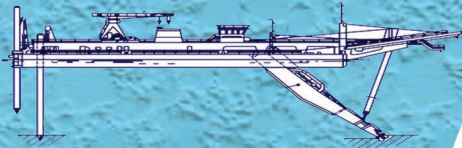
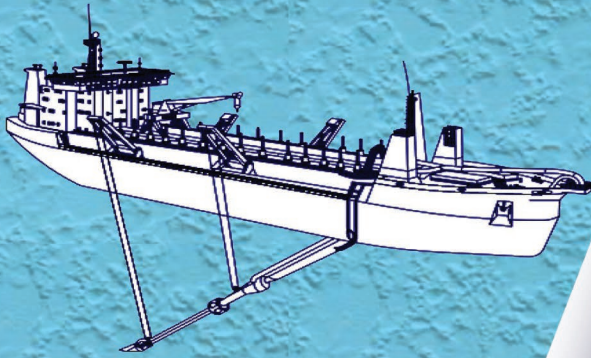
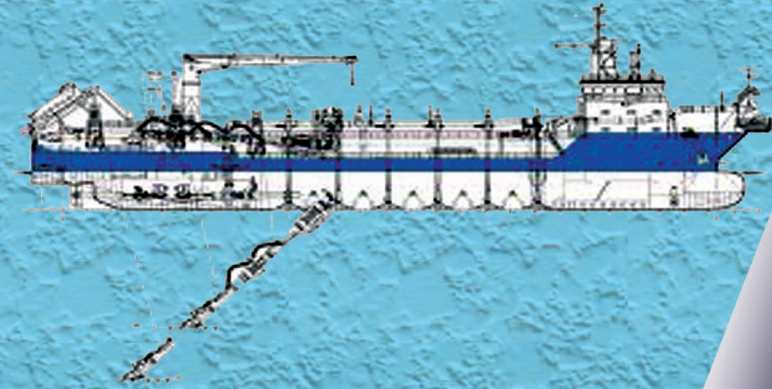


ଡ્રெड्जिंग कार्पोरेशन ऑफ इंडिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED



75
आज़ादी का
अमृत महोत्सव



45th ANNUAL REPORT
2020-21

CHAIRMAN
(NON-EXECUTIVE)



Shri K. Rama Mohana Rao, IAS,
Chairman, Visakhapatnam Port Trust

**MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER**



Prof Dr G Y V Victor,

PROMOTER DIRECTOR (NON-EXECUTIVE)



Shri Sanjay Sethi, IAS
Chairman
Jawaharlal Nehru Port Trust

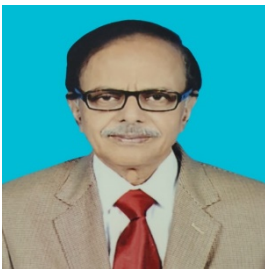


Shri Sanjay Kumar Mehta, IFS
Chairman
Deendayal Port Trust



Shri P L Haranadh, IRTS
Chairman
Paradip Port Trust

INDEPENDENT DIRECTORS
(NON-EXECUTIVE)



Shri S Balachandran,
IRAS (Retd.)



Capt. Anoop Kumar
Sharma



Shri B.Poiyaamozhi



Cmde. Kartik
Subramaniam



Smt. Nutan Guha
Biswas, IAS (Retd.)



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REGISTERED OFFICE

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

CIN NO. L29222DL1976PLC008129
GST No. 377AAACD6021B1ZB
e-mail : sreekanth@dcil.co.in
Website : www.dredge-india.com

HEAD OFFICE

"DREDGE HOUSE",
HB Colony Main Road,
Seethammadhara,
Visakhapatnam - 530 022.
Phone: 0891 2523250; Fax : 0891 2560581

BOARD OF DIRECTORS etc., as on the date of the Report**BOARD OF DIRECTORS**

Shri K Rama Mohana Rao
Chairman

Prof Dr. G Y V Victor
Managing Director & CEO

Shri Sanjay Sethi

Shri Sanjay Kumar Mehta

Shri P L Haranadh

Shri S Balachandran

Cmde. Kartik Subramaniam (Retd.)

Shri B Poiyaamozhi

Capt. Anoop Kumar Sharma

Smt Nutan Guha Biswas

CHIEF FINANCIAL OFFICER

Shri D. Subbarao
dsubbarao@dcil.co.in

COMPANY SECRETARY & COMPLIANCE OFFICER

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

CHIEF GENERAL MANAGER & KMP

Capt. S. Divakar

BANKERS

Syndicate Bank
State Bank of India
Union Bank
BNPPARIBAS
ABN AMRO Bank
EXIM Bank
Deutsche Bank

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTRARS & SHARE TRANSFER AGENT

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



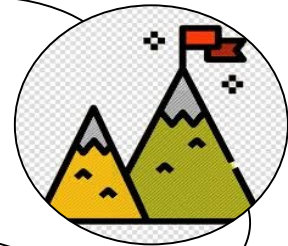
VISION

To become a global player of integrated dredging service by maintaining high professional standards with specialist knowledge of environmentally-friendly dredging techniques, innovative approach and focus on health, safety and cost efficiency.

MISSION

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

- i. dredging and reclamation,
- ii. marine construction,
- iii. marine services,
- iv. shallow water/inland dredging,
- v. under water mining,
- vi. project consultancy.



OBJECTIVES

- i. *To become end to end solution provider for holistic dredging solutions to the Ports of the Country including project management consultancy.*
- ii. *To generate on continuous basis reliable geo-technical data with in-house expertise and/ or tie up with premier institutes to build and maintain optimized navigation channels to the ports.*
- iii. *To make forays into the inland and shallow water dredging and underwater mining.*
- iv. *To set up Joint Venture Companies/forging strategic alliances with Indian/ international companies, to carve out a niche in the maritime world.*
- v. *To work towards sustainability, innovation and collaboration to the satisfaction of all the stakeholders by conducting business with the highest personal and professional, ethical and moral standards through implementation of e-governance and in accordance with all applicable laws, rules, regulations and procedures.*

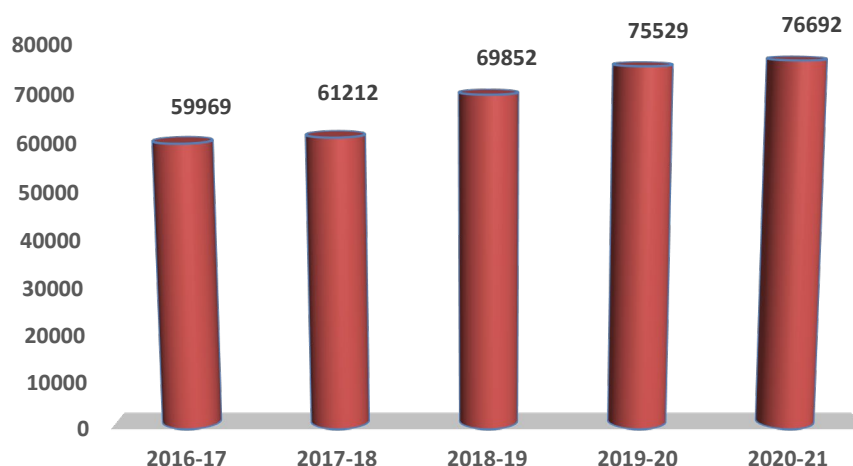


DECADE AT A GLANCE

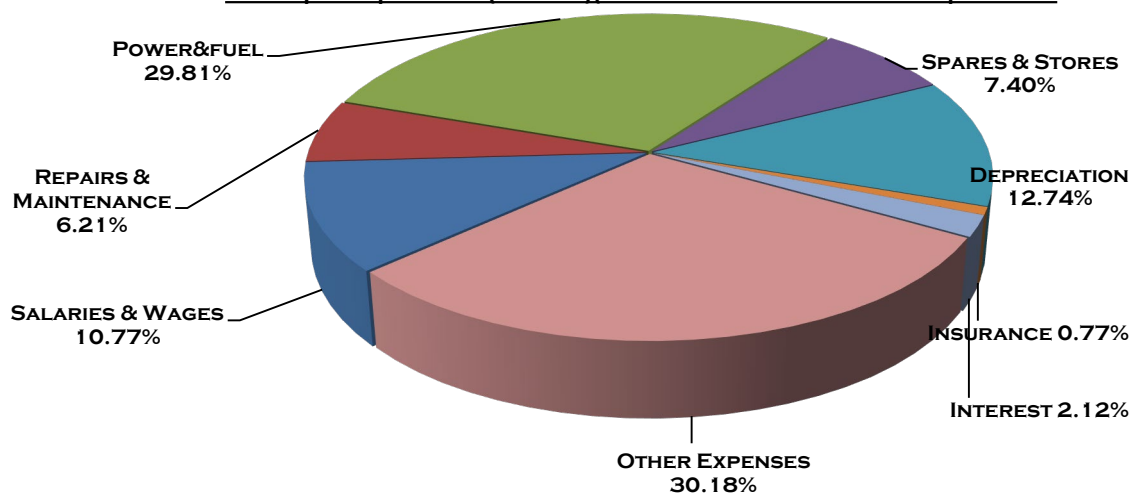
| ₹.In lakhs | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OPERATIONAL STATISTICS | | | | | | | | | | |
| | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 |
| Operating Earnings (A) | 48469 | 63492 | 77041 | 73496 | 66586 | 58587 | 59187 | 69174 | 74969 | 76376 |
| Interest Income | 1289 | 310 | 227 | 699 | 953 | 832 | 447 | 416 | 331 | 245 |
| Other Income | 3 | 0 | 2 | 184 | 579 | 550 | 1578 | 262 | 229 | 71 |
| Total Income (B) | 49761 | 63802 | 77270 | 74379 | 68118 | 59969 | 61212 | 69852 | 75529 | 76692 |
| Operating Expenses (C) | 39210 | 52480 | 58456 | 56177 | 53621 | 46888 | 45694 | 52469 | 61084 | 79813 |
| Interest Expenses | 0 | 147 | 1099 | 2566 | 1761 | 1894 | 2023 | 1754 | 1391 | 1992 |
| Depreciation | 8795 | 9015 | 13832 | 9214 | 9331 | 9960 | 11318 | 11291 | 11713 | 11946 |
| Exceptional items | 0 | 0 | 0 | (114) | (1110) | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 48005 | 61642 | 73387 | 67843 | 63603 | 58742 | 59035 | 65514 | 0 | 0 |
| Profit Before Tax | 1756 | 2160 | 3883 | 6536 | 4515 | 1227 | 2177 | 4338 | 74188 | 93751 |
| Tax Liability | 438 | 109 | 128 | 296 | 323 | 487 | 463 | 535 | 1341 | (17059) |
| Profit after Tax (D) | 1318 | 2051 | 3755 | 6240 | 4192 | 740 | 1714 | 3803 | 790 | 182 |
| Other Comprehensive income (OCI) (E) | 0 | 0 | 0 | 0 | 159 | (28) | (50) | 0 | 551 | (17241) |
| Total Comprehensive income for the period (OCI)- (D+E) (F) | 1318 | 2051 | 3755 | 6240 | 4350 | 712 | 1664 | 3803 | 0 | 429 |
| Operating Expenses Vs. Operating Earnings | 81% | 83% | 76% | 76% | 81% | 80% | 77% | 76% | 551 | (16813) |
| Operating Profit [A-C] (G) | 9259 | 11011 | 18585 | 17319 | 12965 | 11699 | 13493 | 16705 | 81% | 104% |
| Operating Profit Margin [G/A] | 19% | 17% | 24% | 24% | 19% | 20% | 23% | 24% | 13885 | (3437) |
| Net Profit Margin [F/B] | 3% | 3% | 5% | 8% | 6% | 1% | 3% | 5% | 19% | -4% |
| FINANCIAL HIGHLIGHTS (as on 31 st March of each year) | | | | | | | | | | |
| WHAT THE COMPANY OWNED | | | | | | | | | | |
| Fixed Assets | | | | | | | | | | |
| Gross Block | 140083 | 196556 | 327408 | 304245 | 320080 | 317761 | 325355 | 326841 | 332127 | 338843 |
| Less: Depreciation (Cum) | 86762 | 95778 | 108633 | 117694 | 127317 | 137008 | 143694 | 154985 | 166698 | 177948 |
| Net Block | 53321 | 100778 | 218775 | 186551 | 192763 | 180753 | 181662 | 171856 | 165429 | 160896 |
| Capital Working Progress. | 50090 | 47306 | 1435 | 2518 | 3836 | 2600 | 4284 | 775 | 828 | 1219 |
| Working Capital | 57757 | 66196 | 58800 | 59507 | 54851 | 50414 | 49911 | 51100 | 47683 | 23330 |
| Financial Assets (Investments, other Financial assets) | 3000 | 3000 | 3000 | 1242 | 1087 | 907 | 921 | 414 | 47 | 51 |
| | 164168 | 217279 | 282010 | 249818 | 252537 | 234673 | 236778 | 224145 | 213988 | 185495 |
| WHAT THE COMPANY OWED | | | | | | | | | | |
| Long term Funds: | | | | | | | | | | |
| Secured Loans | 25995 | 77710 | 139669 | 103866 | 101328 | 81778 | 80948 | 65202 | 55210 | 42658 |
| Unsecured Loans & Other Non-current liabilities | 0 | 0 | 0 | 717 | 1026 | 833 | 1420 | 1457 | 1753 | 2626 |
| | 25995 | 77710 | 139669 | 104583 | 102355 | 82611 | 82368 | 66659 | 56963 | 45284 |
| NET WORTH OF THE COMPANY | | | | | | | | | | |
| Share Capital | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 | 2800 |
| Reserves & Surplus | 135373 | 136769 | 139541 | 142435 | 147383 | 149262 | 151610 | 154686 | 154224 | 137412 |
| | 138173 | 139569 | 142341 | 145235 | 150183 | 152062 | 154410 | 157486 | 157024 | 140212 |
| Capital Employed (Net block+working capital) | 111078 | 166974 | 277575 | 246058 | 247614 | 231167 | 231573 | 222956 | 213113 | 184226 |
| Dividend % | 0% | 20% | 30% | 30% | 30% | 0% | 20% | 30% | 0% | 0% |
| Debt/ Equity Ratio | 0.19:1 | 0.56:1 | 0.98:1 | 0.72:1 | 0.68:1 | 0.54:1 | 0.53:1 | 0.41:1 | 0.35:1 | 0.32:1 |
| Earnings per Share[PAT/2.8 crore (no. of shares)] | 4.71 | 7.32 | 13.41 | 22.29 | 14.97 | 2.54 | 5.94 | 13.58 | 1.97 | -60.05 |



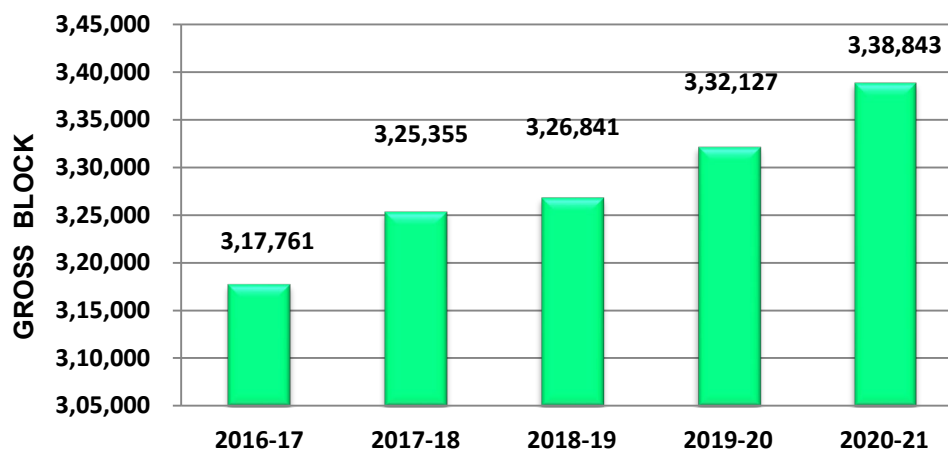
TURNOVER(RS.IN LAKHS)

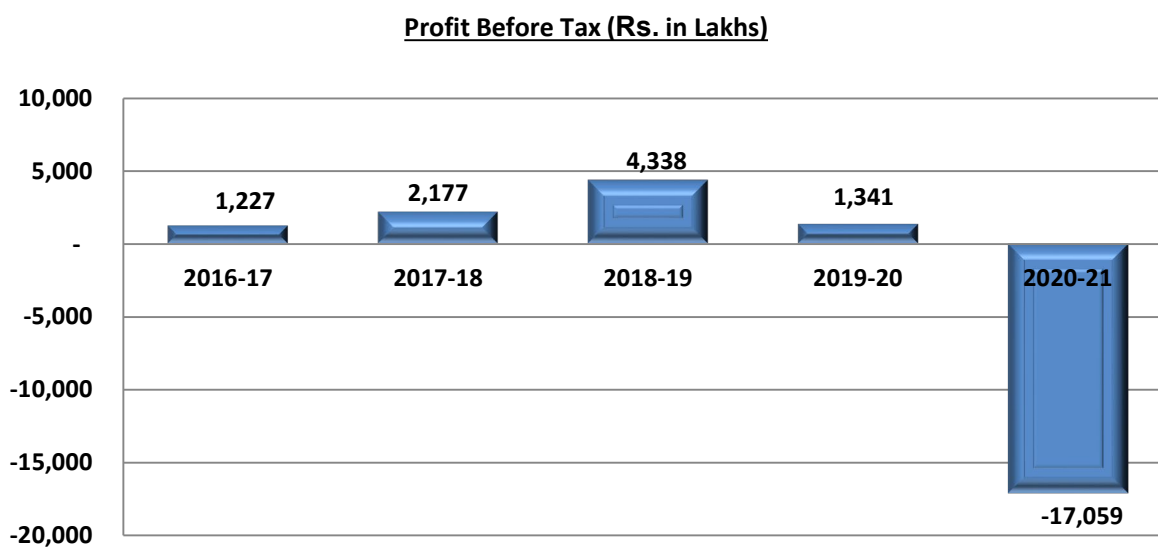
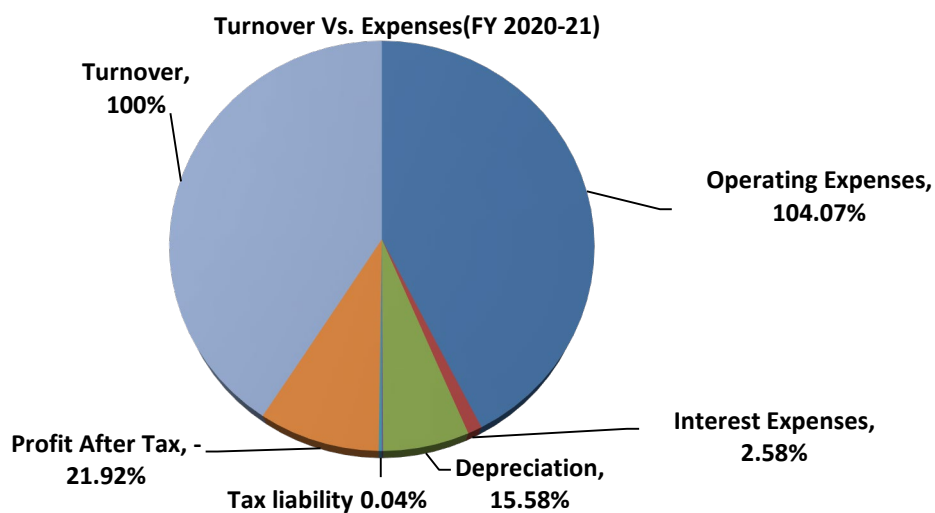


Breakup of Expenditure(2020-21)(Rs. in Lakhs 93751% of total expenditure

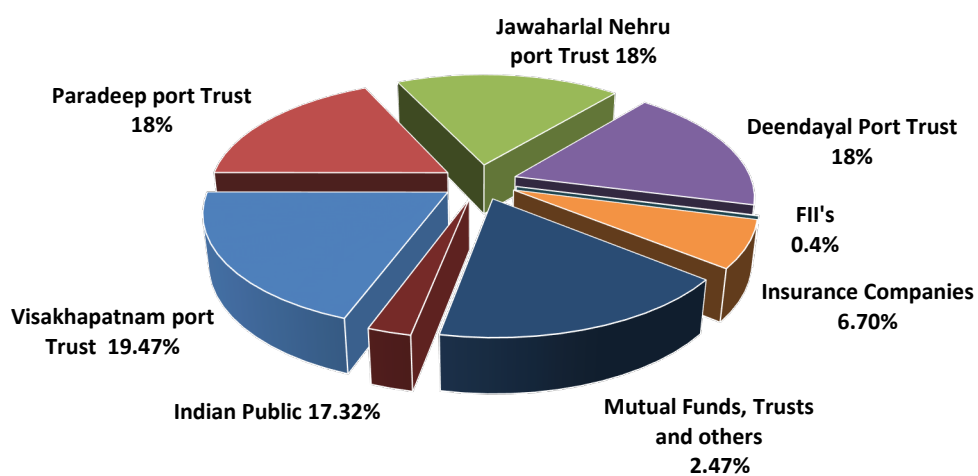


GROSS BLOCK(Rs.in Lakhs)



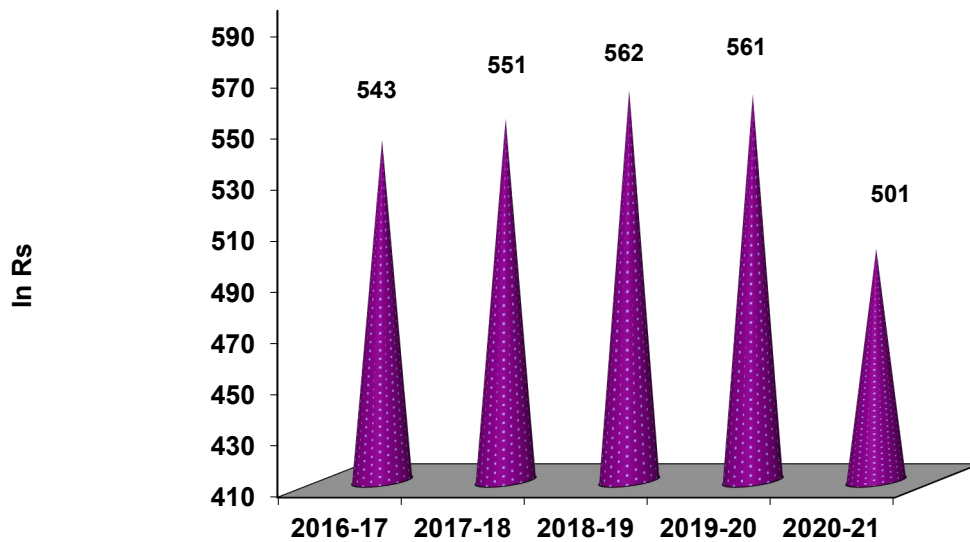


Shareholding Pattern as on 31-03-2021

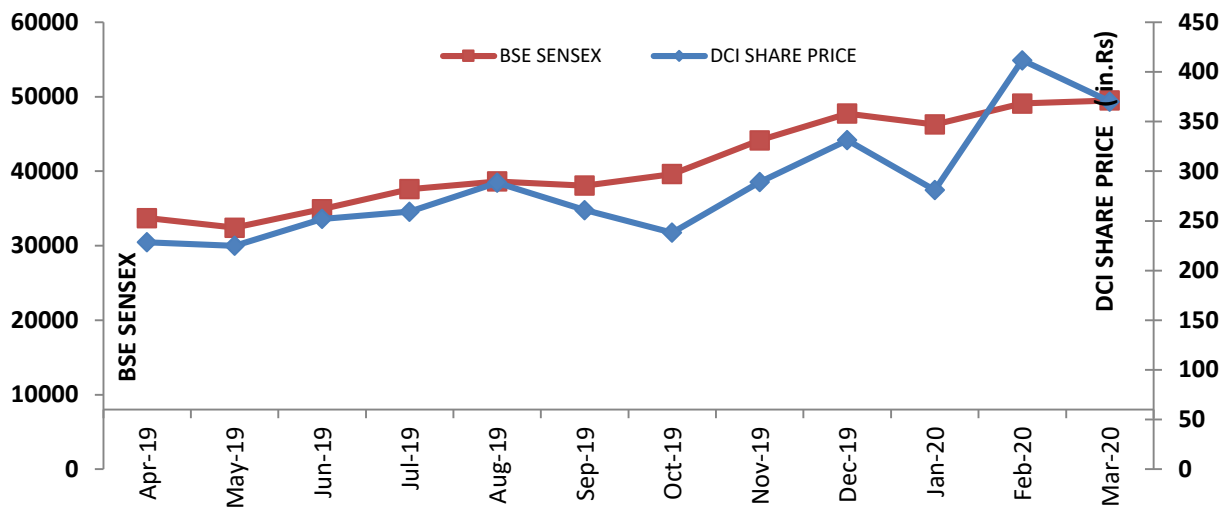




Book value per share



DCI Share price in comparison to BSE SENSEX




INFORMATION IN RESPECT OF DREDGERS AND FLOATING CRAFTS OF DCI

| Craft | Year of Built | Type of Vessel | Maximum Dredging Depth (Mts.) | LOA (Mts.) | Dredging Draft (Mts.) | Hopper Capacity (Cu.M) | Pumping Capacity (Cu.M/hr) | Net Tonnage |
|---------------------|---------------|-----------------------|-------------------------------|------------|-----------------------|------------------------|----------------------------|-------------|
| DCI Dredge VIII | 1977 | Self Propelled TSHD | 25 | 124.3 | 8.50 | 6500 | - | 4437 |
| DCI Dredge XI | 1986 | Self Propelled TSHD | 25 | 102.6 | 7.50 | 4500 | - | 1551 |
| DCI Dredge XII | 1990 | Self Propelled TSHD | 20 | 115 | 6.50 | 4500 | - | 1906 |
| DCI Dredge XIV | 1991 | Self Propelled TSHD | 20 | 115 | 6.50 | 4500 | - | 1906 |
| DCI Dredge XV | 1999 | Self Propelled TSHD | 25 | 122 | 8.50 | 7400 | - | 2421 |
| DCI Dredge XVI | 2000 | Self Propelled TSHD | 25 | 122 | 8.50 | 7400 | - | 2414 |
| DCI Dredge XVII | 2001 | Self Propelled TSHD | 25 | 122 | 8.50 | 7400 | - | 2414 |
| DCI Dredge XIX | 2012 | Self Propelled TSHD | 25 | 114 | 6.50 | 5500 | - | 2091 |
| DCI Dredge XX | 2013 | Self Propelled TSHD | 25 | 114 | 6.50 | 5500 | - | 2091 |
| DCI Dredge XXI | 2013 | Self Propelled TSHD | 25 | 114 | 6.50 | 5500 | - | 2091 |
| DCI Dredge Aquarius | 1977 | Self Propelled CSD | 25 | 107 | 4.85 | - | 2000 | 1019 |
| DCI Dredge-XVIII | 2009 | Non-propelled CSD | 25 | 88 | 3.00 | - | 2000 | 607 |
| DCI Dredge-BH1 | 2011 | Non-propelled Backhoe | 21.5 | 55.68 | 2.5 | - | - | 293 |
| DCI ID Ganga | 2016 | Non-propelled CSD | 14 | 28.5 | 1.5 | - | 500 | 39 |
| Survey Launch-I | 1999 | Self Propelled | - | 12.5 | 1.85 | - | - | 18 (GT) |
| Survey Launch-II | 2009 | Self Propelled | - | 16 | 1.45 | - | - | 41 (GT) |
| Survey Launch-III | 2009 | Self Propelled | - | 16 | 1.45 | - | - | 41 (GT) |
| TP -III | - | NA | NA | NA | NA | - | - | - |
| DCI Multi cat-I | 2015 | Self propelled | NA | 32 | 4.00 | - | - | 408 (GT) |



| MAJOR MAINTENANCE DREDGING ASSIGNMENTS EXECUTED | | |
|---|--|--|
| | Client | Work done during the Years |
| 1 | Syama Prasad Mookerjee Port Trust, Kolkata | From 2002-03 till date |
| 2 | New Mangalore Port Trust, Mangalore | 2002-03, 2003-04, 2005-06 to 2010-11, 2019-20, 2020-21 |
| 3 | Mormugao Port Trust, Goa | 2002-03 to 2005-06, 2008-09 to 2011-12, 2019-20, 2020-21 |
| 4 | Jawaharlal Nehru Port Trust, Mumbai | 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08, 2019-20, 2020-21 |
| 5 | Cochin Port Trust, Kochi | 2002-03, 2002-04, 2006-07, 2011-12 to 2014-15, 2016-17 to 2019-20, 2020-21 |
| 6 | Deendayal Port Trust, Kandla | 2002-03 to 2005-06, 2012-13, 2013-14, 2017-18 |
| 7 | Mumbai Port Authority, Mumbai | 2002-03, 2003-04 & 2017-18 |
| 8 | Paradip Port Trust, Paradip | 2002-03 to 2012-13, 2018-19, 2019-20, 2020-21 |
| 9 | Visakhapatnam Port Authority, Visakhapatnam | 2002-03 to 2019-20, 2020-21 |
| 10 | Chennai Port Trust, Chennai | 2003-04 |
| 11 | Southern Naval Command, Kochi | 2002-03 to 2007-08, 2011-12 & 2014-15, 2020-21 |
| 12 | Karwar Port | 2011-12 |
| 13 | Konkan LNG Private Limited | 2015-16 to 2019-20 |
| 14 | Gangavaram Port | 2015-16 & 2017-18, 2018-19, 2019-20, 2020-21 |
| 15 | Cochin Shipyard Limited, Kochi | 2015-16 to 2019-20, 2020-21 |
| 16 | M/S Ultra Dimension Pvt Ltd | 2017-18 |
| 17 | M/S ITD Cementation, Visakhapatnam | 2018-19, 2019-20 |
| 18 | M/s AVR Infra Pvt Ltd., | 2018-19 |
| 19 | M/s Vizag Sea Port Pvt Ltd., | 2018-19 |
| 20 | M/s Essar, Visakhapatnam | 2018-19, 2019-20 |
| 21 | Mumbai Navy | 2018-19 & 2019-20 |
| 22 | VOC Port Trust, Tuticorin | 2018-19 |
| 23 | Karaikal Port | 2018-19 |
| 24 | Krishnapatnam Port | 2018-19, 2019-20 |
| 25 | Muriganga, I & WD West Bengal | 2018-19, 2019-20 & 2020-21 |
| 26 | Mahanandi River Mouth | 2019-20, 2020-21 |
| 27 | Kamarajar Port Limited (SOITL) | 2020-21 |
| MAJOR CAPITAL DREDGING ASSIGNMENTS EXECUTED | | |
| 1 | Essar, Hazira | 1991-92 & 1993-94 |
| 2 | Mormugao Port Trust, Goa | 1994-95, 2009 & 2016-17 |
| 3 | Kolkata Port Trust, Kolkata | 1994-95 |
| 4 | Cochin Port Trust, Kochi | 1994-95 |
| 5 | Kakinada Port, Kakinada | 1994-95 |
| 6 | Jawaharlal Nehru Port Trust, Mumbai | 1997-98 |
| 7 | New Mangalore Port Trust, Mangalore | 2000-01 |
| 8 | Bharat Petroleum Corporation, JNPT, Mumbai | 2001-02 |
| 9 | Visakhapatnam Port Authority, Visakhapatnam | 2001-02 & 2014-15 |
| 10 | Taichung Harbour, Taichung, Taiwan | 2001-02 |
| 11 | Reclamation works at Bahrain | 2004-05 & 2005-06 |
| 12 | KKS Harbour, Sri Lanka | 2013-14 |
| 13 | Paradip Port Trust | 2008-09 to 2012-13, 2017-18, 2018-19, 2020-21 |
| 14 | Kamarajar Port Limited | 2010-11 to 2012-13, 2014-15, 2018-19 |
| 15 | Deendayal Port Trust, Kandla | 2012-13 to 2013-14 |
| 16 | Andaman Lakshadweep harbour works | 2016-17, 2017-18 |
| 17 | L & T Kattupalli | 2016-17 |
| 18 | Gujarat Maritime Board | 2016-17 |
| 19 | Port of Puducherry, Puducherry | 2016-17 & 2017-18 |
| 20 | Dahej, Gogha, Gujarat | 2017-18 |
| 21 | Mongla Port, Bangladesh | 2017-18, 2018-19 & 2019-20 |
| 22 | South & North BOT Dock Complex, Paradip Port | 2017-18, 2018-19 & 2019-20 |
| 23 | LNG Terminal, Kamarajar Port | 2018-19 |
| 24 | Coastal Berth & Jawahar Dock, Chennai Port | 2019-20 |







NOTICE

NOTICE is hereby given that the 45th Annual General Meeting ("AGM") of the members of Dredging Corporation of India Limited will be held at 1100 hrs on Friday, the 17th December, 2021 through Video conferencing ("VC")/Other Audio-Visual Means ("ÖAVM") to seek the consent of the shareholders of the Company ("Members"), on the agenda herein below through remote electronic voting ("E-voting"): -

ORDINARY BUSINESS

1. To receive consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Shri Sanjay Kumar Mehta (DIN: 06912891) who retires by rotation as a Director at this meeting to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an **Ordinary Resolution**: -

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Sanjay Kumar Mehta (DIN: 06912891), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for payment of remuneration to Statutory Auditors

"RESOLVED THAT Audit Committee be and is hereby authorized to fix the fees payable to the statutory auditors as may be appointed by Comptroller and Auditor General of India for the year 2021-22 in accordance with the provisions of the companies Act, 2013, SEBI (LODR) Regulations and all other applicable provisions"

SPECIAL BUSINESS

4. To appoint Ms. Nutan Guha Biswas (03036417) as Director of the Company

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

"RESOLVED THAT pursuant to Section 149, Section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof), provisions of the Articles of Association of the Company and as per the recommendations of the Nomination and Remuneration Committee, Mrs Nutan Guha Biswas who has been appointed as Additional Director (Non-executive Independent Director) on the Board of the Company effective from 22nd December, 2020 who meets the criteria of Independence as provided under Section 149 (6) of the Act 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 proposing her candidature for the office of Director, the details regarding her appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company for a period of five consecutive years w.e.f. 22nd December, 2020 not liable to retire by rotation."

5. To approve appointment and payment of remuneration of Prof. Dr. GYV Victor (09084442) as Managing Director and Chief Executive Officer of the Company.

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

"RESOLVED THAT pursuant to provisions of Articles of Association and Section 149, 152, 160, 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, Prof Dr. George Yesu Vedha Victor (DIN: 09084442), who has been appointed as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors for a period of five years effective from 1st March, 2021 subject to regularization by the shareholders as Whole-time Director (Managing Director) and CEO at this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Managing Director and Chief Executive Officer of the Company for a period of five years effective from 1st March, 2021 liable to retire by rotation on such terms and conditions as set out in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to due recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Prof. Dr. GYV Victor (DIN: 09084442) Managing Director and Chief Executive Officer of the Company or a period of five years effective from 1st March, 2021 as per the terms and conditions stated in statement under 102(i) of the Companies Act, 2013 Annexed to this Notice forming part of this Notice.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified in Schedule V, Section II, Part A of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."



6. To appoint Shri Polamraju Lakshmi Haranadh (07295378) as Director of the Company

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

“RESOLVED THAT pursuant to Article 71 of the Articles of Association of the Company, Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof), and provisions of the Articles of Association of the Company, Shri Polamraju Lakshmi Haranadh, IRTS, Chairman, Paradip Port Trust who has been appointed as Additional Director of the company by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation.

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force), Rules made there under and Related Party Transactions Policy of the Company, ratification/approval as the case may be of the Members of the Company be and is hereby accorded to the Board of Directors for contracts/ arrangements/transactions entered/ to be entered with the related parties i.e. promoter(s) (viz Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust, Deendayal Port Trust) during the financial year 2021-22 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company or ₹50 Crore whichever is lower as per the last audited financial statements of the Company.

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

By Order of the Board of Directors

Place: Visakhapatnam
Date: 22/11/2021

(K. Aswini Sreekanth)
Company Secretary

- 1 In view of the outbreak of COVID-19 pandemic, and in compliance to the guidelines and notification issued by the Ministry of Home Affairs, Government of India, and General Circular No 14/2020 dated April 8, 2020, read with General Circular No 17/2020 dated April 13, 2020, General Circular No 22/2020 dated June 15, 2020 and General Circular No 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs, general order no. ROC/Delhi/AGM Ext./2020/11538, issued by Registrar of Companies, NCT of Delhi and Haryana, read with general circular no 28/2020, issued by Ministry of Corporate Affairs (“MCA Circulars”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, issued by SEBI (“SEBI Circular”) and pursuant to applicable provisions of the Companies Act, 2013 (the “Companies Act”) and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the 45th AGM of the shareholders of the Company is being held through VC / OAVM, without the physical presence of the Members or their proxies at a common venue. Members can attend and participate in AGM through VC / OAVM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- 2 The Register of Members and Share Transfer Books of the Company shall remain closed from 11th December, 2021 to 17th December, 2021 (both days inclusive), for annual closing (for Annual General Meeting). The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Private Limited (“KFinTech”) (formerly known as “Karvy Fintech Private Limited”) having their office at Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.
- 3 A statement pursuant to Section 102 (1) of the Act relating to the special business to be transacted at the AGM is annexed hereto.
- 4 In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 13th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- 5 This AGM Notice, along with the Annual Report 2020-21, is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on 12th November, 2021 In compliance with the aforesaid MCA Circulars and SEBI Circular, AGM Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ KFinTech/ Depositories. Members may note that the AGM Notice will also be available on the Company's website www.dredge-india.com, websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited at www.bseindia.com, www.nseindia.com and www.cseindia.com respectively and on the website of KFinTech at <https://evoting.karvy.com>. For any communication, the Members may also send a request to the Company at sreekanth@dcil.co.in.
- 6 Pursuant to the provisions of Section 105 of the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held through VC/ OAVM, pursuant to the applicable MCA Circulars and SEBI Circulars as mentioned hereinabove, physical attendance of Members has been dispensed with, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.
- 7 Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM



- will be provided by KFintech.
- 8 Since the AGM will be held through VC/OAVM, the route map is not annexed to this AGM Notice.
- 9 The Board of the Directors of the Company has appointed Shri Sachin Agarwal of Agarwal S & Associates, Practising Company Secretary (Membership No.- 5774) as a Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- 10 Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send a scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered email address to sreekanth@dcil.co.in with a copy marked to evoting@kfintech.com.
- 11 The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
- 12 **AGM THROUGH VC/OAVM:**
Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members can join the AGM 15 minutes before and after the scheduled time of commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on first come first serve basis, in accordance with the MCA Circulars. Instructions for Members for attending the AGM through VC/OAVM are as under:
- Attending the AGM: Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kfintech.com> by using their e-voting login credentials as under:-
 - Launch internet browser (chrome/firefox/safari/ explorer) by typing the URL: <https://emeetings.kfintech.com>
 - Enter the login credentials (i.e., User ID and password)
 - After logging in, click on "Video Conference" option
 - Then click on camera icon appearing against AGM event of Heritage Foods Limited to attend the Meeting.
 - Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in notes below.
 - Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
 - Members will be allowed to attend the AGM through VC / OAVM on first come, first serve basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-serve principle.
 - Members who need assistance before or during the AGM may contact Mr. P.S.R.C.H. Murthy, Manager – RIS, KFin Technologies Private Limited at Tel: +91 40 6716 2222 or Toll Free No.: 1800-345-4001; or send an email request at the email id: murthy.psrch@kfintech.com or evoting@kfintech.com.
- 13 **PROCEDURE FOR REMOTE E-VOTING**
- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
 - However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPsin order to increase the efficiency of the voting process.
 - Individual demat account holders would be able to cast their vote without having to register again with thee-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
 - The remote e-Voting period :-

| | | |
|--|--------------|---|
| Day, date and time of Commencement of remote e-voting | From: | 9:00 a.m. on Tuesday, December 14, 2021 |
| Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed | To: | 5:00 p.m. on Thursday, December 16, 2021 |
 - The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
 - In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."



- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
- Step 1 :** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
- Step 3 :** Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting service provider and you will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in points 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in demat mode with CDSL | <p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFinTech where the e-Voting is in progress. |
| Individual Shareholders login through their demat accounts / Website of Depository Participant | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|------------|------------------|
|------------|------------------|



| | |
|---------------------------|--|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the 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 "EVEN" i.e., 'DREDGING CORPORATION OF INDIA LIMITED - AGM' and click on "Submit"
- 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 "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member 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. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/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 have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number 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., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sachin@companylawworld.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password



for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM through VC/ OAVM shall open 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id. Questions / queries received by the Company till 15/12/2021 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

14 OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from 14/12/2021 to 15/12/2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from 14/12/2021 to 15/12/2021.
- III. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 10th December, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- V. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- VI. In case of any clarification/query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Mr. P.S.R.C.H. Murthy, Manager - RIS, KFin Technologies Private Limited, (formerly known as 'Karvy Fintech Private Limited'), [Unit: Dredging Corporation of India Limited], Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel. No.: +91 40 6716 2222; Toll Free No.: 1800-345-4001; Fax No.: +91 40 2300 1153/ 2342 0814. E-mail: murthy.psrch@kfintech.com or evoting@kfintech.com

15 PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES and obtaining the AGM Notice and e-voting instructions by the Members whose email addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with Kfintech (in case of Members holding shares in physical form):

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.



- c. To facilitate Members to receive this AGM Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFintech are required to provide their email address to KFintech, on or before 5:00 p.m. (IST) on 14th December, 2021.

16 PROCESS TO BE FOLLOWED FOR REGISTRATION OF E-MAIL ADDRESS:

- A. The process for registration of email address with KFintech for receiving the AGM Notice and login ID and password for e-voting is as under:
 - i. Visit the link: https://ris.kfintech.com/email_registration
 - ii. Select the Company name viz. Dredging Corporation of India Limited.
 - iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
 - iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
 - v. Enter your email address and mobile number.
 - vi. The system will then confirm the email address for receiving this AGM Notice.
- B. The process for registration of email address with the Company for receiving the AGM Notice and login ID and password for e-voting is as under:

Members are requested to visit the website of the RTA <https://ris.kfintech.com/email> registration and click on "Click here for temporary registration of email-id of Members for AGM 2020" and follow the process as mentioned on the landing page to receive the AGM Notice and Voting Instructions.

 - i. After successful submission of the email address, KFintech will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFintech.
 - ii. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFintech to enable servicing of notices / documents / Annual Reports and other communications electronically to their email address in future.

17 GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTION AT THE AGM:

- a. Members who are present at the AGM through VC/ OAVM facility and have not cast their votes on the Resolution through remote e-voting may cast their votes during the AGM through the e-voting system provided by KFintech during the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting.
- b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e. 10th December, 2021. Members are eligible to cast their vote either through remote e-voting or in the AGM, only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this AGM Notice for information purposes only.
- c. The Scrutinizer after scrutinizing the votes through remote e-voting and e-votes cast at the Meeting will, not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any and submit the same forthwith to the Chairman or a person duly authorized by the Chairman who shall counter sign the same and declare the results of the voting.
- d. The results declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company and the website of KFintech: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited, Calcutta Stock Exchange Limited and National Stock Exchange of India Limited, where the Equity Shares are listed.
- e. The Resolution shall be deemed to be passed on the date of the Meeting, i.e. 17th December, 2021, subject to receipt of the requisite number of votes in favour of the Resolution.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 18 The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sreekanth@dcil.co.in

IEPF RELATED INFORMATION:

- 19 Information containing the names and the last known addresses of the persons entitled to receive the unclaimed dividend amount lying in the account as referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Company on its website www.dredge-india.com and on the website of the IEPF Authority. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the RTA of the Company, before the unclaimed dividends are transferred to the IEPF Account. Details of unpaid and unclaimed dividends are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.
- 20 The dividend for the financial year 2013-14 which remained unpaid or unclaimed for a period of 7 years has been transferred to the IEPF on due date. The due dates for transfer of unclaimed dividend for the dividend declared for subsequent years is mentioned herein below. The members, who have not encashed their dividend warrant so far, for the financial years as under may write to the RTA, M/s. KFIn Technologies Private Limited, Hyderabad or to the Company for the procedure for claiming the unpaid dividend.

| Financial Year | Date of Declaration | Due for transfer to IEPF |
|----------------|----------------------|--------------------------|
| 2014-15 | 30/09/2015 | October 2022 |
| 2015-16 | 30/09/2016 | October 2023 |
| 2016-17 | No Dividend Declared | |
| 2017-18 | 13/08/2018 | September 2025 |
| 2018-19 | 08/08/2019 | September 2026 |



| | |
|---------|----------------------|
| 2019-20 | No Dividend Declared |
| 2020-21 | No Dividend Declared |

- 21 Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, transferred to the IEPF Authority all dividend and shares in respect of which dividend (upto and including the dividend declared for financial year 2013-14) had remained unpaid or unclaimed for seven consecutive years or more. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the website of the company. The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned members/investors are advised to visit the weblink of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html>, or contact KFinTech/ Company, for detailed procedure to lodge the claim with the IEPF Authority.

OTHER INFORMATION

- 22 As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Accordingly, the Company / KFinTech has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation. Members can contact the Company or Company's Registrars and Transfer Agent M/s KFin Technologies Private Limited for assistance in this regard.
- 23 The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR), 2015 and Secretarial Standards on the General Meetings issued by the Institute of Company Secretaries of India (ICSI) in respect of Directors seeking appointment/ re-appointment at this AGM is annexed.
- 24 Relevant documents referred to in the accompanying notice (including the proposed amendments to Memorandum of Association and Articles of Association) are open for inspection by the members at the Registered Office of the Company on all working days i.e., Monday to Friday, between 10:30 a.m. to 05:00 p.m. upto the date of the Annual General Meeting.
- 25 Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s KFin Technologies 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
- 26 Members may send the requests for inclusion/change/updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
- For shares held in dematerialized form-to the irrespective Depository Participant.
 - For shares held in physical form - to the RTA, M/s KFin Technologies Private Limited, Hyderabad or to the Company.
- 27 Non-Resident Indian members are requested to inform the RTA, M/s KFin Technologies Private Limited, Hyderabad immediately about:
- Change in the residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pincode number, if not furnished earlier.
- 28 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.
- 29 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/ Company. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

By Order of the Board of Directors

Place: Visakhapatnam
Date: 22/11/2021


(K. Aswini Sreekanth)
Company Secretary



ANNEXURE TO NOTICE

BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item No.'s 4, 5 & 6 AND STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013
ITEM No. 4 –Appointment of Nutan Guha Biswas as Independent Director

Ms. Nutan Guha Biswas was appointed pursuant to provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other rules, if any, as Additional Director of the Company under Section 161 of Companies Act, 2013 by Board of Directors effective from 22nd December, 2020 and who holds office up to the date of this Annual General Meeting. She is an Independent Director. The Company has received a notice in writing proposing her candidature for the office of Director. Her brief resume is as under:-

| | | | |
|--|---|---------------|--|
| DIN No. | 03036417 | | |
| Date of Birth | 25/07/1958 Age – 63 Years | | |
| Education Qualification | M.A | | |
| Professional qualification | M.B.A., | | |
| Nature of employment | Retired | | |
| Experience | Administrative Experience in the field/ rural/ urban areas as a Sub-Divisional Magistrate, Additional District Magistrate and District Magistrate. Worked at the Block and District levels doing developmental and revenue works. Secretarial work experience is with Education, Tourism, Rural Development, Finance and Public works and advising also worked in the Commerce Ministry dealing with the Special Economic Zones which were set up at that time and Joint Committees and Memorandum of Understandings with all the countries in the European Sector and the European Union. Also worked as Chairperson of Inland Waterways Authority of India with the mandate of developing the fairways in major rivers so the freight/ cargo ships. | | |
| No. of Share held in DCI | Nil | | |
| Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | Name of the Company | Position Held | Name of the Committee/Member/ Chairman |
| | NIL | | |

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

Ms. Nutan Guha Biswas is not liable to retire by rotation.

Ms. Nutan Guha Biswas is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Ms. Nutan Guha Biswas meets the criteria for independence as provided in Section 149 (6) of the Act.

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

Ms. Nutan Guha Biswas is interested in the resolution to the extent of her appointment as Director.

In view her background and experience, it will be in the interest of the Company that she continues as Director of the Company. The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 5 –Appointment of Prof. Dr. GYV Victor as Managing Director & CEO

Prof. Dr. GYV Victor was appointed pursuant to Article 71 of the Articles of Association of the Company, Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof), and provisions of the Articles of Association of the Company and as per the recommendations of the Nomination and Remuneration Committee, Prof Dr. George Yesu Vedha Victor who has been appointed as additional director and designated as Managing Director (Whole-time/Executive director) & CEO on the Board of the Company effective from 01/03/2021 subject to regularization by the shareholders as Whole-time Director (Managing Director) and CEO at this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, the details regarding his appointment is given in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting, be and is hereby appointed as Managing Director of the Company for a period of five years from 01/03/2021 liable to retire by rotation on such terms and conditions as set out in Statement pursuant to Section 102 of the Act annexed to the Notice of this Annual General Meeting and terms and conditions of the appointment letter issued to Prof Dr. George Yesu Vedha Victor.

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to due recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Prof. Dr. GYV Victor (DIN: 09084442) Managing Director and Chief Executive Officer of the Company w.e.f. 01/03/2021 as per the terms and conditions stated in statement under 102(i) of the Companies Act, 2013 Annexed to this Notice forming part of this Notice. The Company has received a Notice in writing proposing his candidature for the office of Director. The Brief resume of **Prof. Dr. GYV Victor** is as under: -

| | |
|-------------------------|--|
| Din No. | 09084442 |
| Date of Birth | 22/06/1970- Age- 51Yrs. |
| Education Qualification | He holds Doctorate Degree, is a Chartered Engineer [UK], Chartered Physicist [UK], Certified |



| | | | | |
|--|--|---------------|-------------------------------|------------------|
| Professional qualification | Dredge Master and Mariner, Qualified in Finance Management, Port Development and Management, Containerization and Logistics Management, Fellow in Arbitration, Licensed International Arbitrator, Mediator, Emergency Arbitrator and a qualified Admiralty and Contracts Lawyer. He is a commissioned officer, C-Suite Executive is a charismatic leader in marine, ports and dredging sector with unwavering commitment to success and focus on development preserving environment | | | |
| Nature of employment | Whole-time Director – Managing Director & CEO | | | |
| Experience | He is recipient of awards amongst others, “Exemplary Achievement Award”, “Maritime Award” by Ministry of Shipping, Government of India and “Exemplary Contribution to Indian Industry” by EADA under the umbrella of WODA. He was awarded “Young Scientist Award” for his contribute to research in marine engineering and environment. He serves as Chairman and member of technical committees constituted - national and international. Empaneled with WB, ADB, ICA, FICCI, MIAC, EMAC, IDRC, PDRC, IPA, IoP and SIA. He has been appointed by the Government of India as a member of 5 member Expert Committee on Skill Development Program of Sagarmala, Government of India. Accomplished professional with blend of industrial and legal experience and is an International Arbitrator and Mediator for commercial contracts. He serves as Chairman and Board Members of Bangladesh India Mediators Forum. He serves as member Scientific Working Group in Reservoir Dredging and Safety of Dredging Operation in World Dredging Association and in Climate and Environment Working Committee in Institute of Physics [UK]. He is an international acclaimed trainer, assessor and speaker. | | | |
| No. of Share held in DCI | Nil | | | |
| Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | Name of the Company | Position Held | Name of the Member/ Committee | Member/ Chairman |
| | Sethusamudram Corporation Limited, | Director | -- | - |
| | Indian National Ship Owners Association | Director | - | - |

i. The tenure, terms and conditions of the appointment are as stated in the resolution.

(i) **Tenure:-**

- The tenures as MD and CEO will be effective from the date of taking charges as MD and CEO i.e., on or after 01/03/2021 subject to the approval of the shareholders at the general meeting.
- The appointment shall be for a tenure of five years. Performance will be reviewed by the Board at the end of first year of appointment.
- The appointment may, however, be terminated during the period of appointment by either side on 3 months' notice or on salary in lieu thereof.

(ii) **Headquarters:-** The headquarters will be at Visakhapatnam where the head quarter of the Company is located. He will be liable to serve in any part of the country at the discretion of the Company.

(iii) **Pay:-** In the existing IDA scale of Rs.180000/-Rs.320000/- starting from minimum scale of Rs.180000 p.m

(iv) **Dearness Allowance:** DA would be in accordance with the new IDA Scheme as being paid to other employees of the company.

(v) **Annual Increment:-** You would be eligible to draw annual increment @ 3% of basic pay on the anniversary date of taking charge as MD & CEO in the scale and further increments on the same date in the subsequent years until the maximum of the pay scale is reached. After reaching the maximum of the scale one stagnation increment equal to the rate of last increment drawn will be granted after completion of the every two years period from date he reaches the maximum of his pay scale provided he gets a performance rating of “Good” or above. You will be granted a maximum of three such stagnation increments.

(vi) **House Rent Allowance:-** He will be entitled to HRA as per the rates paid to other employees of the company.

(vii) Residential accommodation and recovery of rent for the accommodation so provided:

- Company's own accommodation:** Wherever the Company has built residential flats in the industrial township or purchased residential flats in the cities, arrangements would be made by the Company to provide a suitable residential accommodation to him.
- Leased Accommodation:** If the Company either in the township or is not able to provide residential accommodation out of the residential flats purchased by it in the Headquarters, suitable accommodation could be arranged by the DCI by taking the premises on lease basis at Headquarters of the company. The Board of the Directors may decide the size, type and locality of such accommodation. For purpose of CTC, 30% of basic pay may be considered as expenditure on Housing.
- Self-Lease:** If he owns a house at the place of his posting (Headquarter) and is desirous of taking his own house on self-lease basis for his residential purposes, the DCI can permit him to do so provided he executes a lease-deed in favour of DCI. The Board of Directors May decide the size, type and locality of such accommodations.
- Repair/Maintenance** of lease accommodation. The responsibility for repair and maintenance of leased accommodation is that of the lessor. Lease rent will be allowed only for 12 months in a year and no additional amount will be provided towards repair/maintenance of leased accommodation.
- Office accommodation:** No office accommodation at the expenses of the DCI would be provided or arranged by the DCI at his residence.

(viii) **Rent Recovery:** Leased accommodation: In respect of leased accommodation arranged by the DCI, rent would be recovered from him at the rate of 7.5%/5.0%/2.5% for X/Y/Z cities of revised basic pay.

(ix) **Conveyance:** You would be entitled to the facility of staff car with driver. The monthly recovery amount for private use is RS.2000 P.M,

(x) **Leave:** As per the leave rules of DCI.

(xi) **Other Allowances/Perks:** Will be same as applicable to the Board level employees etc as approved by the Board.

(xii) **Performance Related Payment:** Will be same as applicable to the Board level employees etc as approved by the Board.



- (xiii) **Superannuation Benefits:** Will be same as applicable to the Board level employees etc as approved by the Board.
- (xiv) **Conduct, Discipline, and Appeal Rules:**
The Conduct, Discipline and Appeal rules framed by the DCI in respect of their non-workmen category of staff would also mutis mutandis apply to him with modification that the disciplinary Authority in his case would be the Chairman.
- (xvi) **Restriction on Joining Private Commercial Undertakings after Retirement/Resignation:**
After retirement/resignation from the services of the DCI he shall not accept any appointment or post, whether advisory or administrative, in any firm or company whether Indian or Foreign, with Which the company has or had business relations, within one year from the date retirement/resignation, without prior approval of the Company.
- (xvii) The above remuneration etc, is subject to the limits set out in Section 197/198 of the Companies Act read with schedule V of the Companies Act, 2013 and Rules made thereunder and subject to approval and/or ratification of the same by shareholders in the general body meeting.
- (xviii) In respect of any other item, which is not covered in preceding paras, it would be governed by the relevant Rule/instruction of the DCI or as per the approval of NRC/Board.
- ii. No sitting fees will be paid to Prof. Dr. GYV Victor for attending the meeting of the Board or Committees thereof.
- iii. The remuneration would be within the limits stipulated section 197/198 read with Schedule V, Section – II, Part A of the Companies Act, 2013 and the Rules made thereunder
- iv. Details of Remuneration paid to Prof. Dr. GYV Victor during FY 2020-21(for the month of March, 2021) and the period from 01/04/21 till 30th September 2021 is as under.

Amount (₹ in lakhs)

| Sl.No | Particulars of Remuneration | 2020-21 (March 2021) | 01/04/2021 to 30/09/2021 |
|-------|--|-------------------------|-----------------------------|
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 241920 | 1451520 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 63000 | 378000 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | |
| 2 | Stock option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | as % of profit | - | - |
| | others (specify) | - | - |
| 5 | Others, please specify | - | - |
| | Company Contribution to PF | 25574 | 153446 |
| | Total | 330494 | 1982966 |
| | Pension | 21312 | 127872 |
| 6 | Grand Total | 351806 | 2110838 |

- The remuneration paid for 2020-21 (March 2021) and for 2021-22 (for the period from March, 2021 to September, 2021) is within the limits prescribed. The remuneration for the rest of his tenure would be in the similar lines.
- In the recent past, the competitive dredging scenario requiring aggressive marketing strategies, the ageing of dredgers of the company leading to raise in overheads and other relevant factors have adversely impacted the profitability of the company during FY-2019-20 and is continuing this year. It is therefore, possible that there could be a situation of inadequacy of profit computed in the manner prescribed under Section 198 read with 197 of the Act in current year 2020-21 and the managerial remuneration paid/payable during FY-20-21 may exceed the limits prescribed under Sections 196 to 198 of the Act. However, the same would be within the limits specified in Schedule V, Section II, Part A of the Act
- v. It may be likely that there would be inadequacy of profits for payment of remuneration paid/payable to Managerial Personnel (Shri Prof. Dr. GYV Victor i- Managing Director) in FY 2021-22. There is only one person under the purview of Section 197/198 of the Act in the Company as of now.
- vi. In terms of the provisions of Section 197 (as amended by the Companies (Amendment) Act, 2017), read with section 198 and Schedule V, Section II, Part A of the Act, the Company is required to obtain the approval of the members by way of an ordinary resolution for payment of remuneration to Managerial Personnel in case of no profits/inadequacy of profits.
- vii. In view of the above, approval of the Members is sought for remuneration paid/payable to the Managerial Personnel as set out at Item nos. 4 of the Notice.
- viii. The Written Memorandum under Section 190 of the Act setting out the terms of payment of remuneration of Prof. Dr. GYV Victor (DIN: 09084442) as Managing Director and Chief Executive Officer is available for inspection at the Registered Office of the Company, by the Members without any fee on all business days(except Saturday, Sunday and Public Holidays) during 10.00 AM to 4.00 PM upto the date of closure of e-voting.
- ix. The Company, as on date, is not in default in payment of dues to any bank or public financial institution or to non-convertible debenture holders or to any other secured creditor, and accordingly their prior remuneration Committee and Board of Directors at their respective meetings held on 26/02/21 have approved the remuneration and terms of payment payable to Prof. Dr. GYV Victor, subject to the approval of Members.
- x. Disclosure(s) in terms of Sections 197 read with Schedule V to the Companies Act, 2013, applicable Rules thereunder and SEBI LODR, as the case may be and other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are submitted in the Annexure.
- xi. Prof. Dr. GYV Victor is liable to retire by rotation.
- xii. Prof. Dr. GYV Victor is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.
- xiii. 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.
- xiv. Prof. Dr. GYV Victor is interested in the resolution.
- xv. In view his background and experience, it will be in the interest of the Company that he continues as Managing



- Director and CEO of the Company.
xvi. The Board commends the resolution for approval of the members as ordinary resolution.

ITEM No. 6 – APPOINTMENT OF SHRI POLAMRAJU LAKSHMI HARANADH

Shri Polamraju Lakshmi Haranadh, was appointed pursuant to the provisions of Articles of Association and Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and other rules, if any, as Additional director of the company under section 161 of the Companies Act, 2013 by Board of Directors effective from 25/10/2021 and who holds office upto the date of this Annual General Meeting. He is the Chairman of Paradip Port Trust. The Company has received a notice in writing proposing his candidature for the office of director. His brief resume is as under: -

| | | | | |
|--|---|---------------|-----------------------|------------------|
| DIN No. | 07295378 | | | |
| Date of Birth | 01.08.1966 | | | |
| Education Qualification | Mr. P.L.Haranadh is Indian Railway Traffic Service Officer of 1994 batch. He hails from Andhra Pradesh. He studied MSc & Ph.D from Indian Agricultural Research Institute, Pusa, New Delhi. | | | |
| Professional qualification | Pradesh. He studied MSc & Ph.D from Indian Agricultural Research Institute, Pusa, New Delhi. | | | |
| Nature of employment | In service – Chairman, Paradip Port Trust; Additional Director (Non-Executive), Dredging Corporation of India Limited. | | | |
| Experience | During his 27 years of service, he worked in Indian Railways for 22 years and 5 years in Ministry of Shipping. In Railways he worked as Sr. Divisional Operations Manager, Raipur Division and Chakradharpur Division, Dy Chief Operations Manager of South Eastern Railway & South Central Railway and Chief Operations Manager (Marketing), East Coast Railway. Presently working as Chief Freight Transportation Manager of East Coast Railway. He has rich experience in rail transportation, especially in freight operations, business development and traffic planning. In recognition of his meritorious work, he received National Award for outstanding management in 2002 and in 2005 from Ministry of Railways. He also worked as Deputy Chairman of Visakhapatnam Port from 2015 - 2020. He was instrumental in developing innovative marketing solutions like total logistics solutions to customers to attract cargoes like coal, containers etc. During his tenure, he contributed to overall growth of Visakhapatnam Port and the port scaled up to 3rd position among major ports. Presently he is working as Chairman, Paradip Port Trust. | | | |
| No. of Share held in DCI | Nil | | | |
| Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | Name of the Company | Position Held | Name of the Committee | Member/ Chairman |
| | Haridaspur Paradip Railway Company | -- | -- | -- |
| | Inland waterways consortium of Odisha Limited | -- | -- | -- |
| | Sethusamudram Corporation Limited | -- | -- | -- |
| | Indian Port, Rail and Ropeways Corporation Limited | -- | -- | -- |

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

Shri Polamraju Lakshmi Haranadh is liable to retire by rotation.

Shri Polamraju Lakshmi Haranadh is not disqualified from being appointed as Chairman in terms of Section 164 of the Companies Act, 2013.

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

Shri Polamraju Lakshmi Haranadh is interested in the resolution to the extent of his appointment as Director .

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

ITEM No. 7 – Approval of Related Party Transactions

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

As per provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 read with Rules made there under and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Related Party Transactions Policy of the Company, all material Related Party Transactions shall require approval of the Shareholders of the Company and the Related Party shall abstain from voting on such resolutions. Further, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company or ₹50 Crore whichever is lower as per the last audited financial statements of the Company. Further, in terms of provisions Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the



relevant Accounting Standard, the promoter(s) (viz. Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust) and Cochin Port Trust and KMPs qualify as Related Party(s) of the Company and the Company has existing and continuing contracts/arrangements in the ordinary course of business and on arm's length basis with the related parties which is being continued and will continue to exist beyond 31st March, 2021 in addition to the new Contract(s)/transaction(s) to be entered into. It is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions together would be beyond the threshold limit of materiality as specified above.

Therefore, the ratification/ approval as the case may be of the Members of the Company is sought for supply of goods or service during the financial year 2020-21 in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the company or ₹50 Cr. whichever is lower as per the latest audited financial statements of the Company.

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

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

By Order of the Board of Directors

Place: Visakhapatnam
Date: 22/11/2021

(K. Aswini Sreekanth)
Company Secretary

Annexure to explanatory statement for Item No. 5 of the Notice

(A) Disclosure(s) in terms of Sections 197 read with Schedule V to the Companies Act, 2013, applicable Rules thereunder and SEBI LODR and other applicable provisions as the case maybe

I. General Information:

- 1) **Nature of industry:** Dredging
- 2) **Date or expected date of commencement of commercial production:** the company was incorporated on 29th March 1976 and its operating activities commenced thereafter.
- 3) **Incase of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- 4) **Financial performance based on given indicators:** The Financial and operating performance of the Company during last three financial years is asunder:

(Rs. in lakhs)

| Particulars | 2018-19 | 2019-20 | 2020-21 |
|---|--------------|--------------|---------------|
| Operating Earnings from continuing operations | 69174 | 74969 | 76376 |
| Interest Income from continuing operations | 416 | 331 | 244 |
| Other Income from continuing operations | 262 | 229 | 71 |
| Total Income from continuing operations | 69852 | 75529 | 76692 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) before exceptional items [from continuing operations] | 17382 | 14445 | -3121 |
| Profit Before Tax from Continuing operations | 4337 | 1341 | -17059 |
| Profit/(Loss) before tax from discontinued Operations | 0 | 0 | 0 |
| Profit before tax (continuing & discontinued operations) | 4337 | 1341 | -17059 |
| Profit for the year after tax (before other comprehensive income) | 3803 | 551 | -16812 |

5) Foreign investments or collaborations by the Company as on date of this Notice:

- (a) Foreign Investment: NIL
- (b) Foreign Collaboration: NIL
- (c) Investment in Foreign Bonds: NIL

II. Information about the Managing Director(s):

1. Details of background, recognition or awards, job profile of the Managing Director(s) & Whole-time Director ("Managerial Personnel") and suitability hereof:

The Educational, professional qualification, experience of Prof. Dr. GYV Victor is provided in the explanatory statement. There is only one whole time director.

2. Past remuneration: Being appointed for the first time in the Company

3. Remuneration proposed: As set out in Explanatory statement to Item No.5 of this Notice.

4. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The appointment and remuneration of Prof. Dr. GYV Victor was duly recommended by the Nomination & Remuneration Committee, and approved by the Board of the Company subject to approval of the shareholders. The scale of pay is same and other perks and allowances as that was paid to the earlier Managing Director

5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Prof. Dr GYV Victor has pecuniary relationship with the Company in terms of the remuneration proposed at Item Nos. 4 of this Notice.



III. Other information:

1) Reasons of loss or inadequate profits:

In the recent past, the competitive dredging scenario requiring aggressive marketing strategies, the ageing of dredgers of the company leading to raise in overheads and other relevant factors have adversely impacted the profitability of the Company during FY-2019-20 and is continuing this year. Further there have been some adjustments carried out during the year in view of the comments of Statutory Auditor/ CAG. It is therefore, possible that there could be a situation of inadequacy of profit computed in the manner prescribed under Section 198 read with 197 of the Act in current year 2020-21 and the managerial remuneration paid/payable during FY-21-22 and in future years may exceed the limits prescribed under Sections 196 to 198 of the Act. However, the same would be within the limits specified in Schedule V, Section II, Part A of the Act

2) Steps taken or proposed to be taken for improvement:

The Company believes that it is well positioned to capture opportunities for growth and profitability, basis its principal competitive strengths particularly with the support of four promoter ports. The Company has also taken steps for augmentation of capacity in the form procurement of new dredger of higher capacity, reducing the expenditure towards dry-dock, better monitoring of projects etc.

3) Expected increase in productivity and profits in measurable terms:

The Company has taken numerous initiatives to improve its financial position, and will continue endeavour although it is difficult to quantify the same in this regard at this juncture. The overall maintenance dredging capacity for major ports is about 80 Mln. Cu.M. The available capacity is 60.Mln. Cu.M. the Company is making efforts to procure a new dredger of higher capacity to fill this gap which would help increasing the profitability as well as productivity. This is apart several capital dredging and inland dredging works being taken up in the Country. The turnover of the Company in the last few years is as under: -

| | ₹ in lakhs | | |
|--|--------------|--------------|--------------|
| Particulars | 2018-19 | 2019-20 | 2020-21 |
| Total Income from continuing operations | 69852 | 75529 | 76692 |

The above turnover figures clearly show that the Company is on a growth trajectory. The management is concentrating on improving the bottom line by concentrating on close monitoring of projects, reducing fuel consumption, reducing dry-dock period etc.

(B) Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) Financial and operating performance of the Company during the three preceding financial years

Details provided above.

2) Remuneration or commission drawn by individual concerned in any other capacity from the Company

Prof. Dr. GYV Victor has not drawn remuneration or commission in any other capacity from the Company

3) Remuneration or Commission drawn by Managerial Personnel from any other company: NIL

4) Professional qualification and experience : Details provided above.

5) Relationship between remuneration and performance

The remuneration consists of the Basic, Dearness Allowance, perquisites and superannuation benefits and the variable component of performance linked incentive.

6) The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company

Your Company has a strong performance management culture. Every employee undergoes evaluation of his/her performance against the goals and objectives for the year, and increase in compensation and reward by way of variable bonus is linked to the evaluation of individual's performance.. All employees of the Company, including Managing Director are governed by the Company's Performance Management System, in addition to the Board-approved Remuneration Policy.

7) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference

Your Company has a clearly laid out Board-approved Remuneration Policy. This policy includes, *inter-alia*, separate remuneration parameters for performance related incentive for Managing Director and other employees. The philosophy of reward for performance, is applicable to all three domains.

8) Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year : NIL

9) Reasons and justification for payment of remuneration : Keeping in view the long experience and expertise of the Prof. Dr. GYV Victor to achieve the projected performance benchmarks, it is proposed to pay the remuneration on the terms and conditions stated above subject to being within the limits specified in Schedule V, Section ii, Part A.

Place: Visakhapatnam
Date: 22/11/2021

(K. Aswini Sreekanth)
Company Secretary



DIRECTORS' REPORT FOR THE YEAR 2020-21

Your Directors have pleasure in presenting this 45TH Annual Report together with the audited financial statements of the Company for the year ended 31st March, 2021.

1. FINANCIAL RESULTS

| (₹ in lakhs) | | |
|--|---------------|--------------|
| PARTICULARS | 2020-21 | 2019-20 |
| (I) INCOME | | |
| Operations | 76376 | 74969 |
| Others | 316 | 560 |
| TOTAL INCOME | 76692 | 75529 |
| (II) EXPENDITURE | | |
| i.) Employees Benefits | 10098 | 9399 |
| ii) Depreciation | 11946 | 11713 |
| iii) Repairs and maintenance (Vessels) | 5622 | 4531 |
| iv) Power, Fuel and Lubricants | 27950 | 26850 |
| v) Spares and Stores | 6940 | 2045 |
| vi) Insurance | 719 | 602 |
| vii) Other Expenses | 28484 | 17657 |
| viii) Finance costs | 1992 | 1391 |
| TOTAL EXPENDITURE | 93751 | 74188 |
| Profit before Tax | -17059 | 1341 |
| Less : Provision for taxes | 182 | 790 |
| Profit after Tax | -17241 | 551 |

Company's normal operations have been impacted in a number of ways as Lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards, inordinate delays in import of emergency Spares which are required to carry out the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20 as well as 2020-21. It also imposed unusual delays in both Dry-docking / running repairs in yards, impeded conducting surveys and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21. Notwithstanding constraint, management has taken a number of measures in the last three months and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.

2. ACQUISITION OF NEW DREDGER

We are happy to inform you that Ministry has accorded approval to the recommendations of the Expert Committee constituted for the purpose for procurement of 12000 m3 TSHD dredgers by DCI to be constructed at Cochin Shipyard Limited under the AtmaNirbhar Program – first in 2021, second in 2023 and the procurement of third dredger should be on the basis of analysis of performance of 2 dredgers. The third dredger capacity shall be determined based on gap viability analysis of the market in 2025 to achieve requirements of dredging at Indian Major Ports as envisaged in Maritime Vision 2030. The cost of each dredger is expected to be around Rs. 1000 Cr. The technical specifications for the first dredger have been finalized and the work order would be placed soon.

3. 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 | 3465 | 2653 | 76.57% |
| Quantity (Mln. Cu.M) | 635.34 | 572.55 | 90.12% |

The lower capacity utilization is mainly because of dry-docking and ageing of dredgers.

4. DCI FLEET

The Company has, 10 Trailer Suction Hopper Dredgers (TSHDs), 2 Cutter Suction Dredgers (CSDs), one Back Hoe Dredger and one Inland Cutter Suction Dredger apart from other ancillary crafts.

5. DREDGING OPERATIONS

Important Contracts executed during the Year 2020-21

- Maintenance dredging in the Shipping Channel leading to Haldia Dock Complex in the Hugly Estuary of Kolkata Port Trust.
- Maintenance Dredging at Lower Eden Bar in connection with dredging in the Hugly Estuary.
- Maintenance Dredging at Phalta channel in connection with dredging in the Hugly Estuary.
- Maintenance Dredging of Approach Channel, Entrance Channel, Turning Circle, Docks & Sand Trap of Paradip Port Trust.
- Maintenance dredging at New Sand Trap (NST) and its approaches and other areas of VPT and to pump the dredged material to the shore by using extended rain bowing through Floating pipeline method for the year 2020-21
- Beach Nourishment and Maintenance Dredging using TSHD at Gangavaram Port Pvt., Ltd
- Capital Dredging for dredging at LNG jetty and its approaches at Kamarajar Port Pvt Ltd
- Maintenance dredging at Cochin Shipyard Limited for the year 2020-21.
- Dredging for maintenance of channels and Basins at Cochin Port for the year 2020-21.
- Maintenance Dredging at New Mangalore Port for the year 2019-20.
- Maintenance Dredging at Mormugao Port.
- Maintenance dredging of Naval Sites at Mumbai
- Maintenance Dredging of Mumbai Harbour channel and JN Port Channel.



New Contracts completed up during the year 2020-21:

14. Maintenance Dredging at Cochin Shipyard Limited for the year 2020-26
15. Maintenance Dredging at New Mangalore Port for the year 2020-23
16. Dredging plan Phase – IV (A) – Capital and Muaintenance dredging at Kamarajar Port
17. Maintenance dredging and of Naval Channels (Southern Naval command, Kochi) at Ernakulam for the years 2020-21 and 2021-22
18. Land reclamation of NRL COIT plot by pumping of dredged material from sand trap area of Paradip Port.

6. SAFETY MANAGEMENT SYSTEM (ISM)

- (a) All dredgers (except dumb vessel DCI Dredge XVIII) of DCI hold valid Safety Management Certificate (SMC).
- (b) DCI Dredge VIII, DCI Dredge XI, DCI Dredge Aquarius and DCI Multicat-1 hold valid Indian Coastal Vessel Safety Certificate
- (c) DCI holds a Document of Compliance (DOC) valid till 24.06.2022. The same is being endorsed every year after annual verification audit by DG Shipping.

SHIP SECURITY SYSTEM (ISPS)

- (d) All dredgers (except dumb vessel DCI Dredge XVIII) of DCI hold valid International Ship Security Certificate (ISSC).
- (e) (b) DCI Dredge VIII, DCI Dredge XI, DCI Dredge Aquarius and DCI Multicat-1 ensure compliance with regard to Ship Security measures as defined in Annex -11 of the Notification for Indian Coastal Vessels.

QUALITY MANAGEMENT SYSTEM (ISO 9001:2015)

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

ENVIRONMENT MANAGEMENT SYSTEM (ISO 14001:2015)

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

MARITIME LABOUR CONVENTION (MLC) – 2006

The Dredgers of DCI hold valid MLC- 2006 certificate as on date.

7. MEMBERS/ INVESTOR SERVICES

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

8. 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 hosted on the website of the company <http://www.dredge-india.com/investors.html>.
- b) Number of meetings of the Board: - During the financial year 2020-21 the company has held Ten Board Meetings. Further details are provided in the Corporate Governance Report. The Company has duly constituted Audit Committee, Nomination and Remuneration Committee, stakeholders relationship committee and the details of the same including their constitution, No. of meetings etc., is included 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) Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government: NIL
- e) The independent directors have submitted the required declaration under sub-section (6) of Section 149 with regard to meeting the stated criteria for independence.
- f) The Promoters have been continuing with the same remuneration norms as per the provisions in share purchase agreement. The Independent directors are paid sitting fees of ₹20000/- for attending each meeting of the board or committee thereof and are not paid any other remuneration. The Part-time official Directors were not paid any remuneration by the Company. The remuneration to Managing Director is within the limits specified in Section 197/198 of the Companies Act and Rules made thereunder. The Company has constituted Nomination and Remuneration committee as per Section 178 consisting of three Independent Directors.
- g) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made: -

(A) THE INDEPENDENT AUDITORS IN THEIR REPORT FOR 2020-21 HAVE STATED AS UNDER: -

EMPHASIS OF MATTERS:

QUOTE

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

- a) Note No 26(10) to the financial statements which states that Trade Receivables include a sum of Rs. 8584 lakhs due from MisSethusamudram Corporation Limited (SCL) towards works executed during 20d5~06 to 2008-09 as has been settled



by a committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee). The Committee stated that a Note seeking approval of the Cabinet needs to be moved for seeking Government Budgetary resources for SCL to make payment of balance outstanding dues to the Company.

b) Note No 26(21) to the financial statements which states that, the construction of Administrative Office Building was completed in all respects during the year. The Company capitalised the entire cost incurred under "Buildings" without bifurcating the respective cost incurred for "Furniture, Fittings and Equipment" since relevant break up data is under finalisation by the Contractor. The Company will make necessary changes under "Buildings" account on receipt of final Bill of Quantities from the Contractor. In this respect, the provisions of Ind AS 16 have not been followed. Depreciation has been provided at the rate applicable to 'Buildings' resulting in consequential difference in amount of depreciation, the impact of which as per the Management is not material and we have relied on the same.

c) Note No 26(12) to the financial statements which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables and Advance to Suppliers are subject to reconciliation and confirmations, the impact of which is not ascertainable.

d) Note No 26 (1) to the financial statements regarding Arbitral Award of Rs. 60.47 Crores in favour of M/s. Mercator Lines Limited (MLL). The company has challenged the Arbitral Award before the High court of Delhi and also before the jurisdictional High court of Justice, Business and property courts of England and Wales, Commercial Court and the same have been dismissed. MLL filed Execution Petition before the High Court of Delhi seeking execution/enforcement of Arbitral Awards. DCI has contested the Award under section 48 of the Arbitration and Conciliation Act, 1996, while praying for rejecting the execution petition of MLL, on the ground that the award is contrary to the public policy of India and also on the ground that arbitral procedure was not in accordance with agreement of parties, particularly LMAA Rules. Accordingly, the said Arbitral Award is shown as Contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.

e) Note No 26 (21) to the financial statements which states that Company carried out physical stock verification during the year and could not carry out physical stock verification during Financial Year 2019-20 due to COVID pandemic. The difference between physical stock and book stock amounting to Rs. 36.91 Crores has been charged to the profit and loss account.

Management Comments on Emphasis of Matter:-

Note No 26(10) - A Committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee) considered the issue of outstanding issues to the Company by SCL and decided that the payments to be made to DCI. SCL has released some payments to the Company in line with the decisions. Ministry of Shipping has confirmed that release of balance fund is being considered at appropriate level. An amount of Rs. 1188 lakhs was realized during the year and the outstandings from SCL have reduced from Rs.9772 lakhs to Rs.8584 lakhs this year.

Note No. 26(12) - With regard to balance of Payables, Other Payables, Trade Receivables, Advance to Suppliers at Sl.No. (b) above it is stated that confirmation for some of the amounts, particularly with regard to sundry debtors due from various ports etc., for the works executed by DCI and/or bills raised for the same, is being followed up. The comments of Statutory auditor on Note No.26(21) and Note No. 26(1) are self-explanatory.

(B) OBSERVATIONS MADE BY THE SECRETARIAL AUDITOR:

QUOTE

Company did not have requisite number of Independent Directors on the Board for the period from 01.04.2020 to 22.12.2020 and one Independent woman Director on the Board for the period 01.04.2020 to 22.12.2020 as required under Section 149 of the Companies Act, 2013 and Regulation 19 (4) of SEBI (LoDR) Regulations, 2015.

Management Comments on Emphasis of Matter:-

The Company now has the requisite number of independent directors and women director. The delay was mainly due to the change in the character of the Company from a government company to a Company owned by Ports – Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust. The requirement of Regulation 19(4) are being complied with this year.

- h) 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.
- i) particulars of contracts or arrangements with related parties referred to in Section 188 (1):-In line with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company. The related party transactions of DCI for the year 2020-21 are mainly with other State controlled enterprises. The necessary disclosures with regard to the transactions with the related parties – Promoter Group has been made at Note No. 26 – Additional information on Financial Statements, Sl.No. 17 with heading – Related Party Transactions in the Financial statement for the year 2020-21 and the relevant disclosure in Form No. AOC-2 has also been Annexed to the Board Report. During the year under review, apart from what is disclosed, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the stated Accounting Standard.
- j) the state of the company's affairs: - This has been explained elsewhere in this report.;
- k) 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 utilization of the IT Act - ₹840 Lakhs
 - b) Transfer to General Reserve -NIL
 - c) Transfer to Debenture Redemption Reserve -NIL
- l) In view of the financial position of the company and loan repayment commitments, the Board of directors have not



- recommended any dividend for the year 2020-21.
- m) 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
- n) the conservation of energy, technology absorption, foreign exchange earnings and outgo:
- Conservation of energy: The following measures have been taken:
For online fuel monitoring, the Company is in the process of procurement of flow meters during the year for Dredge XII, XIV, XVII and XVIII.
 - Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 35-45% of operational cost.
 - Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the year.
 - Foreign Exchange earnings and outgo:

| | (₹ In Lakhs) |
|--|-----------------|
| i) Foreign Exchange Earnings: (Operational income at Bangladesh) | 7701.00 |
| Total | 7701.00 |
| ii) Foreign Exchange outgo: | |
| a) Import of components and spares (CIF value) | 3082.47 |
| b) Operational expenses at Bangladesh | 1569.00 |
| c) Payment of interest on foreign currency loan | 770.68 |
| d) Repayment of installment of foreign currency loan | 13347.31 |
| e) Foreign travel | 12.27 |
| Total | 18781.73 |

- o) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company:
The Company has in place a Risk Management Policy to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. The Risk Management Committee has been constituted. The threats, risk and concerns are discussed in the Management Discussion and Analysis Report.
- p) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:
The Company has in place a Corporate Social Responsibility Committee and a Corporate Social Responsibility and sustainability Policy. During the year 2020-21, the amount required to be spent under CSR is ₹18.34 lakh. Against this, the Company spent ₹100 Lakhs. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure.
- q) 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: -
As per the requirements of the SEBI (LoDR) Independent Directors evaluated the performance of the Non-Independent Directors, Chairperson, MD. The Board evaluation criteria was circulated to all the Directors and the same is received.

9. INSURANCE

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

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

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

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

12. VENDOR DEVELOPMENT

This is a continuous process and DCI procures spares and stores on a regular basis from suppliers spread all over the world. DCI is updating the supplier-base continually. DCI has adopted e-procurement process, as per Govt. of India guidelines, emphasis was given to facilitate and enable the vendors by way of procuring support and hand holding support to participate in the e-procurement processes of the company. DCI has organized a State Level Vendor Development programme in association with local Micro, Small and & Medium Enterprises (MSME) Office (Visakhapatnam Branch) and has been continuously participating and interacting with the prospective vendors in most of the vendor development program cum Buyers-Sellers meet conducted by Ministry of MSME/ National Small Industries Corporation (NSIC). The Company has invited MSME vendors to visit DCI's vessels for identification of spares for indigenization. Tenders are published in DCI official website and Central Public Procurement Portal for wider publicity so that MSMEs can participate. In view that out of the total annual procurement, a major portion is fuel, which cannot be procured from MSME Vendors and further that since most of dredgers of DCI have been built at Netherlands and therefore most of the spare need to be imported from OEMs abroad, the Company has represented for relaxation for implementation of the Public Procurement Policy mandatory provision of 20% procurement from MSMEs.

13. R & D ACTIVITIES

DCI Dredge Aquarius was fitted with an indigenously developed Programmable Logic Controller (PLC) in place of existing PLC system which was imported and giving frequent problems because of non-availability of spare parts/ services of the Original Equipment Manufacturer abroad. The newly installed PLC has been found to be cost effective and working satisfactorily.

14. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the DPE Guidelines and SEBI (LoDR) Regulations, 2015 Management Discussion and Analysis Report, Corporate



Governance Report and Certificate from the Company Secretary in practice regarding compliance of conditions of Corporate Governance are attached, forming part of this Report.

15. MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31st March, 2021 was as under: -

| | |
|---|------------|
| Shore (136 Executives & 85 Non- Executives) | 221 |
| Floating – Regular -104, Contract-348 | 452 |
| Total | 673 |

16. EMPLOYMENT OF VARIOUS RESERVED CATEGORIES:

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

A. Employment of SC/ST Candidates

The Corporation continued its efforts to fulfill its obligation in providing employment opportunities to SC/ST candidates, in accordance with the Government Policy. The overall representation of SC/STs in the Corporation (both Shore and Floating Establishments, but excluding MPWs) as on 31st March, 2021 was SCs – 41 and STs 15.

B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (Shore based employees) in group C and D categories in the Corporation was Nil as against the percentage of 14.5% and 24.5% respectively as prescribed by the Government.

C. Employment of Physically Handicapped

The number of physically handicapped employees in the Corporation as on 31st March, 2021 is 4 (Four), the group-wise break-up A, B, C & D for shore side is furnished below: -

| Group | Total Strength | No. of persons with disabilities actually employed | Percentage with reference to identified posts |
|-------|----------------|--|---|
| A | 136 | 03 | 2.21 |
| B | 30 | 01 | 3.33 |
| C | 41 | - | - |
| D | 14 | - | - |
| Total | 221 | 04 | 1.81 |

D. Employment of women

The number of women employees on Rolls as on 31st March, 2021 is 35 as against 37 as on 31st March, 2020. Out of them number of executives is 16 and Non-Executives is 19.

17. COMPLIANCE WITH GOVERNMENT'S POLICY ON WOMEN:

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

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

18. EXISTING BENEFITS AND WELFARE MEASURES FOR THE WOMEN EMPLOYEES:

- The women employees of the Corporation, with less than two surviving children are entitled for 26 weeks of Maternity Leave.
- Special Casual leave not exceeding 14 working days is sanctioned to regular women employees of the Corporation to undergo non- puerperal sterilisation.
- One day special casual leave is allowed to the regular women employees of the Corporation who had I/CUD insertions.
- As per Apex Court's judgment and basing on the Government instructions, a Complaints Committee headed by a Woman Officer was constituted to inquire into the complaints of Sexual Harassment at work places. A Complaints Register is also being maintained.
- 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.
- Working uniforms are provided to Group 'D' women employees, as per the scales prescribed in the Rules.
- As a welfare measure, a Rest Room/ Recreation room is provided exclusively for the women employees.
- The women employees of DCI are sponsored to various in-house and also external training programmes.

19. OTHER BENEFITS:

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

20. WAGE SETTLEMENTS

A. FLOATING ESTABLISHMENT:

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

B. SHORE ESTABLISHMENT:

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

**21. INDUSTRIAL RELATIONS:**

The industrial relations in the Corporation continued to be cordial throughout the year 2020-21.

22. 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, Paternity Leave, Payment of ex-gratia to legal heirs/members of the family of deceased employees. Transport subsidy, Medical Attendance, Leave Travel Concession, Merit Scholarships for the children of SC/ST employees, Pension Scheme and DCI Retired Employees Medical Trust/Scheme etc. Other welfare measures such as Special Casual Leave for maternity/ paternity are extended to the employees.

23. HUMAN RESOURCES DEVELOPMENT

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

- i) During the year 2020-21, 170 employees were trained in various training programs.
- ii) During the year 2020-21, 15 DCCP Apprentice Trainees, 15 ICMA Industrial Trainees, 10 Engineering Graduates were inducted for training for a period of 12 months.

24. 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 coordinated. Required periodical reports on the implementation of RTI/ Status of RTI replies are being furnished to the Ministry, CIC from time to time.

25. ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL:

A Public Grievance Cell has been functioning in the Corporation since 1988 to look into the Grievances/Complaints received from the Public. The Company Secretary is the Director of Public Grievances. As per the Ministry's guidelines, a status report is being submitted for the information of the Board of Directors at the Board meetings and a quarterly status report is forwarded to the Ministry. In line with the Ministry's direction, a Public Grievance Redressal and Monitoring System (PGRAMS) software was installed in the Computer Network in the Corporation, which works in hand-shake mode between the Ministry and the Corporation. Complaints received during the year were suitably replied to.

26. 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 setup at DCI Head Office, Visakhapatnam and the same is publicized in the web-site also.

27. CITIZEN'S CHARTER

As per the directives of the Government of India, to focus on the commitment of DCI towards its citizens / clients in respect of standard of services, information, choice and consultation, non-discrimination and accessibility, grievance redress, courtesy and value for money, including expectations of the Organisation from the citizen/client for fulfilling the commitment of the Organisation, a Citizens' Charter approved by the Competent Authority was posted on the Corporate website.

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

28. ACTIVITIES OF VIGILANCE DEPARTMENT

As a measure of preventive vigilance, 17 Periodic and 8 Surprise type inspections have been taken up during the year. The lapses/ irregularities notices in this regard have been communicated for taking remedial/ corrective actions.

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

The Vigilance Awareness Week 2020 was observed jointly at the Corporate Headquarters of Visakhapatnam Port Trust and Dredging Corporation of India Ltd and various Project Offices of Dredging Corporation of India Ltd. from 27th October 2020 to 2nd November 2020, under the auspices of Central Vigilance Commission (CVC) to spread awareness against corruption. CVC's theme for the year 2020 was "Vigilant India, Prosperous India" with emphasis on spreading awareness in fight against corruption to all sections of Society. In line with the letter and spirit of the theme and guidelines of CVC, several activities were organized through virtual mode keeping in view the COVID-19 guidelines covering a wide spectrum of society, with the aim of spreading awareness and sensitizing the public about ways and means to fight corrupt practice.

29. COVID – 19 :

Company's normal operations have been impacted in a number of ways as lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards, inordinate delays in import of emergency spares which are required to carryout the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20 as well as 2020-21. It also imposed unusual delays in both Dry-docking / running repairs in yards, impeded conducting surveys and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21. Notwithstanding constraint, management has taken a number of measures in the last three months and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.



30. STATUTORY AUDITORS

M/s Sriramamurthy & Co., Chartered Accountants, Visakhapatnam were appointed by the Comptroller and Auditor General of India as Statutory Auditors for auditing the accounts of the Company for the financial year 2020-21. 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. In the previous AGM the Audit Committee was authorized to fix the fees payable to the Statutory Auditors. For this year also it recommended authorize the Audit Committee for fixation of remuneration for statutory auditors for 2021-22.

31. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2020-21 given by the Statutory Auditors is placed along with the Accounts. Management Comments to the Emphasis of matters of the Auditors have been given elsewhere in this report.

32. SECRETARIAL AUDIT REPORT

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

33. C&AG COMMENTS

The Supplementary Audit for the Accounts of the Company for the year ended 31st March 2021 by Comptroller and Auditor General of India is complete and is placed along with the accounts along with the replies of the management on the Comments of Comptroller and Auditor General of India.

34. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31/03/2021 as required under the SEBI regulations is annexed to the Directors Report.

35. VOLUNTARY DELISTING FROM CALCUTTA STOCK EXCHANGE

As per the approval of the Board, the Company has applied for Voluntary Delisting of Shares from Calcutta Stock Exchange in June, 2020. As per the request of the exchange, clarifications have been provided. Confirmation of the delisting is awaited.

36. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Directors recommend for approval of the Members the above appointments/re-appointment of the Directors as proposed in the Notice to the AGM. The following directors have been appointed during the intervening period from the last AGM till date whose tenure is upto the date of this AGM:

Ms. Nutan Guha Biswas has been appointed as Independent director (Additional Director) w.e.f 22/12/2020.

Shri Vinit Kumar has been appointed as Part-time Official director (Additional Director) w.e.f 31/12/2020 & ceased on 23/10/21.

Shri GYV Victor has been appointed as Managing Director & CEO (Additional Director) w.e.f. 01/03/2021.

Shri Polamraju Lakshmi Haranadh has been appointed as Part-time Official Director (Additional director) by the Board by circular resolution w.e.f. 23/10/2021 in place of Shri Vinit Kumar

The formal appointment of above Directors/ MD&CEO is being proposed and recommended for approval of Members.

Shri SK Mehta (representing promoter port- Deendaya IPort Trust), director is retiring by rotation and his re-appointment is being proposed and recommended for approval of Members.

Changes in other Key Managerial Personnel (KMP): Shri D Subba Rao, was designated as Chief Financial Officer (CFO) in place of Shri Sumiran Bansal w.e.f. 19/03/2021.

37. ACKNOWLEDGEMENTS

The Directors thank Hon'ble Minister, Hon'ble Minister of State of Ministry of Port, Shipping and Waterways, its Officers and staff for the valuable help, assistance and guidance rendered from time to time. The Directors thank all other Ministries for the help and co-operation extended by them. The Board is grateful to the Comptroller & Auditor General of India, the Member, Audit Board and the Statutory Auditors for their co-operation. The Board also thanks the Bankers of the Company for their valuable services. The Board expresses its gratitude to the valued customers for their continued patronage. The Directors place on record their appreciation of the services rendered by all the employees of the Corporation.

For and on behalf of the Board of Directors

K. Rama Mohana Rao
Chairman

Place: Visakhapatnam
Date : 18/11/2021



Annexure to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2021**

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

| Sl.No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|---|---|--|--|
| 1 | Cmde. Kartik Subramaniam | Chairperson | 1 | 1 |
| 2 | Capt. Anoop Kumar Sharma | Member | 1 | 1 |
| 3 | Shri B. Poiyaamozhi | Member | 1 | 1 |
| 4 | Shri.RajeshTriapthi (up to 28.02.2021) | Member | - | - |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: The composition of the CSR committee, CSR Policy and CSR projects approved by the board is available on our website, at <http://dredge-india.com/files/csr20-21.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects undertaken or completed after the effective date of the aforementioned rules for fiscal 2021.

5. Details of the amount available for set off in pursuance of sub-rule(3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NIL

6. Average net profit of the company as per section 135(5): **₹917.03 Lakhs**

7.

| | |
|---|---------------------|
| Two percent of average net profit of the company as per section 135(5): | ₹18.34 Lakhs |
| Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: | NIL |
| Amount required to be set off for the financial year, if any: | NIL |
| Total CSR obligation for the financial year (7a+7b-7c). | ₹18.34 Lakhs |

8. a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year 2021. (in Rs lakhs) | Amount Unspent (In Rs. lakhs) | | | | |
|---|--|-------------------|---|---------|-------------------|
| | Total Amount transferred to Unspent C S R Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 100.00 | Nil | NA | NA | Nil | NA |

b) Details of CSR amount spent against on going projects for the financial year: **NIL**c) Details of CSR amount spent against other than on going projects for the financial year: **Rs.100.00 Lakhs**d) Amount spent in Administrative Overheads: **NIL**e) Amount spent on Impact Assessment, if applicable: **Not applicable**f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.100.00 Lakhs**

g) Excess amount for set off, if any

| Sl.No. | Particular | Amount (in Rs.) |
|--------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 18.34 |
| (ii) | Total amount spent for the Financial Year – contribution to PMCARES Fund | 100.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 81.66 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 81.66 |

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**(b) Details of CSR amount spent in the financial year for on going projects of the preceding financial year(s): **Not applicable**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **No Capital asset was created for the financial year 2020-21 through CSR Spend**11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): **Not applicable**


(Managing Director & CEO)


(Chairman CSR Committee)



Annexure to Directors' Report

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

| SI No. | Particulars | Amount (₹) |
|--------|---|---|
| 1 | Details of contracts or arrangements or transactions not at arm's length basis | |
| | (a) Name(s) of the related party and nature of relationship | NA |
| | (b) Nature of contracts/arrangements/transactions | NA |
| | (c) Duration of the contracts/arrangements/transactions | NA |
| | (d) Salient terms of the contracts or arrangements or transactions including the value, if any | NA |
| | (e) Justification for entering into such contracts or arrangements or transactions | NA |
| | (f) date(s) of approval by the Board | NA |
| | (g) Amount paid as advances, if any: | NA |
| | (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | NA |
| 2 | Details of material contracts or arrangement or transactions at arm's length basis | |
| | (a) Name(s) of the related party and nature of relationship | Names of Related parties: 1. Visakhapatnam Port Trust. 2. Paradeep Port Trust. 3. Jawarlalal Nehru Port Trust 4. Deendayal Port Trust Nature of Relationship: Significant influence |
| | (b) Nature of contracts/arrangements/transactions | Dredging Contract |
| | (c) Duration of the contracts/arrangements/transactions | Different periods as per the Contracts. |
| | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | Largest Single transactions during the year 2020-21: 1 Visakhapatnam Port Trust: ₹463.78 lakhs 2 Paradip Port Trust: ₹956.23 lakhs 3 Jawaharlal Nehru Port Trust: ₹2030.52 lakhs 4 Deendayal Port Trust: ₹0.00lakhs |
| | (e) Date(s) of approval by the Board, if any: | NA |
| | (f) Amount paid as advances, if any: | Amount not paid as advance. During the year 2020-21, DCI received amount against running bills. |

For Dredging Corporation of India Limited

G Y V Victor
Managing Director & CEOPlace: Visakhapatnam
Date: 17/11/2021



Annexure to Directors' Report

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

- i. the ratio of the remuneration of each functional director (for 2020-21) to the median remuneration of the employees of the company for the financial year is given below. Other Directors are not paid any remuneration by the Company. Independent Directors are paid only the sitting fees for attending each meeting of the board or Committee thereof.

| S.No. | Name and Designation | Ratio |
|-------|--|-------|
| 1 | Shri Rajesh Tripathi – Managing Director (upto 26.2.21) | 0.16 |
| 2 | Prof. Dr. GYV Victor – Managing Director and CEO (w.e.f. 01/03/2021) | 1.45 |

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

| S.No. | Name and Designation | Percentage |
|-------|---|------------|
| 1 | Shri Rajesh Tripathi – Managing Director & CEO (upto 26.2.21) | (13.12) |
| 2 | Shri S Divakar – Chief General Manager | 16.97 |
| 3 | Shri D Subba Rao HOD(F) & CFO | 0.82 |
| 4 | Shri K Aswini Sreekanth, CS | 0.34 |

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

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

| | CY (Rs.) | PY (Rs.) | Percentage |
|---------------------|----------|----------|------------|
| Median Remuneration | 1022849 | 956901. | (6.89) |

- iv. the number of permanent employees on the rolls of company:
The total number of employees on the rolls of the company as on 31st March, 2021 was 673.
- v. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average percentage increase in remuneration including Key Managerial Personnel during the Financial Year has been in the range of 0-1%.
- vi. affirmation that the remuneration is as per the remuneration policy of the company:
The remuneration to all the employees is as per the remuneration policy of the Company.
- vii. The particulars of employees for the year 2020-21 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.

Annexure to Director's Report

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2021, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General Information about the Company

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) | L29222DL1976PLC008129 |
| 2. | Name of the Company | Dredging Corporation of India Limited |
| 3. | Registered address | Core-2, First Floor, Scope Minar, Laxminagar District Centre, Delhi – 110092 |
| 4. | Website | www.dredge-india.com |
| 5. | E-mail id | sreekanth@dcil.co.in |
| 6. | Financial Year Reported | 2020-21 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | 63012 |
| 8. | List three key products/services that the Company manufactures/provides (as in Balance Sheet) | Dredging services |
| 9. | Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations | International locations – 1 – Mongla, Bangladesh National locations – 14 – Kolkata, Cochin, Paradip, Kakdwip (Kolkata), Chennai, Visakhapatnam, Tuticorin, Goa, New Mangalore, Mumbai, Gangavaram, Neendakara (Kerala), Ennore. |
| 10. | Markets served by the Company – Local/ State/ National/ International | National/ International |



Section B: Financial Details of the Company

| | | |
|----|---|--|
| 1. | Paid up Capital (INR) : | 2800 lakhs |
| 2. | Total Turnover (INR) : | ₹76692.42 Lakhs |
| 3. | Total profit after taxes (INR) : | ₹-16812.85 Lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : | ₹100 Lakhs |
| 5. | List of activities in which expenditure in 4 above has been incurred: | The Company has contributed One Crore (Rs.1. Cr) to PM-CARES Fund towards CSR expenditure for 2020-21 with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID 19 pandemic |

Section C: Other Details

| | | |
|----|--|-----|
| 1. | Does the Company have any Subsidiary Company/Companies? | No. |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | NA |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percent- age of such entity/entities? [Less than 30%, 30-60%, More than 60%] | NA |

Section D: BR Information

1. Details of the Director/Directors responsible for implementation of the BR policy/policies
Details of the BR head

| S.No. | Particulars | Details |
|-------|----------------------------|---------------------|
| 1. | DIN Number (if applicable) | 009084442 |
| 2. | Name | GYV Victor |
| 3. | Designation | Managing Director |
| 4. | Telephone number | 0891-2871200 |
| 5. | e-mail id | dredging@dcil.co.in |

- 2 Principle-wise DCI BR Policy based on NVGs issued by MCA (Reply in Y/N)

Details of compliance (Reply in Y/N)

| S.No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | |
|-------|--|---|-----|-----|-----|-----|-----|-----|-----|--|
| 1. | Do you have a policy for all the principles? | YES | | | | | | | | |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | YES | | | | | | | | |
| 3. | Does the policy conform to any national/international standards? If yes, specify? (50 words) | DCI BR Policy is based on SEBI guidelines and QMS 9001:2015, EMS 14001:2015 Standards. | | | | | | | | |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Yes | | | | | | | | |
| 5. | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Yes | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online | www.dredge-india.com | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | The Policy has been displayed on DCI website which can be accessed by General Public. | | | | | | | | |
| 8. | Does the company have in-house structure to implement the policy/policies? | Yes | | | | | | | | |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Yes. The Stakeholder Grievance Committee is functional as per the SEBI (LODR) Regulation, 2015. | | | | | | | | |
| 10. | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | No. | | | | | | | | |

If answer to the question at serial number 1 against any principle, is 'No', please explain why:

| S.No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | |
|-------|---|-----|-----|-----|-----|-----|-----|-----|-----|--|
| 1. | The company has not understood the Principles | | | | | | | | | |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |

Not Applicable



| | | |
|----|---|--|
| 5. | It is planned to be done within the next 1 year | |
| 6. | Any other reason (please specify) | |

2. Governance related to BR

| | | |
|---|---|---|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. | Annually |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | The applicability of the BR or Sustainability report to the Company commenced from the year 2019-20 and the same can be accessed under the link – www.dredge-india.com - Business Responsibility Policy |

Section E: Principle-wise

PRINCIPLE-1-CONDUCT AND GOVERN WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- i. The affairs of the Company are conducted in a fair and transparent manner by adopting highest standards of professionalism, honesty and ethical behaviour. The company is having a Code of Business Conduct & Ethics for the Board Members and Senior Management, Policy on related party transactions, Policy on insider trading, whistle blower mechanism etc., already in place to this extent.
- ii. To ensure that the disclosures required to be made in business documents, statutory filings, declarations, advertisements are correct and complete in all sense. Disclosures shall be governed by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Determination of Materiality Policy and such other applicable policy as may be framed by the Company, from time to time. The Company shall inform all relevant stakeholders of the operating risks and redress the issues raised.
- iii. The Company has zero tolerance for bribery and corruption in its business dealings. All officers and employees of the Company shall take all care to ensure that there does not arise a conflict of interest between him/her and the Company. The executive directors and employees of the Company shall strictly adhere to the provisions of the Code in this regard.
- iv. The Company believes in free and open competition and shall not indulge in any anticompetitive or unfair practice or abuse its dominant position in the market.
- v. The Company has put in place the necessary structures and processes, to improve ethical standards and practices in the organization.
- vi. This ensures ethical conduct at all levels and promotes the adoption of this principle across its value chain. The company shall communicate transparently and assures access to information about their decisions that impact relevant stakeholders.
- vii. The Company does not engage in practices that are abusive, corrupt, or anti-competition.
- viii. The Company shall report the status of adoption of this policy as suggested in the reporting framework in this document.

PRINCIPLE-2- THE CONDUCT BUSINESS IN A SAFE AND SUSTAINABLE MANNER

The company is committed to continuously improve its safety standards, sustainability and environment Environmental Management Systems through process defined below:

- i. Minimizing the consumption of electrical energy, chemicals and natural resource.
- ii. Encouraging use of renewable/ replenishable / sustainable resources.
- iii. Compliances to applicable legal requirements (including the international maritime conventions) and other requirements related to environmental, safety and security aspects.
- iv. Prevention of pollution to air, water and land by adapting environmental friendly practices.
- v. Reduction in generation of identified wastes.
- vi. Promoting environmental and safety awareness among all the employees, vendors and contractors.
- vii. Achieving excellence in Quality, Occupational Health, Safety and Environmental Management Systems.
- viii. Provide the clientele safe, environmentally sustainable, reliable, efficient and quality services, complying with all regulatory and other trade requirements.
- ix. Recognizing and respecting the rights of various stakeholders with respect to traditional knowledge, and other forms of intellectual property and by enhancing competency and professionalism among its fleet and shore personnel through effective and dynamic Human Resource Management.
- x. Continually improving its efficiency in process and technology, adopting various measures including E-governance and optimum use of Information Technology.
- xi. Minimizing risks and environmental impacts for achieving Safety, Health and Environmental performance.

PRINCIPLE-3- PROMOTION OF WELLBEING OF ALL EMPLOYEES

- i. To respect and promote right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
- ii. To provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- iii. To not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- iv. To take cognizance of the work-life balance of its employees, especially that of women.
- v. To provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- vi. To provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
- vii. To ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- viii. To promote employee morale and career development through enlightened human resource interventions.
- ix. To create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

**PRINCIPLE-4- STAKEHOLDER ENGAGEMENT**

- i. DCI to systematically identify its stakeholders, especially those who are disadvantaged, vulnerable and marginalized, understand their concerns, respect their interests and responsive to them, define purpose and scope of engagement, and commit to engaging with them.
- ii. DCI to acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- iii. DCI to give special attention to stakeholders in areas that are underdeveloped.
- iv. DCI to resolve differences with stakeholders in a just, fair and equitable manner

PRINCIPLE-5- RESPECT AND PROMOTE HUMAN RIGHTS

- i. To understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. To appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
- ii. To integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
- iii. To recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
- iv. To promote the awareness and realization of human rights across their value chain within their sphere of influence.
- v. To not be complicit with human rights abuses by a third party.

PRINCIPLE-6- PROTECTION AND RESTORATION OF THE ENVIRONMENT

- i. To utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- ii. To take measures to check and prevent pollution. To assess the environmental damage, if required and bear the cost of pollution abatement with due regard to public interest.
- iii. To ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- iv. To continuously seek to improve environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- v. To develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to operations or that of a member of its value chain.
- vi. To report environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- vii. To proactively persuade and support its value chain to adopt this principle.

PRINCIPLE-7- POLICY ADVOCACY

- i. While pursuing any policy advocacy, when engaged in influencing public and regulatory policy, if any, to conduct itself in a responsible manner and to ensure that the advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.
- ii. To the extent possible, to utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

PRINCIPLE-8- TO SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- i. To understand the impact of its operations, if any, on social and economic development, and respond through appropriate action to minimise the negative impacts.
- ii. To innovate and invest in products, technologies and processes that promote the wellbeing of society.
- iii. To make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced, if any, owing to its business operations.
- iv. To be sensitive to local concerns when operating in underdeveloped regions

PRINCIPLE-9- VALUE TO CUSTOMER

- i. To take into account the overall well-being of the customers and that of society while serving the needs of its customers.
- ii. To ensure that freedom of choice and free competition are restricted in any manner while designing, promoting and executing its operations.
- iii. To disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, if any, so that the customers can exercise their freedom to consume in a responsible manner. Where required, to also educate its customers on the safe and responsible usage of its products and services, if any.
- iv. To promote and advertise its products/ services in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- v. To exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- vi. To provide adequate grievance handling mechanisms to address customer concerns and feedback.



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

{Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To

The Members

Dredging Corporation of India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - **Generally complied with.**
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LoDR) Regulations, 2015}.

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

Company did not have requisite number of Independent Directors on the Board for the period from 01.04.2020 to 22.12.2020 and a Independent woman Director on the Board for the period 01.04.2020 to 22.12.2020 as required under Section 149 of the Companies Act, 2013 and Regulation 17 (1) of SEBI (LoDR) Regulations, 2015.

The Nomination and Remuneration Committee of the company shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees. As informed by the company, as per the share purchase agreement, the remuneration of the employees (including directors) would remain the same for a period of one year i.e. upto 07.03.2020. Board in its 324th Board meeting held on 15.6.2020 has extended the validity of the same till such time the same are changed with the approval of the Board.

We further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors for the period from 1st April 2020 to 22nd December 2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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



Directors/Members present during the meeting.

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

We further report that during the audit no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., referred to above has occurred in the Company.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 13 and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted replies along with the request to waive fines imposed on the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No. 626/2019

CS Anuradha Jain
Partner
FCS No.: 36639
CP No.: 14180

Place: New Delhi
Date: 19.10.2021
UDIN: A036639C001211802

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

"Annexure A"

To,
The Members,
Dredging Corporation of India Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company
7. The prevailing circumstances in the country on account of Lockdown/restrictions on movements and COVID 19 have impacted physical verification of the records/documents of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No. 626/2019

CS Anuradha Jain
Partner
ACS No.: 36639
CP No.: 14180

Place: New Delhi
Date: 19.10.2021



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has consistently sought to improve its focus by increasing transparency and accountability to all its stakeholders.

2. BOARD OF DIRECTORS

Composition of Board of Directors as on 31/03/2021: Post the strategic sale, i.e. after 08/03/2019 and the Share Purchase Agreement entered into between the Government of India and the four ports (Purchasers) who have purchased the Government Stake, pending suitable alteration of the Articles of Association, the purchasers were permitted by the Government of India to appoint the Directors etc., subject to compliance of the Companies Act, 2013 and other applicable laws.

The Company has Ten directors consisting of Chairman, One Executive Director – Managing Director, three Part-time Official Directors and five Part-time Non-Official Directors (Independent Directors) including one woman director. As and when the Directors are appointed, their brief profile is uploaded on the website of the company.

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

i The composition of the Board as on 31/03/2021 is as under:

| | Name | Category |
|----|-------------------------------|---|
| 1 | K Rama Mohana Rao, Chairman | Promoter - Non-Independent, Non-Executive |
| 2 | GYV Victor, Managing Director | Whole Time Executive |
| 3 | Sanjay Jagdishchandra Sethi | Promoter - Non-Independent, Non-Executive |
| 4 | Sanjay Kumar Mehta | Promoter - Non-Independent, Non-Executive |
| 5 | S Balachandran | Part-time Non Official - Independent, Non-Executive |
| 6 | Anoop Kumar Sharma | Part-time Non Official - Independent, Non-Executive |
| 7 | Kartik Subramaniam | Part-time Non Official - Independent, Non-Executive |
| 8 | B. Poiyaamozi | Part-time Non Official - Independent, Non-Executive |
| 9 | Nutan Guha Biswas | Part-time Non Official - Independent, Non-Executive |
| 10 | Vinit Kumar | Promoter - Non-Independent, Non-Executive |

ii. Changes in Board of Directors during 2020-21:

| | Name | Date | Nature of Change |
|---|--------------------|------------|-------------------------|
| 1 | K. Rama Mohana Rao | 30/07/2020 | Appointment as Director |
| 2 | Rinkesh Roy | 22/12/2020 | Cessation |
| 3 | M Beena | 22/12/2020 | Cessation |
| 4 | Nutan Guha Biswas | 22/12/2020 | Appointment |
| 5 | K. Rama Mohana Rao | 22/12/2020 | Appointment as Chairman |
| 6 | Vinit Kumar | 31/12/2020 | Appointment |
| 7 | Rajesh Tripathi | 28/02/2021 | Cessation |
| 8 | GYV Victor | 01/03/2021 | Appointment |

iii. Changes in Board of Directors from 01/04/2021 till date of report :

| | Name | Date | Nature of Change |
|---|---------------------------------|------------|------------------|
| 1 | Shri Vineet Kumar | 23/10/2021 | Cessation |
| 2 | Shri Polamraju Lakshmi Haranadh | 23/10/2021 | Appointment |

iv. Brief profile of the Director appointed during 2020-21 after completion of the AGM on 22/12/2020 and continuing as date:

| | | | | |
|----------------------------|---|---------------|-----------------------|-----------------|
| Nutan Guha Biswas | | | | |
| Din No. | 03036417 | | | |
| Date of Birth | 25-07-1958 | | | |
| Education | M.A., MBA | | | |
| Qualification | | | | |
| Professional qualification | | | | |
| Nature of employment | Principal Secretary to Lt. Governor, Delhi | | | |
| Experience | Worked as Collector, Land Revenue & Disaster Management Department, Daman and various other capacities as Director, Rural Development, Delhi, Joint Secretary, Finance Delhi, Deputy Secretary, Food processing Industries Delhi, Director, Commerce and Industries, Delhi, Principal Secretary, Public Works Department, GNCTD, New Delhi, Managing Director, Industries, GNCTD, New Delhi | | | |
| No. of Share held in DCI | Nil | | | |
| Directorship/ | Name of the Company | Position Held | Name of the Committee | Member/Chairman |



| | | | | |
|---|----|----|----|----|
| Membership/Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | -- | -- | -- | -- |
| | -- | -- | -- | -- |

| | | | | |
|--|---|---------------|-----------------------|-----------------|
| GYV Victor | | | | |
| Din No. | 09084442 | | | |
| Date of Birth | 22-06-1970 | | | |
| Education Qualification | He holds Doctorate Degree, is a Chartered Engineer [UK], Chartered Physicist [UK], Certified Dredge Master and Mariner, Qualified in Finance Management, Port Development and Management, Containerization and Logistics Management, Fellow in Arbitration, Licensed International Arbitrator, Mediator, Emergency Arbitrator and a qualified Admiralty and Contracts Lawyer. He is a commissioned officer, C-Suite Executive is a charismatic leader in marine, ports and dredging sector with unwavering commitment to success and focus on development preserving environment. He is Managing Director and Chief Executive Officer – Designate of Dredging Corporation of India, India. GYV Victor is recipient of awards amongst others, “Exemplary Achievement Award”, “Maritime Award” by Ministry of Shipping, Government of India and “Exemplary Contribution to Indian Industry” by EADA under the umbrella of WODA. He was awarded “Young Scientist Award” for his contribute to research in marine engineering and environment. He serves as Chairman and member of technical committees constituted - national and international. Empaneled with WB, ADB, ICA, FICCI, MIAC, EMAC, IDRC, PDRC, IPA, IoP and SIA. He has been appointed by the Government of India as a member of 5 member Expert Committee on Skill Development Program of Sagarmala, Government of India. Accomplished professional with blend of industrial and legal experience and is an International Arbitrator and Mediator for commercial contracts. He serves as Chairman and Board Members of Bangladesh India Mediators Forum. He serves as member Scientific Working Group in Reservoir Dredging and Safety of Dredging Operation in World Dredging Association and in Climate and Environment Working Committee in Institute of Physics [UK]. He is an international acclaimed trainer, assessor and speaker. | | | |
| Professional qualification | | | | |
| Nature of employment | Managing Director & CEO, Dredging Corporation of India Limited | | | |
| Experience | He has vast experience as Director, Amareena group, Advisor Granules India Limited, Management Member, Inai Kiara SDN, BHD Malaysia, Consultant, Allsectors, Engineering and Infrastructure, South Africa, Chief Advisor, SDMRI India. He is also a Board Member of Eastern Dredging Association (Asia Australian Region) and Secretary General of Eastern Dredging Association, India etc. He is also a Arbitrator and Mediator of Indian Dispute Resolution Centre, India and African Port Association, Durban etc., | | | |
| No. of Share held in DCI | Nil | | | |
| Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | Name of the Company | Position Held | Name of the Committee | Member/Chairman |
| | -- | -- | -- | -- |
| | -- | -- | -- | -- |

v. **Brief profile of the Director appointed from 1/4/21 and continuing on the date of report:**

| | | | | |
|----------------------------|--|--|--|--|
| P Lakshmi Haranadh | | | | |
| Din No. | | | | |
| Date of Birth | 01.08.1966 | | | |
| Education Qualification | Mr. P.L.Haranadh is Indian Railway Traffic Service Officer of 1994 batch. He hails from Andhra Pradesh. He studied MSc & Ph.D from Indian Agricultural Research Institute, Pusa, New Delhi. | | | |
| Professional qualification | | | | |
| Nature of employment | In service – Chairman, Paradip Port Trust; Additional Director (Non-Executive), Dredging Corporation of India Limited. | | | |
| Experience | During his 27 years of service, he worked in Indian Railways for 22 years and 5 years in Ministry of Shipping. In Railways he worked as Sr. Divisional Operations Manager, Raipur Division and Chakradharpur Division, Dy Chief Operations Manager of South Eastern Railway & South Central Railway and Chief Operations Manager (Marketing), East Coast Railway. Presently working as Chief Freight Transportation Manager of East Coast Railway. He has rich experience in rail transportation, especially in freight operations, business development and traffic planning. In recognition of his meritorious work, he received National Award for outstanding management in 2002 and in 2005 from Ministry of Railways. He also worked as Deputy Chairman of Visakhapatnam Port from 2015 - 2020. He was instrumental in developing innovative marketing solutions like total logistics solutions to | | | |



| | | | | |
|--|--|---------------|-----------------------|-----------------|
| | customers to attract cargoes like coal, containers etc. During his tenure, he contributed to overall growth of Visakhapatnam Port and the port scaled up to 3rd position among major ports. Presently he is working as Chairman, Paradip Port Trust. | | | |
| No. of Share held in DCI | Nil | | | |
| Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered) | Name of the Company | Position Held | Name of the Committee | Member/Chairman |
| | -- | -- | -- | -- |
| | -- | -- | -- | -- |

vi Board Meetings and Attendance for 2020-21

Ten Board Meetings were held during the year 2020-21. Attendance of Directors at the meetings of Board of Directors during the financial year 2020-21 and the last Annual General Meeting held on 22.12.2020 is as follows: -

| Sl.No. | Director | No. of Board Meetings held | | Attended last AGM (22/12/2020) |
|--------|-----------------------------|----------------------------|----------|--------------------------------|
| | | During tenure | Attended | |
| 1 | Rinkesh Roy | 5 | 5 | Yes |
| 2 | K Rama Mohana Rao | 9 | 9 | Yes |
| 3 | Rajesh Tripathi | 8 | 8 | Yes |
| 4 | GYV Victor | 2 | 2 | NA |
| 5 | Sanjay Jagdishchandra Sethi | 10 | 4 | No |
| 6 | Sanjay Kumar Mehta | 10 | 5 | No |
| 7 | S Balachandran | 10 | 10 | Yes |
| 8 | Anoop Kumar Sharma | 10 | 10 | Yes |
| 9 | Kartik Subramaniam | 10 | 10 | Yes |
| 10 | B. Poiyaamozhi | 10 | 9 | No |
| 11 | M. Beena | 4 | 2 | Yes |
| 12 | Nutan Guha Biswas | 5 | 4 | NA |
| 13 | Vinit Kumar | 4 | 1 | NA |

vii. Number of other Boards/Board Committees in which Directors are Members/Chairperson for 2020-21:

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

| Sl.No. | | Directorship (Listed entities) | No. of positions held (including DCI) | |
|--------|-------------------------------|--------------------------------|---------------------------------------|-------------|
| | | | Committee Member | Chairperson |
| 1 | K Rama Mohana Rao, Chairman | 1 | 0 | -- |
| 2 | GYV Victor, Managing Director | 1 | 0 | -- |
| 3 | Sanjay Jagdishchandra Sethi | 1 | 0 | -- |
| 4 | Sanjay Kumar Mehta | 1 | 0 | -- |
| 5 | S Balachandran | 1 | 3 | 1 |
| 6 | Anoop Kumar Sharma | 1 | 1 | -- |
| 7 | Kartik Subramaniam | 1 | 1 | 0 |
| 8 | B. Poiyaamozhi | 1 | 1 | 1 |
| 9 | Nutan Guha Biswas | 1 | 0 | -- |
| 10 | Vinit Kumar | 1 | 0 | -- |

viii. Details of Board Meetings held during 2020-21

| Sl.No. | Date | Place | Board Strength | Directors Present |
|--------|--|---------------|----------------|-------------------|
| 1 | 15-06-2020 | Visakhapatnam | 9 | 8 |
| 2 | 30-07-2020 | Visakhapatnam | 10 | 8 |
| 3 | 31/08/2020 | Visakhapatnam | 10 | 9 |
| 4 | 09/11/2020 | Visakhapatnam | 10 | 8 |
| 5 | 22/12/2020 | Visakhapatnam | 9 | 6 |
| 6 | 31/12/2020 | Visakhapatnam | 9 | 8 |
| 7 | 12/02/2021 | Visakhapatnam | 10 | 9 |
| 8 | 26/02/2021 | Visakhapatnam | 10 | 7 |
| 9 | 17/03/2021 | Visakhapatnam | 10 | 8 |
| 10 | 19/03/2021 (Adjourned meeting of 17/03/21) | Visakhapatnam | 10 | 8 |

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

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

| | |
|----------------------|---|
| Business Requirement | Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions. |
|----------------------|---|



| | |
|-----------------------|---|
| Strategy and Planning | Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. |
| Governance | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values. |

3. AUDIT COMMITTEE

i. The Audit Committee is constituted in accordance with the requirements of the provisions of the Companies Act, 2013 and Listing Regulations, 2015. The quorum for meetings of the Audit Committee is two Members or one third of the Members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present. The powers, terms of reference and regulations of the Committee have been fixed by the Board as per the relevant provisions in this regard. The Company Secretary acts as Secretary of the Audit Committee. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. The Committee Meetings are also attended by Director (Finance) if any, 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 2020-21.

ii. The Constitution of the Audit Committee as on 31-03-2021 is as under: -

| | | |
|----|--------------------|----------------------------|
| 1. | S Balachandran | : Chairman |
| 2. | Anoop Kumar Sharma | : Member |
| 3. | B Pooyaamozhi | : Member |
| 4. | Kartik Subramaniam | : Member |
| 5. | Rinkesh Roy | : Member (upto 22/12/2020) |

iii. Meetings of the Audit Committee and attendance during the year 2020-21:

Details of Audit Committee Meetings held:

| Sl.No. | Date | Place | No. of Members Present |
|--------|------------|---------------|------------------------|
| 1 | 30-07-2020 | Visakhapatnam | 5 |
| 2 | 31-08-2020 | Visakhapatnam | 5 |
| 3 | 09-11-2020 | Visakhapatnam | 5 |
| 4 | 12-02-2021 | Visakhapatnam | 4 |

Details of Attendance:

| Director | No. of Meetings held | |
|--------------------|----------------------|----------|
| | During tenure | Attended |
| S Balachandran | 4 | 4 |
| Anoop Kumar Sharma | 4 | 4 |
| B Pooyaamozhi | 4 | 4 |
| Kartik Subramaniam | 4 | 4 |
| Rinkesh Roy | 3 | 3 |

4. REMUNERATION OF DIRECTORS

i. As per the share purchase agreement dated 08/03/2019 entered into between the Government of India and the four ports for the stake sale of Government of India to the four ports along with transfer of management and control, the then existing Rules and regulations regarding payment of salary etc., to the employees continued for a period of one year from 08/03/2019. However, the Board accorded approval for continuation of the existing policies to the extent and till such time they are modified by the board.

ii. The Part-time Official (Government) Directors were not paid any remuneration by the Company.

iii. The Independent / Part-time Non-Official Directors were paid sitting fees @ ₹20,000/- for each Board meeting and each committee meeting they attend.

iv. DCI does not have a policy of paying commission on profits to any of the Directors of the Company.

v. Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2020-21 is as under: -

| (₹ in lakhs) | | | | | |
|--|------------------------------------|--------|-------------------------------|--------------|-------|
| Sl. No | Name of the Director | Salary | Performance Related Incentive | Sitting Fees | Total |
| Executive Directors (Whole-time) | | | | | |
| 1 | Rajesh Tripathi, MD (upto 28/2/21) | 63.31 | - | - | - |
| 2 | GYV Victor (w.e.f. 01/03/21) | 7.03 | - | - | - |
| Non-Executive Directors (Independent) | | | | | |
| 1 | S Balachandran | - | - | 6.05 | 6.05 |
| 2 | Anoop Kumar Sharma | - | - | 6.24 | 6.24 |
| 3 | Kartik Subramaniam | - | - | 5.27 | 5.27 |
| 4 | B. Pooyaamozhi | - | - | 3.70 | 3.70 |
| 5 | Nutan Guha Biswas | - | - | 1.55 | 1.55 |

vi. 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.

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

viii. The Company presently does not have any Stock Option Scheme.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE



- i. The Stakeholders Relationship Committee has been looking into grievances of shareholders, debenture holders and other security holders and to suggest remedies and measures for improvement.
- ii. K. Aswini Sreekanth, Company Secretary is designated as a Compliance Officer.
- iii. No complaints were received during the year 2020-21.
- iv. Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agents.
- v. The Constitution of the Stakeholders Relationship Committee as on 31/03/2021 is as under: -
 1. Mr. B. Poiyaamozhi : Chairman
 2. S Balachandran : Member
 3. Rajesh Tripathi : Member

The Committee has held one meeting on 15/06/2020 for the financial year 2020-21.

6. SHARE TRANSFER COMMITTEE

The Share Transfer Committee has Managing Director and Compliance Officer 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. The Company has not received any request for Share Transfers during the year 2020-2021. 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. KFin Technologies Private Limited, Hyderabad are the Registrar and Transfer Agent of the Company providing the services of physical share registry work and electronic interface facility with the depositories.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

- i. The CSR Committee upto 31/03/2021 is as under: -
 - i) Cmde. Kartik Subramaniam : Chairman
 - ii) Capt. Anoop Kumar Sharma : Member
 - iii) Bhuvaragan Poiyaamozhi : Member
 - iv) Rajesh Tripathi (upto 28/02/2021) : Member
- ii. During the year 2020-21, against the required amount of Rs.18.34 lakh, the Company has spent a total of ₹100 Lakh under CSR towards contribution to PM Cares fund with the primary objective of dealing with any kind of emergency/distress situation such as that posed by COVID 19 pandemic.
- iii. One meeting of the CSR Committee was held during the year on 31/03/2021 at Delhi in which all the Committee Members were present.

8. NOMINATION AND REMUNERATION COMMITTEE

- i. 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. The following is the constitution of the Committee: -
 - Shri S Balachandran : Chairman
 - Cdr. Kartik Subramaniam : Member
 - Capt. Anoop Kumar Sharma : Member
- ii. Eight meetings of the Nomination and Remuneration Committee were held during the year at Visakhapatnam on 15/06/2020, 03/07/2020, 30/07/2020, 29/08/2020, 22/12/2020, 31/12/2020, 26/02/2021 and 10/03/2021 at Visakhapatnam and all the Members were present in the meetings
- iii. The terms of reference of the Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

9. As per the requirements of the SEBI (LoDR) Independent Directors evaluated the performance of Non-Independent Directors, Chairperson, MD for the year ended 31/03/2021.

10. CREDIT RATINGS : The ratings obtained from the Credit rating agencies for the year 2020-21 are as under: -

| Sl.No. | Name of the Credit Rating Agency | Rating obtained |
|--------|----------------------------------|--------------------------------|
| 1 | M/s. Brickwork Ratings | BWR AA(-) Stable - August 2020 |
| 2 | M/s. CARE Ratings | CARE A+ (Stable) - August 2020 |
| 3 | M/s. India Ratings | IND A+/RWN - August 2020 |

11. INDEPENDENT DIRECTORS MEETING:

A meeting of the Independent Directors was held on 30/03/2021 in which all the four Independent Directors – Shri S Balachandran, Cdr. Kartik Subramaniam, Capt. Anoop Kumar Sharma, Shri B. Poiyaamozhi and Ms. Nutan Guha Biswas were present.

12. DECLARATION BY INDEPENDENT DIRECTORS:

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

13. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS: Various seminars, conferences, training programmes etc. are attended by the Board members from time to time. The programs attended by directors is on the website - <http://dredge-india.com/files/FAMI-INDEP-DIR.pdf>

14. A certificate has been received from M/s Agarwal S & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority and the same is attached to this report.

15. ANNUAL GENERAL MEETINGS

- i. Details of last 3 Annual General Meetings:



| | | | | |
|---|-------|--|--|----------------------|
| 1 | Year | 2018-19 | 2019-20 | 2020-21 |
| 2 | AGM | 43 rd AGM | 44 th AGM | 45 th AGM |
| 3 | Date | 08/08/2019 | 22/12/2020 | 17/12/21 |
| 4 | Time | 1130 Hrs | 1130 Hrs | 1030 Hrs |
| 5 | Venue | Conference Hall Laxmi Nagar District Centre New Delhi-110092 | Conference Hall Laxmi Nagar District Centre New Delhi-110092 | Audio visual Means |

- ii. During the AGM w.r.t previous year-2017-18, 2019-20, no special resolution was passed. During the AGM w.r.t previous year 2018-19 three Special Resolutions were passed by e-voting.
- iii. During the previous year, no special resolution was passed through postal ballot.

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

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

17. The Company has complied with all the Accounting Standards issued by ICAI. The Company has complied with the requirements of regulatory authorities on matters related to Capital Markets and no penalties/ strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last 3 years except that NSE and BSE have informed imposition of fine for not having the composition of the Directors as per the requirements of the SEBI (LODR). Both BSE and NSE were requested to review the imposition of fine.

18. With regard to the vigil mechanism as required under Regulation 22 of SEBI(LODR), it is stated that the Company is governed by guidelines of Central Vigilance Commission in this regard which has in place a 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. CVC provides for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. The employees have direct access to the chairperson of the audit committee in appropriate or exceptional cases.

19. All the recommendations of the Committees have been accepted by the Board.

20. **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. 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.

21. **Code of Conduct for Board Members and Senior Management:** The Board has adopted Code of Conduct for Board Members and Senior Management Personnel ('Code') as per the requirements of SEBI Regulations. The Code lays down, in detail the standards of the conduct, ethical and transparent process in managing the affairs of the Company, centers 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 full-fill the fiduciary obligations."

A copy of the Code has been posted on the Company's website www.dredge-india.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:

"I hereby confirm that the Company has obtained from all members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial year 2020-21.

(GYV Victor)
Managing Director

22. The Company does not have any subsidiary company.

23. 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.

24. The Management Discussion and Analysis Report forms part of this Annual Report.

25. 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.

26. Changes in other Key Managerial Personnel (KMP): Board in its 332nd Board Meeting held on 19/03/2021 relieved Shri Sumiran Bansal as Chief Financial Officer (CFO) w.e.f. 19/03/2021 and designated Shri D. Subba Rao, HOD (Finance) of the Company as Chief Financial Officer (CFO) w.e.f. 19/03/2021 of the Company pursuant to Section 203 of the Companies Act, 2013.

27. The CEO and CFO i.e., Managing Director – Prof. GYV Victor and Shri D Subba Rao, CFO, have provided the prescribed certification as contained in Regulation 33 (2) (a) and Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2020-2021.

28. 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.



29. As per the approval of the Board, the Company has applied for Voluntary Delisting of Shares from Calcutta Stock Exchange in June, 2020. As per the request of the exchange, clarifications have been provided. Confirmation of the delisting is awaited.

30. Compliance with mandatory requirements of SEBI (LODR): The Company has complied with the mandatory requirements except with the requirement of having atleast 50% Independent Directors and having independent women director.

31. Compliance of Non-Mandatory/ discretionary Requirement of SEBI (LODR) – Schedule II Part-E

- A. Board: DCI has an executive Managing Director. Hence maintenance of Chairperson's office by a non- executive chairperson does not arise.
- B. Shareholders Rights: A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders. The financial results/corporate governance report, shareholding pattern, reconciliation of share capital report, board meeting notices for financial results, and all other communication that is required to be informed to the Stock Exchanges is posted online and also on the website of the company within the time limits set by the SEBI (LODR) Regulations, 2015. Sending summary of significant events and financial performance on half yearly basis will be examined.
- C. Modified opinion (s) in audit report: The listed entity may move towards a regime of financial statements within modified audit opinion – There have been no Qualification made by the Statutory Auditors in this year's Report. There were emphasis of Matter which have been clarified in the Directors report.
- D. Separate posts of Chairperson and Chief Executive Officer: The same is complied with as on 31/3/2021.
- E. Reporting of Internal Auditor: The Internal auditor may report directly to the Audit Committee –The same will be examined.

32. **Related party transactions:** During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the Accounting Standard - 18. The policy on related party transactions is hosted on the website at <http://dredge-india.com/files/DCI-POLICY-FOR-RELATED-PARTY-TRANSACTION.pdf>

33. Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years.

34. No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

35. 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.

36. Mechanism for evaluating non-executive Members: As per the requirements of the SEBI (LODR), independent directors in their meeting held on 28/3/20 evaluated the performance of the non-independent Directors, Chairperson, MD.

37. 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.

38. Means of Communication:

- i. Quarterly Results
The schedule of consideration of quarterly results by the Board for the year 2019-2020 is as under:
 - a) Results for the 1st quarter ending 30th June, 2020 : On 31-08-2020
 - b) Results for the 2nd quarter ending 30th Sept.2020 : On 09-11-2020.
 - c) Results for the 3rd quarter ending 31st Dec.2020 : On11-02-2021.
 - d) Audited results for the year ending 31st Mar., 2021 : On 29-06-2021.
- ii. The Results are published in "Business standard" newspaper for both English and Hindi versions 48 hours from the time of declaration.
- iii. The Quarterly Results are posted on the website of the Company - www.dredge-india.com after consideration and taking on record by the Board.
- iv. The website of the Company- www.dredge-india.com displays the official news releases, if any
- v. The website of the Company - www.dredge-india.com displays the presentations made to institutional investors or to the analysts, if any.
- vi. Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form part of the Annual Report. Chairman's speech is distributed to the shareholders at the Annual General Meeting. The same is also placed on the website of the company for information of the shareholders residing in various parts of the country.
- vii. Green Initiative: sending important communication to shareholders through e-mail. The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Accordingly, the Company would send the copy of the Annual Report for the year 2020-21 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's/ R&T agents and have opted for physical copy of the Annual Report.

39. **GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting–

Date, Time & Venue : 17th December at 1100 hrs. through Video conferencing.
 Financial Year : 1st April 2020 to 31st March 2021.



Date of Book closure : 11/12/2021 to 17/12/2021 (both days inclusive)

Remote e-voting cutoff date : 10/12/2021

Remote e-voting start date : 14/12/2021

Remote e-voting end date : 16/12/2021

Listing on Stock Exchanges:

Name and address of the Exchange : Stock/ Scrip Code
 National Stock Exchange of India Limited : DREDGECORP ; Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
 BSE Limited : 523618 ; 25th Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
 Calcutta Stock Exchange Ltd. : 14050; 7, Lyons Range, Kolkata - 700 001.

- i. Annual Listing fee for the financial year 2020-2021 has been paid to BSE and NSE. The invoice from CSE is awaited.
- ii. The tax free bonds of the company are listed with BSE Limited, Mumbai
- iii. ISIN Nos.
 ISIN No. For trading in Demat form for Equity : INE506A01018
 ISIN No. for Tax Free Bonds : INE506A07015
- iv. The Corporate Identity Number of the Company is L29222DL1976PLC008129
- v. Registrar and Share Transfer Agents: M/s. KFin Technologies Private Limited, Hyderabad are the R & T Agents of the Company.
- vi. 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 dispatched within a period of 30 days from the date of the receipt, if documentation is correct and valid in all respects.

vii. Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2020-2021

| Month | BSE SHARE PRICE (₹) | | BSE SENSEX (S&P) | | NSE SHARE PRICE (₹) | | NSE (NIFTY 50) | |
|--------|---------------------|--------|------------------|-----------|---------------------|--------|----------------|----------|
| | High | Low | High | Low | High | Low | High | Low |
| Apr-20 | 248.05 | 142.7 | 33,887.25 | 27,500.79 | 249 | 142.1 | 9889.05 | 8356.55 |
| May-20 | 239.65 | 207.6 | 32,845.48 | 29,968.45 | 237.5 | 207 | 9598.85 | 8806.75 |
| Jun-20 | 276.5 | 220.4 | 35,706.55 | 32,348.10 | 276.5 | 220.3 | 10553.15 | 9544.35 |
| Jul-20 | 292 | 246.55 | 38,617.03 | 34,927.20 | 292 | 246.45 | 11341.4 | 10299.6 |
| Aug-20 | 339.35 | 248.1 | 40,010.17 | 36,911.23 | 339.5 | 248.1 | 11794.25 | 10882.25 |
| Sep-20 | 302.35 | 248 | 39,359.51 | 36,495.98 | 304.4 | 248.35 | 11618.1 | 10790.2 |
| Oct-20 | 274.45 | 237.7 | 41,048.05 | 38,410.20 | 274.3 | 237 | 12025.45 | 11347.05 |
| Nov-20 | 304.4 | 228.2 | 44,825.37 | 39,334.92 | 305 | 232.5 | 13145.85 | 11557.4 |
| Dec-20 | 342 | 266.95 | 47,896.97 | 44,118.10 | 342.7 | 266.65 | 14024.85 | 12962.8 |
| Jan-21 | 340.75 | 256 | 50,184.01 | 46,160.46 | 340.8 | 278 | 14753.55 | 13596.75 |
| Feb-21 | 435.35 | 280 | 52,516.76 | 46,433.65 | 435 | 279.6 | 15431.75 | 13661.75 |
| Mar-21 | 456.95 | 323.3 | 51,821.84 | 48,236.35 | 457.95 | 327.5 | 15336.3 | 14264.4 |

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

viii. Shareholding pattern as on 31/3/2021: -

| Category | Cases | Holding | % To Equity |
|-------------------------------------|-------|----------|-------------|
| Foreign Portfolio - Corp | 5 | 10581 | 0.04 |
| Trusts | 8 | 55478 | 0.2 |
| Resident Individuals | 53012 | 4848484 | 17.32 |
| Insurance Companies | 3 | 1877735 | 6.71 |
| Non-Resident Indians | 343 | 56330 | 0.2 |
| Clearing Members | 131 | 126242 | 0.45 |
| Banks | 0 | 0 | 0 |
| Qualified Institutional Buyer | 1 | 115307 | 0.41 |
| Non-Resident Indian Non Repatriable | 269 | 38377 | 0.14 |
| Bodies Corporates | 261 | 293407 | 1.05 |
| I E P F | 1 | 6046 | 0.02 |
| Promoters – Four Port Trusts | 4 | 20572013 | 73.47 |
| Total | 54038 | 28000000 | 100.01 |

ix. Distribution of shareholding as on 31/3/2021:

| Sno | Category | No. of Cases | % of Cases | Amount (in ₹) | % of Amount |
|-----|----------------|--------------|------------|---------------|-------------|
| 1 | 1-5000 | 55921 | 97.26 | 27608070 | 9.86 |
| 2 | 5001- 10000 | 963 | 1.67 | 7414130 | 2.65 |
| 3 | 10001- 20000 | 365 | 0.63 | 5313730 | 1.90 |
| 4 | 20001- 30000 | 94 | 0.16 | 2388360 | 0.85 |
| 5 | 30001- 40000 | 39 | 0.07 | 1411090 | 0.50 |
| 6 | 40001- 50000 | 35 | 0.06 | 1642830 | 0.59 |
| 7 | 50001- 100000 | 48 | 0.08 | 3549820 | 1.27 |
| 8 | 100001 & Above | 30 | 0.05 | 230671970 | 82.38 |
| | Total: | 57495 | 100.00 | 280000000 | 100.00 |

x. Dematerialisation/ Rematerialisation of Shares and liquidity:



The shares of the Company are traded compulsorily in dematerialised form. Out of 2,80,00,000 fully paid up shares of ₹10/- each 2,05,72,013 shares (73.47%) are held by the Promoters represented by the four Port Trusts – Visakhapatnam Port Trust, Paradip Port Trust, Deendayal Port Trust and Jawaharlal Nehru Port Trust and the remaining 74,27,987 shares (26.53%) are held by others. As on 31.03.2021, 2,79,97,096 shares are held in dematerialised form representing 99.99% of share capital. In the year 2020-21, 79 shares have been dematerialized covering 45 demat requests. During the year, no shares were rematerialised.

xi. Distribution of shareholding w.r.t physical/ dematerialized form as on 31/3/2021 is as under:

| Category | No. of Holders | Total Shares | % to Equity |
|----------|----------------|--------------|-------------|
| PHYSICAL | 1032 | 2229 | 0.01 |
| N S D L | 34405 | 15183386 | 54.23 |
| C D S L | 22058 | 12814385 | 45.77 |
| Total | 57495 | 28000000 | 100.00 |

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

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

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

xiii. Project Locations:

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

xiv. Address for investors correspondence:

Company

Company Secretary
Dredging Corporation of India Limited.
Company Secretary Department,
"Dredge House", HB Colony Main Road,
Seetammadhara, Visakhapatnam-530022.
Phone: 0891- 2871207/298

e-mail: sreekanth@dcil.co.in

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

Registrar & Transfer Agent: -

UNIT: Dredging Corporation of India Ltd.
KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No.31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad- 500032.
Phone: (040)67162222
Fax : (040)23001153

e-mail : einward.ris@karvy.com

xv. 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.

xvi. commodity price risk or foreign exchange risk and hedging activities: The Company has in place a Forex Risk Management policy and the foreign currency exposure is hedged as per the terms of the policy;

xvii. Corporate Action: Dividend declared by the Company from 2012-13:

| year | Dividend declared | Year | Dividend declared |
|---------|------------------------------|---------|------------------------------|
| 2012-13 | 20% (₹ 2/- per equity share) | 2016-17 | NIL |
| 2013-14 | 30% (₹ 3/- per equity share) | 2017-18 | 20% (₹ 2/- per equity share) |
| 2014-15 | 30% (₹ 3/- per equity share) | 2018-19 | 30% (₹ 3/- per equity share) |
| 2015-16 | 30% (₹ 3/- per equity share) | 2019-20 | NIL |
| 2020-21 | NIL | | |

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

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

xx. The statement of unclaimed dividend due for transfer to IEPF is as under: -

| Financial Year | Date of Declaration | Due for transfer to IEPF |
|----------------|---------------------|--------------------------|
|----------------|---------------------|--------------------------|



| | | |
|---------|----------------------|----------------|
| 2014-15 | 30/09/2015 | October 2022 |
| 2015-16 | 30/09/2016 | October 2023 |
| 2016-17 | No Dividend Declared | |
| 2017-18 | 13/08/2018 | September 2025 |
| 2018-19 | 08/08/2019 | September 2026 |
| 2019-20 | No Dividend Declared | |
| 2020-21 | No Dividend Declared | |

40. OTHER INFORMATION:

- a) Board Meetings, its Committee Meetings and procedure: The number of Meetings of the Board/ Committee (s) of the Board as required under the Companies Act/ Listing Agreement are held every year. In case of business exigencies or urgency of matters, resolutions are passed by circulation which are placed in the next meeting of the Board. The information placed before the Board includes: -
- Annual operating plans and budgets and any updates.
 - Capital budgets and any updates.
 - Quarterly results for the Company and its operating divisions/ business segments.
 - Minutes of the meetings of Audit Committee and other Committees of the Board.
 - The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
 - Show Cause, demand, prosecution notices and penalty notices which are materially important.
 - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
 - Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
 - Any issue, which involves possible public liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
 - Details of any joint venture or collaboration agreement.
 - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
 - Significant labour problems and their proposed solutions. Any significant development in human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
 - Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
 - Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
 - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
 - Terms of reference of the Board Committees.
- b) Agenda for Board / its Committee meetings: All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision or for information at the Board/ Committee meetings. The Members of the Board have complete access to all information on the organization. The Chairman and Managing Director in consultation with the other functional Directors and senior management personnel finalises the agenda papers for the Board Meetings which are then communicated to the Company Secretary in advance for circulation to the Board/ Committee Members. The Board Agenda comprising of the Board notes, management reports and other explanatory notes are circulated to the Directors in advance. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.
- c) Post meeting Follow-up Mechanism: Follow-up Report on the decisions/ minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/ Committee.
- d) Recording of Minutes of proceedings at Board and Committee Meetings: The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The draft Minutes are circulated to all the members of the Board and Committee meetings for comments/approval. The Minutes are confirmed in the next meeting of the Board/ Committee. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.
- 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 2020-21 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 Agarwal S & Associates., Company Secretaries, New Delhi was submitted to the Mumbai, Calcutta and National Stock Exchanges for all the quarters and was also placed before the Board for information.
- f) The financial results are filed in Websites of NEAPS and BSE Online Filing.
- g) The total fees paid to statutory Auditors during the year is ₹ 8.00 Lakhs.
- h) 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. MD has delegated some of these powers further down the line to functional and project heads.
- i) Regarding Compliance of laws applicable to the Company it is confirmed that no specific instances or reports of non-compliance/ default in compliance of any law were received by the Company.
- j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year. - Nil
 - number of complaints disposed of during the financial year. Nil



(c) number of complaints pending as on end of the financial year. Nil

Annexure to report on Corporate Governance

CEO /CFO CERTIFICATION

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

- (a) We have reviewed financial statements and the cash flow statement for the year 2020-21 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 violate of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial Reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.


(D Subbarao)
HOD (FINANCE) & CFO


(GYV Victor)
MANAGING DIRECTOR & CEO

PLACE: VISAKHAPATNAM.
DATE: 29/06/2021

Annexure to report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
DREDGING CORPORATION OF INDIA LIMITED,
CORE-2, FIRST FLOOR, "SCOPE MINAR",
PLOT NO. 2A & 2B, LAXMI NAGAR,
DISTRICT CENTRE, DELHI- 110091.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dredging Corporation Of India Limited** having CIN:L29222DL1976PLC008129 and having registered office at **Core-2, First Floor, "Scope Minar", Plot No. 2a & 2b, Laxmi Nagar, District Centre, Delhi-110091** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/representations furnished to us by the Company & its Director/ officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1 | Vinit Kumar | 07990215 | 31-12-2020 |
| 2 | K.Rama Mohana Rao | 07620951 | 30.07.2020 |
| 3 | Sanjay Jagdishchandra Sethi | 02235406 | 08.03.2019 |
| 4 | Sanjay Kumar Mehta | 06912891 | 08.05.2019 |
| 5 | Balachandran Srinivasan | 01962996 | 10.04.2019 |
| 6 | Bhuvaragan Poiyaamozhi | 06564735 | 10.04.2019 |
| 7 | Anoop Kumar Sharma | 03531392 | 04.04.2019 |



| | | | |
|----|--------------------|----------|------------|
| 8 | Kartik Subramaniam | 01957227 | 10.04.2019 |
| 9 | Nutan Guha Biswas | 03036417 | 22.12.2020 |
| 10 | GYV Victor | 09084442 | 01.03.2021 |

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

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

**CS Anuradha Jain
Partner**

ACS No.: 36639

CP No.: 14180

UDIN: A036639C000440130

Place: New Delhi

Date: 10/06/2021

Annexure to report on Corporate Governance CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Dredging Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by Dredging Corporation of India Limited for the year ended 31st March, 2021, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015").

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

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

1. As per Regulation 17 (1) (a) of SEBI (LoDR) Regulations, 2015, should have an Independent woman Director on the Board for the period 01.04.2020 to 22.12.2020.
2. As per Regulation 17 (1) (b) of SEBI (LoDR) Regulations, 2015, Company should have requisite number of Independent Directors on the Board of the Company for the period from 01.04.2020 to 22.12.2020.
3. As per Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LoDR) Regulations, 2015, Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and Independence of a director and recommend to the Board of Directors, key managerial personnel and other employees. As informed by the Company, as per the Share Purchase Agreement, the Remuneration etc. of the employees (including Directors) would remain the same for a period of one year i.e. upto 07.03.2020. Board in its 324th Meeting held on 15.6.2020 has extended the validity of the same till such time the same are changed with the approval of the Board.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 13 & 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted waiver requests.

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

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

**CS Anuradha Jain
Partner**

ACS No.: 36639

CP No.: 14180

UDIN: A036639C001211670

Place: New Delhi

Date: 19.10.2021



MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2020-21

GLOBAL SCENARIO

1. The global economy in 2020 shrank by 4.3% over two and half times more than during the global financial crisis of 2009. The modest recovery of 4.7 percent expected in 2021 would barely offset the losses of 2020, says the world economic situation and prospects. Global dredging market is expected to progress at over 3% CAGR (volume) during the forecast period of 2021 to 2031. Dredging market is dependent on current market condition, profit, loss, capacity, productions, consumption and growth rate of market. The dredging market is divided into segments and dividers on a global framework. The highlights of dredging market include share by the key players, global growth drivers, market size based on segmentation, price and sales channel analysis and dredging market forecast.
2. Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term till COVID-19 situation eases.
3. In terms of geography, the dredging market in Asia Pacific is expanding due to the rise in population in the region. This has increased the need for oil exploration and telecommunication purposes from different sources beneath the water. It has also boosted the demand for subsea activities. Hotbeds regions of subsea activities in Asia Pacific are primarily located in Vietnam, Australia, China, Malaysia, and Indonesia. The dredging market in North America has been expanding due to the increase in oil & gas activities in offshore regions. Demand for dredging market has been rising in countries such as France, Germany, and the U.K. in Europe owing to the rapid increase in marine activities. Demand for dredging is expected to increase in Latin America and Middle East & Africa in the near future.
4. The dredging market can be segmented based on type, end-user industry, and region. Different types of dredging vessels are suction, jet lift, air lift, bucket, and others. The suction type of dredging vessel operates by sucking through a long tube, akin to some vacuum cleaners on a larger scale. The suction vessel is further bifurcated into trailing suction and cutter suction. Jet lift dredging vessel uses the Venturi effect of a concentrated high-speed stream of water to pull the nearby water, together with bed material, into a pipe. Airlift is a type of small suction dredging vessel. Bucket dredger is equipped with a bucket dredge, a device that picks up sediment by mechanical means, often with many circulating buckets attached to a wheel or chain. Other types of dredging vessels include pneumatic, water injectors, and snagboat. Based on end-user industry, the dredging market can be segregated into oil & gas, trading, tourism, and others.
5. Increase in global trade carried out through the sea and rise in transportation of goods through the sea using large container vessels and ships are factors offering lucrative opportunities to the dredging market. Port infrastructure needs to be expanded; dredging is required to keep ports in working condition. Global demand for energy and gas has been rising. Exploration of oil and gas is carried out primarily in remote areas. For this process, dredging companies are required to construct ports. Dredging is also being carried out on beaches to keep them in prime condition. Dredging is a capital intensive process. This is one of the major restraints of the dredging market. New technological advancements are emerging in order to lower manufacturing costs and increase the productivity of dredging.
6. Large European dredging companies have traditionally dominated the international dredging market. Europe has been the traditional hub of the international dredging market with activities concentrated in the Netherlands, Belgium and the United Kingdom with the five leading Dutch and Belgian companies highlighted in the table below controlling a substantial portion of the international dredging market.
7. The major European companies account for a large proportion of the total international dredging fleet. Responding to demands from customers, continuous efforts are being made to increase the size of dredgers, improve technology and reduce costs. Jumbo trailer suction hopper dredgers with hopper capacities as large as 46,000 cubic meters are being deployed.
8. Many new markets have begun to open in recent years as dredging projects have become more complex and as international dredging companies develop new dredging techniques and more efficient dredgers to reduce unit costs well below that of most local contractors. In addition, dredging contracts increasingly include more demanding environmental clauses that must be satisfied during the performance of the work. Those contractors able to meet stringent environmental requirements are therefore better placed to win contracts.
9. In addition to the leading international dredging companies, countries including China, Japan, Korea, the United Kingdom and the Ukraine also have large dredging companies mostly focused on their respective domestic markets. In addition, new players, especially from Asia, are entering the dredging market, although they are smaller in size.
10. Increasing emphasis on globalization and the need to synergize existing fleet strengths and competition may lead to consolidation in the international dredging industry.
11. Internationally, the dredging industry is experiencing changing regional patterns. Demand in Europe, which was formally concentrated in specific countries such as the Netherlands, Belgium and the United Kingdom, has spread throughout Europe in recent years. However, overall growth for Europe has been only marginal. Singapore, Hong Kong and the Middle East have witnessed higher levels of growth in dredging operations, which is expected to continue in the coming years. Governments or port management authority issue port maintenance contract for dredging which has given impetus to the dredging maintenance business in the coastal areas. However, volatility in the oil & gas sector owing to ongoing coronavirus pandemic is expected to cause stagnancy in the global dredging market for next couple of years as governments have stopped or reduced investment for port maintenance amid COVID-19 pandemic. For instance, in its budget for fiscal year 2021, the US proposed reduction in funds for ports which led to a 22% cut in funds of U.S. Army Corps of Engineers which manages dams, canals & inland waterways. As a result, countries will have to hold back maintenance of ports, which will substantially affect the dredging market.



12. As such, the COVID-19 situation which had an impact on the global shipping industry is also bound to have serious impact on the dredging volumes owing to the reduced trade and liquidity issues. It is difficult to quantify the same at this juncture and a clearer picture is expected to emerge in near future as the COVID-19 situation eases.

INDIA SCENARIO

13. Indian Dredging companies have very negligible presence outside the country. On the domestic front, there is no major initiative being taken by leading Indian players in Capital Dredging Market. Except, for few small to medium size contracts, sizeable Capital Dredging contracts are routinely bagged by Belgian/ Dutch multi- nationals. In general, Indian companies lack large Cutter Dredgers / Rock Breakers in their Fleet. Dredging Corporation of India (DCI) is a notable exception in this regard. We have a fleet of three Cutter Dredgers; one of them is the famous old War horse, "Aquarius". There has been efforts by few other companies in this regard but there has been no long –term sustainability shown by Indian Dredging companies in the field of Capital dredging. The Ground reality is that Indian Dredging Companies are by and large, are confined to Maintenance Dredging Market. The Maintenance Dredging market is cramped, with Trailer Suction Dredgers of all shapes and sizes and of diverse origins, chasing the same pie.

14. The competition is so intense that one major player has picked up a Maintenance Dredging contract at a Major port on West coast of India at rate less than what it got just few years back. This is a very pleasant situation for clients, but this price war will only have losers in the end as far as Dredging Companies are concerned.

INDIAN DREDGING MARKET

15. Indian dredging industry is driven largely by the dredging demand coming from its major and non-major ports. With recent developments to boost domestic manufacturing and Government's focus to improve Indian maritime sector, dredging industry is expected to be a direct beneficiary. Indian ports are preparing themselves to handle more cargo by accommodating bigger vessels and aspire to meet international standards in port infrastructure in a bid to achieve economies of scale. As a result, ports are moving towards improving the basic infrastructure like deepening of channels, mechanization and creation of more berths which will create demand for dredging industry. Further, creation of new greenfield ports would also drive the demand for dredging in the domestic market.

16. As per Ministry of Port, Shipping and Waterways, over the next few years, most of the major ports would improve their capacity to accommodate bigger ships. Given these prospects, coupled with new developments coming in from Navy, national waterways and off shore exploration, scope of Indian dredging industry seems vast. Indian Shipping Industry has over the years played a crucial role in the transport sector of India's economy, providing an essential means of transport for crude oil, petroleum products and other cargos. Approximately 95% of the country's trade by volume and 68% by value are moved through Maritime Transport. The Ports in the country handle around 90% of EXIM Cargo by volume and 70% by value. In order to meet the ever increasing trade requirements, expansion of Port Capacity is accorded the highest priority. While increasing the capacity of the major ports, action has been initiated by the Government to improve the operational efficiencies through mechanization, digitization and process simplification. As a result over the years the installed capacity & cargo handled by the Major Ports have increased considerably. Besides the efficiency parameters like average turn around time, average output per ship berthday have also improved considerably.

17. Since about more than 90% of India's trade by volume is conducted via the country's maritime route, there is a continuous need to develop India's ports and trade related infrastructure to accelerate growth in the manufacturing industry and to assist the 'Make in India' initiative. India has 12 major ports and approximately 200 non-major ports administered by Central and State Governments respectively.

18. As per the studies conducted under the Sagarmala Programme, it is expected that by 2025, cargo traffic at Indian ports will be approximately 2500 MMTPA while the current cargo handling capacity of Indian ports is only 1500 MMTPA. A roadmap has been prepared for increasing the Indian port capacity to 3300+ MMTPA by 2025 to cater to the growing traffic. This includes port operational efficiency improvement, capacity expansion of existing ports and new port development.

19. Under Project Unnati, the global benchmarks were adopted to improve the efficiency and productivity KPIs for 12 major ports. Around 116 initiatives were identified across 12 major ports to unlock more than 100 MTPA capacity just through efficiency improvement. Out of which, 93 initiatives have been implemented to unlock more than 80 MTPA capacity. For all the 12 major ports, master plans have been finalized. From the port master plans, 92 port capacity expansion projects (cost: Rs. 58,884 Cr) have been identified for implementation over next 20 years and are expected to add 712 MTPA to the capacities at major ports.

20. With the objective of propelling India to the forefront of the Global Maritime Sector, Ministry of Ports, Shipping and Waterways has formulated Maritime India Vision 2030 (MIV 2030), a blueprint to ensure coordinated and accelerated growth of India's maritime sector in the next decade. MIV 2030 identifies over 150 initiatives across 10 themes covering all the facets of the Indian maritime sector and is a comprehensive effort to define and meet national maritime objectives. DCI is actively involved in one of these initiatives - conduct study for identifying innovative methods for recycling / re-usage of the dredged material

21. As per Industry estimates, the Indian annual dredging market, was estimated as around 147 – 157 Million cubic meter (mcm) with maintenance dredging constituting around 70% of Indian dredging market. Capital dredging segment in India has been impacted by a number of factors such as delay in land acquisition and receiving necessary environment and project clearances. Since major ports had been created at natural harbors (Kandla) or at the mouth of rivers (Haldia) or at Cochin, the siltation pattern is very high at these ports leading to a very high maintenance dredging demand at major ports. While non-major ports have been largely created with artificial harbors and break water reducing the demand for annual maintenance dredging.



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

22. The Ministry of Ports, Shipping and Waterways has issued the new Dredging guidelines to be followed by Major Ports. As per the new Guidelines, the Major Ports having management control of Ports Owned Dredging Company may award the dredging works of the respective ports to the company on nomination basis on approval of Board of Trustees/ Directors of the Port. Whenever this route for award is followed the principle of competitive market price discovery for the same quality and conditions shall be followed (to ensure high efficiency in cost, time and quality in execution of dredging projects).on undertaking dredging at major ports issued by Ministry of Shipping, all major ports shall invite open competitive bids for capital/maintenance dredging works. This is expected to help the Company in getting more projects directly from the promoter ports.

23. The present slump in the global dredging market and consequent entry of global players either directly or through their Indian arms competing to get the contracts at competitive rates has constrained DCI to quote competitively. This has put the financials of the Company under severe strain because of increasing cost due to frequent repairs and lay-up of the ageing dredgers.

Growth Drivers :

24. New capacity creation by Indian ports, including channel deepening, is the single largest factor determining growth of Indian dredging market. Although, dredging demand would also come from other players such as Navy and shipyards, but the demand is miniscule as compared to ports.

25. Shallow water dredging demand due to development of national waterways is considered separately as the asset requirements, technology and players are completely different from maintenance and capital dredging market.

26. Sagarmala Plan : - The Government of India has envisioned the Sagarmala Program, which aims to exploit India's 7,500 km coastline and 14,500 km of potentially navigable waterways. It promotes port-led development in the country by harnessing strategic locations on key international maritime trade routes. A National Perspective Plan has been developed under this program, paving the way for 150 projects with investments of ~INR 4,00,000 Crore in the next 10 years. These projects have been identified across areas of port modernization and new port development, port connectivity enhancement, port-led industrial development and coastal community development.

27. Additional infrastructure would include development of coastal economic zones ("CEZs") covering all maritime states and union territories. The CEZs would be segregated on the basis of manufacturing clusters and basic input industries. The manufacturing cluster would include labor intensive sectors of electronics, apparel, leather products, furniture and food-processing. However, basic input industries would include clusters for power, refineries and petrochemicals, steel and downstream industries and cement. Setting up infrastructure for these clusters will require an investment of INR 1,00,000 Cr. and is expected to attract an additional INR 7,00,000 Cr. of industrial investment.

28. It is foreseen that Major Ports shall deepen and widen their navigational channel to attract deep draft vessels and the forecast indicate, net dredging quantity may be approximately 3 billion cu m (1.6 billion cu m capital and 2.4 billion cu m maintenance) to be dredged in next 10 years.

29. Subsequently, a number of channel/port deepening projects are currently being undertaken by various ports. In India, many ports are incapable of berthing fully-laden large vessels. Large vessels can be berthed only by dredging, which offers significant potential for higher dredging activity in the Indian market.

30. Beneficial use of dredged material is another area which is being given priority as per the dredging guidelines and also Maritime India Vision 2030. The Company is actively involved in this vertical and is expected to make headway in this financial year.

31. Given the prospects of development and maintenance of existing major ports, building new ports, onshore resources exploration, demand from navy and, more interestingly, projects envisaged for national waterways, the scope for dredging is potentially vast.

ACQUISITION OF NEW DREDGER

32. We are happy to inform you that Ministry has accorded approval to the recommendations of the Expert Committee constituted for the purpose for procurement of 12000 m³ TSHD dredgers by DCI to be constructed at Cochin Shipyard Limited under the Atma Nirbhar Program – first in 2021, second in 2023 and the procurement of third dredger should be on the basis of analysis of performance of 2 dredgers. The third dredger capacity shall be determined based on gap viability analysis of the market in 2025 to achieve requirements of dredging at Indian Major Ports as envisaged in Maritime Vision 2030. The cost of each dredger is expected to be around Rs. 1000 Cr. The technical specifications for the first dredger have been finalized and the work order would be placed soon.

PERFORMANCE

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

| | Target | Actual | % Utilisation |
|----------------------|--------|--------|---------------|
| No. of Days | 3465 | 2653 | 76.57% |
| Quantity (Mln. Cu.M) | 635.34 | 572.55 | 90.12% |

FINANCIAL PERFORMANCE

34. The Financial performance during the year is as under:-

Rs. In lakhs



| PARTICULARS | 2020-21 | 2019-20 |
|-------------------|---------|---------|
| Total Income | 76692 | 75529 |
| Total Expenditure | 93751 | 74188 |
| Profit after Tax | -17241 | 551 |
| EPS | -60.05 | 1.97 |

KEY STRENGTHS OF DCIL

35. Premier dredging company in India:-DCIL is a premier dredging company in India. The Company is also the preferred dredging company for Major Ports and the Indian Navy. The Company has been in this business since 1976 and has been catering to the dredging requirements of the major ports/ Indian Navy since then. Owing to the long association with the Major Ports, the Company is the most preferred company for dredging requirements of most of the Major Ports and the Indian Navy.

36. One of the largest hopper capacity in the Indian market : - DCIL has one of the largest hopper capacity in the Indian market which provides flexibility to handle projects involving larger dredging volumes as well as higher number of projects compared to any of the competitors in the Indian maintenance dredging market.

37. To maintain the value and effectiveness of the fleet, the Company emphasizes preventive maintenance so as to reduce the downtime, increase profitability, enhance the vessel life. With the addition of the Inland cutter suction dredger, the Company has re- entered into the inland dredging sector and is expecting to be a major player in the same.

38. The dredgers (Dredge – XIX, XX and XXI) are the premium assets of DCIL. They are equipped with the best technology among the fleet of Indian companies. The dredgers have shore pumping facilities which enables them to carry out the high premium jobs like aggregate dredging, beach nourishment and reclamation works.

39. Strong relationships with Customers: - The Company has been catering to the dredging requirements of the Major Ports and the Indian Navy right from its inception in 1976 and has a better understanding of the dredging requirements of the Indian Ports. The Company is the leader in maintenance dredging in India through its combination of usage of advanced equipment and experience.

40. Forty years of dredging experience: - DCIL has more than 40 years of dredging experience at the Major ports in India, which gives DCI the experience of dredging at locations with varying soil characteristics. Although the pre-qualification criteria in the dredging tenders needs the recent dredging operation history (5-7 years), 40 years' experience provides credibility to DCIL for bidding in the projects outside the country.

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

OUR WEAKNESS/ CONSTRAINTS AND STEPS TAKEN TO OVERCOME THE SAME

42. The dredging fleet of DCI has an average age of more than 20 years. Some of the equipment of the old vessels have already crossed their useful life. These equipment need extensive refurbishment which has resulted in the loss of production due to lower performance of vessels and increased breakdown days. Also, some of the dredging contracts limit the age of equipment to be deployed in the project as their pre-qualification criteria. To this extent, the Company has already taken steps to scrap some of assets which have outlived their useful life and found not to be profitable after a techno economic viability study. Accordingly Dr.VII and Dr XIX have been decommissioned and sold as scrap during the year. Inorder to overcome the reduction in capacity, DCI has initiated action procurement of 12000 Cu.M Hopper Capacity Dredger.

43. High lead time for the procurement of the spares and stores is resulting in delays in repairs and dry docks. This is primarily due to the aged dredgers and as stated the company has taken steps to scrap some of the dredgers which are not economically viable and outlived their life. Further ERP is being implemented for better management of inventory.

44. Retirement and non-availability of skilled manpower in the areas of project management and limited availability of ship repair facility is leading to the delays in project execution as well as dry-docking of the vessels. The project management process needs to be fine tuned to make the execution of projects more efficient and time bound. Preventive maintenance dry-dock planning also needs to be fine tuned to cut down both cost and time overruns. In this direction, the Company has outsourced the manpower requirement and technical maintenance of two vessels. Further action will be taken in similar lines after cost benefit analysis of the same. DCI exploring the possibility to establishment of Dredge Training Institute & Repair facility.

45. High attrition leading to increased contractual manpower: The dredging industry has a shortage of skilled manpower which makes the retention of employee very difficult for DCI a PSU. It is easier for people to get expertise in the industry and leave the company for lucrative offers from its competitors. In the past DCI has lost a lot of its experts to private and the international counterparts in the Indian market. To this end, the company has in place a robust career progression policy for shore based employees. The remuneration package for floating employee is at par with the industry standards in India. The company is trying its best to keep the attrition levels at manageable levels.

OPPORTUNITIES

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

Diversification in core business:



47. The core business diversification opportunities include the dredging services in segments other than maintenance and capital dredging as well as the geographical diversification. The other segments in dredging would include beach nourishment, inland dredging, aggregate dredging, oil & gas dredging, shallow water dredging, offshore mining and land reclamation activities, reservoir dredging, beneficial use of dredged material etc. However, the priority would be to further strengthen the presence in the core dredging market.

Diversification to new businesses:

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

OUR STRATEGIES

49. 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.

50. Enhancement of market share in maintenance dredging and more participation in capital dredging in India. Making forays in foreign dredging market: Apart from consolidation in the Indian dredging market, we have plans to make forays in the foreign dredging market. The initiatives taken for setting our foot once again in foreign waters is likely to materialise in this financial year. DCI has already executing the dredging contract for Mongla Port, Bangladesh.

51. Enhancement of the fleet capability : In continuation of the efforts to sustain the existing capacity our Company plans to higher hopper capacity trailer suction hopper dredgers. Our Company also plans to refurbish the existing aged dredgers so as to increase their effectiveness and enhance their economic life. Further, with the impetus given to inland waterways by the Government and the consequent necessity and demand for inland dredging, the company has added to its fleet an inland cutter suction dredger which has already joined the fleet.

52. Reducing operational costs : Further, to the capacity enhancement initiatives discussed above, your Company also has taken initiatives to reduce operational costs by focusing on fuel efficiency in ship operations and ship procurement and further streamlining the spare parts procurement systems. Your Company also proposes to have tie-ups with ship repair yards for continued maintenance of our vessels for a period of time so as to make available the dredgers for a guaranteed minimum number of days every year.

53. Strategic alliances through long term contracts with major ports : - The Company is exploring to have strategic alliances with major ports. This will ensure assured business for the Company and enable the Company to plan in advance regarding the deployment of the vessels. The Company is also exploring to act as nodal agency to meet all dredging requirements for major ports in the country.

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

THREATS

55. 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.
- iv Possible reduction in expenditure on dredging by Government/Ports post COVID- 19 situation in the short term,

56. The increased competition has in a way helped the company to tighten up and become more competitive.

FOREIGN EXCHANGE RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INDUSTRIAL RELATIONS

59. The industrial relations in the Corporation continued to be cordial throughout the year 2020-21.



CORPORATE SOCIAL RESPONSIBILITY

60. The Board of Directors of the Company have formulated the Corporate Social Responsibility Policy for the Company and also constituted a Sub-Committee of Directors for implementation of the same. The report of the Corporate Social Responsibilities activities of the Company is attached to the Director's Report.

FUTURE READYING THE BUSINESS FOR A POST COVID-19 WORLD

61. Company's normal operations have been impacted in a number of ways as Lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards, inordinate delays in import of emergency Spares which are required to carry out the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20 as well as 2020-21. It also imposed delays in both Dry-docking / running repairs in yards, impeded conducting surveys and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21. Notwithstanding constraint, management has taken a number of measures in the last three months and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.

RATIOS

62. The following remaining information w.r.t. to addition of new sub clause (i) under clause 1 in Part B ('Management Discussion and Analysis) of schedule V of SEBI (LODR) Regulations, 2015.

| Particulars | 2020-21 | 2019-20 |
|-----------------------------|---------|---------|
| Debtors Turnover | 3.37 | 2.96 |
| Inventory Turnover | 1.81 | 1.46 |
| Interest coverage Ratio | -12.58 | 2.01 |
| Current Ratio | 1.18 | 1.72 |
| Debt Equity | 0.30:1 | 0.35:1 |
| Operating Profit Margin (%) | -4% | 19% |
| Net Profit Margin (%) | -22% | 1% |
| Return on Networth (%) | -11.99% | 0.35% |

CAUTIONARY STATEMENT

63. The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.



INDEPENDENT AUDITOR'S REPORT

To the Members of Dredging Corporation of India Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements ("financial statements") of Dredging Corporation of India Limited ("the Company") which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of the Significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March, 2021 and the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition:

The company executed different types of dredging contracts. Each type of contract has various clauses in the agreement for determining the milestones quantity executed for the purpose of arriving at the transaction price for the performance obligation based on the survey, stages of completion and also has clauses relating to various deductions that are made from the Bills. The estimate of works executed which is based on quantitative and qualitative parameters for both billed and unbilled Operational Income for the purpose of determining the Revenue Recognition and deductions involves high degree of Management judgment and assessment. Thus Revenue Recognition is a Key Audit Matter,

Auditor's Response:

Our audit approach included an analysis is of systems and procedures as under:

- Reviewed the Accounting Principles and Internal Assessment procedure adopted by the company for recognition of Revenue.
- Analysed for the Performance obligations, milestones and Surveys and identified the Transaction price with the data available and also considering the terms and conditions stipulated in the contract agreement. Evaluated subsequent output technical data and receipts after the reporting date wherever available.
- Compared the outcomes as above with the performance obligations and Transaction Price recorded by the Company.
- Performed Analytical Procedures to assess the reasonableness of the basis for revenue recognition.

Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements. Our opinion is not modified in respect of these matters.

- a) Note No 26(10) to the financial statements which states that Trade Receivables include a sum of Rs. 8584 lakhs due from M/s Sethusamudram Corporation Limited (SCL) towards works executed during 2005-06 to 2008-09 as has been settled by a committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee). The Committee stated that a Note seeking approval of the Cabinet needs to be moved for seeking Government Budgetary resources for SCL to make payment of balance outstanding dues to the Company.
- b) Note No 26(21) to the financial statements which states that, the construction of Administrative Office Building was completed in all respects during the year. The Company capitalised the entire cost incurred under "Buildings" without bifurcating the respective cost incurred for "Furniture, Fittings and Equipment" since relevant break up data is under finalisation by the Contractor. The Company will make necessary changes under "Buildings" account on receipt of final Bill of Quantities from the Contractor. In this respect, the provisions of Ind AS 16 have not been followed. Depreciation has been provided at the rate applicable to 'Buildings' resulting in consequential difference in amount of depreciation, the impact of which as per the Management is not material and we have relied on the same.
- c) Note No 26(J2) to the financial statements which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables and Advance to Suppliers are subject to reconciliation and confirmations, the impact of which is not ascertainable.
- d) Note No 26(1) to the financial statements regarding Arbitral Award of Rs.60.47 Crores in favour of M/s Mercator Lines Limited (MLL). The Company has challenged the Arbitral Award before the High Court of Delhi and also before the jurisdictional High Court of Justice, Business and Property Courts of England and Wales, Commercial Court and the same have been dismissed. MLL filed Execution Petition before the High court of Delhi seeking execution/ enforcement of Arbitral Awards. DCI has contested the Award under section 48 of the Arbitration and conciliation Act 1996, while praying for rejecting the execution petition of MLL on the ground that the Award is contrary to the public policy of India and also on the ground that arbitral procedure was not in accordance with the agreement of parties, particularly LMAA Rules. According, the said Arbitral Award is shown as contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.



- e) Note No 26(21) to the financial statement which states that Company carried out Physical stock verification during the year and could not carry out physical stock verification during the Financial Year 2019-20 due to COVID pandemic. The difference between physical stock and book stock amounting to Rs. 36.91 Crores has been charged to the profit and loss account.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Board's Report including Annexures to Board's Report Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The said reports are expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the given reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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



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

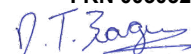
Other Matters

We did not audit the financial statements of branch at Bangladesh included in the annual financial results of the Company which reflect total assets of Rs. 209 lakhs as at 31st March 2021 and total revenue of Rs. NIL for the year ended on that date, as considered in the financial statements. The financial statements of this branch have not been audited and have been incorporated based on management certified accounts. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the financial statements certified by the Management. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
 - g. With respect to the other matters to be included in Auditors' Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the Company being a Government Company, Section 197 of the Act related to managerial remuneration is not applicable in accordance with exceptions, modifications and adaptations provided vide notification No. G.S.R. 463 (E) dated June 5, 2015 issued by the Ministry of Corporate Affairs.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26(1)(A) to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in "Annexure C".

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S


CA. D. TEJA SAGAR
Partner
No: 227878

Place: Visakhapatnam
Date: 29th July 2021

Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Dredging Corporation of India Limited on the financial statements for the year ended 31st March 2021)

With reference to Annexure- A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2021, we report the following:

- (i) In respect of Company's fixed assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a programme of physical verification of fixed assets on a yearly basis, which in our opinion is reasonable having regards to the size of the Company and nature of its business. Pursuant to the programme, certain fixed assets were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of



the Company, the title deeds of immovable properties owned by the company are held in the name of the Company.

- (ii) Physical verification of Inventory has been conducted by the Management during the year. Material discrepancies that were noticed on physical verification as compared to the book records have been accounted for in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered in to any transaction attracting the provisions of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us that the company has not accepted any deposit from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- (vi) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's nature of business.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities. Further, no undisputed statutory dues were in arrears as at 31st March 2021, for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, the following dues of Service Tax have not been deposited by the company on account of disputes:

| S.No | Name of Statute | Nature of Dues | From where dispute is pending | Period to which amount relates | Amount (in lakhs) Rupees |
|------|-------------------|----------------|-------------------------------|--------------------------------|--------------------------|
| 1 | Finance Act, 1994 | Service Tax | CESTAT | 2005-06 to 2015-16 | 13061 |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a Government Company and the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, Clause 3(xi) of the order is not applicable to the company.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 4S-IA of the Reserve Bank of India Act, 1934.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

D. T. Sagar
CA. D. TEJA SAGAR
Partner
No: 227878

Place: Visakhapatnam

Date: 29th July 2021

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Reports on other legal and regulatory requirements' section of our report of even date to the members of Dredging Corporation of India Limited on the financial statements for the year ended 31st March 2021)

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

We have audited the internal financial controls over financial reporting with reference to financial statements of Dredging Corporation of India Limited (the Company) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

Auditors' Responsibility



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

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Qualified Opinion:

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2021.

- a) Periodical Reconciliation of Trade Payable Accounts with proper monitoring and clearing of pending items.
- b) Delay as well as Omission in passing Consumption entries of Inventory onboard Dredgers.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

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 material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2021 based on the internal controls with reference to the financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company for the year ended March 31, 2021 and these material weakness do not affect our opinion on the financial statements of the company.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

CA. D. TEJA SAGAR
Partner
No: 227878

Place: Visakhapatnam
Date: 29th July 2021



ANNEXURE-C to the Independent Auditors' Report
Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

| S.No | Areas Examined | Observations/Findings |
|------|--|--|
| 1 | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The Company has system in place to process all the accounting transactions through IT System. I.e. Microsoft Dynamics. It is suggested that the Company shall make a policy for getting Systems Audit done periodically. |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes. The financial impact may be stated. | According to the information and explanations given to us and based on our examination of the records of the Company, there has been no restructuring! Waiver/write off of any existing loan taken by the Company. |
| 3 | Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | No such Funds have been received/ receivable for specific schemes from central/ state agencies. |

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S

CA. D. TEJA SAGAR
Partner
No: 227878

Place: Visakhapatnam
Date: 29th July 2021



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DREDGING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Dredging Corporation of India Limited (Company) for the year ended on 31 March 2021 in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are 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 29 June 2021.

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 for the year ended on 31 March 2021. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position

BALANCESHEET

Non-Current Assets

(a) Property, Plant and Equipment (Note-9):Rs.1,60,895.82 lakh

1. Para 14 of Ind AS 16 (Property, Plant and Equipment) stipulates that when each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied and any remaining carrying amount of the cost of the previous inspection is derecognised.

Dredge XVII was dry docked in the year 2018 at a cost of Rs. 1,189.11 lakh and the Dry Dock Expenses were capitalized on 08 January 2019 and depreciated over its estimated useful life of 2.5 years (i.e., before July 2021) in line with the Accounting Policy No.6. As on 31 March 2021, the net carrying amount of Dry Dock Expenses of Dredge XVII was Rs.126.60 lakh. In the meantime, Dredge again dry docked in the month of February 2021 and an amount of Rs.1,190.00 lakh (70 per cent of the work value) was booked under capital work-in-progress as on 31 March 2021. As the Dredger was under periodical maintenance from February 2021, as per Ind AS 16, the economic benefits of the earlier dry dock would not accrue to the Company. DCI should have derecognized the previous dry dock balance carrying amount of Rs.126.60 lakh in the financial year 2020-21 itself. However, DCI has not derecognized the same. This has resulted in overstatement of Property, Plant and Equipment by Rs.126.60 lakh with corresponding understatement of Depreciation. Consequently, the Loss before Tax was understated by Rs.126.60 lakh.

Current Assets

(a) Inventories (Note-12): Rs.17,837.47 lakh

2. As per the Accounting Policy No.10 (c) on Inventories, Stores and Lubricants delivered to crafts during the year are charged to revenue. However, Store items valuing Rs.802.92 lakh⁽¹⁾ were still shown under Inventory, though the same had been delivered to respective dredgers before 31 March 2021. This has resulted in overstatement of Inventory and understatement of Other Expenses by Rs.802.92 lakh each. Consequently, the Loss before Tax was understated by Rs.802.92 lakh.

⁽¹⁾ Source : Inventory closing stock as on 31st March 2021 furnished by DCI)

Current Liabilities

(c) Other Current Liabilities (Note-8)

Other Payables:Rs.10,808.96 lakh

3. DCI was awarded the 'Maintenance dredging of Mumbai Harbour Channel and Jawaharlal Nehru Port channel' for the year 2019-20 on nomination basis by Jawaharlal Nehru Port Trust (JNPT). JNPT objected to DCI's sub-contracting part of the dredging work to another agency thereby incurring substantially lower cost than the amount charged from JNPT and therefore JNPT asked DCI to refund the excess payment. DCI had incurred Rs.151.61 crore for executing the dredging work against which Rs.158.81 crore was paid by JNPT, resulting in profit of Rs.7.20 crore to DCI. DCI requested JNPT to deduct Rs.3.60 crore (50 per cent of Rs. 7.20 crore) from their next two bills which was agreed to by JNPT and the amount was deducted by JNPT from a subsequent bill in April 2021. However, DCI passed an accounting entry for Rs.3.60 crore by debiting the Bad and Doubtful Debts Account and crediting the Provision for Bad and Doubtful Debts on 31 March 2021. Since the amount of Rs.7.20 crore had already been paid by JNPT, creating Provision for Bad and Doubtful Debts against Trade Receivables is not correct and needs to be reversed. Incorrect accounting treatment has resulted in understatement of loss for the year, overstatement of Bad Doubtful Debts and understatement of Trade Receivables by Rs.3.60 crore.
4. Other payables do not include Rs.318.54 lakh being the amount payable to Mumbai Port Trust (MPT) towards Pilotage charges, Anchorage charges etc., for the maintenance dredging work carried out from 10 February 2020 to 30 May 2020 at Mumbai Navy for the year 2019-20. As per the contract with Mumbai Navy, the Port Charges, Pilotage charges are to be borne by the Contractor (DCI) only. However, DCI did not provide for the liability. This resulted in understatement of Other Payables under Current Liabilities as well as Other expenses by Rs.318.54 lakh. Consequently, the Loss before Tax was understated by Rs.318.54 lakh.
5. This does not include Rs.93.33 lakh being the interest amount (upto 31 March 2021) payable to Mumbai Port Trust (MPT) through M/s.J.M. Baxi (agent) towards delay in payment of Port Charges, Pilotage charges etc., which was raised by MPT for maintenance dredging work carried out for Mumbai Navy for the year 2018-19. As per the



Contract with Mumbai Navy, the Port Charges, Pilotage charges were to be borne by the Contractor (DCI) only and the same should be included in the rate quoted by the DCI. Further, if there is any delay in payment to MPT, interest will be charged at the rate of 15 per cent per annum as per Scale of Rates (SOR). Hence, there is a liability on the part of DCI for the payment of interest charges on port dues to the agency. However, DCI did not provide the liability. This resulted in understatement of Other Payables as well as Other expenses by Rs.93.33 lakh each. Consequently, the Loss before Tax was understated by Rs.93.33 lakh.

B. Comments on disclosure**Statement of Profit and Loss****Revenue from Operations (Note-18)****(i) Sale of Service: Rs.75,329.63 lakh**

6. Para 68 of Ind AS 16 stipulates that the gain or loss arising from the derecognition of an item of Property, Plant and Equipment shall be included in Profit or Loss when the item is derecognized and gains shall not be classified as revenue. DCI earned a gain of Rs.426.85 lakh on sale of Dredge-VI and accounted for the same as Revenue from Operations. Incorrect accounting of gains on sale of Property, Plant and Equipment as revenue instead of Other Income is a deviation from the provisions of Ind AS 16 resulting in overstatement of Revenue from Operations and understatement of Other Income by Rs.426.85 lakh.

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

(M.S. Subrahmanyam)
Director General of Commercial Audit

Place: Hyderabad

Date: 22ND October 2021


REPLIES OF THE MANAGEMENT ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DREDGING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

| S.No | Comments of C&AG | Action taken by Management |
|------|---|---|
| 1 | A.Comments on financial Position BALANCE SHEET Non-Current Assets (a)Property, Plant and Equipment (Note-9): Rs.1,60,895.82 lakh Para 14 of IND AS 16 (Property, Plant and equipment) stipulates that when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied and any remaining carrying amount of the cost of the previous inspection is de-recognised. Dredge XVII was dry docked in the year 2018 at a cost of `1189.11 lakh and the Dry Dock Expenses were capitalised on 08 January 2019 and depreciated over its estimated useful life of 2.5 years (i.e., before July 2021)in line with the Accounting Policy No.6. As on 31 March 2021, the net carrying amount of Dry Dock Expenses of Dredge XVII was `126.60lakh. In the meantime, Dredge XVII was again dry docked in the month of February 2021 and an amount of `1190.00 lakh (70% of the work value) was booked under capital work-in-progress as on 31 March 2021. As the dredger was under periodical maintenance from February 2021, as per IND AS 16, the economic benefits of the earlier dry dock would not accrue to the Company. DCI should have de-recognised the previous dry dock balance carrying amount of `126.60lakh in the Financial Year 2020-21 itself. However, DCI has not de-recognised the same. This has resulted in overstatement of Property, Plant and Equipment by `126.60 lakh with corresponding understatement of Depreciation.Consequently, the Loss Before Tax was understated by `126.60lakh. | Necessary entries were passed during the half year ended 30-09-2021. |
| 2 | Current Assets (a) Inventories (Note-12):`17,837.47 lakh As per the Accounting Policy No.10 (C) on Inventories, Stores and Lubricants delivered to crafts during the year are charged to revenue. However, Store items valuing `802.92 ¹ lakh were still shown under Inventory, though the same had been delivered to respective dredgers before 31 March 2021. This has resulted in overstatement of Inventory and understatement of Other Expenses by `802.92 lakh each. Consequently, the LossBefore Tax was understated by `802.92 lakh. | Necessary entries were passed during the half year ended 30-09-2021. |
| 3 | Current Liabilities (c) Other Current Liabilities (Note-8) Other Payables: `10,808.96 lakh 1. DCI was awarded the "Maintenance dredging of Mumbai Harbour Channel and Jawaharlal Nehru Port channel" for the year 2019-20 on nomination basis by Jawaharlal Nehru Port Trust (JNPT). JNPT objected to DCI's sub-contracting part of the dredging work to another agency thereby incurring substantially lower cost than the amount charged from JNPT and therefore JNPT asked DCI to refund the excess payment. DCI had incurred `151.61 crore for executing the dredging work against which `158.81 crores was paid by JNPT, resulting in profit of `7.20 crore to DCI. DCI requested JNPT to deduct `3.60 crore (50 per cent of `7.20 crore) from their next two bills which was agreed to by JNPT and the amount was deducted by JNPT from a subsequent bill in April 2021. However, DCI passed an accounting entry for `3.60 crore by debiting the Bad and Doubtful Debts Account and crediting the Provision for Bad and Doubtful Debts on 31March 2021. 2. Since the amount of `7.20 crore had already been paid by JNPT, creating Provision for Bad and Doubtful Debts against Trade Receivable is not correct and needs to be reversed. Incorrect accounting treatment has resulted in understatement of | (DCI) was awarded the "Maintenance dredging of Mumbai Harbour Channel and JN Port channel" for the years from 2019-20 to 2021-22 on nomination basis by Jawaharlal Nehru Port Trust (JNPT), which is one of the promoter ports. Due to non availability of own dredgers, DCI outsourced part of the work by inviting open tenders and awarded the work to L-I bidder M/s. ISDPL, Chennai. After successful completion of the work, JNPT stated that they had paid Rs.160Cr to DCI against which expenditure incurred by DCI was Rs.125.04Cr (including 10% supervision charges for ISDPL work) and requested DCI to return the difference amount of Rs.34.99Cr. However, DCI informed JNPT that, DCI has incurred Rs.151.61Cr (Rs.82.25Cr for outsourcing work including 10% supervision charges and Rs.69.37Cr incurred for its own dredgers for executing the above work as against the amount of Rs.158.31Cr paid by JNPT till date. DCI requested vide letter dated 07.07.2021.JNPT to waive off the 50% of the amount of Rs.7.20Cr and accordingly provided the provision of Rs.3.60Cr only in the books of accounts for the year 2020-21. As DCI is |



| | | |
|---|--|---|
| | loss of the year, overstatement of Bad and Doubtful Debts and understatement of Trade Receivables by `3.60 crore. | pursuing JNPT to waive off for the balance amount of Rs.3.6Cr, no provision was made. |
| 4 | Other payables do not include `318.54 lakh being the amount payable to Mumbai Port Trust (MPT) towards Pilotage charges, Anchorage charges etc., for the maintenance dredging work carried out from 10 February 2020 to 30 May 2020 at Mumbai Navy for the year 2019-20. As per the contract with Mumbai Navy, the Port Charges, Pilotage charges are to be borne by the Contractor (DCI) only. However, DCI did not provide for the liability. This resulted in understatement of Other Payables under Current Liabilities as well as Other expenses by `318.54 lakh. Consequently, the Loss Before Tax was understated by `318.54 lakh | Necessary entries were passed during the half year ended 30-09-2021. |
| 5 | This does not include `93.33 lakh being the interest amount (upto 31 March 2021) payable to Mumbai Port Trust (MPT) through M/s. J.M. Baxi(agent) towards delay in payment of Port Charges, Pilotage charges etc., which was raised by MPT for maintenance dredging work carried out for Mumbai Navy for the year 2018-19. As per the Contract with Mumbai Navy, the Port Charges, Pilotage charges were to be borne by the Contractor (DCI) only and the same should be included in the rate quoted by the DCI. Further, if there is any delay in payment to MPT, interest will be charged at the rate of 15% per annum as per Scale of Rate (SOR). Hence, there is a liability on the part of DCI for the payment of interest charges on port dues to the agency. However, DCI did not provide the liability. This resulted in understatement of Other Payables as well as Other Expenses by Rs.93.33 lakh each. Consequently, the Loss Before Tax was understated by Rs93.33 lakh | As per the contract conditions with Mumbai Navy, the Port Charges, Pilotage charges are to be borne by the Contractor (DCI) only and the same should be included in the rate quoted by the Contract. These port charges are payable to Mumbai Port Trust (MPT) through agency M/s. J.M.Baxi. However, DCI had requested Mumbai Port to consider for waiver of Port charges through various correspondences including the Shipping Ministry. However as company did not received favourable reply, bills for the year 2018-19 were settled through the agent M/s. J.M Baxi without interest. In addition to this, company did not receive any invoice/any claim in respect of interest portion till date. Hence company did not provided any liability in this regard. |
| 6 | <p>B. Comments of disclosure</p> <p>Statement of Profit and Loss</p> <p>Revenue from Operations(Note-18)</p> <p>(i)Sale of service: `75,329.63 lakh</p> <p>Para 68 of Ind AS 16 stipulates that the gain or loss arising from the derecognition of an item of Property, Plant and Equipment shall be included in Profit or Loss when the item is derecognised and gains shall not be classified as revenue. DCI earned a gain of `426.85 lakh on sale of Dredge-VI and accounted the same as Revenue from Operations. Incorrect accounting of gains on sale of Property, Plant and Equipment as revenue instead of Other Income is a deviation from the provisions of IND AS 16 resulting in overstatement of Revenue from Operations and understatement of Other Income by Rs.426.85 lakh</p> | During the f.y.2020-21, company scrapped its DR-VI for a value of Rs.4.41Cr (excl taxes) and accordingly the same was considered as other operating income. Company's core business is dredging activity with vessels and any activity relating to the vessels will be considered as operating income/ other operating income and accordingly company recognized the scrapping activity as other operating income which is having nexus with its core activity |

For Dredging Corporation of India Limited

Place: Visakhapatnam
Date: 11/11/2021

(G Y V VICTOR)
Managing Director & CEO



| BALANCE SHEET AS AT 31-03-2021 | | | |
|---|----------|-------------------------|-------------------------|
| | | ₹ in lakhs | |
| PARTICULARS | Note No. | As at March 31, 2021 | As at March 31, 2020 |
| ASSETS: | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 9 | 1,60,895.82 | 1,65,429.39 |
| (b) Capital work-in-progress | 9 | 1,218.62 | 827.97 |
| (c) Financial Assets | | | |
| (i) Investments | 10 | - | - |
| (ii) Other financial assets | 11 | 50.61 | 46.92 |
| Total non-current assets | | 1,62,165.05 | 1,66,304.28 |
| Current assets | | | |
| (a) Inventories | 12 | 17,837.47 | 20,816.53 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 13 | 20,173.71 | 25,142.95 |
| (ii) Cash and cash equivalents | 14 | 4,807.39 | 6,963.85 |
| (iii) Bank balances other than (ii) above | | 51.60 | 54.07 |
| (iv) Other financial assets | 15 | 14,538.07 | 16,843.63 |
| (c) Current tax assets (Net) | 16 | 5,600.57 | 5,191.53 |
| (d) Other current assets | 17 | 3,750.14 | 5,486.83 |
| Total current assets | | 66,758.95 | 80,499.39 |
| Total assets | | 2,28,924.00 | 2,46,803.67 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 1 | 2,800.00 | 2,800.00 |
| (b) Other Equity | 2 | 1,37,411.54 | 1,54,224.39 |
| Total Equity | | 1,40,211.54 | 1,57,024.39 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| Borrowings | 3 | 29,389.76 | 41,169.51 |
| (b) Provisions | 4 | 1,159.98 | 1,408.03 |
| (c) Other non-current liabilities | 5 | 1,466.15 | 345.10 |
| Total non-current liabilities | | 32,015.90 | 42,922.64 |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 6 | 29,140.58 | 13,030.15 |
| (ii) Other financial liabilities | 7 | 14,302.02 | 18,248.40 |
| (b) Provisions | 4 | 334.49 | 407.00 |
| (c) Other current liabilities | 8 | 12,919.52 | 15,171.09 |
| Total current liabilities | | 56,696.60 | 46,856.64 |
| Total Liabilities | | 88,712.49 | 89,779.27 |
| Total Equity And Liabilities | | 2,28,924.00 | 2,46,803.67 |
| Significant Accounting policies | 26 | | |
| The accompanying notes are an integral part of these financial statements | | | |

For and on behalf of Board of Directors


 (K.Rama Mohana Rao)
 Chairman


 (D.Subba Rao)
 Chief Financial Officer(CFO)


 (Prof.Dr.G.Y.V. Victor)
 Managing Director &
 CEO


 (K.Aswini Sreekanth)
 Company Secretary
As per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032S


 (D Teja Sagar)
 Partner
 Membership no. 227878
Place : Visakhapatnam
Date : 29-06-2021



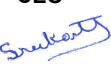

| STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2021 | | | |
|---|----------|------------------------------|------------------------------|
| | | | ₹ in lakhs |
| PARTICULARS | Note No. | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
| Income | | | |
| I Revenue from operations | 18 | 76,376.40 | 74,968.93 |
| II Other Income | 19 | 316.02 | 560.34 |
| III Total Income (I + II) | | 76,692.42 | 75,529.27 |
| IV Expenses | | | |
| (a) Employee benefit expense | 20 | 10,097.98 | 9,398.51 |
| (b) Finance costs | 21 | 1,992.12 | 1,390.87 |
| (c) Depreciation and amortization expense | 22 | 11,946.20 | 11,713.16 |
| (d) Other expenses | 23 | 69,715.19 | 51,685.17 |
| Total expenses (IV) | | 93,751.49 | 74,187.71 |
| V Profit before exceptional items and tax (III - IV) | | (17059.07) | 1,341.56 |
| VI Exceptional Items | | 0.00 | 0.00 |
| VII Profit before tax (V-VI) | | (17059.07) | 1,341.56 |
| VIII Tax Expense: | | | |
| Current tax | 24 | 182.36 | 790.24 |
| Total Tax | | 182.36 | 790.24 |
| IX Profit for the year (VII - VIII) | | (17241.43) | 551.32 |
| X Other comprehensive income | | | |
| Items that will not be reclassified to profit and loss | | | |
| Re-measurements of the defined benefit plans | | 428.55 | 0.00 |
| Total other comprehensive income (X) | | 428.55 | 0.00 |
| XI Total comprehensive income for the period (IX + X) | | (16812.88) | 551.32 |
| XII Earnings per equity share (Face Value ₹ 10) | | | |
| Basic and Diluted (in ₹) | | (60.05) | 1.97 |
| Significant Accounting Policies | 26 | | |
| The accompanying notes are an integral part of these financial statements | | | |

For and on behalf of Board of Directors


 (K. Rama Mohana Rao)
 Chairman


 (D. Subba Rao)
 Chief Financial Officer (CFO)


 (Prof. Dr. G. Y. V. Victor)
 Managing Director &
 CEO


 (K. Aswini Sreekanth)
 Company Secretary
As per our Report of Even Date
For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 003032S

 (D. Teja Sagar)
 Partner
 Membership no. 227878
Place : Visakhapatnam
Date : 29-06-2021



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 31-03-2021. The Statement has been prepared by the company in accordance with the requirements of SEBI (LODR) regulations and based on and in agreement with the corresponding Profit & Loss Statement and Balance Sheet of the Company covered by our Report, dated 29-06-2021 to Members of the Company.

For Sriramamurthy & Co
Chartered Accountants
Firm Regn. No. 03032S

D.T. Sagar

(D Teja Sagar)

Partner, Membership no. 227878

| CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2021 | | | | |
|---|------------|-------------|------------|-------------|
| ₹ in lakhs | | | | |
| Particulars | 2020-21 | | 2019-20 | |
| CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| Profit before Tax | | -17,059.07 | | 1,341.56 |
| Less/Add: (Profit)/Loss on sale of assets | | -426.85 | | - |
| | | -17,485.92 | | 1,341.56 |
| ADJUSTMENT FOR: | | | | |
| Depreciation | 11,946.20 | | 11,713.16 | |
| Interest Expense | 1,992.93 | | 1,390.87 | |
| Interest Income | -249.62 | 13,689.51 | (337.41) | 12,766.62 |
| Operating Profit before changes in WC | | -3,796.41 | | 14,108.18 |
| Working Capital Changes: | | | | |
| (Increase) / Decrease in inventory | 3,128.32 | | (1,703.11) | |
| (Increase) / Decrease in Trade Receivables | 2,848.47 | | (2,478.92) | |
| (Increase) / Decrease in other current Assets | 1,052.28 | | (8,150.51) | |
| Increase / (Decrease) in Trade Payables & other liabilities | 11,966.62 | 18,996 | 12,789.02 | 456.48 |
| Cash generated from operations | | 15,199.28 | | 14,564.66 |
| Less: Interest paid | (2,015.18) | | (1,257.56) | |
| Income Taxes paid | (718.10) | | 406.83 | |
| Excess Prov.No longer Written Back | - | | (1,541.13) | |
| Written off Investments | - | | (375.01) | |
| Provision for Diminishing value of Asset held for sale | - | (2,733.28) | (63.00) | (2,829.87) |
| Net Cash from operating activities (A) | | 12,466.00 | | 11,734.78 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| (Purchase)/Sale of Fixed Assets | | (301.36) | | (3.35) |
| Recovery of Capital Advance Paid | | - | | 151.35 |
| Interest Received | | 285.33 | | 440.63 |
| Net Cash from investing activities (B) | | (16.03) | | 588.62 |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Proceeds from /(Repayment of) Long term Borrowings | | (14,608.90) | | (13,171.89) |
| Dividend paid | | - | | (840.00) |
| Corporate Dividend Tax | | - | | (172.66) |
| Net Cash from Financing Activities (C) | | (14,608.90) | | (14,184.55) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | | (2,158.93) | | (1,861.14) |
| Cash & Equivalents as at beginning of the year | | 7,017.92 | | 8,879.07 |
| Cash & Equivalents as at end of the year | | 4,858.99 | | 7,017.92 |
| The accompanying notes are an integral part of these financial statements | | | | |

For and on behalf of Board of Directors

(K.Rama Mohana Rao)
Chairman

(D.Subba Rao)
Chief Financial Officer(CFO)

(Prof.Dr.G.Y.V. Victor)
Managing Director &
CEO

(K.Aswini Sreekanth)
Company Secretary

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

(D Teja Sagar)

Partner
Membership no. 227878

Place : Visakhapatnam
Date : 29-06-2021



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

STATEMENT OF CHANGE IN EQUITY AS AT MARCH 31ST 2021

| Note: 2 | | | | |
|--|---------------|----------------------|---------------|----------------------|
| (A) Equity share capital (Refer Note.No.1) | | As at March 31, 2021 | | As at March 31, 2020 |
| | No. of Shares | Amount in INR | No. of Shares | Amount in INR |
| Balance at the beginning of the reporting period | 2,80,00,000 | 2,800 | 2,80,00,000 | 2,800 |
| Change in equity Share capital during the year | - | - | - | - |
| Balance at the end of the reporting period | 2,80,00,000 | 2,800 | 2,80,00,000 | 2,800 |

| (B) Other equity (Refer Note No.2) | | | | | | | |
|--|-----------------|-----------------|---------------------|-------------------------------------|------------------------------|-------------------|-------------|
| Particulars | Other Equity | | | | | | Total |
| | Capital reserve | General reserve | Tonnage tax reserve | Tonnage tax reserve Utilisation a/c | Debenture Redemption Reserve | Retained earnings | |
| Balance at March 31, 2019 | 451.83 | 44,984.00 | 1,665.00 | 2,105.00 | 3,000.00 | 1,02,479.90 | 1,54,685.73 |
| Profit for the year ended March 31, 2020 | - | - | - | - | - | 551.32 | 551.32 |
| Other Comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | - | 551.32 | 551.32 |
| Payment of dividends | - | - | - | - | - | (840.00) | (840.00) |
| Tax on Dividend | - | - | - | - | - | (172.66) | (172.66) |
| Transfer to Tonnage Tax Reserve(Utilised) | - | - | - | - | - | - | - |
| Transfer to Tonnage Tax Reserve | - | - | 840.00 | - | - | (840.00) | - |
| Transfer to General Reserve | - | - | - | - | - | - | - |
| Capital Reserve | - | - | - | - | - | - | - |
| Adjustment pertaining to prior period errors | - | - | - | - | - | - | - |
| Balance at March 31, 2020 | 451.83 | 44,984.00 | 2,505.00 | 2,105.00 | 3,000.00 | 1,01,178.56 | 1,54,224.39 |
| Profit for the year ended March 31, 2021 | - | - | - | - | - | (17,241.43) | (17,241.43) |
| Other Comprehensive income for the year | - | - | - | - | - | 428.55 | 428.55 |
| Total comprehensive income for the year | - | - | - | - | - | (16,812.88) | (16,812.88) |
| Payment of dividends | - | - | - | - | - | - | - |
| Tax on Dividend | - | - | - | - | - | - | - |
| Transfer to Tonnage Tax Reserve(Utilised) | - | - | - | - | - | - | - |
| Transfer to Tonnage Tax Reserve | - | - | - | - | - | - | - |
| Transfer to General Reserve | - | - | - | - | - | - | - |
| Capital Reserve | - | - | - | - | - | - | - |
| Adjustment pertaining to prior period errors | - | - | - | - | - | - | - |
| Balance at March 31, 2021 | 451.83 | 44,984.00 | 2,505.00 | 2,105.00 | 3,000.00 | 84,365.68 | 1,37,411.51 |

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

(K.Rama Mohana Rao)
Chairman

(D.Subba Rao)
Chief Financial Officer(CFO)

(Prof.Dr.G.Y.V. Victor)
Managing Director &
CEO

(K.Aswini Sreekanth)
Company Secretary

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

(D Teja Sagar)
Partner
Membership no. 227878

Place : Visakhapatnam
Date : 29-06-2021



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| 1 Equity Share Capital | | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Authorised Share Capital | | |
| 3,00,00,000 (PY 3,00,00,000) Equity shares of ₹ 10 each | 3,000.00 | 3,000.00 |
| Issued Subscribed and Paid up | | |
| 1400 (PY 1400) Equity shares of ₹.10/- each fully paid. | 0.14 | 0.14 |
| For consideration other than cash: | | |
| 2,79,98,600 (PY 2,79,98,600) Equity shares of ₹.10/- each allotted as fully paid | 2,799.86 | 2,799.86 |
| Total | 2,800.00 | 2,800.00 |

Terms attached to Equity Shares:

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

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

| | As at March 31, 2021 | | | As at March 31, 2020 | | |
|-----------------------------------|--------------------------|------------|-------------------------------|--------------------------|------------|-------------------------------|
| | Number of shares held | ₹ in Lakhs | % holding of equity shares | Number of shares held | ₹ in Lakhs | % holding of equity shares |
| Fully paid equity shares | | | | | | |
| President of India | - | - | - | - | - | - |
| Visakhapatnam port Trust | 54,51,710 | 545.17 | 19.47 | 54,51,710 | 545.17 | 19.47 |
| Paradip port Trust | 50,40,101 | 504.01 | 18.00 | 50,40,101 | 504.01 | 18.00 |
| Jawaharlal Nehru Port Trust | 50,40,101 | 504.01 | 18.00 | 50,40,101 | 504.01 | 18.00 |
| Deendayal Port Trust | 50,40,101 | 504.01 | 18.00 | 50,40,101 | 504.01 | 18.00 |
| Insurance Companies (LIC and GIC) | 17,30,473 | 173.05 | 6.18 | 18,77,735 | 187.77 | 6.70 |

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 2. Other Equity: | | |
| General Reserve | 44,984.00 | 44,984.00 |
| Retained earnings | 84,365.68 | 1,01,178.56 |
| Reserve U/S 115VT of Income Tax Act | 2,105.00 | 2,105.00 |
| Debenture redemption reserve | 3,000.00 | 3,000.00 |
| Others (describe) | | |
| Tonnage Tax Reserve | 2,505.00 | 2,505.00 |
| Capital Reserve | 451.83 | 451.83 |
| | 1,37,411.51 | 1,54,224.39 |
| 2.1 General Reserve | | |
| Balance at the beginning of the year | 44,984.00 | 44,984.00 |
| Movements | - | - |
| Balance at the end of the year | 44,984.00 | 44,984.00 |
| 2.2 Retained Earnings | | |
| Balance at the beginning of the year | 1,01,178.56 | 1,02,479.90 |
| Profit(loss) attributable to owners of the Company | (16,812.88) | 551.32 |
| Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act | - | (840.00) |
| Transfer to General Reserve | - | - |
| Transfer to Debenture Redemption Reserve | - | - |
| Payment of Dividend | - | (840.00) |
| Payment of Dividend Distribution Tax | - | (172.66) |
| Others | - | - |
| Balance at the end of the year | 84,365.68 | 1,01,178.56 |
| 2.3 Reserve u/s 115VT Utilisation Account | | |
| Balance at the beginning of the year | 2,105.00 | 2,105.00 |
| Movement during the year | - | - |
| Balance at the end of the year | 2,105.00 | 2,105.00 |
| 2.4 Bonds Redemption Reserve | | |
| Balance at the beginning of the year | 3,000.00 | 3,000.00 |
| Movement during the year | - | - |
| Balance at the end of the year | 3,000.00 | 3,000.00 |
| 2.5 Tonnage Tax Reserve u/s 115 VT of IT Act | | |
| Balance at the beginning of the year | 2,505.00 | 1,665.00 |
| Movement during the year | - | 840.00 |
| Less: Transfer to Reserve u/s 115 VT Utilisation Act | - | - |
| Balance at the end of the year | 2,505.00 | 2,505.00 |
| 2.6 Capital Reserve | | |
| Balance at the beginning of the year | 451.83 | 451.83 |
| Movement during the year | - | - |
| Balance at the end of the year | 451.83 | 451.83 |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 3. Non-current borrowings | | |
| Secured - at amortised cost | | |
| (i) Tax- free bonds (Secured by charge of Dredge .BH-I) | 5,887.80 | 5,887.80 |
| (ii) Term Loans from banks (Secured by charge of Dredge XIX, XX and XXI) | 23,501.96 | 35,281.71 |
| Total non-current borrowings | 29,389.76 | 41,169.51 |
| Foreign currency Term loans from banks represent the following(INR) denominated loans: | | |
| 1 Loan for Dr.XIX | 10,548.49 | 15,108.54 |
| 2 Loan for Dr.XX | 12,292.73 | 16,478.27 |
| 3 Loan for Dr.XXI | 13,928.64 | 17,735.39 |
| Sub total | 36,769.86 | 49,322.20 |
| 4 Current liability portion of Long term Debt | (13,267.89) | (14,040.49) |
| Grand Total | 23,501.97 | 35,281.71 |

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

As at March 31, 2021

| Particulars | Amount outstanding | Terms of repayment | Rate of Interest |
|---|-----------------------------|--|---|
| ABN Amro Bank | 10,548.49 (PY 15,108.54) | Repayable in 4 (6) half year and equal installments | 6m Euribor+0.825% p.a |
| ABN Amro Bank | 12,292.73 (PY.16,478.27) | Repayable in 5 (7) half year and equal installments | 6m Euribor+0.825% p.a |
| EXPORT-IMPORT BANK OF INDIA, LONDON BRANCH | 13,928.64 (PY.17,735.39) | Repayable in 6 (8) half year and equal installments | 6m Euribor+2.85% p.a |
| Tax Free bonds/ Debentures | 5,887.80 | Tenor of the bonds is 10 years (Issued in 2012-13) | Coupon rate for Category I, II, III and IV is 6.97% p.a and additional coupon rate of 0.5% p.a for original allotment under category IV. |

Note: 1. No loan has been guaranteed by Directors and others there on.
2. There is no default on the Balance Sheet date in the Repayment of Borrowing and Interest there on.

| | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------------|----------------------------|
| 4. NON CURRENT PROVISIONS | | |
| Employee Benefits: | | |
| Provision for Gratuity | 716.54 | 959.33 |
| Provision for Leave Encashment | 777.93 | 855.70 |
| Total | 1,494.47 | 1,815.03 |
| Current | 334.49 | 407.00 |
| Non-Current | 1,159.98 | 1,408.03 |
| Total | 1,494.47 | 1,815.03 |
| 5. OTHER NON-CURRENT LIABILITIES | | |
| Earnest money Deposit/SD | 1,466.15 | 345.10 |
| | 1,466.15 | 345.10 |
| 6. TRADE PAYABLES-CURRENT | | |
| Trade payables- Current | 29,140.58 | 13,030.15 |
| Due to Micro, Small and Medium Enterprises ₹0.00 lakh | | |
| | 29,140.58 | 13,030.15 |
| 7. OTHER FINANCIAL LIABILITIES | | |
| Current | | |
| a) Current Maturities of long term debt | 13,267.89 | 14,040.48 |
| b) Interest Accrued | 119.06 | 141.81 |
| c) Bank Over Draft | 915.07 | 4066.11 |
| | 14,302.02 | 18,248.40 |
| 8. OTHER CURRENT LIABILITIES | | |
| a) Unclaimed dividend | 6.77 | 7.89 |
| b) EMD/SD from Contractors | 317.99 | 281.15 |
| c) Payables to Customers | 1,726.92 | 2,726.92 |
| d) TDS payable | 58.88 | 46.51 |
| e) Other payables | 10,808.96 | 12,108.62 |
| | 12,919.52 | 15,171.09 |
| 9 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS. | | |
| Net Carrying amounts of : | | |
| Freehold Land | 35.98 | 35.98 |
| Buildings | 3,630.40 | 32.68 |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------------|----------------------------|
| Motor Vehicles | 0.58 | 0.58 |
| Computers | 125.98 | 104.36 |
| Temp Structures / Fixtures & Erections | - | - |
| Plant and Equipment | 1,57,045.92 | 1,65,239.41 |
| Furniture, Fittings & Equipments | 56.95 | 16.38 |
| Sub-total | 1,60,895.83 | 1,65,429.39 |
| Capital work-in-progress (CWIP) | 1,218.62 | 827.97 |
| Total | 1,62,114.44 | 1,66,257.36 |

| | Freehold Land | Buildings | Motor Vehicles | Computers | Temp Structures /Fixtures & Erections | Plant and Equipment | Furniture, Fittings & Equipment | Total |
|--|------------------|-----------------|-------------------|---------------|--|------------------------|---------------------------------------|--------------------|
| Gross Carrying amount | | | | | | | | |
| Balance as at 01-04-2020 | 35.98 | 358.94 | 29.02 | 675.47 | 119.09 | 3,31,969.66 | 554.05 | 3,33,742.21 |
| Additions during the year | - | 3,737.40 | - | 80.08 | - | 1,739.02 | 48.56 | 5,605.07 |
| Disposal during the year | - | - | - | - | - | (710.63) | - | (710.63) |
| Effect of Foreign currency exchange differences | - | - | - | - | - | 1,821.56 | - | 1,821.56 |
| Asset Reclassified as held for sale | - | (49.54) | - | - | - | (1565.17) | - | (1614.71) |
| Balance as on 31-03-2021 | 35.98 | 4,046.80 | 29.02 | 755.55 | 119.09 | 3,33,254.44 | 602.61 | 3,38,843.49 |
| Accumulated Depreciation | | | | | | | | |
| Balance as at 01-04-2020 | - | 294.36 | 28.44 | 571.11 | 119.09 | 1,66,555.25 | 537.67 | 1,68,105.92 |
| Depreciation during the year | - | 139.67 | - | 58.46 | - | 11,740.09 | 7.98 | 11,946.20 |
| Disposal during the year (Dr- VI) | - | - | - | - | - | (696.42) | - | (696.42) |
| Asset Reclassified as held for sale | - | (17.64) | - | - | - | (1390.17) | - | (1407.81) |
| Balance as on 31-03-2021 | - | 416.39 | 28.44 | 629.57 | 119.09 | 1,76,208.52 | 545.65 | 1,77,947.67 |
| Balance as on 31-03-2020 | - | 294.36 | 28.44 | 571.11 | 119.09 | 1,65,555.25 | 537.67 | 1,68,105.92 |

Notes:

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 10. INVESTMENTS | | |
| Non-Current | | |
| Unquoted Investments (all fully paid) : Refer Note | - | - |
| Investments in Equity Instruments at FVTPL | | |
| Sethusamudram Corporation Limited | 375.00 | 375.00 |
| Mittal Chambers Premises Co-Operative Society Limited | 0.01 | 0.01 |
| Less : written off | 375.01 | 375.01 |
| Total aggregate unquoted investments | 0.00 | 0.00 |
| Aggregate carrying value of unquoted investments | - | - |
| Note: 1. The Company holds 4.0268% (₹30 crores investment in total Share Capital of ₹745 crores) of the equity share capital of M/s Sethusamudram Corporation Limited. Company involved in the development of shipping route in the shallow straits between India and Sri Lanka. The directors of the Company do not consider that the Company is able to exercise significant influence or control over Sethusamudram Corporation Limited. | | |
| 2. Investments are carried @₹1 in the books of accounts. | | |

11. OTHER FINANCIAL ASSETS

| | | |
|--------------------|--------------|--------------|
| Non-Current | | |
| Security Deposits | 50.61 | 46.92 |
| | 50.61 | 46.92 |

12. INVENTORIES



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| a) Inventories (lower of cost and realisable value) | | |
| Stock of Spares & Stores | 18,013.39 | 21,141.83 |
| Stock of Spares & Stores In Transit | - | - |
| (Less) Provision for Unserviceable spares | (175.92) | (325.30) |
| | 17,837.47 | 20,816.53 |

13. TRADE RECEIVABLE

| | | |
|---|------------------|------------------|
| Current | | |
| Trade Receivables | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 20,173.71 | 25,142.95 |
| (c) Doubtful | 10,887.12 | 8,766.35 |
| Less: Allowance for doubtful debts (expected credit loss allowance) | (10,887.12) | (8,766.35) |
| | 20,173.71 | 25,142.95 |

Notes: Dues from Directors and other officers are "NIL". (PY – "NIL")

14. CASH AND CASH EQUIVALENTS

| | | |
|--|-----------------|-----------------|
| Balances with banks | | |
| Current Accounts | 295.57 | 2,902.45 |
| Fixed Deposits | 4,511.82 | 4,061.40 |
| Cash on hand | - | - |
| | 4,807.39 | 6,963.85 |
| Bank balances other than above: | | |
| Earmarked balances with banks | 6.78 | 6.87 |
| Margin money with banks | 44.82 | 47.20 |
| | 51.60 | 54.07 |

Notes:

- Cash and cash equivalents as at March 31, 2021, include restricted cash and bank balances of ₹2690.00 Lakhs (PY ₹2708.00 Lakhs), respectively. The restrictions are primarily on account of bank balances held as Bonds redemption reserve deposits in syndicate bank ₹1585.00 lakhs (PY ₹1606.00 lakhs) & for obtaining Standby Letter of credit for Dr-XIX & Dr-XX loan installments.
- Other Deposits maintained by the company with the banks comprise of time deposits which can be withdrawn by the company at any point without prior notice or penalty on the principal.

15 OTHER FINANCIAL ASSETS

| | | |
|---|------------------|------------------|
| Deposits | 2,932.25 | 1,682.83 |
| Unbilled Operational Income | 8,680.10 | 11,986.04 |
| Claims & Other Receivables | 2,725.47 | 2,912.82 |
| Interest Accrued on Deposits & Advances | 161.29 | 197.01 |
| | 14,499.11 | 16,778.70 |
| Loans to Employees | 38.96 | 64.93 |
| Total | 14,538.07 | 16,843.63 |

16 CURRENT TAX ASSETS

| | | |
|--------------------------|-----------------|-----------------|
| Current tax asset | | |
| Tax Refund receivable | 5,600.57 | 5,191.53 |
| Total | 5,600.57 | 5,191.53 |

17 OTHER CURRENT ASSETS

| | | |
|---|-----------------|-----------------|
| Advances on Capital Assets | - | 2,950.67 |
| Advances to Employees | 71.21 | 73.76 |
| Prepaid Expenses | 88.86 | 74.80 |
| Advance to Suppliers | 3,383.17 | 2,180.69 |
| Asset held for Sale (At lower of Carrying amount or NRV) | 206.90 | 206.90 |
| Total | 3,750.14 | 5,486.83 |

Notes: Advance due from Directors and other officers of the company are NIL (PY. NIL)

₹.in Lakhs

| | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|-------------------------------------|------------------------------|------------------------------|
| 18 REVENUE FROM OPERATIONS | | |
| a) Operating Income | | |
| Sale of Services (Core) | 75,329.63 | 73,343.42 |
| b) Other Operating Income | | |
| Excess Provision no longer required | 1,046.77 | 1625.51 |
| Total | 76,376.40 | 74,968.93 |

Segment Reporting:

The Company is engaged in dredging services and generates its income from such services only, and the same is the only reportable segment.



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

₹.in Lakhs

| | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 19. OTHER INCOME | | |
| a) Interest Income on Bank Deposits | 244.88 | 331.30 |
| Total | 244.88 | 331.30 |
| b) Other non-operating income (net of expenses directly attributable to such income) | | |
| Interest on Tax Refunds / BG encashment | 60.48 | 212.53 |
| Interest on Employee advances | 4.73 | 6.11 |
| Others | 5.93 | 10.40 |
| Total | 71.14 | 229.04 |
| Total | 316.02 | 560.34 |
| 20 EMPLOYEE BENEFIT EXPENSE | | |
| Salaries and Wages | 9,411.93 | 8895.97 |
| Contribution to provident and other funds | 550.75 | 364.62 |
| Staff Welfare expenses | 135.30 | 137.92 |
| Total | 10,097.98 | 9,398.51 |
| 21 FINANCE COSTS | | |
| (a) Interest Costs | | |
| Interest on Foreign Currency loans | 842.44 | 918.20 |
| Interest on Non-convertible bonds | 413.91 | 414.07 |
| (b) Interest on Over Draft | 528.15 | 326.22 |
| (c) Exchange differences (Gain)/Loss | 125.77 | (327.00) |
| (d) Other finance Cost | | |
| Bank charges / Guarantee Fees | 81.85 | 59.38 |
| Total | 1,992.12 | 1,390.87 |
| 22 DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation of Plant, Property and equipment pertaining to continuing operations | 11,946.20 | 11,713.16 |
| Total depreciation and amortisation pertaining to continuing operations | 11,946.20 | 11,713.16 |
| Depreciation of Property, plant and equipment pertaining to discontinued operations | - | - |
| Total depreciation and amortisation expense | 11,946.20 | 11,713.16 |
| 23 OTHER EXPENSES | | |
| Power and Fuel | 27,950.26 | 26,850.16 |
| Rates & Taxes | 17.84 | 464.28 |
| Rent expense | 65.86 | 46.63 |
| Travelling and Conveyance | 251.00 | 482.98 |
| Contributions/ Donations | - | 7.00 |
| Provision for bad debts | 3,716.42 | 2,838.20 |
| Written off debts/ provision for other losses | 932.27 | 375.00 |
| Diminishing Value of Asset held for sale (TUG VII) | - | 62.51 |
| Provision for unserviceable spares and stores | - | - |
| Establishment Expenses | 139.81 | 149.29 |
| Consultancy Expenses | 58.37 | 82.92 |
| Sub- Contractor expenses | 20,498.69 | 10,993.31 |
| Pipeline laying / maintenance expenses | 8.50 | 548.01 |
| Other Direct Work Expenses | 439.97 | 435.58 |
| Boat / Tug & Crane hire Charges | 392.27 | 205.46 |
| Legal Adviser Fee & Secretarial Expenses | 56.12 | 169.02 |
| Repairs & Maintenance | | |
| Vessels | 5,622.11 | 4,530.90 |
| Buildings | 203.33 | 182.06 |
| Spares & Stores* | 6,939.90 | 2,045.29 |
| Insurance | 719.12 | 602.21 |
| Audit Fees and expenses | | |
| a) for Audit | 7.80 | 7.70 |
| b) for Taxation matters | 1.00 | 0.90 |
| Corporate Social Responsibility* | 100.63 | 70.83 |
| Miscellaneous Expenses | 1,593.92 | 534.94 |
| Total | 69,715.19 | 51,685.17 |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

₹.in Lakhs

| | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 24 INCOME TAXES RELATING TO CONTINUING OPERATIONS | | |
| 24.1 Income taxes recognised in the statement of profit and loss | | |
| Current tax | | |
| In respect of the current year | | |
| Indian Tax | 182.36 | 104.15 |
| Bangladesh Tax | - | 686.09 |
| Total | 182.36 | 790.24 |
| Deferred tax | | |
| In respect of the current year | - | - |
| Others (describe) | - | - |
| Total income tax expense recognised in the current year relating to continuing operations- Income Tax computed as per Tonnage Tax Scheme | 182.36 | 790.24 |

25 PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

| | | |
|---|-------------------|---------------|
| Profit for the year from continuing operations is attributable to : | | |
| Owners of the Company | -17,241.43 | 551.32 |
| Non-Controlling interests | - | - |
| Total | -17,241.43 | 551.32 |

26 ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|----------------------------|
| 1 A. Contingent Liabilities: | | |
| Claims made against the Company not acknowledged as debts [^] | 12088.67 | 8880.32 |
| Income Tax Demands received but disputed by the Company | 5170.00 | 5170.00 |
| Service Tax Demands received but disputed by the Company | 13061.00 | 13061.00 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 510.00 | 1175.34 |
| Bank Guarantees given by the Company | 6897.39 | 7082.72 |
| Total | 37727.06 | 35369.38 |
| [^] It includes – DCI subcontracted Part of the dredging works at Sethusamudram to M/s. Mercator Lines Limited (MLL). Due to some contractual issues it was referred to Arbitration. The Arbitration Tribunal passed the award in favor of MLL for an amount of ₹60.47 Crs. DCI has filed appeal on the said awards before the London court and High Court of Delhi and the same was dismissed. Subsequently, MLL has filed Execution petition before the High Court of Delhi. DCI has filed its objections under section 48 of the Arbitration and Conciliation ACT, 1996 contesting award on the ground that the award is contrary to the public policy of India and also on the ground that arbitral procedure was not in accordance with the agreement of parties, particularly LMAA Rules. This case is posted for hearing on 03/09/2021. DCI obtained opinion from senior counsels stating that DCI has fair chances of getting the execution petition of MLL dismissed / set aside. | | |
| B. Contingent Assets: | | |
| Claims made by the Company | 8800.74 | 8598.73 |
| Total | 8800.74 | 8598.73 |

| Particulars | 2020-21 | 2019-20 |
|--|----------------|----------------|
| 2 A. Expenditure of foreign currency: | | |
| Travelling | 12.16 | 12.27 |
| Interest | 842.44 | 918.20 |
| Operational expenditure at Bangladesh | - | 1569.00 |
| Purchase of Spares | 4635.85 | - |
| Total | 5490.45 | 2499.47 |
| B. Income in foreign currency | - | 7701.00 |
| 3 Value of Imports: | | |
| Components and spare parts (CIF Value) | 15,320.25 | 3082.47 |
| Value of imported spares and components consumed | 6,224.09 | 1653.75 |
| Value of indigenous spares and components consumed | 749.48 | 294.72 |
| Percentage of imported spares & components consumed to total spares & components consumed | 89.25 | 84.87 |
| Percentage of indigenous spares & components consumed to total spares & components consumed | 10.75 | 15.13 |
| 4. Capital Management: | | |
| A. Risk Management: The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. | | |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| ₹ in lakhs | | |
|--|------------------|------------------|
| The Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet) | | |
| Particulars | As at 31-03-2021 | As at 31-03-2020 |
| Net Debt | 42,657.65 | 55,210.00 |
| Total Equity | 1,40,211.54 | 1,57,024.39 |
| Net Debt to Equity Ratios | 0.30:1 | 0.35:1 |

B. Loan covenants: The Company has 2 ECB Loan Agreements with EXIM Bank and BNP Paribas Bank

5. Financial management:

The Company has exposure to the Credit risk, Liquidity risk and Market risk. The Company's Board of Directors has overall responsibility for the establishment and supervision of the Company's risk management framework. The Board of Directors established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

A. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily arises on account of its Trade receivables. Trade receivables consist of a large number of customers spread across diverse geographical areas. A default on a trade receivable is considered when the customer fails to make contractual payments within the credit period this credit period has been determined by considering the business environment in which the Company operates. The Company considers dealing with credit worthy customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk due to above is periodically monitored. Based on the periodical analyses, the credit risk is managed by continuous review and follow-up.

B. the Company provides for expected credit loss on trade receivables based on provision matrix. This matrix is a simplified basis of recognition of expected credit losses in case of trade receivables. The model uses historical credit loss experience for trade receivables i.e. this model uses aging analysis of trade receivables as at the reporting date and is based on the number of days that a trade receivables is past due. The aging has been done for bracket of 90 days over a period of last 3 years. Receivables that are more than 3 years old are considered uncollectible. Further, customers declaring bankruptcy or failing to engage in repayment plan with the Company, provisioning is made on case to case basis i.e. such customers do not form part of this impairment exercise and provided

1. Reconciliation of Trade Receivables:

| RS .in Lakhs | | |
|---|------------------|------------------|
| Particulars | As at 31-03-2021 | As at 31-03-2020 |
| Gross Carrying amount of Trade Receivables | 31060.83 | 33909.00 |
| Less: Provision made for excepted credit losses | (10887.12) | (8766.35) |
| Net Carrying amount of Trade Receivables | 20173.71 | 25142.95 |

2. Reconciliation of loss allowance provision:

| Rs.In Lakhs | |
|---|------------------|
| Particulars | As at 31-03-2021 |
| Loss allowances as 1 st April 2019 | 5928.15 |
| Change in loss allowance | 2838.20 |
| Loss allowance as at 31-03-2020 | 8766.35 |
| Change in loss allowance | 2120.77 |
| Loss allowance as at 31-03-2021 | 10887.12 |

B. Liquidity Risk:

Prudent liquidity risk management refers to the management of the Company's short term and long term funding and liquidity management requirements. The Company treasury maintains flexibility in funding by maintaining availability of funds under committed credit lines. Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

C. Market Risk:

Market risk is the risk that changes in market indicators such foreign exchange rates, interest rates and commodity prices will affect the Company's income or the value of its financial instruments. The Company's activities mainly expose it to risks arising from changes in foreign exchange rate and interest rates.

D. Foreign currency Risk:

The Company incurs expenditure in foreign currencies primarily with respect to EURO and certain other foreign currencies. Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR)

E. Foreign Currency risk exposure: The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows.



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| Particulars | As at 31-03-2021 | As at 31-03-2020 |
|-----------------------|------------------|------------------|
| | EURO | EURO |
| Financial Liabilities | | |
| a. Borrowings | 36769.86 | 49322.20 |
| Total | 36769.86 | 49322.20 |

6. Financial Instruments :

Categories of Financial Instruments – The carrying value / fair value of the financial instruments by categories is as follows.

| ₹ in lakhs | | | |
|------------------------------|--|----------------------|----------------------|
| S.N o. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Financial Assets | | | |
| 1 | Measured at FVTOCI | | |
| | Investment in equity instruments designated upon initial recognition | 0.00 | 0.00 |
| 2 | Measured at amortised cost: | | |
| | Deposits (including security deposits) | 2932.25 | 1682.83 |
| | Unbilled Operational Income | 8677.82 | 11986.04 |
| | Claims & Other Receivables | 2725.47 | 2912.82 |
| | Advances | 3454.39 | 5205.13 |
| | Loans to Employees | 38.96 | 64.93 |
| | Trade Receivable | 20173.71 | 25142.95 |
| | Cash and Bank balances | 4858.99 | 7017.92 |
| Financial Liabilities | | | |
| 3 | Measured at amortised cost: | | |
| | Bonds / Debentures | 5887.80 | 5887.80 |
| | Term Loans (including current maturities) | 36769.86 | 49322.20 |
| | Trade Payable | 29140.58 | 13030.15 |

Instances where the fair value of the financial instrument was different from the carrying value based on the above categorisation and the impact on account of the same is illustrated below.

| ₹ in lakhs | | | |
|---|---|----------------------|----------------------|
| S. N o. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Assets: Investment in equity instruments (M/s Sethusamudram) | | | |
| 1. | Carrying Value | 0.00 | 0.00 |
| | Designated as Fair Value Through OCI on initial recognition | - | - |
| | Total Fair Value | 0.00 | 0.00 |
| 2. | Liabilities: Term Loans | | |
| | Carrying Value | 36658.64 | 49146.78 |
| | Impact on account of Effective Interest Rate | 111.22 | 175.41 |
| | Total Fair Value | 36769.86 | 49322.19 |

7. Fair value Measurements:

1. **Fair value hierarchy** (for valuation of M/s Sethusamudram Corporation Limited)

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

2. Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The use of the book values for investment in unlisted equity securities
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

3. Valuation Processes:

The finance department of the company performs the valuations of the financial assets and liabilities wherever required for financial reporting purposes, including level 3 fair values.

8. Asset Pledged as Security:

| Particulars | Notes | As at March 31, 2021 | As at March, 2020 |
|---|-------|----------------------|-------------------|
| Non Current Assets: | (9) | 133945.38 | 139673.24 |
| a. Property, Plant and Equipment | | | |
| Total Assets Pledged as security | | 133945.38 | 139673.24 |

| ₹ in lakhs | | |
|-------------|---------|---------|
| Particulars | 2020-21 | 2019-20 |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| ₹ in lakhs | | |
|--|-------------|-------------|
| 9. Earnings per Share: | | |
| Profit for the year | (16812.88) | 551.32 |
| No. of Equity Shares (face value @ ₹10 each) | 2,80,00,000 | 2,80,00,000 |
| Basic EPS (per share) | (60.05) | 1.97 |
| Diluted No. of Equity Shares (face value @ ₹10 each) | 2,80,00,000 | 2,80,00,000 |
| Diluted EPS (per share) | (60.05) | 1.97 |

10. As per the minutes of the meeting of AS&FA committee held on 25.02.2019 w.r.t. outstanding dues from M/s Sethusamudram Corporation Ltd (SCL), it was recommended to release an amount of ₹ 136.72 Crs to DCI. Out of the said amount, an amount of ₹ 51 Crs already released till date. AS&FA directed SCL to move a note seeking approval of cabinet for seeking Govt budgetary resources to release balance dues to DCI.

11. Company's normal operations have been impacted in a number of ways as Lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards, inordinate delays in import of emergency Spares which are required to carry out the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20 as well as 2020-21. It also imposed unusual delays in both Dry-docking / running repairs in yards, impeded conducting surveys. and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21. Notwithstanding constraint, management has taken a number of measures and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.

12. Reconciliation of outstanding balance of trade payables, other payables and advances to suppliers are subject to reconciliation and the same is under process.

13. Letters for confirmation of balance from customers has been sent as on 31-03-2021 and no confirmations received from customers as on date.

14. During the year, company sold DR-VI for an amount of Rs.441 Lakhs excluding taxes and earned profit amounting to Rs. 426.85 Lakhs and the same was recognized in profit and loss account.

15. Revenue from Contract with customers: The revenue from contracts' with customers to the amounts disclosed as total revenue are as under.

| Particulars | As on 31-03-2021 | As on 31-03-2020 |
|---------------------------------------|------------------|------------------|
| Revenue from contracts with customers | 75329.63 | 73343.42 |
| Revenue from other sources | 1046.77 | 1625.51 |
| Total Revenue from Operations | 76376.40 | 74968.93 |

16. Key Managerial Personnel:

| | |
|------------------------------------|---|
| Directors: | : Shri.RajeshTripathi , Managing Director (From:01-04-2020 to 28-02-2021) Prof.Dr.G.Y.V.Victor, Managing Director (w.e.f.01-03-2021) |
| Chief General Manager (Operations) | : Capt.S.Divakar, |
| Company Secretary: | : Shri. Aswini Sreekanth Kadiyala |
| Chief Financial Officer: | : Shri, Sumiran Bansal (From : 01-04-2020 to 22-03-2021) Shri. D.Subbarao(w.e.f.22-03-2021) |
| Total Salary &Benefits: | : ₹197.53 lakhs (PY. ₹146.88 lakhs) |

17. Related party Disclosers:

| Related Parties | Nature of Relation |
|-------------------------------|-----------------------|
| 1.Visakhapatnam Port Trust | Significant influence |
| 2. Paradip Port Trust | Significant influence |
| 3.Jawaharlal Nehru Port Trust | Significant influence |
| 4.Deendayal Port Trust | Significant influence |
| 5.Cochin Port Trust | Significant influence |

| ₹ in lakhs | | | | |
|--------------------|-----------------------------|---|------------------------------|--------------------------------------|
| S.No | Party | Largest Single Transaction during the year | Transactions during the year | Outstanding Balance as on 31-03-2021 |
| 1 | Visakhapatnam Port Trust | 509.78 (PY 463.78) | 1146.06 (PY.565.59) | 654.36 (PY 628.75) |
| 2 | Paradip Port Trust | 1362.78 (PY 956.23) | 11377.70 (PY.10223.41) | 121.00 (PY.2132.25) |
| 3 | Jawaharlal Nehru Port Trust | 6614.90 (PY 4623.37) | 25139.68 (PY.5517.51) | 5350.36 (PY 3208.69) |
| 4 | Deendayal Port Trust | 0.00 (PY 0.00) | 0.00 (PY 0.00) | 0.00 (PY 0.00) |
| 5 | Cochin Port Trust | 828.64 (PY 702.24) | 9703.89 (PY 8505.42) | 2085.19 (PY 5196.82) |
| Qualitative inputs | | DCIL provides dredging services to these four port trusts on an on-going basis, and has in its Board a nominee of each of the Port Trusts. All the transactions have been on arm's length basis | | |

18. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

The following table presents the recognised financial instruments that are offset and other agreements but



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

not offset, as at March 31, 2021 and March 31, 2020. The column 'net amount' shows the impact on the Company's Balance Sheet if all set-off rights were exercised.

| Particulars | Effects of offsetting on the balance sheet | | | Related amounts not offset | | |
|---|--|---|---|---|-------------------------------------|-----------------|
| | Gross Amount | Gross amounts setoff in the balance sheet | Net amount presented in the balance sheet | Amounts subjects to master netting arrangements | Finanacia I instrumen ts collateral | Net Amount |
| Financial Assets as at March 2021 | | | | | | |
| a. Investments | - | - | - | - | - | - |
| b. Trade Receivables | 20173.71 | - | 20173.71 | - | - | 20173.71 |
| c. Cash and Cash equivalents | 4807.39 | - | 4807.39 | - | - | 4807.39 |
| d. Bank balance other than "C" above | 51.60 | - | 51.60 | - | - | 51.60 |
| e. Other Financial assets | 14588.68 | - | 14588.68 | - | - | 14588.68 |
| Total | 36921.38 | | 36921.38 | | | 36921.38 |
| Financial Assets as at March 2021 | | | | | | |
| a. Borrowings | 29389.76 | - | 29389.76 | - | - | 29389.76 |
| b. Trade payables | 29140.58 | - | 29140.58 | | | 29140.58 |
| c. Other Financial Liabilities | 14302.02 | | 14302.02 | | | 14302.02 |
| Total | 72832.36 | | 72832.36 | | | 72832.36 |
| Financial Assets as at March 2020 | | | | | | |
| a. Investments | - | - | - | - | - | - |
| b. Trade Receivables | 25142.95 | - | 25142.95 | - | - | 25142.95 |
| c. Cash and Cash equivalents | 6963.85 | - | 6963.85 | - | - | 6963.85 |
| d. Bank balance other than "C" above | 54.07 | - | 54.07 | - | - | 54.07 |
| e. Other Financial assets | 16890.55 | - | 16890.55 | - | - | 16890.55 |
| Total | 49051.42 | - | 49051.42 | - | - | 49051.42 |
| Financial Liabilities as at March 2020 | | | | | | |
| a. Borrowings | 41169.51 | - | 41169.51 | - | - | 41169.51 |
| b. Trade payables | 13020.15 | - | 13020.15 | - | - | 13020.15 |
| c. Other Financial Liabilities | 18248.40 | - | 18248.40 | - | - | 18248.40 |
| Total | 72438.06 | - | 72438.06 | - | - | 72438.06 |

20. **INCOME TAXES:** The Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No.2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognized provision for Income Tax for the year ended March 31, 2020 and 2021.

Basis for applicable Tax rates:

| Particulars | FY 2020-21 | FY 2019-20 |
|----------------------------|---------------|---------------|
| Normal Tax rate | 22% | 22% |
| Surcharge | 10% | 10% |
| Health and Education Cess | 4% | 4% |
| Applicable Tax Rate | 25.17% | 25.17% |

Current Tax Liabilities

| Particulars | FY 2020-21 | FY 2019-20 |
|---|--------------|--------------|
| Opening Balance | 46.51 | 69.45 |
| Add : Current Tax payables for the year | 1613.88 | 1116.12 |
| Less: Taxes Paid | 1601.52 | 1139.05 |
| Closing Balance | 58.87 | 46.51 |

21. GENERAL

- The Company is engaged in the business of dredging and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments"
- Income Tax appeals are pending for the Assessment years 2008-09 to 2017-18 before the Honourable High Court and Income Tax Authorities.


Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

- c) The Company filed an appeal and an application for stay before the Customs, Excise and Service Tax Appellate Tribunal against Commissionerate's Orders confirming recovery of Rs.13061 Lakhs including interest and penalty towards irregular Cenvat credit availed during the period from June, 2005 to March, 2016. 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) Disclosure requirements under Ind AS 19 on Employee benefits are given under Employee benefit obligations..
- f) Company carried out physical stock verification during the year for the financial years 2019-20 & 2020-21 as company could not carried out physical stock verification for the f.y.2019-20 due to COVID. Accordingly company charged an amount of Rs.37.00 Crs to the profit and loss account on account of stock difference.
- g) Capitalization of administrative office building was completed during the year. However company is pursuing the occupancy certificate to be given by the local authorities. Additionally, BOQ items yet to be finalized. Once receipt of finalization of BOQ quantities, then company can provide depreciation based on componentization which was specified in IND AS and the depreciation impact may not be material.

22. EMPLOYEE BENEFIT OBLIGATION:

1. **Details of Employees Defined benefit plans:** The Company offers to its employee's defined benefits plans in the form Gratuity leave encashment and post retirement Medical Scheme.

| | |
|--|---|
| i. Gratuity | a. Represents benefits to employee on the basis of number of years of service rendered by employee. The employee is entitled to receive the same on retirement or resignation. b. DCI has formed a trust for gratuity which is funded by the Company on a regular basis. The assets of the trust have been considered as plan assets |
| ii. Leave Encashment | Represents benefits to un-availed leave accruing to the credit of the employees accumulated and paid to shore and floating employees as per respective rules |
| iii. Post Retirement Medical Benefits Scheme | Represents benefits given to employees subsequent to Benefit Scheme retirement on the happening of any unforeseen event resulting in medical costs to the employee |

2. **Details of Employees contribution plans:** The Company offers to its employee's defined contribution plans in the form provident fund, Post Retirement Medical Plan and Pension Contribution.

| | |
|---|--|
| i. Provident Fund | The contributions to employee's Provident Fund benefits are made to a separate trust. The trust is exempted u/s17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. As per the Conditions for grant of exemption, the Company shall make good the deficiency if any, in the interest rate declared by the trust as against the statutory rate declared by Gol. |
| ii. Post Retirement Medical Scheme (New w.e 01.01.2007) | It is a contribution @2.19% of monthly Basic and DA towards provision of employees medical expenses incurred after retirement. |
| iii. Pension Contribution | It is a contribution @10% of Monthly Basic and DA towards provision of annuity after retirement of employees. |

| Defined benefit plans – as per actuarial valuation on 31st March, 2021 | | | | | | |
|---|-------------|------------|---------------|------------|------------------|-----------|
| Particulars | Funded Plan | | Unfunded plan | | | |
| | Gratuity | | Leave (Shore) | | Leave (Floating) | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| la. Expense recognised in the Statement of Profit and Loss for the year ended 31st March: | | | | | | |
| 1 Current service cost | 91 | 89 | 192.85 | 176 | 64.42 | 33 |
| 2 Past Service Credit | - | - | - | - | - | - |
| 3 Interest cost | - | - | - | - | - | - |
| lb. Included in other Comprehensive Income | | | | | | |
| 1 Return on plan assets | 36.42 | 5.2 | - | - | - | - |
| 2 Actuarial (Gain)/Loss on account of : Demographic Assumptions | - | - | - | - | - | - |
| Financial Assumptions | 12.72 | 56 | 7.87 | 37 | 0.25 | 1 |
| Experience Adjustments | -41.64 | 126 | -326 | -200 | -68.8 | -56 |
| 3 Others (specify) | - | - | - | - | - | - |
| | -28.91 | 182 | -318.12 | -163 | -68.55 | -55 |
| Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows: | | | | | | |
| Service Cost | | | | | | |
| Current Service Cost | 91 | 89 | 192.85 | 176 | 64.42 | 33 |
| Past service cost and (gains)/losses from settlements | - | - | - | - | - | - |
| Net interest expense | 84 | 43 | 49.8 | 53 | 1.82 | 3 |
| Components of defined benefit costs recognised in profit or loss | 175 | 132 | 242.65 | 229 | 66.24 | 36 |
| Re-measurement on the net defined benefit liability | | | | | | |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| Defined benefit plans – as per actuarial valuation on 31st March, 2021 | | | | | | |
|---|----------------|----------------|----------------|----------------|------------------|----------------|
| Particulars | Funded Plan | | Unfunded plan | | | |
| | Gratuity | | Leave (Shore) | | Leave (Floating) | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Return on plan assets (excluding amount included in net interest expense) | 13.96 | -44 | - | - | - | - |
| Actuarial gains and loss arising from changes in financial assumptions | -28.91 | 182 | -318.12 | -163 | -68.55 | -55 |
| Actuarial gains and loss arising from experience adjustments | - | - | - | - | - | - |
| Others (describe) | - | - | - | - | - | - |
| Components of defined benefit costs recognised in other comprehensive income | - | - | - | - | - | - |
| Total | -14.95 | 138 | -318.12 | -163 | -68.55 | -55 |
| I Net Asset/(Liability) recognised in the Balance Sheet as at 31st March | | | | | | |
| 1 Present value of defined benefit obligation as at 31st March | 1346.54 | 1432 | 749 | 759 | 28.8 | -31 |
| 2 Fair value of plan assets as at 31st March | 630 | 440 | - | -64 | - | - |
| 3 Surplus/(Deficit) | -716.54 | -992 | 749 | -825 | 28.8 | -31 |
| 4 Current portion of the above | 219 | 283 | 118.71 | 124 | 4.18 | 6 |
| 5 Noncurrent portion of the above | 1128 | 1150 | 630.4 | 701 | 24.61 | 25 |
| | 1347 | 1433 | 749 | 825 | 30.8 | 31 |
| Not included in Net Liability(*) (Current) | | | | | | |
| II Change in the obligation during the year ended 31st March | | | | | | |
| 1 Present value of defined benefit obligation at the beginning of the year | 1433 | 1343 | - | - | - | - |
| 2 Add/(Less) on account of Scheme of Arrangement/Business transfer | | | - | - | - | - |
| 3 Expenses Recognised in Profit and Loss Account | | | | | | |
| - Current Service Cost | 91 | 89 | 192.85 | 176 | 64.42 | 33 |
| - Past Service Cost | - | - | - | - | - | - |
| - Interest Expense (Income) | 84 | 92 | 49.8 | 53 | 1.82 | 3 |
| 4 Recognised in Other Comprehensive Income | | | | | | |
| Remeasurement gains / (losses) | | | | | | |
| - Actuarial Gain (Loss) arising from: | -28.91 | 182 | -318.12 | -163 | -68.55 | -55 |
| i Demographic Assumptions | - | - | - | - | - | - |
| ii Financial Assumptions | - | - | - | - | - | - |
| iii Experience Adjustments | - | - | - | - | - | - |
| 5 Benefit payments | -231.84 | -273 | - | - | - | - |
| 6 Others (Specify) | - | - | - | - | - | - |
| 7 Present value of defined benefit obligation at the end of the year | - | - | - | - | 31.11 | 50 |
| III Change in fair value of assets during the year ended 31st March | | | | | | |
| 1 Fair value of plan assets at the beginning of the year | 440 | 761 | - | - | - | - |
| 2 Add/(Less) on account of Scheme of Arrangement/Business Transfer | -0.43 | -54 | - | - | - | - |
| 3 Expenses Recognised in Profit and Loss Account | | | - | - | - | - |
| - Expected return on plan assets | 36.42 | 5.2 | - | - | - | - |
| 4 Recognised in Other Comprehensive Income | | | | | | |
| Remeasurement gains / (losses) | - | - | - | - | - | - |
| - Actual Return on plan assets in excess of the expected return | - | - | - | - | - | - |
| - Others (specify) | - | - | - | - | - | - |
| 5 Contributions by employer (including benefit payments recoverable) | 385.61 | 1.6 | - | - | - | - |
| 6 Benefit payments | -231.84 | -273 | - | - | - | - |
| 7 Fair value of plan assets at the end of the year | -630 | -440 | - | - | - | - |
| IV The Major categories of plan assets | | | | | | |
| 1 Fixed Deposits and Bank Balance (Including Accrued interest) | 625.44 | 149.08 | | | | |
| 2 Mutual Funds | 17.36 | 322.75 | | | | |
| List the plan assets by category here | | | | | | |
| V Actuarial assumptions | | | | | | |
| 1 Discount rate | 6.35% | 6.53% | 6.35% | 6.53% | 6.35% | 6.53% |
| 2 Expected rate of return on plan assets | 6.35% | 6.53% | 6.35% | 6.53% | 6.35% | 6.53% |
| 3 Attrition rate | PS: 0 to 42.5% | PS: 0 to 42.5% | PS: 0 to 42.5% | PS: 0 to 42.5% | PS: 0 to 42.5% | PS: 0 to 42.5% |
| 4 Medical premium inflation | - | - | - | - | - | - |



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

| VI Effect of one percentage point change in the assumed medical inflation rate | | | | | | | | |
|--|---|---|--------------|---|------|------|------|------|
| | | One percentage point increase in medical inflation rate | | One percentage point decrease in medical inflation rate | | | | |
| | | 2021 | 2020 | 2021 | 2020 | | | |
| 1 | Effect on the aggregate service and interest cost of post-employment medical benefits | - | - | - | - | | | |
| 2 | Effect on the accumulated post-employment medical benefits obligation | - | - | - | - | | | |
| VII. Experience Adjustments : | | | Period Ended | | | | | |
| | | | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| | | | Gratuity | | | | | |
| 1 | Defined Benefit Obligation | | - | - | - | - | - | - |
| 2 | Fair value of plan assets | 630 | 440 | 767 | 945 | 1180 | 1263 | |
| 3 | Surplus/(Deficit) | -716.53 | -991 | -581 | -455 | -100 | -21 | |
| 4 | Experience adjustment on plan liabilities [(Gain)/Loss] | - | - | - | - | - | - | |
| 5 | Experience adjustment on plan assets [Gain/(Loss)] | 13.96 | -43 | 47 | 10 | 6 | -24 | |

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

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

21 ACCOUNTING POLICIES:

GENERAL INFORMATION:

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

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

1.1 Statement of Compliance:

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

1.2 Basis of Measurement:

The Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

2 ACCOUNTING ESTIMATES:

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

3 OPERATIONAL INCOME: REVENUE RECOGNITION:

- Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances wherever applicable as per the contract.



Notes to the financial statements for the year ended March 31st, 2021

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

- b) Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined based on internal assessment/survey.
- c) Claims preferred on customers for works/items not contemplated are considered as income on their acceptance.

4 OTHER INCOME:

- a) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- b) Interest on Tax refunds are accounted on receipt basis.

5 OPERATIONAL EXPENSES:

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

6 DEPRECIATION:

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

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

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

7 PROPERTY, PLANT & EQUIPMENT:

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



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

- f. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related assets.

8 BORROWING COSTS:

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

9 FOREIGN CURRENCY TRANSACTIONS:

- a. Transactions in foreign currency are recorded at exchange rates prevailing at the dates of the transactions. As per the notification issued by the Ministry of Corporate Affairs dated 31st Mar, 2009, the Company has opted for adjusting the exchange difference 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:
- Short term foreign currency monetary assets and liabilities recognized in the profit and loss account.
 - Long term foreign currency monetary liabilities used for acquisition of fixed assets: adjusted to the cost of the fixed assets and amortized over the remaining useful life of the asset.

10 INVENTORIES:

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

11 FINANCIAL INSTRUMENTS:

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

11.1 Initial Recognition:

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

12 EMPLOYEE BENEFITS:

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

13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

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



Notes to the financial statements for the year ended March 31st, 2021
(All amounts in ₹ in lakhs, except share data and unless otherwise stated)

14 TAX EXPENSES:


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

For and on behalf of Board of Directors

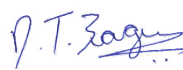

(K.Rama Mohana Rao)
Chairman


(D.Subba Rao)
Chief Financial Officer(CFO)


(Prof. Dr. G. Y. V. Victor)
Managing Director &
CEO


(K. Aswini Sreekanth)
Company Secretary

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


(D Teja Sagar)
Partner
Membership no. 227878

Place : Visakhapatnam

Date : 29-06-2021



SIGNING OF MOU BETWEEN CSL AND DCI FOR CONSTRUCTION OF A TSHD AT CSL



DCI ACTIVELY PARTICIPATED IN MARITIME INDIA SUMMIT 2021





DR B R AMBEDKAT BIRTHDAY CELEBRATIONS AT DCI



DCI FORMATION DAY CELEBRATIONS



డ్రెడ్జింగ్ కార్పొరేషన్ ఆఫ్ ఇండియా లిమిటెడ్
ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED



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2020-21