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

iii. 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.

iv. National Stock Exchange (NSE) advised the Company to restate the financial statements pertaining to the Financial year 2012-13 on the qualifications raised by the Statutory Auditors that the Company has not recognised impairment of long term investments of Rs.3000 lacs in M/s. Sethusamudram Corporation Limited which is not in accordance with para 17 of 'AS-13 Accounting for investments' as prescribed under sub-section 3c of Section 211 of the Companies Act, 1956. In response company has filed review petition with the NSE to review its decision. SEBI has given personal hearing on the review petition filed by DCI and decision from SEBI is awaited, hence the provision for diminution is not made.

v. 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.

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

vii. **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.

viii a) **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 Clause-49 of the listing agreement. 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](http://www.dredge-india.com). The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below:

"I hereby confirm that the Company has obtained from all members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial year 2014-15.

-Sd-

Place : Visakhapatnam

(Rajesh Tripathi)

Date : 27/08/2015

Chairman and Managing Director"

- b) The Company does not have any subsidiary company.
- c) 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.
- d) The Management Discussion and Analysis Report forms part of this Annual Report.
- e) 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.
- f) 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 Clause 49 (V) regarding the financial statements for the year 2014-15.
- g) 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.

#### h) Compliance of Non-Mandatory Requirements

##### i) The Board

The Company has an Executive Chairman. DCI, being a Government Company, the appointment and tenure of the Directors are decided by the Government of India. However, the tenure of the independent Directors has not exceeded the prescribed period of nine years stipulated in the Clause. The Independent Directors are highly qualified and experienced to contribute effectively to the Company in their capacity as independent directors. However the Company had no independent directors w.e.f 11/11/14.

##### ii) 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.

As there are no Independent Directors on the Board of the company, there is no Remuneration Committee constituted as on the date.

DCI being a Government Company, the remuneration of Executive Directors who are Government appointees and their other remuneration is decided as per the Rules and regulations of the Government and DPE Guidelines.

##### iii) Shareholders Rights

The financial results are posted on the CFDS Website and the Company's website after declaration by the Board. The results are also published in the newspapers within the time limits prescribed under the Listing Agreement.

##### iv) Audit Qualification

The Qualifications made by the Statutory Auditors/Secretarial Auditors if any and the Management's reply thereon is given in the Director's Report.

##### v) 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.

##### vi) Mechanism for evaluating non-executive Members

DCI, being a Government Company, where the Directors are appointed by the Government, the requirement of performance evaluation for non-executive directors as envisaged in the clause does not apply.

##### vii) 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.

#### 8. Means of Communication:

##### i. Quarterly Results

The schedule of consideration of quarterly results by the Board for the year 2014-2015 is as under:

- a) Results for the 1<sup>st</sup> quarter ending 30<sup>th</sup> June, 2014 :On 12-08-2014.
- b) Results for the 2<sup>nd</sup> quarter ending 30<sup>th</sup> Sept. 2014 :On 10-11-2014.
- c) Results for the 3<sup>rd</sup> quarter ending 31<sup>st</sup> Dec. 2014 :On 14-02-2015.
- d) Audited results for the year ending 31<sup>st</sup> Mar., 2015 :On 26-05-2015.





- ii. The Results are published in the English newspaper - "Business Line" upto 31<sup>st</sup> December, 2014 Results and "MINT" for 31<sup>st</sup> March, 2015 Results - all editions and in the Hindi newspaper "Navbharat" - Delhi edition for hindi version upto 31<sup>st</sup> December, 2014 Results and "Hindusthan" for 31<sup>st</sup> March, 2015 Results within 48 hours from the date of declaration.
- iii. The Quarterly Results are posted on the website of the Company - www.dredge-india.com after consideration and taking on record by the Board.
- iv. The website of the Company - www.dredge-india.com displays the official news releases, if any.
- v. The website of the Company - www.dredge-india.com displays the presentations made to institutional investors or to the analysts, if any.

**9. GENERAL SHAREHOLDERS INFORMATION :**

- i. Annual General Meeting –
 

Date, Time & Venue	:	30 <sup>th</sup> September, 2015 at 1000 hrs. in Manekshaw Centre, Parade Road Delhi Cantt- 110010.
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- ii. Financial Year : 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.
- iii. Date of Book closure : 24/09/2015 to 30/09/2015 (both days inclusive)
- iv. Date of payment of dividend : The dividend after declaration by the shareholders in the 39<sup>th</sup> AGM to be held on 30-09-15 would be paid tentatively by last week of October, 2015

**v. 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 (East), Mumbai – 400 051	DREDGECORP
b) Delhi Stock Exchange Ltd. DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002	6398
c) Bombay Stock Exchange Limited, 25 <sup>th</sup> Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	523618
d) Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001.	14050

Annual Listing fee for the financial year 2014-2015 has been paid to all the Stock Exchanges

**vi** ISIN No. for trading in demat form: INE 506A01018

**vii** Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2014-2015

Month	BSE Share Price (₹)		BSE SENSEX(S&P)		NSE Share Price(₹)		NSE(CNXNIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-14	338.90	236.00	22,939.31	22,197.51	338.90	232.00	6,869.85	6,650.40
May-14	567.00	287.05	25,37.63	22,277.04	570.00	282.15	7,563.50	6,638.55
Jun-14	554.80	416.00	25,725.12	24,270.20	555.70	416.00	7,700.05	7,239.50
Jul-14	495.95	423.00	26,300.17	24,892.00	496.00	424.20	7,840.95	7,422.15
Aug-14	480.00	387.60	26,674.38	25,232.82	479.30	387.00	7,968.25	7,540.10
Sep-14	490.90	405.00	27,354.99	26,220.49	490.00	402.00	8,180.20	7,841.80
Oct-14	468.00	403.60	27,894.32	25,910.77	468.00	401.95	8,330.75	7,723.85
Nov-14	466.25	408.00	28,822.37	27,739.56	466.00	415.85	8,617.00	8,290.25
Dec-14	479.80	375.00	28,809.64	26,469.42	479.40	373.00	8,626.95	7,961.35
Jan-15	437.70	389.00	29,844.16	26,776.12	436.80	391.00	8,996.60	8,065.45
Feb-15	463.00	369.00	29,560.32	28,044.49	462.80	364.90	8,941.10	8,470.50
Mar-15	478.00	347.00	30,024.74	27,248.45	477.55	345.25	9,119.20	8,269.15

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

**viii Registrar and share transfer agents:**

M/s Karvy Computershare Private Ltd., Hyderabad are the R & T Agents of the Company.

**ix 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.



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

## x Distribution of shareholding as on 31/03/2015:

Category	No. of shares held	Percentage of shareholding
<b>A. Promoter Group</b>		
1 Indian (President of India and his nominees)	21997700	78.56
2 Foreign	-	-
<b>Total shareholding A = A (1) + A (2)</b>	<b>21997700</b>	<b>78.56</b>
<b>B. Public Shareholding</b>		
1 Institutional		
a. Mutual funds and UTI	373577	1.33
b. Financial Institutions/Banks	908035	3.24
c. Central / State Govt. (s)	0.00	0.00
d. Venture Capital Funds	0.00	0.00
e. Insurance Companies	1457791	5.21
f. Foreign Institutional Investors	172798	0.62
g. Foreign Venture Capital Investors	-	-
h. Any other	-	-
<b>Sub - total B (1)</b>	<b>2912201</b>	<b>10.40</b>
2 Non-Institutions		
a Bodies Corporate	519630	1.86
b Individuals		
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	2400053	8.57
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	53416	0.19
c Any Other (Specify)		
(i) Non-resident Indians	62960	0.22
(ii) Clearing Members	30761	0.11
(iii) Trust	23279	0.08
<b>Sub - total- B (2)</b>	<b>3090099</b>	<b>11.03</b>
<b>Total Public Shareholding B = B(1) + B (2)</b>	<b>6002300</b>	<b>21.44</b>
<b>GRAND TOTAL A+ B</b>	<b>28,000,000</b>	<b>100.00</b>

## xi 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 2,19,97,700 shares (78.56%) are held by the President of India and nominees and the remaining 60,02,300 shares (21.44%) are held by others. As on 31.03.2015, of the 60,02,300 shares held by others, 59,95,822 are held in dematerialised form. In the year 2014-15, 3322 shares have been dematerialized covering 6 demat requests. During the year, 174 shares were rematerialised and share certificates issued covering 17 requests for Rematerialisation of Shares.

## xii 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.

## xiii Project Locations :

The project offices of the Company at present are situated at Haldia, Kolkata, Paradeep, Visakhapatnam, Chennai, Cochin, Mumbai, Ennore. The Registered Office of the Company is at New Delhi and the Head Office is at Visakhapatnam.

## xiv.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@dci.gov.in

### Registrar & Transfer Agent :-

UNIT: Dredging Corporation of India Ltd.  
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 : einward.ris@karvy.com  
(Please mention Unit name as Dredging Corporation of India Ltd.  
in all correspondence with R&T Agent.)

## 10 OTHER INFORMATION :-

### a. Board Meetings, its Committee Meetings and procedure:

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions/ business segments.
- Minutes of the meetings of Audit Committee and other Committees of the Board.



- 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.

**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 2014-15 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 Delhi, Mumbai, Calcutta and National Stock Exchanges for all the quarters and was also placed before the Board for information.

**f. As per the Listing Agreement, financial results and shareholding pattern are filed on Corporate Filing and Dissemination System (CFDS) website maintained by National Informatics Centre (NIC). The Company Secretary as the Compliance Officer is responsible for filing the above information in the CFDS. The financial results are also filed in Websites of NEAPS and BSE Online Filing.**

**g. Subject to the provisions of the Act and to such directives and/ or instructions as the president may issue from time to time under these Articles, the business of the Company is managed by the Board of Directors who may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do and who may, from time to time delegate such powers to the Chairman and/or Managing Directors as may be necessary for proper conduct of the business of the Company. Accordingly Board of Directors of the Company have delegated certain powers to the Chairman and Managing Director and also to the other functional Directors. The day to day business of the Company is run by the Management on the basis of these delegated powers. CMD has delegated some of these powers further down the line to functional and project heads.**

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

**For and on behalf of the Board of Directors**

**Place : Visakhapatnam  
Date : 27/08/2015**

**sd/-  
Rajesh Tripathi  
CHAIRMAN AND MANAGING DIRECTOR**



**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Dredging Corporation of India Limited, ("the Company") for the year ended 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the listing agreement of the Company with Stock exchanges in India and as issued by DPE.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement and DPE Guidelines except to the requirement(s) of (i) composition of independent directors on the Board and (ii) appointment of women Director.

We further state that such compliance 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.

Place : Visakhapatnam  
Date : 16/07/2015

**For P.N.Rao & Co.,  
Company Secretaries**  
-sd-  
**(P. NARASINGA RAO)**  
FCS No. 4406  
CP. No. 2552



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDIAN DREDGING - OUTLOOK & POLICY GUIDELINES**

1. India has an extensive coastline of approximately 7517 kilometers. There are 13 Major Ports under the administrative control of the MoS and approximately 187 Non-Major Ports under the administrative control of the Government of India ("GoI") and State Governments and the private ports, strategically located on the world's shipping routes, its long tradition of seafaring with a large pool of trained maritime personnel and its dynamic and rapidly globalizing economy with a vast potential to expand its participation in trade and development. A few such ports are natural harbours with sufficient water depth to handle vessels plying cargo to and from them. Most of the other ports require capital dredging to expand vessel size handling capability and maintenance dredging for maintenance of their existing/expanded capability to berth vessels of different shapes and sizes.

1.1. The Indian dredging market consists primarily of maintenance dredging and capital dredging in addition to a limited amount of inland dredging, beach nourishment and reclamation dredging. We are a very prominent player on account of our expertise in this highly technical and skilled sphere of business.

1.2. As per the report of the Working Group for Ports Sector for 12th Plan, a total quantity of 675.25 MCM and 429.99 MCM had been planned for capital and maintenance dredging respectively for all the ports in the country during the 11<sup>th</sup> Plan. This quantity includes the dredging to be done for fishing harbours also besides, the major and non major ports. Against this targeted plan, only 278.93 MCM and 291.63 CM had been achieved under the capital and maintenance dredging respectively. This constitutes 41.31% and 67.82% against the targeted quantity. The major ports achieved 31.97% of the targeted quantity, the non-major ports achievement was 49.55% in capital dredging work. In maintenance dredging work, the figures are 68.89% and 59.92% respectively. The shortfall in achieving the set target is due to many factors. Delay or failure to takeoff number of port development projects, financial and environmental constraints, the need to carry out engineering studies to assess the quantum of dredging and the type of dredging to be performed, poor response from bidders to undertake the work are some of the reasons attributable to the shortfall. Overall, the ports had done better in achieving the target in maintenance dredging. The non major ports had done better than the major ports in capital dredging work.

**2. Dredging requirement for 12th Plan period**

The capital dredging requirements for major ports during the 12th plan period stem from the various port projects planned by the major ports. Ports of Kolkata, Paradip, Visakhapatnam, Ennore, Chennai, Tuticorin, Mormugao, Jawaharlal Nehru and Kandla are planning to undertake the capital dredging of quantities more than 10 MCM. The requirement of capital dredging has been estimated at 221.11 MCM for all the major ports including the requirement of Navy. The projection for maintenance dredging at major ports is 404.25 MCM. In total the requirement is 625.36 MCM which is almost at the same level when (92.5%) compared with 676.34 MCM projected for the major ports during 11th Five Year plan. The non major ports have projected a total requirement of 543.61 MCM of which 418.03 MCM is for capital dredging and 125.58 MCM is for maintenance dredging. When compared with the projection of 368.59 MCM and 46.41 MCM respectively for capital and maintenance dredging during 11th Five year plan, there is an increase of nearly 31%. Capital dredging requirement of the State of Orissa, Andhra Pradesh and Gujarat constitute 57.8% of total capital dredging due to development of Gopalpur and Dhamra ports in Orissa, development of Machilipatnam, Krishnapatnam, Kakinada and Gangavaram ports in Andhra Pradesh, and development of Hazira port in Gujarat state.

3. The 12<sup>th</sup> plan dredging requirements, if achieved, will enable all the Major Ports (except Kolkata) and non-Major Ports to handle the vessels with 14 meters draft at the end of 12th plan period. In case transloading facilities installed at sandheads by Kolkata Port, then Kolkata Port can also handle 14 m draft vessels.

4. The Maritime Agenda 2020, which is the perspective plan of the Ministry for this decade, identifies the priority areas for Government intervention and is a road map for creation and upgradation of infrastructure in the Ports and also for augmentation of Indian tonnage in the shipping sector. The document says that Shipping lines have been representing time and again that port charges at Indian Ports are very high as compared to other comparable International Ports. As a matter of fact, vessel related charges are perhaps higher than some of the International Ports whereas cargo related charges are much lower in some Indian Ports in comparison to ports abroad. The document says that if Vessel related charges alone are taken, the reasons for higher charges are mainly two: (1) higher cost of dredging in certain ports, requiring perennial dredging and (2) lack of subsidy on the part of Government. In many parts of the world, some part of dredging (at least Capital) is funded by Provincial Governments or Federal Governments. If the same approach is adopted by Central Government or State Governments, the vessel related charges also could be brought to the reasonable levels. The document says that Major Ports in India have drawn up some ambitious expansion plans during the next decade including several major dredging projects by some ports, thereby intending to create substantial additional capacity. The dredging projects are mainly for deepening of channels, enhancing the available draft at berths or for construction of more berths.

5. DCI participates in the open competitive bids for dredging issued by major ports as per the dredging policy guidelines issued by Ministry of Shipping. DCI has secured the dredging project for Kandla port on open tender basis. Further, as per the dredging policy, Government of India reserves the right to assign in public interest any contract for dredging work in any of the major ports on nomination basis.

6. With the entry of global players either directly or through their Indian arms competing to get the contracts at competitive rates, has put the financials of the Company under severe strain more so because of increasing cost due to frequent repairs and lay-up of the ageing dredgers. The addition of the dredgers XIX and XX to the fleet in December, 2012 and July, 2013 and XXI in March, 2014 has helped in improving the capacity utilisation of the Company.



**7. CORPORATE PERFORMANCE**

**CAPACITY UTILISATION**

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

	Target	Actual	% Utilisation
No.of Days	3080	3138	102%
Quantity (Lakh Cu.M)	67	65	97%

**FINANCIAL PERFORMANCE**

(₹ Lakhs)

	<u>2014-15</u>	<u>2013-14</u>
Income from Operations	73496	77041
Other income	883	229
Total turnover	74379	77270
Profit before interest, depreciation and tax	15636	18814
Interest	2566	1099
Depreciation	9214	13832
Profit Before Tax	6423	3883
Provision for Tax	296	129
Profit after Tax	6241	3755
Proposed/Declared Dividend (30%)	840	840
Earnings Per Share (₹)	22.29	13.41
Book Value per share (₹)	526.54	508.35

**8. OUR COMPETITIVE STRENGTHS**

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**

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 Indian Navy.

**Flexible portfolio of dredging assets**

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.

**Strong relationships with Customers**

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.

**Experienced management team**

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

**9. OUR STRATEGIES**

We intend to increase income from operations and strengthen our domestic and international competitive position by expanding our operations in both our traditional and new dredging services and adopting a pro-active marketing strategy for our domestic and foreign operations. We aim to achieve our mission by pursuing the following business strategies:

**Enhancement of market share in maintenance dredging and more participation in capital dredging in India**

With the addition of the two new dredgers in December 2012 and July 2013 respectively and third dredger in March 2014 respectively of higher capacity, our Company expects to maintain its domestic leadership position in maintenance dredging by becoming more customer-focused and tailoring marketing initiatives that differentiate between specific groups of customers. In particular, it is consolidating its relationships with the Major Ports and developing marketing efforts aimed at non-Major Ports and new private port developers in India. Also at present company is undertaking Capital dredging assignment at Ennore Port and Kandla Port. We plan to undertake more such assignments subject to the availability of the fleet.

**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.



**Project Management Consultancy**

DCI is already doing PMC for a major port for the dredging works. The company is intending to enhance the scope by including all port related activities.

**Shallow water dredging**

With the impetus given to desiltation of rivers and inland channels, the company plans to reenter the inland dredging area and has already started discussions with Inland Waterways Authority of India and State Governments.

**Enhancement of the fleet capability**

In continuation of the efforts to sustain the existing capacity for which orders were placed for three dredgers meant as replacement of existing aged dredgers, our Company plans to procure two higher hopper capacity 9000 cubic meters trailer suction hopper dredgers in the twelfth plan. Our Company also plans to refurbish the existing aged dredgers during the current plan period so as to increase their effectiveness and enhance their economic life.

**Reducing operational costs**

Our Company proposes to reduce its operational costs by refurbishing the existing aged dredgers. Further, in addition to its capacity utilization initiatives discussed above, our Company also intends to reduce operational costs by focusing on fuel efficiency in ship operations and ship procurement and further streamlining the spare parts procurement systems. Our Company also intends to have tie-ups with ship repair yards for continued maintenance of our vessels for a period of time so as to make available the dredgers for a guaranteed minimum number of days every year.

**Strategic alliances through long term contracts with major ports**

Our Company proposes to have strategic alliances with major ports on similar terms with the Kolkata Port at present. This will ensure assured business for the Company and enable the Company to plan in advance regarding the deployment of the vessels. The Company is also having discussion with some Ports to part finance the proposed new acquisitions.

**Optimize capacity utilization**

Our Company intends to continue to optimize its capacity utilization by continuous project monitoring and review, reducing equipment downtime through preventive maintenance and working with repair yards to accelerate dry dock repair periods, and increasing computerization, including introducing online connectivity between dredgers, projects and the head office. Our Company also intends to continue to invest in quality pre-dredging surveys and equipment and continue to invest in repairs and maintenance. Through a renewed focus on training, our Company intends to introduce specific project planning and management initiatives to educate its staff to identify and develop new market opportunities. Our Company believes in the introduction of best practices in procurement, costing and working capital management, along with the introduction of tailored human resources practices, participatory management and new technologies, which will create new competencies in its organization and add value for its dredging customers.

**10. THREATS**

The Company perceives the following threats

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

**11. INDIAN DREDGING MARKET OUTLOOK**

While the consistent maintenance dredging requirements at the major ports are expected to continue, increasing private sector participation in port development and related capital dredging activity is expected. At the same time, the dynamics in the Indian market are rapidly changing. The key changes taking place include changes in customer profile for dredging companies from Government to private sector developers, changes in payment patterns for dredging work with stringent performance parameters the expansion of Indian port capacity and increasing participation of international companies in the Indian dredging market. Other developments include:

- i Deeper draught requirements of Indian Ports.
- ii Tourism development and increasing need for beach nourishment.
- iii Land reclamation for low lying areas.
- iv Desiltation of rivers and inland channels

DCI's customers include Major Ports under the administrative control of the Ministry of Shipping, Non-Major Ports under the administrative control of the Gol and State Governments, private ports, the Indian Navy and shipyards. The Indian dredging market is primarily maintenance dredging-oriented. However, some capital dredging projects are also in the offing. DCI has already secured the Ennore Capital dredging project on tender basis.

**12. RISKS AND CONCERNS**

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.

**13. INITIATIVES TAKEN/FUTURE PLANS OF THE COMPANY**

Keeping the various developments in the dredging industry in view, your Company has initiated action in several areas, including:

- i Consolidation of share in maintenance dredging in India
- ii More participation in capital dredging – acquiring necessary skills, training company personnel, acquiring/chartering dredgers.
- iii Acquisition of dredgers with fuel efficient design and advanced technology, fitted with sophisticated and state-of-the-art technology.



- iv Reducing operational costs - Focusing on fuel efficiency in ship operations, streamlining spare parts procurement systems.
  - v Close monitoring of repairs.
  - vi Making forays in shallow water dredging and project management consultancy.
14. **PLAN PROJECTIONS**  
The following are the Plan projections for the 12th Plan:-
- i Two Nos. New TSHDs  
In line with DCI's strategy to augment its available capacity, it is proposed to acquire 2 Nos New TSHDs capacity at an estimated cost of ₹1300 Cr. Placement of Orders for the same is expected by the end of the plan period.
  - ii Two Nos. Barges:-  
It is proposed to procure two barges in the 12<sup>th</sup> Plan. The order for two barges has already been placed and is scheduled to be delivered during the financial year 2015-16..
  - iii Retrofit of Dredgers:-  
In order to optimise and enhance the productive life and upkeep of the dredgers, it is proposed to take midlife retrofit of three existing dredgers at an estimated cost of about ₹300Cr.
  - iv. Procurement of Multi Cat and 50 Ton BP Tug at an estimated cost of about ₹60 Cr. The order for one Multi Utility Craft having 35 ton BP capacity at a cost of ₹25.93 Cr. has already been placed and is scheduled to be delivered by September, 2015.
  - v. Conversion of Tug – VII into water injection dredger at an estimated cost of ₹10 Cr. approximately.

15. **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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. However, in view of the vacancies in the posts of independent directors from November 2014, the requisite Committee with independent directors could not be constituted. The same will be constituted immediately after the appointment of independent directors by the Government of India.

16. **INDUSTRIAL RELATIONS**

The industrial relations in the Corporation continued to be cordial throughout the year under report.

17. **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors of the Company have formulated the Corporate Social Responsibility Policy for the Company. The policy has been hosted on the website of the Company. The details of the projects executed under Corporate Social Responsibility have been disclosed as Annexure II to the Directors Report.

18. **CAUTIONARY STATEMENT**

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.

**For and on behalf of the Board of Directors**

**Place : Visakhapatnam**  
**Date : 27/08/2015**

**sd/-**  
**Rajesh Tripathi**  
**CHAIRMAN AND MANAGING DIRECTOR**





**INDEPENDENT AUDITORS' REPORT**

To  
The Members,  
**DREDGING CORPORATION OF INDIA LIMITED,**  
**VISAKHAPATNAM**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of Dredging Corporation of India Limited ('the Company') which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including the Accounting Standards specified under the section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014. This responsibility also includes 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 the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

**4. Opinion**

**I. Basis for Qualified Opinion:**

The Company had not complied with the provisions of Section 135, 149 (1), 149(4) 177 and 178 of the Companies Act, 2013. At this stage, we are unable to comment on the consequential impact of non-compliance of these provisions, if any.

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

**EMPHASIS OF MATTERS:**

We draw attention to the following matters in the Notes to the financial statements:

- a) We draw attention to the Note No. VI of the financial statements, where in the Company has made investments in Equity shares amounting to ₹3,000 lakhs in Sethusamudram Corporation Limited (SCL), a special purpose vehicle was incorporated on 06.1.2004 for developing the Sethusamudram Channel Project. The dredging work at Palk Strait was suspended from 16-07-2009. The management does not consider any diminution in the value of the investment and the same has been carried at cost. With regard to the previous statutory auditors qualification in this respect on the accounts for the financial year 2012-13, National Stock Exchange of India Ltd. (NSE) vide its letter No. NSE/LIST/8500 dated 26/12/2014 advised the Company to restate the financial statements for FY 2012-13. In response Company has filed review petition dated 21/01/2015 to the NSE to review its decision.



## DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

We were informed that, SEBI has given personal hearing on the review petition filed by the DCI and decision from the SEBI is awaited, hence the provision for diminution on investment is not made.

b) Trade Receivables includes, ₹11,433.18 lakhs receivable from M/s. Sethusamudram Corporation Ltd. (SCL) which is pending for more than 3 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 an amount of ₹30897.00 lakhs 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) DCI acquired Dredge XVIII from Mazagon Dock Limited, Mumbai (MDL) in Jan 2011 with performance Bank Guarantee of ₹27 cr. Since there were major guarantee defects and MDL was failed to attend the performance defects, BG of ₹27 cr. has been invoked by the DCI. DCI had entered into new agreement with L&T for ₹30 cr. to remedy the manufacturing defects and ₹20 cr. has been capitalized during the current financial year.

d) The balance 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.

### 5. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the afore said financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representation received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - \* The company has disclosed the impact of pending litigations on its financial position in its financial statements- refer note XVI 5b-5e to the financial statements;
  - \* The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - \* There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

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

-sd-

(P.MURALI )

Partner : Membership No. 221625

Place : Hyderabad

Date : 26.05.2015

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on other Legal and Regulatory requirements" section of our report of even date)

#### (i) In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

#### (ii) In respect of its inventory:

- (a) **Records evidencing the physical verification of inventories are not provided to us, hence, we are not able to comment on physical verification of inventories.**
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted any deposits from the public.



(vi) To the best of our knowledge, the Central Government has not prescribed maintenance of the cost records under Section 148 (1) of the Act in respect of the nature of business carried on by the Company.

**(vii) According to the information and explanations given to us, in respect of Statutory Dues,**

- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrear, as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations provided by the management, there are dues in respect of Service Tax given below, which have not been deposited on account of dispute :

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which relates to	Pending before	Remarks
Finance Act, 1994	Service Tax	6243.32	2005-2010	CESTAT, Bangalore	Non-eligibility of Cenvat
		728.66	2010-2011	CESTAT, Bangalore	Credit in respect of Dredger
		318.87	2005-2008	CESTAT, Bangalore	and spare parts but disputed by Company
		206.95	2011-2012	CESTAT, Bangalore	
		19.32	2007-2008	CESTAT, Bangalore	Penalty on account of delay in payment of service tax but disputed by Company

(d) We are informed that there are no amounts which are required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956. Accordingly, the provisions of Clause 3 (vii) (c) of the Order are not applicable to the Company.

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) In our opinion, and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to Banks, debenture holders and financial institutions.

(x) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from Banks and financial institutions.

(xi) In our opinion, and according to the information and explanations given to us, no fresh term loans have been obtained by the Company, accordingly, the provisions of Clause 3 (xi) of the Order are not applicable to the Company.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

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

-sd-

(P.MURALI )

Place : Hyderabad

Date : 26.05.2015

Partner : Membership No. 221625

**Addendum to the independent statutory audit report dated 26<sup>th</sup> May 2015, U/s. 143(5) of the Companies Act. 2013**  
**Action Taken and its impact on the financial statements**

Sl.No.	Directions	Comments
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The Company has been selected for disinvestment of 5% of Paid up Capital of Rs.28 Crores. The mode of disinvestment is through Stock Exchange Mechanism (OFS). Ministry of Shipping has already framed RFP for engagement of Merchant Bankers /Selling Bankers in this regard in February, 2015.
2	Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Not Applicable
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Yes, proper records are maintained for inventories Lying at third parties at MNO Office.
4	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	There are many pending legal cases from the year 2001 to till date. In all the cases proceedings are pending for hearing before the various authorities. At this stage we are not able to comment on the impact. Company is having separate legal department to monitor the pending cases.



**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 MARCH 2015**

The preparation of financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended on 31 March 2015 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 26th May 2015.

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 2015. 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  
-sd-  
(ARABINDA DAS)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board,  
Hyderabad**

**Place : HYDERABAD  
Date : 7TH JULY 2015**



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

(₹ in Lakh)

	Note No.	As at 31-3-2015	As at 31-3-2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	I	2800.00	2800.00
(b) Reserves and Surplus	II	144631.88	139540.61
(c) Money received against share warrants		0.00	0.00
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		<b>0.00</b>	<b>0.00</b>
<b>3. NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings		92310.41	125555.56
(b) Deferred tax liabilities (Net)		0.00	0.00
(c) Other long term liabilities		184.37	179.48
(d) Long-term provisions		532.76	446.80
<b>4. CURRENT LIABILITIES</b>			
(a) Short-term borrowings	IV	129.48	184.35
(b) Trade payables		6116.16	5058.39
(c) Other current liabilities		29272.60	34681.48
(d) Short-term provisions		1502.43	1395.71
<b>TOTAL</b>		<b>277480.08</b>	<b>309842.38</b>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Fixed Assets	V		
(i) Tangible Assets		187133.66	218774.53
(ii) Intangible Assets		0.00	0.00
(iii) Capital work- in- progress		101.50	0.00
(iv) Intangible Assets under development		0.00	0.00
(b) Non-current investments	VI	3000.01	3000.01
(c) Deferred tax assets (net)	VII	0.00	0.00
(d) Long-term loans and advances	VIII	3556.92	3504.29
(e) Other non-current assets	IX	0.00	0.00
<b>2. CURRENT ASSETS</b>			
(a) Current investments	X	0.00	0.00
(b) Inventories		10793.60	11403.93
(c) Trade Receivables		37305.37	36549.08
(d) Cash and cash equivalents		11784.35	5653.47
(e) Short-term loans and advances		5991.93	7493.77
(f) Other current assets		17812.74	23463.30
<b>TOTAL</b>		<b>277480.08</b>	<b>309842.38</b>
<b>Notes on Financial Statements</b>	XVI		
<b>Accounting Policies</b>	XVII		

For and on behalf of Board of Directors

-sd-

(RAJESH TRIPATHI)

Chairman and Managing Director  
and CEO

-sd-

(K.ASWINI SREEKANTH)  
Company Secretary

As per our Report of even date

For Tukaram & Co

Chartered Accountants  
Firm Regn No. 0044365

-sd-

(S.CHARLES)

Director (Finance) & CFO

-sd-

(P.MURALI)

Partner  
Membership No. 221625

PLACE : NEW DELHI,  
DATED : 26-05-2015



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

		(₹ in Lakh)	
	Note No.	YEAR ENDED 31-3-2015	YEAR ENDED 31-3-2014
<b>I.</b>	Revenue from operations	<b>73496.05</b>	77040.86
<b>II.</b>	Other income	<b>883.25</b>	229.41
<b>III.</b>	<b>Total Revenue (I + II)</b>	<b>74379.30</b>	77270.27
<b>IV.</b>	Expenses:		
	Cost of materials consumed	<b>0.00</b>	0.00
	Purchase of Stock-in-Trade	<b>0.00</b>	0.00
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	<b>0.00</b>	0.00
	Employee benefits expense	<b>9737.06</b>	9793.45
	Finance costs	<b>2566.36</b>	1098.79
	Depreciation and amortization expense	<b>9213.70</b>	13831.68
	Repairs and Maintenance (Vessels)	<b>5933.18</b>	1939.89
	Fuel and Lubricants	<b>28707.56</b>	35150.92
	Spares & stores	<b>5111.15</b>	4077.49
	Insurance	<b>1543.69</b>	1657.73
	Other expenses	<b>5143.85</b>	5837.13
	<b>Total Expenses</b>	<b>67956.56</b>	73387.08
<b>V.</b>	Profit before exceptional and extraordinary items and tax (III-IV)	<b>6422.74</b>	3883.19
<b>VI.</b>	Exceptional items	<b>114.10</b>	0.00
<b>VII.</b>	Profit before extraordinary items and tax (V - VI)	<b>6536.84</b>	3883.19
<b>VIII.</b>	Extraordinary items	<b>0.00</b>	0.00
<b>IX.</b>	<b>Profit before tax (VII - VIII)</b>	<b>6536.84</b>	3883.19
<b>X.</b>	Tax expense:		
	(1) Current tax	<b>296.00</b>	
	(2) Deferred tax	<b>0.00</b>	
<b>XI.</b>	Profit/(Loss) for the period from continuing operations (VII - VIII)	<b>6240.84</b>	3754.67
<b>XII.</b>	Profit/(Loss) from discontinuing operations	<b>0.00</b>	0.00
<b>XIII.</b>	Tax expense of discontinuing operations	<b>0.00</b>	0.00
<b>XIV.</b>	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)	<b>0.00</b>	0.00
<b>XV.</b>	<b>Profit/(Loss) for the period (XI + XIV)</b>	<b>6240.84</b>	3754.67
<b>XVI.</b>	Earnings per equity share :		
	(1) Basic (in ₹)	<b>22.29</b>	13.41
	(2) Diluted (in ₹)	<b>22.29</b>	13.41
	Notes on financial statements	<b>XVI</b>	
	Accounting Policies	<b>XVII</b>	

For and on behalf of Board of Directors

-sd-

**(RAJESH TRIPATHI)**

**Chairman and Managing Director  
and CEO**

-sd-

**(K.ASWINI SREEKANTH)**  
**Company Secretary**

As per our Report of even date

**For Tukaram & Co**

**Chartered Accountants**  
**Firm Regn No. 0044365**

-sd-

**(S.CHARLES)**

**Director (Finance) & CFO**

-sd-

**(P.MURALI)**

**Partner**  
**Membership No. 221625**

PLACE : NEW DELHI,  
DATED : 26-05-2015



# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

Note- I	SHARE CAPITAL	(₹ in Lakh)	
		As at 31-3-2015	As at 31-3-2014
<b>AUTHORISED:</b>			
3,00,00,000 Equity Shares of ₹10/- each		<b>3000.00</b>	3000.00
<b>ISSUED, SUBSCRIBED, AND PAID-UP:</b>			
For Cash - 1400 Equity Shares of ₹10/- each fully paid		<b>0.14</b>	0.14
For consideration other than cash - 2,79,98,600 Equity Shares of ₹10/- each allotted as fully paid		<b>2799.86</b>	2799.86
	<b>Total</b>	<b>2800.00</b>	2800.00

i) Reconciliation of the number of shares outstanding at the beginning and end of the reporting period

Particulars	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	No.	₹ in lakh	No.	₹ in lakh
Outstanding at the beginning of the year	28000000	2800.00	28000000	2800.00
Issued during the year	0	0.00	0	0.00
<b>Outstanding at the end of the Year</b>	<b>28000000</b>	<b>2800</b>	<b>28000000</b>	<b>2800</b>

ii) Details of shareholders holding more than 5% shareholding in the Company are as under

Name of the Shareholder	As at 31 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March 2014	
	No.	₹ in lakh	No.	₹ in lakh
<b>President of India (78.56%)</b>	<b>21977000</b>	<b>2197.70</b>	<b>21977000</b>	<b>2197.70</b>

iii) Shares issued for consideration other than cash for past five years

As at 2014-15 ₹ in lakh	As at 2013-14 ₹ in lakh	As at 2012-13 ₹ in lakh	As at 2011-12 ₹ in lakh	As at 2010-11 ₹ in lakh
2799.86	2799.86	2799.86	2799.86	2799.86

NOTE- II	RESERVES AND SURPLUS	As at 31-03-2015	As at 31-03-2014
<b>CAPITAL RESERVE:(*)</b>			
As per last Balance Sheet		<b>451.83</b>	451.83
<b>GENERAL RESERVE:</b>			
As per last Balance Sheet	<b>43564.00</b>		43064.00
Add : Transfer during the year	<b>620.00</b>	<b>44184.00</b>	<b>500.00</b>
<b>TONNAGE TAX RESERVE U/S 115 VT OF IT ACT</b>			
As per last Balance Sheet	<b>1460.00</b>		440.00
Add : Transfer during the year	<b>1800.00</b>		1460.00
Less: : Transfer to Reserve u/s 115 VT Utilisation Account	<b>3260.00</b>	<b>0.00</b>	<b>440.00</b>
<b>RESERVE U/S 115 VT UTILISATION</b>			
As per last Balance Sheet	<b>18490.00</b>		18050.00
Add : Transfer during the year	<b>3260.00</b>	<b>21750.00</b>	<b>440.00</b>
<b>DEBENTURE REDEMPTION RESERVE</b>			
As per last Balance Sheet	<b>1200.00</b>		600.00
Add : Transfer during the year	<b>600.00</b>	<b>1800.00</b>	<b>600.00</b>
<b>PROFIT AND LOSS ACCOUNT</b>			
<b>PROFIT AFTER TAX</b>	<b>6240.84</b>		3754.67
Deduct: Transfer to Tonnage Tax Reserve U/S 115 VT of IT Act	<b>1800.00</b>		1460.00
Deduct: Transfer to General Reserve	<b>620.00</b>		500.00
Deduct: Transfer to Debenture Redemption Reserve	<b>600.00</b>		600.00
Deduct: Proposed Dividend	<b>840.00</b>		840.00
Deduct: Tax on Dividend	<b>171.00</b>		142.76
Add : Balance brought forward from previous year	<b>74374.78</b>		74162.87
Less : Transfer of Residual value	<b>138.57</b>		0.00
Add : Transfer from Reserve U/s 33AC	<b>0.00</b>		0.00
Add : Transfer from 33AC Utilisation A/c	<b>0.00</b>	<b>76446.05</b>	<b>0.00</b>
		<b>144631.88</b>	<b>139540.61</b>

(\*) Represents Sale Proceeds / Claims realised in excess of original cost of Assets sold.

**DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company**

		(₹ in Lakh)	
		As at 31-3-2015	As at 31-3-2014
<b>NOTE- III</b>	<b>NON CURRENT LIABILITIES</b>		
<b>LONG TERM BORROWINGS</b>			
<b>From Banks</b>		86422.61	119667.76
Secured by charge on TSHD DCI DR XIX and Secured by assignment of Bank Guarantees for TSHD DR XX & XXI Loan is payable in 20 equal half yearly installments commencing from six months after delivery of the dredger			
<b>From Tax Free Bonds</b>		<u>5887.80</u>	<u>5887.80</u>
		<u>92310.41</u>	<u>125555.56</u>
<b>Borrowings from banks represent the following Euro denominated loans:</b>			
a) Loan for Dr.XIX as on 31/03/2015. (Repayable in 16 half yearly and equal instalments at an interest rate of 6m Euribor+0.825% p.a)		32,802.78	
b) Loan for Dr.XX as on 31/03/2015. (Repayable in 17 half yearly and equal instalments at an interest rate of 6m Euribor+0.825% p.a)		32,640.52	
c) Loan for Dr.XXI as on 31/03/2015 . (Repayable in 18 half yearly and equal instalments at an interest rate of 6m Eurobor+2.85% p.a)		<u>32,534.68</u>	
<b>Sub Total</b>		<u>97977.98</u>	
<b>Less:</b> Current liability portion(re-payable in one year)		<u>11,555.37</u>	
	<b>Long term borrowings from Banks</b>	<u>86422.61</u>	
Vide Notification no.46/2012.F.No.178/60/2012-(ITA.1) dated 6th Nov, 2012 Ministry of Finance, Govt. of India, authorised the Company to issue tax-free, secured, redeemable, non convertible bonds to an extent of `50000 lakhs. The Company raised an amount of `5887.80 lakhs and the same has been utilized for second stage payment of Dr.XXI constructed by IHC Dredgers B.V, Netherlands during the year 2012-13 and commissioned during Feb,2014. The tenor of the bonds is 10 years. The 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. The Bonds are fully secured by way of charge on DCI Back-hoe dredger.			
<b>Deferred Tax Liabilities (Net)</b>		0.00	0.00
In view of adoption of Tonnage Tax Scheme under Income Tax Act, 1961, no provision is required for deferred tax liability/asset for the year.			
		<u>0.00</u>	<u>0.00</u>
<b>Other long term Liabilities</b>			
Trade payables		0.00	0.00
Others- Non-Current SD&EMD		<u>184.37</u>	<u>179.48</u>
		<u>184.37</u>	<u>179.48</u>
<b>Long-term provisions</b>			
a) Provision for employee benefits		532.76	446.80
b) Others		<u>0.00</u>	<u>0.00</u>
		<u>532.76</u>	<u>446.80</u>
<b>NOTE- IV</b>	<b>CURRENT LIABILITIES</b>		
<b>Short term borrowings</b>			
i) Deposits from contractors		128.11	178.06
ii) Advances from customers		<u>1.37</u>	<u>6.29</u>
		<u>129.48</u>	<u>184.35</u>
<b>Trade payables *</b>		<u>6116.16</u>	<u>5058.39</u>
		<u>6116.16</u>	<u>5058.39</u>
* include :Amounts due to the Micro, Small and Medium Enterprises based on available information to whom a sum exceeding `1 Lakh is outstanding			
a) for more than 30 days as per agreed terms		Nil	Nil
b) Amounts due other than (a) above		Nil	Nil
<b>Other Current Liabilities</b>			
Interest accrued but not due on borrowings		420.42	841.79
Interest accrued and due on borrowings		0.00	0.00
Un-claimed dividend		5.67	6.92
Current portion of long term borrowings		11555.37	14113.43
Other payables		<u>17291.14</u>	<u>19719.34</u>
		<u>29272.60</u>	<u>34681.48</u>
<b>Short-term provisions</b>			
i) Employee benefits		491.43	412.95
ii) Others		0.00	0.00
iii) Provision for Proposed Dividend		840.00	840.00
iv) Tax on Dividend		<u>171.00</u>	<u>142.76</u>
		<u>1502.43</u>	<u>1395.71</u>





# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

NOTE- V DESCRIPTION	FIXED ASSETS									(₹ in Lakh)	
	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 31-3-14	Additions in the year	Foreign Exchange Variations	Deductions/ Adjustments	As on 31-3-15	Upto 31-3-14	During the year	Deductions/ Adjustments	Upto 31-3-15	As on 31-3-15	As on 31-3-14
<b>TANGIBLE ASSETS</b>											
1 LAND - FREE HOLD	35.98	0.00	0.00	0.00	35.98	0.00	0.00	0.00	0.00	35.98	35.98
2 BUILDINGS	346.28	0.00	0.00	0.00	346.28	287.06	1.55	0.00	288.61	57.67	59.22
3 PLANT & MACHINERY											
a) DREDGERS	315549.03	194.70	(22,594.32)	0.00	293149.41	99210.93	8739.22	0.00	107950.15	185199.26	216338.10
b) ANCILLARY CRAFTS	3527.85	0.00	0.00	0.00	3527.85	1821.64	233.81	0.00	2055.44	1472.41	1706.21
c) PIPELINE, BALL & SOCKETS JOINTS ETC.	6652.63	0.00	0.00	0.00	6652.63	6384.40	82.24	1.45	6468.09	184.54	268.22
d) OTHER OPERATIONAL ASSETS	286.94	0.00	0.00	0.00	286.94	233.91	45.97	0.00	279.87	7.06	53.03
4 FURNITURE, FIXTURES AND OFFICE EQUIPMENT											
a) FURNITURE, FITTINGS, EQUIPMENTS ETC.,	490.53	26.63	0.00	0.00	517.16	312.09	27.86	118.76	458.71	58.45	178.44
5 MOTOR VEHICLES	29.02	0.00	0.00	0.00	29.02	6.04	4.23	0.00	10.27	18.76	22.98
6 COMPUTERS	370.27	84.41	0.00	0.00	454.69	257.94	78.84	18.38	355.16	99.53	112.33
7 TEMP. STRUCTURES FIXTURES/ERECTIONS	119.09	0.00	0.00	0.00	119.09	119.09	0.00	0.00	119.09	0.00	0.00
<b>TOTAL</b>	<b>327407.62</b>	<b>305.74</b>	<b>(22,594.32)</b>	<b>0.00</b>	<b>305119.04</b>	<b>108633.09</b>	<b>9213.70</b>	<b>138.59</b>	<b>117985.38</b>	<b>187133.66</b>	<b>218774.53</b>
<b>INTANGIBLE ASSETS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>327407.62</b>	<b>305.74</b>	<b>(22,594.32)</b>	<b>0.00</b>	<b>305119.04</b>	<b>108633.09</b>	<b>9213.70</b>	<b>138.59</b>	<b>117985.38</b>	<b>187133.66</b>	<b>218774.53</b>
PREVIOUS YEAR'S TOTAL	196555.82	123351.19	8491.82	991.22	327407.61	95778.04	13831.66	976.62	108633.08	218774.53	100777.78

- Buildings include ₹3.37 lakh (previous year ₹3.37 lakh) being the cost of two residential flats at Mumbai which are yet to be registered in the name of the Company.
- Based on technical evaluation and confirmation from the builder of the Dredgers, the useful life of Dredgers is fixed as 25 years, instead of 14 years as specified in Part C of schedule II of Companies Act, 2013, as per amended Sub-paragraph (i) of paragraph 3 of Part A of the said schedule. Vide notification No G.S.R 237(E) dated 31-03-2014 issued by MCA of Guide to change in depreciation accounting policy in this regard, it has resulted in increase in the profit after tax by ₹9754.85 lakhs in this year. (of this impact on account of change in useful life as per Schedule-II in respect of other asset was ₹-89.30 lakhs.)
- CSD Dr XVIII had some inherent manufacturing defects and the production/output of the vessel was below the designed output. In view of the under performance of the vessel, the company invoked the performance guarantee for an amount of ₹27.37 Crs given by the builder and the company has taken action to remedy the defects at a cost of ₹29 Crs.. The vessel is expected to be back in to operations by June, 2015. The management has carried out the impairment test and noted that the value in use is in excess of the carrying cost and hence does not require any impairment provision.

NOTE V	CAPITAL WORK IN PROGRESS		(₹ in Lakh)
	As at 31-3-2015	As at 31-3-2014	
Dry Dock Expenses(Dr-XI)	101.50	0.00	
	<u>101.50</u>	<u>0.00</u>	
	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>		
Intangible assets under development	0.00	0.00	
	<u>0.00</u>	<u>0.00</u>	

NOTE VI	NON CURRENT INVESTMENTS		(₹ in Lakh)
	As at 31-3-2015	As at 31-3-2014	
Investment in Equity Instruments At Cost - Non- Trade (Unquoted)			
a) 5 Equity Shares of ₹50/- each fully paid - up in Mittal Chambers Premises Co-operative Society Ltd., Bombay (previous year -5 shares)	0.01	0.01	
b) Sethusamudram Corporation Limited 300 lakh Equity shares of ₹10 each fully paid (Previous year 300 lakh Equity shares )	3000.00	3000.00	
	<u>3000.01</u>	<u>3000.01</u>	

As regards equity investment made in Sethusamudram Corporation Ltd (SCL) amounting to ₹ 3000 lakhs. National Stock Exchange of India Ltd (NSE) vide its letter no. NSE/LIST/8500 dated 26/12/2014 advised the company to restate the financial statement for FY 2012-13 suitably on the qualifications raised by the then Statutory Auditors of the Company. Aggrieved by the said directions the Company vide its letter no.DCI/CS/E.1/2015 requested SEBI to review its decision appropriately as it would not be correct to consider any diminution in value of the investment as investee company's (SCL) networth has been increasing over the period as under:

Financial Years	Share Capital	Reserves & Surplus	Net worth
2011-12	74500	5397	79897
2012-13	74500	5602	80102
2013-14	74500	5818	80318

Decision of SEBI on the revision petition is awaited. Pending the final decision of SEBI in this regard, the equity investment in SCL is shown at cost as the management does not consider any diminution in its value.



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		(₹ in Lakh)	
		As at 31-3-2015	As at 31-3-2014
<b>NOTE VII</b>	<b>DEFERRED TAX ASSETS</b>		
Deferred tax asset		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
In view of adoption of Tonnage Tax Scheme under Income Tax Act, 1961, no provision is required for deferred tax liability/asset for the year.			
<b>NOTE VIII</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
Capital advances		2416.50	1435.15
Security deposits		866.69	1597.63
Other loans and advances		<u>273.73</u>	<u>471.51</u>
		<u>3556.92</u>	<u>3504.29</u>
<b>NOTE IX</b>	<b>OTHER NON CURRENT ASSETS</b>		
Long term trade receivables		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<b>NOTE X</b>	<b>CURRENT INVESTMENTS</b>		
Investments		0.00	0.00
		<u>0.00</u>	<u>0.00</u>
<b>INVENTORIES</b>			
a) Stock of spares and stores (Valued at cost)	10544.19		11064.19
LESS: Provision for unserviceable Spares & Stores	<u>968.29</u>	9575.90	<u>930.33</u>
b) Spares and stores in transit		<u>1217.70</u>	<u>1270.07</u>
		<u>10793.60</u>	<u>11403.93</u>
<b>TRADE RECEIVABLES (UNSECURED)</b>			
a) Debts outstanding for a period exceeding 6 months	34709.38		35255.36
b) Other Debts	<u>16302.88</u>		<u>14327.89</u>
	<u>51012.26</u>		49583.25
LESS: Considered doubtful and provided for	<u>13706.89</u>	37305.37	<u>13034.17</u>
Debts considered good			36549.08
		<u>37305.37</u>	<u>36549.08</u>
Pursuant to the company claims vide its letter dated 06-06-2012 for the works executed in sethusamudram project, the company is of the view that an amount of ₹30897 lakhs will be reimbursed by Gol to DCI to compensate the actual expenditure incurred on this project. In view of this, provisions for doubtful debts has not been made in respect receivables in this regard.			
<b>CASH AND CASH EQUIVALENTS</b>			
a) Balance with Banks	309.69		1882.08
b) Cheques on Hand	5.02		25.62
c) Cash on Hand	2.90		36.89
d) Others			
e) Fixed Deposits	11454.00		3701.98
f) Earmarked balances with Banks	<u>12.74</u>	11784.35	<u>6.90</u>
		<u>11784.35</u>	<u>5653.47</u>
<b>SHORT TERM LOANS AND ADVANCES</b>			
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED:			
a) Secured - considered good		87.08	31.48
b) Unsecured*		<u>5904.85</u>	<u>7462.29</u>
		<u>5991.93</u>	<u>7493.77</u>
* Include tour advances to -	As at 31/3/15	Max Amt.	As at 31/3/14
	during the year		Max Amt.
	during the year		
Chairman and Managing Director	0.00	0.00	8.79
Director(Finance)	0.00	0.00	0.53
Director(Operations & Technical)	0.56	0.00	6.30
			0.00



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(₹ in Lakh)				
		As at	As at	
		31-3-2015	31-3-2014	
<b>OTHER CURRENT ASSETS</b>				
a) Interest accrued on Deposits and Advances	292.28		158.19	
b) Unbilled operational income	4471.91	4764.19	12076.52	12234.71
c) Income Tax Paid & Tax deducted at Source	12971.32		11311.44	
Less : Provision for Income Tax	3857.57	9113.75	3750.70	7560.74
DEPOSITS :				
a) Customs, Post & Telegraphs		0.00		0.00
b) Others		2443.97		2067.74
PREPAID EXPENSES				
		458.38		460.29
CLAIMS & OTHER RECOVERABLES	1044.26		1151.62	
LESS : Provision for doubtful claims	11.82	1032.44	11.80	1139.82
		<u>17812.74</u>		<u>23463.30</u>
<b>NOTE XI REVENUE FROM OPERATIONS</b>				
a) Core Dredging Services		72552.40		77174.81
b) Other Operating Revenue		943.65		(131.44)
Less : Rebates / Discounts		0.00		2.51
		<u>73496.05</u>		<u>77040.86</u>
<b>NOTE XII OTHER INCOME</b>				
Interest earned on				
a) Fixed Deposits		698.53		219.51
b) House Building and other Advances		0.00		7.32
c) Tax refunds		173.15		2.58
d) Others		11.57		0.00
		<u>883.25</u>		<u>229.41</u>
<b>NOTE XIII OTHER EXPENSES</b>				
1 Employee benefits expense				
i) Pay and benefits to operational staff	5571.55		4798.09	
ii) Contribution to Provident and other funds	107.66		95.03	
iii) Pay and benefits to shore employees	3774.95		4587.25	
iv) Contribution to Provident and other funds	203.62		217.88	
v) Remuneration to Directors:				
a) Chairman and Managing Director	46.89		50.22	
b) Director (Finance)	5.57		19.13	
c) Director (Operations & Technical)	26.82	9737.06	25.85	9793.45
2. Other expenses				
A) Other Operational Expenses				
i) Lodging expenses : Floating Staff	71.65		75.43	
ii) Travelling, Porterage & Conveyance - Floating staff	138.46		124.53	
iii) Equipment Transportation expenses	58.24		11.81	
iv) Direct Works expenses:				
a) Boat/ Tug Hire Charges	410.36		473.96	
b) Crane Hire charges	2.67		5.45	
c) Pipeline laying/maintenance expenses	64.70		112.69	
d) Payments to contractors	183.79		-19.50	
e) Others	329.55		377.35	
v) Miscellaneous Expenses:	325.36		183.37	
B) Rent	48.13		65.51	
C) Rates and Taxes	12.37		18.07	
D) Other Establishment Expenses				
i) Donations	50.50		0.30	
ii) Travelling Expenses	294.61		319.74	
iii) Bank charges and Guarantee fee	70.55		59.09	
iv) Printing & stationery	32.49		30.54	
v) Postage, Telegrams, Phones & Telex	32.06		37.62	
vi) Repairs and maintenance of building	130.94		124.84	
vii) Expenditure on data processing	43.11		18.39	
viii) Advertisement & Publicity (including NIT)	1.15		24.14	
ix) Dailies & Periodicals and cost of Library	16.71		16.46	
x) Remuneration to Auditors:				
a) As Auditors	4.50		2.50	
b) Tax Audit Fees	0.50		0.40	
c) For other services	3.57		2.54	



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		(₹ in Lakh)	
		As at 31-3-2015	As at 31-3-2014
<b>NOTE XIII</b>	<b>OTHER EXPENSES ... contd..</b>		
xii) Legal Advisor Fee & Expenses	32.09		25.04
xii) Electricity, water charges	64.91		64.55
xiii) Expenses on seminars	25.42		12.16
xiv) Expenditure on Corporate Social Responsibility	71.00		40.15
xv) Others	214.14		549.62
E) Provisions			
i) For doubtful debts	2316.46		2852.18
ii) For unserviceable spares and stores	37.96		227.11
F) Prior Period adjustments			
debits	55.91	1.09	
credits	0.00	0.00	
Net	55.91		1.09
Total Other Expenses	<u>5143.85</u>		<u>5837.13</u>
<b>NOTE XIV</b>	<b>TAX EXPENSE</b>		
1) For Current Tax			
a) Income Tax	279.00		118.52
b) Wealth Tax	17.00	296.00	10.00
2) Deferred Tax		0.00	0.00
		<u>296.00</u>	<u>128.52</u>
<b>NOTE XV</b>	<b>EARNING PER SHARE</b>		
1) Basic/ Diluted		22.29	13.41
a) Earnings per share			
i) Profit after Tax (₹ in lakh)	6240.84		3754.67
ii) Weighted average number of Equity Shares (Nos.) Face value ₹10/- per share	28000000		28000000
iii) Basic Earnings per share (in ₹)	22.29		13.41
<b>NOTE XVI</b>	<b>ADDITIONAL INFORMATION ON ACCOUNTS</b>		
<b>1. CONTINGENT LIABILITIES:</b>			
a. Letters of Credit	3.64		40.85
b. Claims made against the Company not acknowledged as debts	36712.58		18989.13
c. Estimated amount of contracts remaining to be executed on capital account and not provided for	7983.95		1960.51
d. Income Tax Demands received but disputed by the Company	5296.63		3587.00
e. Service Tax Demands received but disputed by the Company	3702.02		7517.12
<b>2. EARNINGS IN FOREIGN EXCHANGE</b>			
Earnings in foreign exchange	0.00		0.00
	<u>0.00</u>		<u>0.00</u>
<b>3. EXPENDITURE IN FOREIGN CURRENCY</b>			
a) Travelling	0.45		10.58
b) Interest	2152.02		1074.95
<b>4. VALUE OF IMPORTS (CIF BASIS)</b>			
a) Components and spare parts (CIF Value)	4912.57		3507.59
b) Value of imported spares and components consumed	4154.04		3098.39
c) Value of indigenous spares and components consumed	346.54		588.61
d) Percentage of imported spares & components consumed to total spares & components consumed	92.30		84.04
e) Percentage of indigenous spares & components consumed to total spares & components consumed	7.70		15.96
<b>5. GENERAL</b>			
a) Letters seeking confirmation of balances have been sent to Customers and replies from the Customers are awaited and as such could not be reconciled.			
b) The CEGAT issued orders during the year 2001-02 setting aside the earlier orders of the customs Department levying duty of ₹1132.81 lakhs on the accessories and spares of Dr- Aquarius. The Department while accepting CEGAT order sanctioned the refund of ₹1132.81 lakhs under section 27 (2) of Customs Act 1962, but ordered to credit the same to consumer welfare Fund. Aggrieved by this order DCI filed an appeal before CESTAT, Kolkata for issuance of necessary directions to the Department for refunding the Customs Duty. Necessary adjustments to capital cost of the dredger will be made on receipt of the refund.			
c) 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 ₹4127.51 lakhs towards irregular Cenvat credit availed during			



## DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

the period from June, 2005 to March, 2013 and imposing a penalty / interest of ₹ 3702.02 lakhs. No provision has been made as the matter is pending before the tribunal.

- d) Escalation Claims (Labour / Material) have been preferred on the basis of latest available indices.
- e) Income Tax appeals are pending for the Assessment years 2006-07 to 2012-13 before the Income Tax Authorities. The disputed tax under protest is ₹134.28 lakhs (Net) has not been paid since the company has given a request for adjustment with the refunds.
- f) During the year the Company received arbitration awards in its favour in respect of the following:
  - i) Disputes pertaining to capital dredging works in Paradeep Port and the net effect of the decision resulted in income of ₹566.55 lakhs.
  - ii) Disputes in the matter of capital dredging of flood channel (NDV) resulted in income of ₹114.10 lakhs.
- g) During the year, physical verification of inventory on board dredger have been carried out by the management and noticed surplus items of stock as compared to book value. Pending further analysis for quantifying the value of stock, the same have not been adjusted in the books of accounts.
- h) During the year certain changes have been made in the accounting policies in respect of operational income, operational expenses, and inventories for the purpose of better clarity. These changes have no impact on the profit for the year.
- i) Disclosure requirements under AS 15 on Employee benefits are given hereunder.

### Defined Contribution Plan

(₹ in lakhs)

Contribution to Defined Contribution Plan, recognized as expense for the year, is under: 2014-15      2013-14

Employer's Contribution to Provident Fund (inclusive of Contribution to Pension Fund) 312      322

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

The provident fund contributions are accounted for on accrual basis.

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

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

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

Post retirement Medical benefits: The Company is obtaining Medi-Claim Policy for an insurance coverage at the rate of ₹one lakh per individual per annum. The medi-claim policy covers hospitalization, medical treatment and domiciliary medical treatment. The retired employees and his/her spouse are entitled to this policy subject to an annual payment of ₹100 per head per annum. The balance annual premium payable towards the medi-claim policies is met by the Company. During the year the Company paid a Premium of ₹18.71 lakh (inclusive of members' contribution). (₹ in Lakh)

	Gratuity (Funded)	Leave Encashment (un funded)	
		Floating Staff	Shore Staff
<b>I. Assumptions</b>			
Mortality			
Interest/ Discount Rate	7.77%	7.77%	7.77%
Rate of increase in Compensation	4.00%	4.00%	4.00%
Rate of return (expected) on plan assets	8.00%	-	-
Employee Attrition Rate (Past Service (PS))	PS:0 to 42.5%	PS:0 to 42.5%	PS:0 to 42.5%
Expected average remaining service	7.36%	5.71%	8.27%
<b>II. Changes in present value of obligations</b>			
PVO at beginning of period	1278	31	365
Interest Cost	104	2	29
Current Service Cost	79	36	36
Past Service Cost (non vested benefits)	-	-	-
Past Service Cost ( vested benefits)	-	-	-
Benefits paid	(256)	(9)	(79)
Actuarial (gain)/loss on obligation	102	(29)	(63)
PVO at end of the period	1307	31	414
<b>III. Changes in fair value of plan assets</b>			
Fair Value of Plan Assets at beginning of period	1031	-	-
Adjustment to opening balance	247	-	-
Expected return on Plan Assets	102	-	-
Contributions	-	-	79
Benefits paid	(256)	-	(79)
Actuarial gain/(loss)on plan assets	(15)	-	-
Fair Value of Plan Assets at the end of period	1348	-	-



(₹ in Lakh)

	Gratuity (Funded)	Leave Encashment (un funded)	
		Floating Staff	Shore Staff
<b>IV. Fair value of plan assets</b>			
Fair Value of Plan Assets at beginning of period	1031	-	-
Adjustments to opening balance	247	-	-
Actual return on Plan Assets	87	-	-
Contributions	240	-	79
Benefits paid	(256)	-	(79)
Fair Value of Plan Assets at end of period	1348	-	-
Funded Status (including unrecognised past service cost)	(42)	(32)	(414)
Excess of actual over estimated return on Plan Assets	(15)	-	-
<b>V. Experience History</b>			
Gain/loss on obligation due to change in Assumption	(54)	7	19
Experience (Gain) / Loss on obligation	48	(36)	44
Actuarial(Gain) / Loss on Plan Assets	(15)	-	-
<b>VI. Actuarial Gain/(Loss) Recognized</b>			
Actuarial Gain/(Loss) for the period (Obligation)	(102)	29	(63)
Actuarial Gain/(Loss) for the period (Plan Assets)	(15)	-	(63)
Total Gain/(Loss) for the period	(117)	29	203
Actuarial Gain/(Loss) recognized for the period	(117)	29	203
Unrecognized Actuarial Gain/(Loss) at end of period	-	-	-
<b>VII. Past Service Cost Recognized</b>			
Past Service Cost (Non vested benefits)	-	-	-
Past Service Cost (vested benefits)	-	-	-
Average remaining future service till vesting of the benefits	-	-	-
Recognised Past Service Cost - Non vested benefits	-	-	-
Recognised Past Service Cost - vested benefits	-	-	-
Unrecognised Past Service Cost - Non vested benefits	-	-	-
<b>VIII. Amounts recognized in the balance sheet and statement of profit &amp; loss account</b>			
PVO at end of period	1307	32	414
Fair Value of Plan Assets at end of period	1348	-	-
Funded Status	42	(32)	(414)
Unrecognized Actuarial Gain/(Loss)	-	-	-
Unrecognized Past service cost/(Loss)- non vested benefits	-	-	-
Net Asset/(Liability) recognized in the balance sheet	42	(32)	(414)
<b>IX. Expense recognized in the statement of P&amp;L A/c</b>			
Current Service Cost	79	36	36
Interest cost	104	2	29
Past service cost (non vested benefits)	-	-	-
Past service cost (vested benefits)	-	-	-
Unrecognised past service cost (non vested benefits)	-	-	-
Expected Return on Plan Assets	(102)	-	-
Net Actuarial (Gain) / Loss recognized for the period	117	(29)	63
Expense recognized in the statement of P&L A/c	2	10	129
<b>X. Movements in the Liability recognized in Balance Sheet</b>			
Opening Net Liability	247	31	365
Adjustment to opening balance	(247)	-	-
Expenses as above	198	10	129
Contribution paid	240	-	(79)
Closing Net Liability	42	32	414
<b>XI. Short Term Compensated Absence Liability</b>			
Valuation date	31-03-2015	31-03-2015	31-03-2015
No. of days	-	2850	4665
Amount*	-	20	107
(*Not included in the Net liabilities under item No. VIII)			

j) Disclosure of provisions required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets."				
Provision for	Carrying amount at the beginning of the year (01-04-2014)	Additional provisions made during the year	Amounts used during the year	Carrying amount at the end of the period (31-03-2015)
Employee benefits	859.75	164.44	-	1024.19

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

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



**NOTE XVII - ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.**

- a) The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles (IGAAP) under the historical cost convention on accrual basis. IGAAP comprises Accounting standards notified by the central Government of India, and the relevant provisions of Companies Act, 2013. The financial statements are presented in Indian Rupees rounded off to the nearest lakh with two decimals.

**2. OPERATIONAL INCOME:**

- a) Operational income is recognized as income depending upon nature of the contract as per respective applicable accounting standards.
- b) Claims preferred on customers for works/items not contemplated are considered as income on their acceptance.

**3. OTHER INCOME:**

- a) Sale proceeds of condemned and unserviceable Spares, Stores, Empties, Waste Oil, etc are accounted for in the year of disposal.
- b) Liquidated damages recovered from suppliers are accounted on settlement of bills.
- c) Interests on Tax refunds are accounted on receipt basis.
- d) In respect of hull and machinery insurance claims, the claim is accounted as claims recoverable from underwriters as and when the repair bill is submitted by yard/firm. Necessary adjustments are made as and when the claim is accepted by Underwriters. In respect of other insurance claims, the same are accounted for on realisation / settlement of the same by the underwriters".

**4. OPERATIONAL EXPENSES:**

- a) All operational expenses are charged to revenue under accrual basis.
- b) Insurance:  
Final adjustments to insurance premium paid are considered in accounts on the basis of demands received.

**5. DEPRECIATION:**

Depreciation is provided considering the useful lives as prescribed under Schedule II of the Companies Act, 2013, other than the following class of assets, whose useful lives are different from that of the lives prescribed in the Schedule, which are determined based on the technical evaluation.

- i. Dredgers-
- ii. The useful life dredgers will be 25 years.
- iii. Expenditure incurred on drydocking of dredgers which have completed the useful life of 25 years already is capitalised to the said dredger and depreciated over the extended useful life determined by technical evaluation.  
Note:

Residual value of the dredgers will be considered at 2% of the original cost of the dredger including capitalisation of exchange variance in accordance with AS-11.

In respect of the following assets depreciation is provided on straight line method based on technical estimation of useful lives of such assets:

- iv. Pipeline Equipment: 25% for Mild Steel pipe line equipment and 12.5% for high density polyethylene pipe line equipment.
- v. Second hand assets: As per estimate of balance service life.
- vi. Building on lease: Cost of building constructed on lease hold land is amortized over the lease period.
- vii. Items of Fixed Assets whose cost does not exceed ₹5,000/- (Rupees five thousand) are capitalised and depreciated 100% during the year.
- viii. Cost of Library: Cost of library is considered as Other establishment expenditure.
- ix. The exchange differences on long term foreign currency monetary liabilities used for acquisition of specific fixed assets adjusted to the cost of fixed assets, are amortized over the remaining useful life of the said asset.

**6. FIXED ASSETS:**

- a) Fixed Assets are stated at historical cost less depreciation (historical cost includes financing cost and other related overheads).
- b) Grants in Aid relating to specific Fixed Assets are shown as deduction from the gross value of the assets concerned in arriving at book value.
- c) Items of the nature of Capital/ Equipments are capitalized and depreciated over the remaining useful life of the asset.
- d) The exchange differences on long term foreign currency liabilities used for acquisition of fixed assets are adjusted to the cost of the specific fixed assets.

**7. 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.

**8. 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 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.

**9. INVENTORIES:**

- a) Stock of spares and stores is valued at weighted average cost and is inclusive of :  
(i) Customs duty, if any as applicable to the whole consignment and  
(ii) Overheads at predetermined rate.  
b) Reconditioned spares are valued at the respective cost of reconditioning.  
c) Spares /stores 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.  
d) Stores and lubricants delivered to crafts during the year are charged to revenue.

**10. INVESTMENTS:**

- a) Long Term Investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.  
b) Current Investments are stated at lower of cost and fair value.

**11. EMPLOYEE BENEFITS:**

Provisions for Gratuity Liability and leave encashment liability are made on the basis of actuarial Valuation using the projected unit credit method. In the case of crew and MPW of floating employees who are entitled to settlement of leave in full on signing off, provision is made for the leave at credit of such employees as on 31<sup>st</sup> March. Actuarial liability in excess of respective plan assets is recognized during the year.

Provision for Gratuity as per the Actuarial valuation is funded with a separate Trust.

**12. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent *liabilities, if material, are disclosed by way of notes.*

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**For and on behalf of Board of Directors**

-sd-

**(RAJESH TRIPATHI)**

**Chairman and Managing Director  
and CEO**

-sd-

**(K.ASWINI SREEKANTH)  
Company Secretary**

**As per our Report of even date**

**For Tukaram & Co**

**Chartered Accountants  
Firm Regn No. 0044365**

-sd-

**(S.CHARLES)**

**Director (Finance) & CFO**

-sd-

**(P.MURALI)**

**Partner**

**Membership No. 221625**

**PLACE : NEW DELHI,  
DATED : 26-05-2015**





# DREDGING CORPORATION OF INDIA LIMITED - A Mini Ratna Company

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 31-03-2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and based on and in agreements with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report, dated 26-05-2015 to Members of the Company.

**For Tukaram & Co**  
**Chartered Accountants**  
**Firm Regn No. 004436S**  
**-sd-**  
**(P.MURALI)**  
**Partner**  
**(Membership No. 221625)**

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(₹ in Lakh)

	YEAR ENDED 31-3-2015	YEAR ENDED 31-3-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	6,537	3,883
Less/Add: Profit/Loss on sale of assets	-	(465)
	<u>6,537</u>	<u>3,418</u>
<b>ADJUSTMENT FOR :</b>		
Depreciation	9,214	13,832
Interest Expense	2,566	1,099
Interest Income	(710)	(227)
Exchange (Gain)/Loss	(60)	-
<b>Operating Profit before</b>	<u>11,010</u>	<u>14,704</u>
<b>Working Capital changes:</b>		
Increase/decrease in inventory	610	174
Increase/decrease in Trade Receivables	(756)	10,679
Increase/decrease in other current Assets	9,893	2,440
Increase/decrease in trade payables	(1,199)	(2,340)
Cash generated from operations	<u>26,095</u>	<u>29,075</u>
Less: Interest paid	(2,987)	(519)
Income Taxes paid	(1,849)	(1,791)
Exceptional Income	(114)	-
Prior period Expenses	56	-
<b>Net Cash from operating activities (A)</b>	<u>21,200</u>	<u>26,765</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,389)	(74,011)
Sale proceeds from Assets sold	-	482
Interest Received	511	240
Investments	-	-
<b>Net Cash from investing activities (B)</b>	<u>(878)</u>	<u>(73,289)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term Borrowings	(13,209)	49,997
Dividend paid	(840)	(560)
Corporate Dividend Tax	(143)	(95)
<b>Net Cash from Financing Activities (C)</b>	<u>(14,192)</u>	<u>49,342</u>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<u>6,131</u>	<u>2,818</u>
<b>Cash &amp; Equivalents as at beginning of the year</b>	<u>5,653</u>	<u>2,835</u>
<b>Cash &amp; Equivalents as at end of the year</b>	<u>11,784</u>	<u>5,653</u>

For and on behalf of Board of Directors

-sd-

(RAJESH TRIPATHI)

Chairman and Managing Director  
and CEO

-sd-

(K.ASWINI SREEKANTH)  
Company Secretary

As per our Report of even date

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

-sd-

(S.CHARLES)

Director (Finance) & CFO

-sd-

(P.MURALI)

Partner  
Membership No. 221625

PLACE : NEW DELHI,  
DATED : 26-05-2015





**DREDGING CORPORATION OF INDIA LIMITED.**

**CIN NO : L29222DL1976GOI008129**

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

**Head Office :** "Dredge House", Port Area, Visakhapatnam - 530 035.

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

**ATTENDANCE SLIP FOR 39TH ANNUAL GENERAL MEETING**

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**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>	
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<b>Client Id*</b>	
-------------------	--

<b>Regd. Folio No.:</b>	
-------------------------	--

**NAME AND ADDRESS OF THE SHAREHOLDER**

**No. of Share(s) held :**

**I hereby record my presence at the 39<sup>th</sup> ANNUAL GENERAL MEETING of the company held on 30<sup>th</sup> September, 2015 at 1000 hrs. in Manekshaw Centre, Parade Road, Delhi -110010**

**Signature of the shareholder or proxy.**

**\*Applicable for investors holding shares in electronic form**





**DREDGING CORPORATION OF INDIA LIMITED**

**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

CIN : L29222DL1976GOI008129  
NAME OF THE COMPANY : DREDGING CORPORATION OF INDIA LIMITED  
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@dc.gov.in;  
website : www.dredge-india.com

NAME OF THE MEMBER(S) :

REGISTERED ADDRESS :

E-MAIL ID :

FOLIO NO/CLIENT ID\* :

DPID :

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 39th Annual General Meeting of the Company to be held on Wednesday, the 30th day of September, 2015 at 10.00 a.m at Manekshaw Centre, Parade Road, Delhi - 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

**Ordinary Resolutions**

- To receive, consider and adopt the audited Balance sheet as at 31st March, 2015, the Statement of Profit and Loss Account for the year ended 31st March, 2015 together with the Reports of the Auditors and Directors thereon.
- Declaration of dividend @ ₹3.00/- per Equity Share of ₹10/- each to the shareholders for the financial year 2014-15.
- Fixation of remuneration to Statutory Auditors for 2014-15.
- To appoint Shri S.Charles as Director (Director- Finance)of the Company
- To appoint Shri Barun Mitra as Director (Government Nominee) of the Company
- To appoint Shri Rajesh Tripathi as Director (Chairman and Managing Director) of the Company
- To appoint Shri M S Rao as Director (Director - Operations and Technical) of the Company

For

Against

**Special Resolutions**

- Granting Borrowing Limits under the provisions of section 180 (1) (c) of the Companies Act, 2013, to the Board or a Committee thereof upto ₹2500 Crores
- Granting power under section 180(1)(a) of the Companies Act, 2013 to the Board or a Committee thereof to create charges etc., on the movable and immovable properties of the Company both present and future, in respect of borrowings:



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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.**



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## **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