

ಡ്രಿಡಿಂಗ್ ಕಾರ್ಪೊರೇಷನ್ ಆف ಇಂಡಿಯಾ ಲಿಮಿಟೆಡ್  
Dredging Corporation of India Limited  
DREDGING CORPORATION OF INDIA LIMITED



46<sup>TH</sup> ANNUAL REPORT  
2021-22



Life line for Ports

**CHAIRMAN**  
(NON-EXECUTIVE)



Shri K. Rama Mohana Rao, IAS,  
Chairman, DCIL & VPA

**MANAGING DIRECTOR & CEO**



Prof Dr G Y V Victor,  
(under suspension w.e.f 13.07.2022)

**MANAGING DIRECTOR & CEO (Addl.Charge)**



Capt.S.Divakar,  
(w.e.f 15.07.2022)

**PROMOTER DIRECTORS (NON-EXECUTIVE)**



Shri Sanjay Sethi, IAS  
Chairman  
Jawaharlal Nehru Port Authority

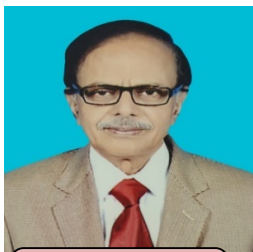


Shri Sanjay Kumar Mehta, IFS  
Chairman  
Deendayal Port Authority



Shri P L Haranadh, IRTS  
Chairman  
Paradip Port Authority

**INDEPENDENT DIRECTORS (NON-EXECUTIVE)**



Shri S Balachandran,  
IRAS (Retd.)  
(upto 10/04/2022)



Capt. Anoop Kumar  
Sharma  
(upto 04/04/2022)



Shri B.Poiyaamozhi  
(upto 10/04/2022)



Cmde.Kartik  
Subramaniam  
(upto 10/04/2022)



Smt. Nutan Guha  
Biswas, IAS (Retd.)

**NEW INDEPENDENT DIRECTORS (NON-EXECUTIVE)**



Shri Anindo Majumdar,  
IAS (Retd.)  
(w.e.f 20/05/2022)



Shri Vinod Kumar  
Pipersenia, IAS (Retd.)  
(w.e.f 26/05/2022)



Shri Rajat Sachar ,  
IES (Retd.)  
(w.e.f 26/05/2022)



Shri Arun Kumar  
Gupta,  
(w.e.f 04/07/2022)



Content	Page	BOARD OF DIRECTORS etc., as on the date of the Report
1. Vision, Mission & Objectives	4	<p style="text-align: center;"><b>BOARD OF DIRECTORS</b> Shri K Rama Mohana Rao, IAS Chairman</p> <p style="text-align: center;">Prof Dr. G Y V Victor Managing Director &amp; CEO (under Suspension w.e.f. 13/07/2022)</p> <p style="text-align: center;">Capt.S.Divakar Managing Director &amp; CEO(Additional Charge) (w.e.f. 15/07/2022)</p> <p style="text-align: center;">Shri Sanjay Sethi</p> <p style="text-align: center;">Shri Sanjay Kumar Mehta</p> <p style="text-align: center;">Shri P L Haranadh</p> <p style="text-align: center;">Shri S Balachandran (upto 10/04/2022)</p> <p style="text-align: center;">Cmde. Kartik Subramaniam (Retd.) (upto 10/04/2022)</p> <p style="text-align: center;">Shri B Poiyamozhi (upto 10/04/2022)</p> <p style="text-align: center;">Capt.Anoop Kumar Sharma (upto 04/04/2022)</p> <p style="text-align: center;">Smt Nutan Guha Biswas</p> <p style="text-align: center;">Shri Anindo Majumdar (w.e.f. 20/05/2022)</p> <p style="text-align: center;">Shri. Vinod Kumar Pipersenia (w.e.f. 26/05/2022)</p> <p style="text-align: center;">Shri. Rajat Sachar (w.e.f. 26/05/2022)</p> <p style="text-align: center;">Shri.Arun Kumar Gupta (w.e.f. 04/07/2022)</p> <p style="text-align: center;"><b>CHIEF FINANCIAL OFFICER</b> Shri D.Subbarao <a href="mailto:dsubbarao@dcil.co.in">dsubbarao@dcil.co.in</a></p> <p style="text-align: center;"><b>COMPANY SECRETARY</b> Shri . K.Aswini Sreekanth (upto 07/06/2022)</p> <p style="text-align: center;"><b>COMPLIANCE OFFICER &amp; KMP</b> Shri . K.Aswini Sreekanth (upto 05/07/2022)</p> <p style="text-align: center;"><b>COMPANY SECRETARY</b> Smt. P.Chandra Kalabhinetri (w.e.f 07/06/2022) <a href="mailto:kalabhinetri@dcil.co.in">kalabhinetri@dcil.co.in</a></p> <p style="text-align: center;"><b>COMPLIANCE OFFICER &amp; KMP</b> Smt. P.Chandra Kalabhinetri (w.e.f 14/07/2022)</p> <p style="text-align: center;"><b>STATUTORY AUDITORS</b> M/s. Rao &amp; Kumar &amp; Co., Chartered Accountants, 10-50-19, Soudamani, Siripuram, Visakhapatnam-530002</p> <p style="text-align: center;"><b>SECRETARIAL AUDITORS</b> M/s.Agarwal S. &amp; Associates Company Secretaries , D-427,2<sup>nd</sup> Floor , Palam Extn., Ramphal Chowk Sector 7 , Dwarka, New Delhi - 110075</p>
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<b>REGISTERED OFFICE</b>		
Core-2, 1 <sup>st</sup> Floor, "SCOPE MINAR" Plot No.2A & 2B, Laxminagar District Centre, Delhi - 110 092. Phone : 011 22448528 Fax : 011 22448527		
CIN NO. L29222DL1976PLC008129 GST No. 377AAACD6021B1ZB e-mail : <a href="mailto:kalabhinetri@dcil.co.in">kalabhinetri@dcil.co.in</a> Website : <a href="http://www.dredge-india.com">www.dredge-india.com</a>		
<b>HEAD OFFICE</b>		
"DREDGE HOUSE", HB Colony Main Road, Seethammadhara, Visakhapatnam - 530 022. Phone: 0891 2523250; Fax : 0891 2560581		
<b>REGISTRARS &amp; SHARE TRANSFER AGENT</b>		
<b>KFIN TECHNOLOGIES LIMITED</b> Selenium Building Tower B, Plot 31-32, Gachi Bowli Financial District, Nanakramguda, Hyderabad - 500 032. Tel. Nos.: (040) 67162222; Toll Free No. 1800 – 309 - 4001 Fax No.: (040) 23001153 E-mail Address : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website : <a href="http://www.kfintech.com">www.kfintech.com</a>		
<b>BANKERS</b>		
Syndicate Bank State Bank of India Union Bank of India BNPPARIBAS ABN AMRO Bank EXIM Bank Deutsche Bank		



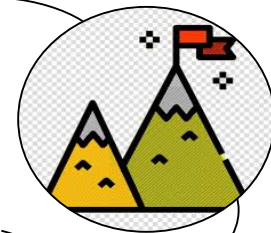
**VISION**

*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.*



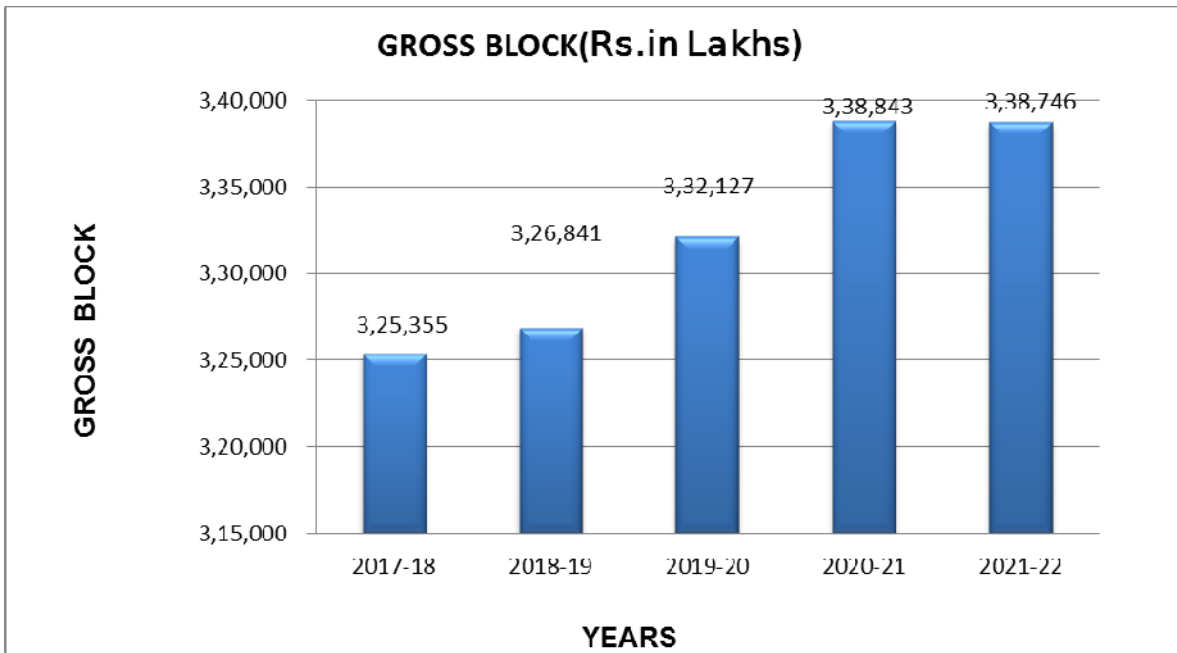
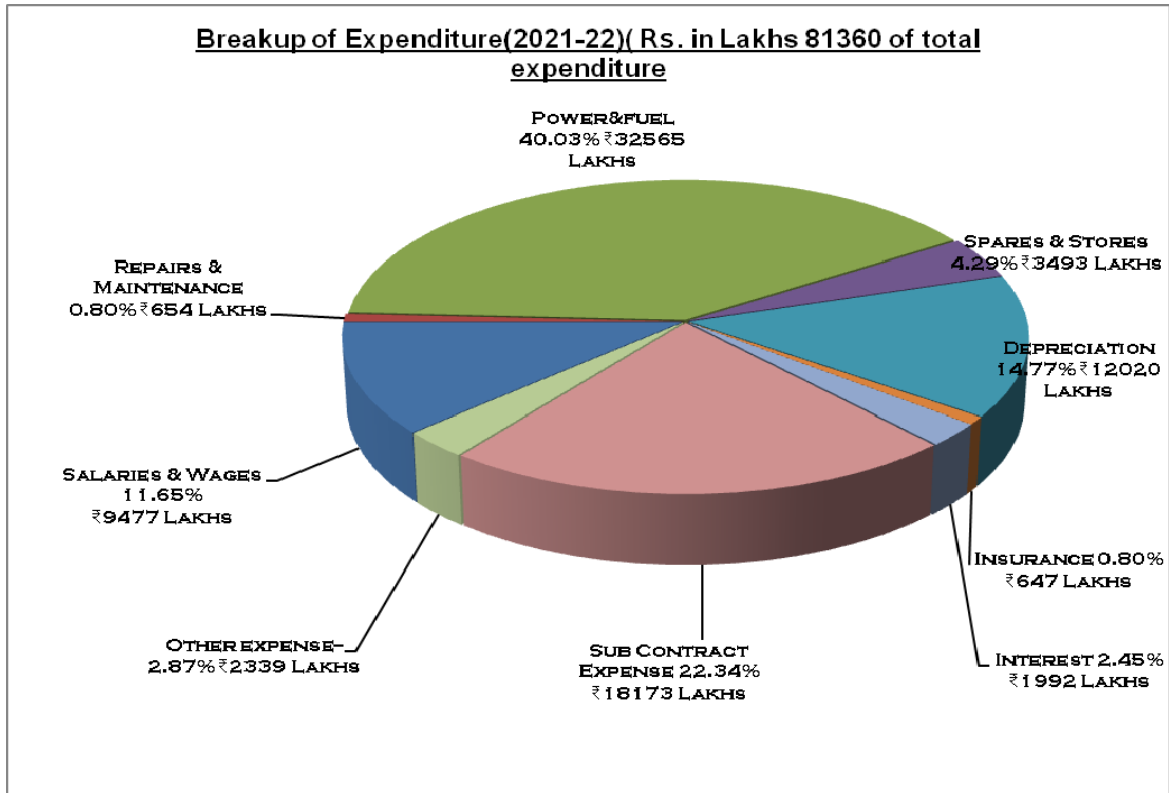
**OBJECTIVES**

- 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.*



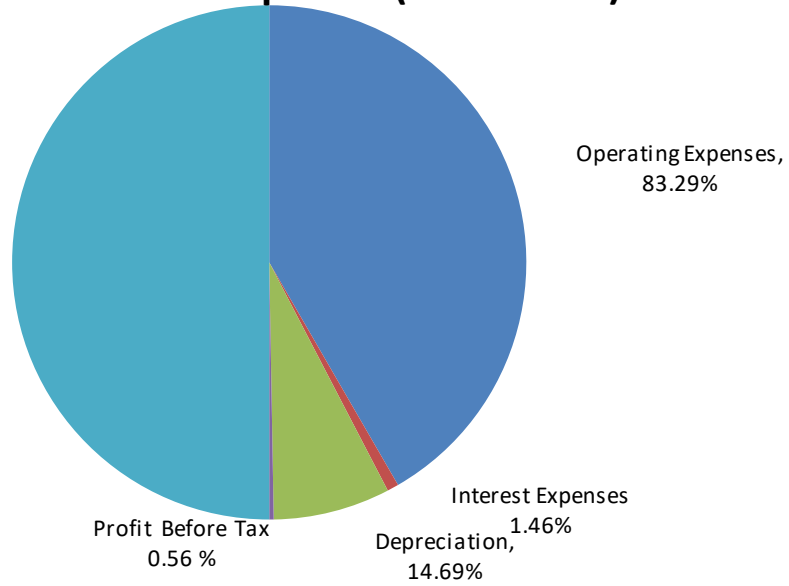
DECADE AT A GLANCE

₹.In lakhs										
OPERATIONAL STATISTICS										
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Restated)	2019-20	2020-21 (Restated)	2021-22
Operating Earnings(A)	63492	77041	73496	66586	58587	59187	69174	74969	76376	79909
Interest Income	310	227	699	953	832	447	416	331	245	198
Other Income	0	2	184	579	550	1578	262	229	71	47
<b>Total Income (B)</b>	<b>63802</b>	<b>77270</b>	<b>74379</b>	<b>68118</b>	<b>59969</b>	<b>61212</b>	<b>69852</b>	<b>75529</b>	<b>76692</b>	<b>80154</b>
Operating Expenses (C)	52480	58456	56177	53621	46888	45694	52469	61084	79813	68147
Interest Expenses	147	1099	2566	1761	1894	2023	1754	1391	1992	1193
Depreciation	9015	13832	9214	9331	9960	11318	11291	11713	11930	12020
Exceptional items	0	0	(114)	(1110)	0	0	0	0	0	(1669)
Excess/short provision of Corporate tax of earlier years written back	0	0	0	0	0	0	0	0	0	0
Total Expenses	61642	73387	67843	63603	58742	59035	65514	74188	93735	79691
Profit Before Tax	2160	3883	6536	4515	1227	2177	4338	1341	(17043)	463
Tax Liability	109	128	296	323	487	463	535	790	182	120
Profit after Tax (D)	2051	3755	6240	4192	740	1714	3803	551	(17225)	343
Other Comprehensive income (OCI) (E)	0	0	0	159	(28)	(50)	0	0	429	174
Total Comprehensive income for the period (OCI) (D+E) (F)	2051	3755	6240	4350	711	1664	3803	551	(16797)	517
Operating Expenses Vs. Operating Earnings	83%	76%	76%	81%	80%	77%	76%	81%	104%	85%
Operating Profit [A-C] (G)	11011	18585	17319	12965	11699	13493	16705	13885	(3437)	11762
Operating Profit Margin [G/A]	17%	24%	24%	19%	20%	23%	24%	19%	-4%	15%
Net Profit Margin [F/B]	3%	5%	8%	6%	1%	3%	5%	1%	-22%	0.4%
FINANCIAL HIGHLIGHTS (as on 31 <sup>st</sup> March of each year)										
WHAT THE COMPANY OWNED										
<b>Fixed Assets</b>										
Gross Block	196556	327408	304245	320080	317761	325355	326841	332127	338843	338746
Less: Depreciation (Cum)	95778	108633	117694	127317	137008	143694	154985	166698	177932	180710
<b>Net Block</b>	<b>100778</b>	<b>218775</b>	<b>186551</b>	<b>192763</b>	<b>180753</b>	<b>181662</b>	<b>171856</b>	<b>165429</b>	<b>160912</b>	<b>158036</b>
<b>Capital Working Progress</b>	<b>47306</b>	<b>1435</b>	<b>2518</b>	<b>3836</b>	<b>2600</b>	<b>4284</b>	<b>775</b>	<b>828</b>	<b>1219</b>	<b>3027</b>
<b>Working Capital</b>	<b>66196</b>	<b>58800</b>	<b>59507</b>	<b>54851</b>	<b>50414</b>	<b>49911</b>	<b>51100</b>	<b>47683</b>	<b>22622</b>	<b>9819</b>
<b>Financial Assets (Investments, other Financial assets)</b>										
	3000	3000	1242	1087	907	921	414	47	51	51
	<b>217279</b>	<b>282010</b>	<b>249818</b>	<b>252537</b>	<b>234673</b>	<b>236778</b>	<b>224145</b>	<b>213988</b>	<b>184802</b>	<b>170933</b>
WHAT THE COMPANY OWED										
<b>Long term Funds:</b>										
<b>Secured Loans</b>	77710	139669	103866	101328	81778	80948	65202	55210	42658	27971
<b>Unsecured Loans &amp; Other Non-current liabilities</b>	0	0	717	1026	833	1420	1457	1753	2626	2926
	<b>77710</b>	<b>139669</b>	<b>104583</b>	<b>102355</b>	<b>82611</b>	<b>82368</b>	<b>66659</b>	<b>56963</b>	<b>45284</b>	<b>30897</b>
NET WORTH OF THE COMPANY										
<b>Share Capital</b>	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800
<b>Reserves &amp; Surplus</b>	136769	139541	142435	147383	149262	151610	154686	154224	136719	137236
	<b>139569</b>	<b>142341</b>	<b>145235</b>	<b>150183</b>	<b>152062</b>	<b>154410</b>	<b>157486</b>	<b>157024</b>	<b>139519</b>	<b>140036</b>
<b>Capital Employed (Net block+working capital)</b>	<b>166974</b>	<b>277575</b>	<b>246058</b>	<b>247614</b>	<b>231167</b>	<b>231573</b>	<b>222956</b>	<b>213113</b>	<b>183533</b>	<b>167855</b>
<b>Dividend paid</b>	<b>560</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>0</b>	<b>560</b>	<b>840</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dividend %</b>	<b>20%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>0%</b>	<b>20%</b>	<b>30%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Debt/ Equity Ratio</b>	<b>0.56:1</b>	<b>0.98:1</b>	<b>0.72:1</b>	<b>0.68:1</b>	<b>0.54:1</b>	<b>0.53:1</b>	<b>0.41:1</b>	<b>0.35:1</b>	<b>0.32:1</b>	<b>0.20:1</b>
<b>Earnings per Share [PAT/2.8 crore (no. of shares)]</b>	<b>7.32</b>	<b>13.41</b>	<b>22.29</b>	<b>14.97</b>	<b>2.54</b>	<b>5.94</b>	<b>13.58</b>	<b>1.97</b>	<b>-59.99</b>	<b>1.84</b>

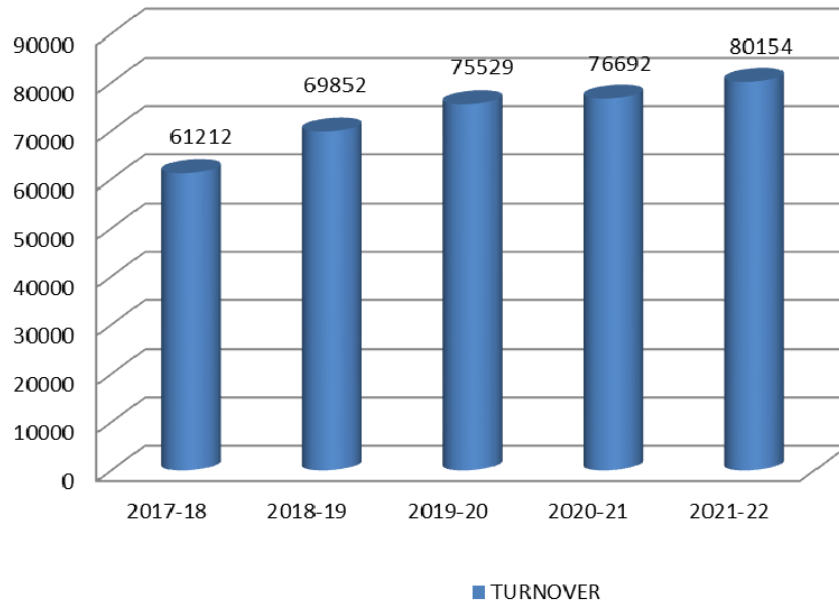


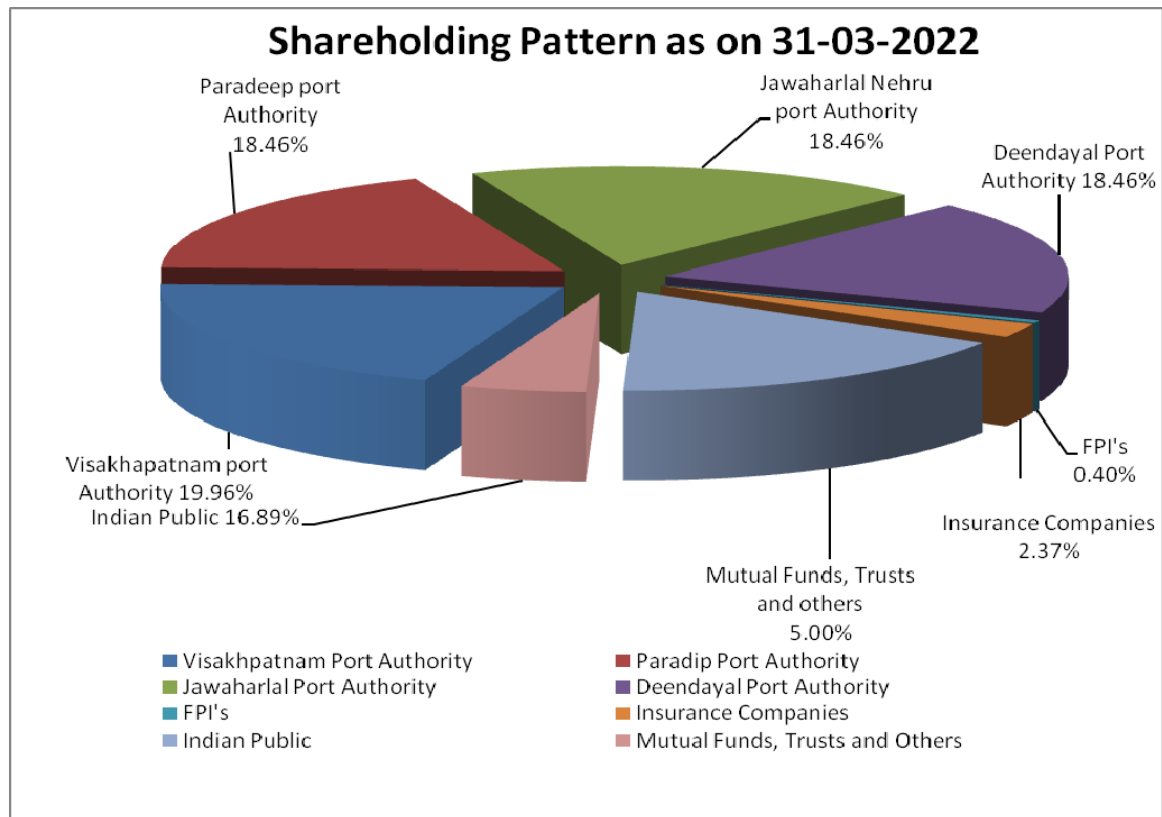
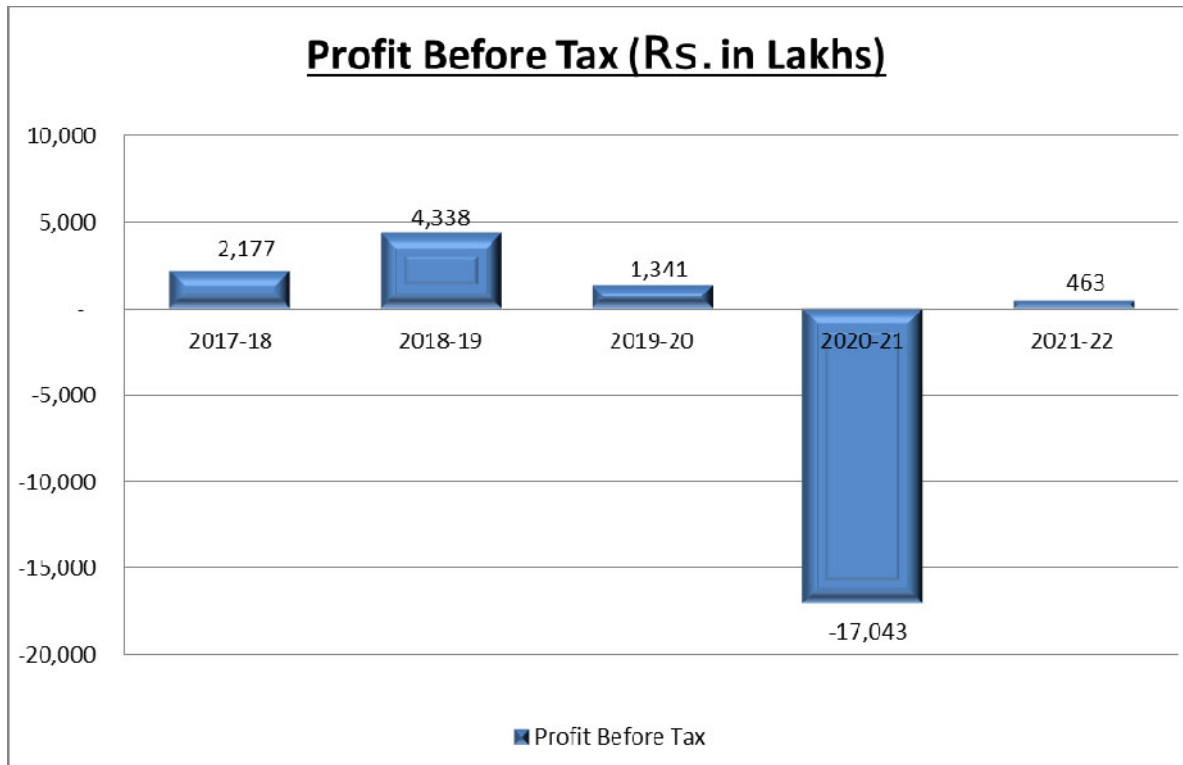


### Turnover Vs. Expenses(FY 2021-22)

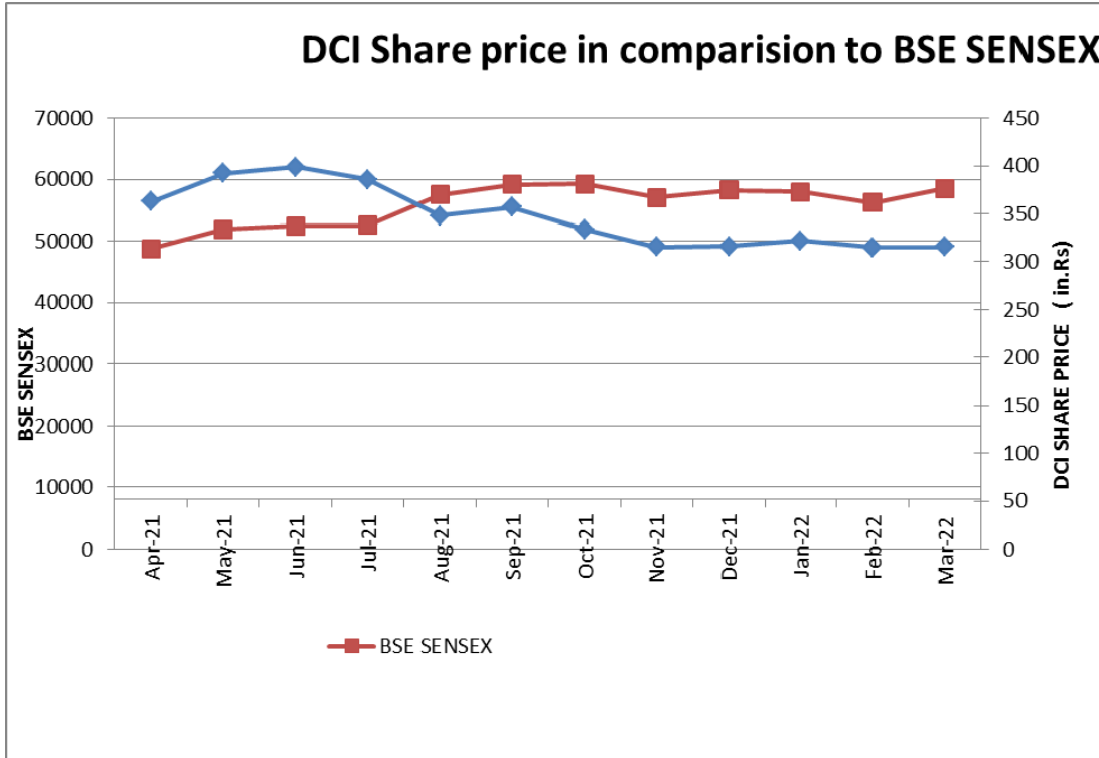
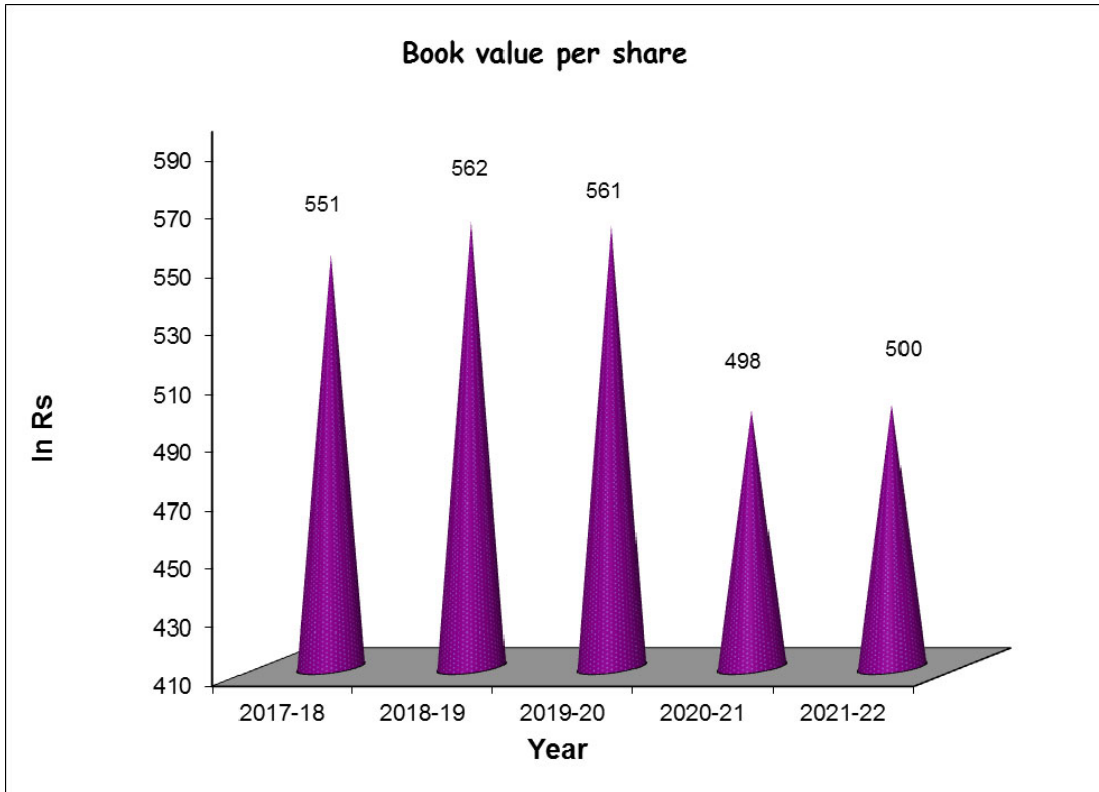


### TURNOVER( Rs.in lakhs)










**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-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)
DCI Multi cat-I	2015	Self propelled	NA	32	4.00	-	-	408 (GT)



<b>MAJOR MAINTENANCE DREDGING ASSIGNMENTS EXECUTED</b>		
	<b>Client</b>	<b>Work done during the Years</b>
1	Syama Prasad Mookerjee Port Authority, Kolkata	From 2002-03 till date
2	New Mangalore Port Authority, Mangalore	2002-03, 2003-04, 2005-06 to 2010-11, 2019-20, 2020-21, 2021-22
3	Mormugao Port Authority, Goa	2002-03 to 2005-06, 2008-09 to 2011-12, 2019-20, 2020-21, 2021-22
4	Jawaharlal Nehru Port Authority, Mumbai	2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08, 2019-20, 2020-21, 2021-22
5	Cochin Port Authority, Kochi	2002-03, 2002-04, 2006-07, 2011-12 to 2014-15, 2016-17 to 2019-20, 2020-21, 2021-22
6	Deendayal Port Authority, 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 Authority, Paradip	2002-03 to 2012-13, 2018-19, 2019-20, 2020-21, 2021-22
9	Visakhapatnam Port Authority, Visakhapatnam	2002-03 to 2019-20, 2020-21, 2021-22
10	Chennai Port Authority, Chennai	2003-04
11	Southern Naval Command, Kochi	2002-03 to 2007-08, 2011-12 & 2014-15, 2020-21, 2021-22
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, 2021-22
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, 2021-22
26	Mahanandi River Mouth	2019-20, 2020-21
27	Kamarajar Port Limited (SOITL)	2020-21, 2021-22
28	Neendakara Fishing Harbour, Kerala	2020-21
29	NRL, Paradip	2021-22
30	M/s JP Offshore	2021-22
31	M/s VCTPL	2021-22
<b>MAJOR CAPITAL DREDGING ASSIGNMENTS EXECUTED</b>		
1	Essar, Hazira	1991-92 & 1993-94
2	Mormugao Port Authority, Goa	1994-95, 2009 & 2016-17
3	Kolkata Port Authority, Kolkata	1994-95
4	Cochin Port Authority, Kochi	1994-95
5	Kakinada Port, Kakinada	1994-95
6	Jawaharlal Nehru Port Trust, Mumbai	1997-98
7	New Mangalore Port Authority, 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 Authority	2008-09 to 2012-13, 2017-18, 2018-19, 2020-21, 2021-22
14	Kamarajar Port Limited	2010-11 to 2012-13, 2014-15, 2018-19,
15	Deendayal Port Authority, 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 46<sup>th</sup> Annual General Meeting (“AGM”) of the members of Dredging Corporation of India Limited will be held at 1100 hrs. on Wednesday, the 21<sup>st</sup> December, 2022 through Video conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to seek the consent of the shareholders of the Company (“Members”), on the agenda herein below through remote electronic voting (“E-voting”), pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India, in view of the pandemic situation of novel strain of corona virus COVID-19, in compliance with 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 and Rules made thereunder. 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.

### ORDINARY BUSINESS

1. To receive consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 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, 2022 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 K Rama Mohana Rao (DIN : 07620951) 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 K Rama Mohana Rao (DIN:07620951), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

3. To appoint Shri P Lakshmi Haranadh (DIN : 07295378) 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 P. Lakshmi Haranadh (DIN: 07295378) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

4. 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 2022-23 in accordance with the provisions of the companies Act, 2013, SEBI (LODR) Regulations and all other applicable provisions”.

### SPECIAL BUSINESS

5. **To approve Related Party Transaction**

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 Authority, Paradip Port Authority, Jawaharlal Nehru Port Authority, Deendayal Port Authority) during the financial year 2022-23 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.”

6. **To approve payment of remuneration of Mr. Divakar Sanamandra as Managing Director and Chief Executive Officer (Additional Charge) 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 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 Mr. Divakar Sanamandra (DIN: 09675405) Managing Director and Chief Executive Officer (Additional Charge) of the Company 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.

By Order of the Board of Directors

(P. Chandra Kalabhinetri)  
Company Secretary

Place: Visakhapatnam  
Date: 28-11-2022

- 1 In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No. 02/2022 dated May 05, 2022, read with General Circular No.02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 5, 2020, General Circular Nos. 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 and Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May13, 2022 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has further allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means(OAVM) without the physical presence of the Members at a common venue. In compliance with the aforesaid Circulars, the 46<sup>th</sup> AGM of the Company is being held through VC/OAVM.
- 2 The Register of Members and Share Transfer Books of the Company shall remain closed from 15.12.2022 to 21.12.2022 (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 Limited ("KFintech") (formerly known as "KFIN Technologies Private Limited") having their office at Selenium Building Tower B, Plot 31-32, Gachi Bowli Financial District, Nanakramguda, 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 2021-22, 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 18.11.2022 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](http://www.dredge-india.com), websites of the Stock Exchanges i.e. Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cseindia.com](http://www.cseindia.com) respectively and on the website of Kfin technologies Limited at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company at [kalabhinetri@dcil.co.in](mailto:kalabhinetri@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 herein above, 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 M/s. 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 [kalabhinetri@dcil.co.in](mailto:kalabhinetri@dcil.co.in) with a copy marked to [evoting@kfintech.com](mailto: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 2,000 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:

- i. Attending the AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members are requested to visit <https://emeetings.kfintech.com/> and click on the “e-AGM- Video Conference & Streaming” to join the Meeting by using the remote e-voting credentials.
- ii. 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.
- iii. 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.
- iv. Members who need assistance before or during the AGM may contact Mr. P.S.R.CH. Murthy, Sr. Manager – RIS, KFin Technologies Limited at Toll Free No.: 1800-309-4001; or send an email request at the email id: [murthy\\_psrch@kfintech.com](mailto:murthy_psrch@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com).

#### 13 PROCEDURE FOR REMOTE E-VOTING

- i. 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.
- ii. 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 / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-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.
- iv. The remote e-Voting period :

Day, date and time of Commencement of remote e-voting	From:	9:00 a.m. on Sunday, 18.12.2022
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 Tuesday, 20.12.2022

- v. 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.
- vi. 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](mailto: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.
- vii. 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	<ol style="list-style-type: none"> <li>1. <b>User already registered for IDeAS facility:</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. <b>User not registered for IDeAS e-Services</b> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select “Register Online for IDeAS” or click at</li> </ol> </li> </ol>



	<p><a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>I. Open URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></p> <p>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>III. 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.</p> <p>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</p> <p>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at : <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e. <b>KFintech</b> where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. 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.</p> <p>III. Click on options available against company name or e-Voting service provider – <b>Kfintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>

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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

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) xxxx, 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.

xi. 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 sachincs2022@gmail.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/mobilereg/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](mailto:einward.ris@kfintech.com).

ii Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto: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 atleast 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 Firefox 22.
- 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 19/12/2022 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.





#### 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 18.12.2022 to 19.12.2022. 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 18.12.2022 to 19.12.2022.
- III. In case of any 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. PSRCH Murthy at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 14<sup>th</sup> December 2022, 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.
- V. 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](mailto:evoting@kfintech.com).
- VI. 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.

#### PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 14 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 [kalabhinetri@dcil.co.in](mailto:kalabhinetri@dcil.co.in).

#### IEPF RELATED INFORMATION:

- 15 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](http://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](http://www.iepf.gov.in).
- 16 The dividend for the financial year 2013-14 and thereafter, which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates as given in the statement below. The members, who have not cashed their dividend warrant so far, for the financial years as under may write to the RTA, M/s. Kfin Technologies Limited, Hyderabad or to the Company for the procedure for claiming the unpaid dividend.

Financial Year	Date of Declaration	Unclaimed Dividend Cases	Unclaimed Dividend (amount ₹)	Due for transfer to IEPF
2014-15	30/09/2015	2188	103974	November 2022
2015-16	30/09/2016	2742	123069	October 2023
2016-17	No Dividend Declared			
2017-18	13/08/2018	3343	164536	September 2025
2018-19	08/08/2019	2405	183156	September 2026
2019-20	No Dividend Declared			



2020-21	No Dividend Declared
2021-22	No Dividend Declared

- 17 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](http://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 web link of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html>, or contact KFin Tech/ Company, for detailed procedure to lodge the claim with the IEPF Authority.

#### OTHER INFORMATION

- 18 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 lodgement 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 Limited for assistance in this regard.
- 19 The relevant details, pursuant to 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.
- 20 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.
- 21 Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s KFin Technologies. Ltd., Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Toll Free No. 1800 - 309 - 4001 ; E-mail Address: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- 22 Members may send the requests for inclusion /change /updaton 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 Limited, Hyderabad or to the Company.
- 23 Non-Resident Indian members are requested to inform the RTA, M/s Kfin Technologies 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 pin code number, if not furnished earlier.
- 24 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.
- 25 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

(P. Chandra Kalabhinetri)  
Company Secretary

Place: Visakhapatnam  
Date: 28/11/2022



**ANNEXURE TO NOTICE**

**BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item No.'s 2,3,5 & 6 AND STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013**

**ITEM No. 2 – Appointment of Shri K Rama Mohana Rao as Director**

**Shri K Rama Mohana Rao** director is retiring by rotation and eligible for re- appointment . He is the nominee Director of Visakhapatnam Port Authority. His brief resume is as under: -

Din No.	07620951			
Date of Birth	15/03/1963 Age 59 Yrs.			
Education Qualification	M.A., IAS			
Professional qualification				
Nature of employment	Chairman, Visakhapatnam Port Authority			
Experience	Worked in various posts in UP Government including Commissioner, Mirzapur, UP Government. His expertise includes Administration, Port and Shipping Sector.			
No. of Share held in DCI	Nil			
Directorship/ 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/
	Sethusamudram Corporation Limited	Director	--	--
	Indian Port Rail & Ropeway Corporation Limited	Director	--	--

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

Shri K Rama Mohana Rao is liable to retire by rotation.

Shri K Rama Mohana Rao is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

Shri K Rama Mohana Rao is interested in the resolution to the extent of his appointment as Director.

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

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

**ITEM No. 3 – APPOINTMENT OF SHRI POLAMRAJU LAKSHMI HARANADH**

**Shri Polamraju Lakshmi Haranadh**, director is retiring by rotation and eligible for re- appointment . He is the nominee Director of Paradip Port Authority. 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				
Nature of employment	In service – Chairman, Paradip Port Authority; 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 Authority.			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship Committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	Haridaspur Paradip Railway Company	Director	--	--
	Inland waterways consortium of Odisha Limited	Director	--	--
	Sethusamudram Corporation Limited	Director	--	--
	Indian Port, Rail and Ropeways Corporation Limited	Director	--	--



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 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. 5 – Approval of Related Party Transactions**

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

As per provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 read with Rules made thereunder 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 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 31<sup>st</sup> March, 2022 in addition to the new Contract(s)/transaction(s) to be entered into. It is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions together would be beyond the threshold limit of materially as specified above.

Therefore, the ratification/ approval as the case may be of the Members of the Company is sought for supply of goods or service during the financial year 2021-22 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.

#### **ITEM No. 6 – To approve payment of remuneration of Mr. Divakar Sanamandra as Managing Director and Chief Executive Officer ( Additional Charge) of the Company.**

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 Mr. Divakar Sanamandra (DIN: [09675405](#)) Managing Director and Chief Executive Officer (Additional Charge) of the Company w.e.f. 15/07/2022 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 Brief resume of Mr. Divakar Sanamandra is as under: -

Din No.	09675405
Date of Birth	23/06/1968- Age- 53Yrs.
Education Qualification	He holds Dredge Master Grade-I Certificate of Competency
Professional qualification	
Nature of employment	Whole-time Director – Managing Director& CEO (Additional Charge)
Experience	Capt.S.Divakar, Chief General Manager who is also taken the additional charge of Managing Director & Chief Executive Officer of the company, started his career in DCI as a cadet in the year 1987 and served onboard dredgers in different capacities about 18 years from Cadet to Captain and rose to the position of “Master of Dredger”. On gaining rich knowledge and experience on complete operations of different type of dredgers, he joined in shore service and served for about 12 years in senior management level, having worked for 30 years in both onboard dredgers as well as onshore in responsible positions, gained unique expertise of both operations as well as techno commercial aspects of business acumen
No. of Share held in DCI	99



Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/ Chairman
	Sethusamudram Corporation Limited,	Director	-	-
	Indian National Ship Owners Association	Director	-	-

**Annexure to explanatory statement of the Notice**

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

**I. General Information:**

- 1) **Nature of industry:** Dredging
- 2) **Date or expected date of commencement of commercial production:** the company was incorporated on 29<sup>th</sup> March 1976 and its operating activities commenced thereafter.
- 3) **In case 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 as under:

Particulars	(Rs. in lakhs)		
	2019-20	2020-21	2021-22
Operating Earnings from continuing operations	74969	76376	79909
Interest Income from continuing operations	331	245	198
Other Income from continuing operations	229	71	47
<b>Total Income from continuing operations</b>	<b>75529</b>	<b>76692</b>	<b>80154</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) before exceptional items [from continuing operations]	13885	(3437)	11762
Profit Before Tax from Continuing operations	1341	(17043)	463
Profit /(Loss) before tax from discontinued Operations	0	0	0
Profit before tax (continuing & discontinued operations)	1341	(17043)	463
Profit for the year after tax (before other comprehensive income)	<b>551</b>	<b>(17225)</b>	<b>343</b>

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 Capt.S.Divakar is provided in the explanatory statement. There is only one whole time director.

2. **Past remuneration as Chief General Manager**

Name of the Director	Rs. In lakhs
	2021-22
Capt.S.Divakar	35.10

3. **Remuneration proposed: As set out in Explanatory statement to Item No.6 of this Notice.**

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

Dredging Corporation of India Limited was Government Company till 08/03/2019. The remuneration, terms and conditions etc. were till then governed by the guidelines issued by Department of Public Enterprises. The Government of India, on 8th March 2019, through strategic sale and execution of Share Purchase Agreement, had transferred all of its holding to four ports – Visakhapatnam Port Authority, Paradip Port Authority, Jawaharlal Nehru Port Authority and Deendayal Port Authority along with transfer of management and control. However, the payment of remuneration etc. to the Directors and employees are still being continued as per the DPE Guidelines. The appointment and remuneration of Capt. S Divakar was duly recommended by the Nomination & Remuneration Committee, and approved by the Board of the Company and the shareholders.

In comparison, the overall remuneration paid to Capt S Divakar as Managing Director & CEO (A/C) is comparable to the remuneration being paid to the chief Executives of Schedule B companies which belonged prior to the strategic sale.



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

Capt.S.Divakar has pecuniary relationship with the Company in terms of the remuneration proposed

III. **Other information:**

1) **Reasons of loss or in adequate 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 2021-22 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 2021-22 and the managerial remuneration paid/payable during FY 2021-22 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: -

Particulars	₹ in lakhs		
	2019-20	2020-21	2021-22
Total Income from continuing operations	75529	76692	80154

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:** Capt. S Divakar 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 Capt.S.Divakar 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.

By Order of the Board of Directors

(P. Chandra Kalabhinetri)  
Company Secretary

Place: Visakhapatnam  
Date: 28/11/2022



**DIRECTORS' REPORT FOR THE YEAR 2021-22**

Your Directors have pleasure in presenting this 46<sup>TH</sup> Annual Report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March' 2022.

**1. FINANCIAL RESULTS**

(₹ in lakhs)

PARTICULARS	2021-22	2020-21
<b>(I) INCOME</b>		
Operations	79,909	76,376
Others	245	316
<b>TOTAL INCOME</b>	<b>80154</b>	<b>76,692</b>
<b>(II) EXPENDITURE</b>		
i.) Employees Benefits	9477	10098
ii) Depreciation	12020	11930
iii) Repairs and maintenance (Vessels)	654	5622
iv) Power, Fuel and Lubricants	32565	27950
v) Spares and Stores	3493	6940
vi) Insurance	648	719
vii) Other Expenses	21310	28484
viii) Finance costs	1193	1992
<b>TOTAL EXPENDITURE</b>	<b>81360</b>	<b>93735</b>
<b>Profit before exceptional items and Tax</b>	<b>-1207</b>	<b>-17043</b>
Exceptional Items	1669	-
<b>Profit before Tax</b>	<b>463</b>	<b>-17043</b>

**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 of 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 agreement between Dredging Corporation of India and Cochin Shipyard Limited was signed on 17/03/2022 and tripartite agreement between DCI-CSL-IHC was signed on 13/04/2022. The Cost of the dredger is 104.59 million EURO's. The first and Second installment was paid on 02/11/2022 and 14/11/2022 respectively.

**3. CAPACITY UTILISATION**

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

	Target	Actual	% Utilisation
No. of Days	3675	2646.92	72.03%
Quantity (Mln. Cu.M)	667.96	552.68	82.74%

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), 1 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 2021-22:

- Maintenance Dredging in the Shipping Channel leading to Haldia Dock Complex in the Hoogly Estuary for the year 2021-22 of Syama Prasad Mookerjee Port Authority.
- Maintenance dredging of Approach Channel, Entrance Channel, Turning Circle, Docks & Sand Trap of Paradip Port Authority for the year 2021-22.
- Maintenance Dredging at Cochin Shipyard Limited for the year 2021-22.
- Dredging for maintenance of Channels and Basins at Cochin Port Authority for the year 2021-22.
- Maintenance Dredging at New Mangalore Port Authority for the Year 2020-21 & 2021-22.
- Maintenance Dredging of Naval Channels (Southern Naval Command, Kochi) at Ernakulam for the year 2021-22.
- Maintenance Dredging at Mormugao Port Authority for the year 2021-22.

New Contracts completed up during the year 2021-22:

- Maintenance Dredging in the Shipping Channel leading to Haldia Dock Complex in the Hoogly Estuary for the year 2021-22 of Syama Prasad Mookerjee Port Authority.
- Dredging for maintenance of Channels and Basins at Cochin Port Authority for the year 2021-22.
- Maintenance Dredging at New Sand Trap (NST) and its approaches and other areas of VPA and to pump the dredged material to the shore by using extended rain bowing through Floating pipeline method for the year 2021-22.
- Maintenance Dredging of Naval Channels (Southern Naval Command, Kochi) at Ernakulam for the years 2021-22.
- Chartering of BH-I to M/s. JP Offshore for Naval Dredging at ENC, Visakhapatnam for the year 2021-22.
- Land reclamation of NRL COIT plot by pumping of dredged material from sand trap area of Paradip Port Authority for the year 2021-22.

**6. SAFETY MANAGEMENT SYSTEM (ISM)**

- All dredgers (except dumb vessel DCI Dredge XVIII) of DCI hold valid Safety Management Certificate (SMC).
- DCI Dredge VIII, DCI Dredge XI, DCI Dredge Aquarius and DCI Multicat-I hold valid Indian Coastal Vessel Safety Certificate.



- (c) DCI holds a Document of Compliance (DOC) valid till 24.06.2027. 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) DCI Dredge VIII, DCI Dredge XI, DCI Dredge Aquarius and DCI Multicat-I 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 24th February 2025.  
**ENVIRONMENT MANAGEMENT SYSTEM (ISO 14001:2015)**
- (g) DCI is certified for Environmental Management System (ISO 14001:2015) and the certificate is valid up to 12th March, 2025.

**7. MEMBERS/ INVESTOR SERVICES**

The shares of the Company are listed on Bombay Stock Exchange, Calcutta Stock Exchange and National Stock Exchanges. The shares of the Company are dematerialized with both the depositories, NSDL and CDSL. The tax-free bonds are listed with the Stock Exchange, Mumbai. M/s.KFin Technologies Limited, Hyderabad is 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 2021-22 the company has held Seven 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 2021-22 HAVE STATED AS UNDER: -**

**Qualified Opinion**

We have audited the accompanying standalone Ind AS financial statements of Dredging Corporation of India Limited, Visakhapatnam ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- a. As described in Note No 29.13 to the financial statements, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, on Accounting Policies, Changes in Accounting Estimates and Errors. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.
- b. As described in Note No 6.1 to the financial statements, Company has not determined the impact of a pending dispute





before the NCLT and a related CBI Investigation involving M/s. Van Oord India Private Limited on the Current reporting period thereby not complying with the measurement and disclosure requirements under Ind AS 37, on Provisions, Contingent Liabilities and Contingent Assets. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

#### Emphasis of Matter

We draw attention to:

- a. Note No 14.1 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Authority on account of a disputed recovery made by them.
- b. Note No 29.10 to the financial statements which states that Trade Receivables include a sum of ₹ 6584 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).
- c. Note No 29.1A to the financial statements regarding Arbitral Award of ₹ 6047 Lakhs in favour of M/s Mercator Lines Limited (MLL) the awarded amount is shown as contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.
- d. Note No 29.12 to the financial statements regarding the accounting treatment of Prior Period Items to the tune of ₹ 692.82 lakhs and the disclosure thereof in the Current and Previous reporting periods.
- e. Note No 29.14 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.

**Our opinion is not modified in respect of these matters.**

#### Management's Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process of the Company.

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or 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 standalone annual financial results.

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 standalone annual financial results, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone 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 in the standalone annual financial results made by the management.
- Conclude on the appropriateness of the 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 standalone annual financial results 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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 controls 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.

#### Other Matter

Attention is drawn to the fact that the figures for the quarter ended March 31, 2022 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

- 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 2021-22 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. 29 – Additional information on Financial Statements, Sl.No. 18 with heading – Related Party Transactions in the financial statement for the year 2021-22 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;  
the amounts, if any, which it proposes to carry to any reserves: The following amounts have been transferred to different reserves during the year: -
 

i) Tonnage Tax Reserve u/s115VTutilization of the IT Act	- ₹270Lakhs
ii) Transfer to General Reserve	- NIL
iii) Transfer to Debenture Redemption Reserve	- NIL
- k. 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 2021-22.
- l. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: Nil
- m. the conservation of energy, technology absorption, foreign exchange earnings and outgo:
  - i) Conservation of energy: The following measures have been taken:  
For online fuel monitoring, the Company is in the process of procurement of flow meters during the year for Dredge XII, XIV and XVII.
  - ii) Continuous efforts are being made to optimize the fuel consumption on board dredgers as cost of fuel constitutes approximately 35-45% of operational cost.
  - iii) Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the year.
  - 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 2021-22, the amount required to be spent under CSR is NIL. 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 training support and hand holding support to participate in the e-procurement processes of the company. DCI has organized a State Level Vendor Development programme in association with local Micro, Small and & Medium Enterprises (MSME) Office (Visakhapatnam Branch) and has been continuously participating and interacting with the prospective vendors in most of the vendor development program cum Buyers-Sellers meet conducted by Ministry of MSME/ National Small Industries Corporation (NSIC). The Company has invited MSME vendors to visit DCI's vessels for identification of spares for indigenization. Tenders are published in DCI official website and Central Public Procurement Portal for wider publicity so that MSMEs can participate. In view that out of the total annual procurement, a major portion is fuel, which cannot be procured from MSME Vendors and further that since most of dredgers of DCI have been built at Netherlands and therefore most of the spare need to be imported from OEMs abroad, the Company has represented for relaxation for implementation of the Public Procurement Policy mandatory provision of 20% procurement from MSMEs.

## 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 31<sup>st</sup> March, 2022 was as under:-

Shore (Executives 127 & Non-Executives 79)	206
Floating (Regular 101 & Contract 331)	432
<b>Total</b>	<b>638</b>

## 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 31<sup>st</sup> March, 2022 was SCs 37 and STs 14.

### B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (Shore based employees) in Group 'C' and 'D' categories in the Corporation as on 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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	127	03	2.36
B	29	-	-
C	44	01	2.27
D	06	-	-
<b>Total</b>	<b>206</b>	<b>04</b>	<b>1.94</b>

### D. Employment of Women

The number of women employees on Rolls as on 31<sup>st</sup> March, 2022 is 33 as against 35 as on 31<sup>st</sup> March, 2021. Out of them number of executives is 14 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 sterilization.
- One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD



- insertions.
- iv. 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.
- v. DCI is a life member of the Forum for Women in Public Sector and one woman representative from DCI has been nominated to the above forum. Apart from the Trade Unions, the problems, if any relating particularly to women employees are looked into as and when the same are brought to the notice of the management.
- vi. A Recreation Room has been provided exclusively for the women employees in the Corporation.
- vii. Working uniforms are provided to Group 'D' employees, as per the scales prescribed in the Rules.

**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:**

- i. New wage agreements in respect of Floating officers is implemented w.e.f. 01.04.2019.
- ii. New wage agreements in respect of Floating Petty officers is implemented w.e.f. 01.04.2019.
- iii. New wage agreements in respect of Floating crew is implemented w.e.f. 01.04.2019.

**B. SHORE ESTABLISHMENT:**

- i. Pay revision of Executive Employees is implemented w.e.f. 01.01.2017.
- ii. 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 2021-22.

**22. HUMAN RESOURCES DEVELOPMENT**

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

- i) During the year 2021-22, 5 Management Development Programmes were conducted.
- ii) During the year 2021-22, 5 DCCP Apprentice Trainees were inducted for training for a period of 12 months.

**23. 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.

**24. 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.

**25. WELFARE MEASURES PROVIDED FOR THE EMPLOYEES AND THEIR FAMILY MEMBERS**

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, Subsidized Canteen Facility, Transport Subsidy, Medical Attendance, Leave Travel Concession, Merit Scholarships for the children of SC/ST employees, Pension Scheme and DCI Retired Employees Medical Trust/Scheme etc. Other welfare measures such as Special Casual Leave for maternity/ paternity are extended to the employees.

**Staff Welfare Schemes:** Staff Welfare Schemes viz., Car Advance, Two wheeler Advance, Marriage Advance (Children & Self), Children Higher Education Advance, Festival Advance etc., were considered up to 24.09.2017 as per the laid down procedure. The same has been stopped w.e.f. 25.09.2017 due to administrative reasons.

**HBA:** The scheme was approved. However, the same has not been implemented due to administrative reasons.

**Payment of ex-gratia to legal heirs/ members of the family of deceased employees:** The same is being complied.

**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.

**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.

## 27. ACTIVITIES AND ACHIEVEMENTS OF VIGILANCE DEPARTMENT

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 2021 was observed at the Corporate Headquarters and various Project Offices of Dredging Corporation of India Ltd. from 26<sup>th</sup> Oct'2021 to 1<sup>st</sup> Nov'2021, under the auspices of Central Vigilance Commission (CVC) to spread awareness against corruption. CVC's theme for the year 2021 was "Independent India @ self-reliance with integrity" 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 keeping in view the COVID-19 guidelines. This time we tried to reach people virtually, with the help of technology.

### Preventive Vigilance:

i) As a measure of preventive vigilance, 8 Periodic and 4 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.

ii) **Appointment of IEMs in DCI:** Shri P.K.Dash, IAS (Retd.) and Shri Kishore Kumar Sansi, Ex-MD & CEO, Vijaya Bank, have been appointed as Independent External Monitor (IEM). Offer of appointment as IEM were issued to them vide letter dated 28.02.2022.

### Systemic Improvements Undertaken:

i) HR dept has been advised to initiate immediate action to amend the Schedule of Powers under Certified Standing Orders (CSO) and conduct Discipline and Appeal (CDA) rules of the Corporation vis-à-vis present set up, in order to eliminate anomaly and incongruity in schedule of powers.

ii) Electronic Measurement Book (e-MB) system has been proposed to be introduced in order to reduce/eliminate the bill payments delay.

iii) Impracticable contract conditions should be modified to take care of unforeseen circumstances.

iv) To appoint suitable personnel to maintain dispatch register properly and also to monitor regularly at regular interval.

## 28. STATUTORY AUDITORS

M/s.Rao & Kumar 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 2021-22. 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. It was recommended authorize the Audit Committee for fixation of remuneration for statutory auditors for 2022-23.

## 29. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2021-22 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.

## 30. 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.

## 31. C&AG COMMENTS

The Supplementary Audit for the Accounts of the Company for the year ended 31<sup>st</sup> March'2022 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.

## 32. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31<sup>st</sup> March'2022 as required under the SEBI regulations is annexed to the Directors Report.

## 33. 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.

## 34. 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.

## 35. ACKNOWLEDGEMENTS

The Directors thank Hon'ble Minister, Hon'ble Minister of State of Ministry of Ports, 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, IAS  
Chairman

Place : Visakhapatnam  
Date : 24/11/2022



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

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

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://www.dredge-india.com/files/csr21-22.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 2022.

- 5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ (5494.94) Lakhs.
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: NIL
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set-off for the financial year, if any: 81.66 Lakhs
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: NIL

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): NIL
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NIL
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: NIL
- (e) CSR amount spent or unspent for the Financial Year: NIL
- (f) Excess amount for set-off, if any: NIL

Sl.No.	Particular	Amount (Rs.in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	0.00
(ii)	Total amount spent for the Financial Year	0.00
(iii)	Excess amount spent for the financial year[(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	0.00

- 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL
- 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: N.A.
- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: N.A.
- 10. The excess amount spent for 2020-21 was ₹81.66 Lakhs is carried forward for the next three financial years 2021-22 to 2023-24. Since no amount is spent for 2021-22 the amount is available for next two financial years 2022-23 and 2023-24.

Managing Director & CEO

Chairman CSR Committee



Report FORM NO. AOC-2

Annexure to Directors' Report

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)

Sl 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	<b>Names of Related parties:</b> 1. Visakhapatnam Port Authority 2. Paradip Port Authority 3. Jawarlalal Nehru Port Authority 4. Deendayal Port Authority <b>Nature of Relationship:</b> 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 2021-22: 1 Visakhapatnam Port Authority: ₹427.68 Lakhs 2 Paradip Port Authority: ₹2468.36 Lakhs 3 Jawaharlal Nehru Port Authority: ₹11053.29 Lakhs 4 Deendayal Port Authority: ₹0.00 Lakhs
	(e) Date(s) of approval by the Board, if any:	NA
	(f) Amount paid as advances, if any:	Amount not paid as advance. During the year 2021-22, DCI received amount against running bills.

For Dredging Corporation of India Limited

Place: Visakhapatnam  
Date: 23/11/2022

Capt. S. Divakar  
Managing Director & CEO (A/C)

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 2021-22) 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	Prof. Dr. GYV Victor, Managing Director and CEO	5.54

- 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	Prof. Dr. GYV Victor, Managing Director and CEO	4.07
2	Shri S Divakar, Chief General Manager	-2.62
3	Shri D Subba Rao, HOD(F) & CFO	-9.86
4	Shri K Aswini Sreekanth, CS	-4.78

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:

	Current Year (Rs.)	Previous Year (Rs.)	Percentage
Median Remuneration	792670	1022849	(22.50)



- iv. The number of permanent employees on the rolls of company:  
The total number of employees on the rolls of the company as on 31<sup>st</sup> March, 2022 was 638.
- 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 2021-22 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 31<sup>st</sup> March 2022, 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	kalabhinetri@dcil.co.in
6.	Financial Year Reported	2021-22
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	National locations – 13 - 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) :	₹80154 Lakhs
3.	Total profit after taxes (INR) :	₹343 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	NIL

**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 percentage 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	Not Applicable								
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									
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 2021-22 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.



**SECRETARIAL AUDIT REPORT**  
For the financial year ended 31<sup>st</sup> March, 2022

{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, 2022 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, 2022 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;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (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:

Observation No. 1 Non-compliance of Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall disclose the line items as prescribed under Regulation 52(4) of SEBI (LODR), 2015 along with the financial results.

Observation No. 2 Non-Compliance of Regulation 20(2)/(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Stakeholder Relationship Committee of the Company shall consist of at least three directors, with at least one being an independent director, shall be members of the Committee for the period from 01.04.2021 to 28.09.2021.



**We further report that** the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 period, 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 52 & 20 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

-sd-  
Name of the Practicing Company Secretary: CS Poonam  
ACS No.:37303  
C P No.:24827

Place: New Delhi  
Date: 06/08/2022  
UDIN: A03703D000755251

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 regulations, happening of events, etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

-sd-  
Name of the Practicing Company Secretary: CS Poonam  
ACS No.:37303  
C P No.:24827

Place: New Delhi  
Date: 06/08/2022


**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021-2022**
**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 31/03/2022:** 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, 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 31/03/2022 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. Poiyaamozhi	Part-time Non Official - Independent, Non-Executive
9	Nutan Guha Biswas	Part-time Non Official - Independent, Non-Executive
10	P L Haranadh	Promoter - Non-Independent, Non-Executive

**ii. Changes in Board of Directors during 2021-22:**

	Name	Date	Nature of Change
1	Vinit Kumar	23/10/2021	Cessation
2	P L Haranadh	23/10/2021	Appointment as Director

**iii. Changes in Board of Directors from 01/04/2022 till date of report:**

	Name	Date	Nature of Change
1	Capt Anoop Kumar Sharma	04/04/2022	Cessation
2	S Balachandran	10/04/2022	Cessation
3	Kartik Subramaniam	10/04/2022	Cessation
4	B. Poiyaamozhi	10/04/2022	Cessation
5	Anindo Majumdar	20/05/2022	Appointment
6	Vinod Kumar Pipersenia	26/05/2022	Appointment
7	Rajat Sachar	26/05/2022	Appointment
8	Arun Kumar Gupta	04/07/2022	Appointment
9	Capt S. Divakar	15/07/2022	Appointment
10	Prof. Dr. G.Y.V. Victor (under suspension)	13/07/2022	Change in designation

**iv. Brief profile of the Directors appointed during 2021-22 after completion of the AGM on 17/12/2021 and continuing as on date:**

One new Independent Director – Shri Anindo Majumdar was appointed on 20/5/2022. Two new Independent Directors – Shri Vinod Kumar Pipersenia and Shri Rajat Sachar were appointed on 26/5/2022 and another new Independent Director – Shri Arun Kumar Gupta was appointed on 04/07/2022. Capt. S. Divakar, Managing Director & CEO (Additional Charge) was appointed on 15/07/2022. The appointment of the above directors was approved by the shareholders through Postal Ballot.

Anindo Majumdar	
Din No.	06984371
Date of Birth	21-08-1960
Education Qualification	M.A., MBA
Professional qualification	
Nature of employment	Retired officer of the Indian Administrative Service (IAS).
Experience	Shri.Anindo Majumdar has nearly thirty-five years of rich and varied experience in different areas of public administration. He retired from Government Service on 31st August 2020. He held the post of Secretary.



	<p>Central Vigilance Commission, in the rank and pay of Secretary to the Government of India at the time of his retirement.</p> <p>After retirement from the IAS, Shri Anindo Majumdar is currently involved in advisory work. He is also a Public Interest Director and Chairman of the Calcutta Stock Exchange, Kolkata and an Arbitrator in a couple of matters.</p> <p>As a member of the IAS, he held several leadership positions in the Government such as the Chief Secretary, Andaman &amp; Nicobar Administration, Secretary, Deputy Chairman, Kolkata Port Trust etc.</p> <p>He worked with the United Nations Development Programme (UNDP) in Afghanistan as a capacity Development Advisor in the National Institution Building Project NIBP .</p>			
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
	The Calcutta Stock Exchange		--	Member
	--	--	--	--
<b>Vinod Kumar Pipersenia</b>				
Din No.	07280306			
Date of Birth	05-08-1957			
Education Qualification	Shri.Vinod Kumar Pipersenia is a Science graduate and post graduate in English Literature from Allahabad University. He has also studied law from Allahabad University.			
Professional qualification				
Nature of employment	Shri.Vinod Kumar Pipersenia is an ex- IAS officer (1980 batch; Assam-Meghalaya cadre) and retired as Chief Secretary, Assam.			
Experience	Shri.Vinod Kumar Pipersenia served in various positions both in the Government of Assam and the Government of India. He was also appointed as the Chairman of Assam Power Distribution Company Ltd, Assam Electricity Grid Company Ltd, and Assam Power Generation Corporation Ltd			
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
	--	--	--	--
	--	--	--	--
<b>Rajat Sachar</b>				
Din No.	09616779			
Date of Birth	04-06-1961			
Education Qualification	Shri.Rajat Sachar has completed Masters in Economics from Delhi School of Economics, University of Delhi.			
Professional qualification	He had a National Security and Strategic Studies Course at the National Defence College (NDC), New Delhi			
Nature of employment	Retired IES Officer			
Experience	Shri. Rajat Sachar worked in Ministry of Shipping as Senior Economic Adviser , as Adviser offering advising on issues related to industry and infrastructure in Economic Division, in Department of Economic Affairs, Ministry of Finance , He worked as Adviser undertaking data analysis and coordination in the Department in Department of Financial Services, Ministry of Finance He worked in Department of Commerce and also as: Additional Economic Adviser ,Planning Commission: As Director He worked in Ministry of Defence As Deputy Secretary (Training) and Director (Ordnance) and also in Ministry of Labour: as Assistant Director and Deputy Director			
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
	--	--	--	--
	--	--	--	--



Arun Kumar Gupta				
Din No.	03310218			
Date of Birth	26.12.1955			
Education Qualification	Marine Engineering , Post graduate diploma in Shipping Management			
Professional qualification				
Nature of employment	Ex- Chairman & Managing Director of the Shipping Corporation of India Ltd. (SCI)			
Experience	<p>Prior becoming Chairman and Managing Director, in Shipping Corporation of India Ltd Shri Arun Kumar Gupta was functioning as Director (Technical &amp; Offshore Services) since October, 2010. He was also entrusted with the additional responsibilities of Director (Technical &amp; Offshore Services) and Director (Finance) while working as CMD, SCI.</p> <p>He also worked as as Managing Director Indian Ports Global Ltd, a Company formed by Government of India from 1/1/16 to 20/9/20. IPGL is the arm of the Government to make strategic investments in Ports overseas. Mr. Gupta has made the Indian Maritime sector proud by taking over operations at Shahid Behesti port of Chabahar in December 2018. He also worked as director of IL&amp;FS MARITIME INFRASTRUCTURE COMPANY LIMITED from 22/9/15 to 21/9/18.</p> <p>Shri Gupta has about 45 years of shipping career in leading and managing challenging projects and assignments in various Divisions of Shipping Corporation of India. Mr. Gupta is a Marine Engineer from Marine Engineering College (DMET) and possesses First Class Engineer (MOTOR) Certificate of Competency from Ministry of Transport, Government of India.</p> <p>Shri Gupta had earlier served Irano-Hind Shipping Co., Tehran as Director (Administration). He has been a Trustee of Kandla Port &amp; V.O. Chidambaranar Port Trust, Tuticorin. He is a member of the Institute of Engineers (India), member of Narottam Morarjee Institute of Shipping and Fellow Member of Institute of Marine Engineers, (India). He was also the Vice President of Institute of Marine Engineers (India). He has been on the Governing Council of both, Institute of Marine Engineers as well as Narottam Morarjee Institute of Shipping. In context he has chaired sessions and also presented papers in several professional forums.</p>			
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
	Jubilant Ship Management Private Limited	Director --	--	--
	--	--	--	--

Capt.S.Divakar				
DIN No.	09675405			
Date of Birth	23/06/1968- Age- 53Yrs.			
Education Qualification	He holds Dredge Master Grade-I Certificate of Competency			
Professional qualification				
Nature of employment	Whole-time Director – Managing Director& CEO (Additional Charge)			
Experience	<p>Capt.S.Divakar, Chief General Manager who is also taken the additional charge of Managing Director &amp; Chief Executive Officer of the company, started his career in DCI as a cadet in the year 1987 and served onboard dredgers in different capacities about 18 years from Cadet to Captain and rose to the position of "Master of Dredger". On gaining rich knowledge and experience on complete operations of different type of dredgers, he joined in shore service and served for about 12 years in senior management level, having worked for 30 years in both onboard dredgers as well as onshore in responsible positions, gained unique expertise of both operations as well as techno commercial aspects of business acumen</p>			
No. of Share held in DCI	99			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Sethusamudram Corporation Limited,	Director	-	-
	Indian National Ship Owners Association	Director	-	-

It is informed that Prof. Dr. GYV Victor, who was Managing Director and CEO of the company has been suspended w.e.f. 13/07/2022 and the Disciplinary proceedings against him were in progress .

It is further informed that Shri K Aswini Sreekanth, was suspended as Company Secretary, w.e.f 07/06/2022 and as Compliance Officer and KMP w.e.f 05/07/2022 of the Company and reinstated w.e.f. 17/09/2022 and posted as Regional General Manager, Kolkata.





**vi Board Meetings and Attendance for 2021-22**

Ten Board Meetings were held during the year 2021-22. Attendance of Directors at the meetings of Board of Directors during the financial year 2021-22 and the last Annual General Meeting held on 17/12/2021 is as follows: -

SI.No.	Director	No. of Board Meetings held		Attended last AGM (17/12/2021)
		During tenure	Attended	
1	Shri.K Rama Mohana Rao,IAS	7	7	Yes
2	Prof.Dr.GYV Victor	7	7	Yes
3	Shri.Sanjay Jagdishchandra Sethi	7	7	No
4	Shri.Sanjay Kumar Mehta	7	3	Yes
5	Shri.S Balachandran	7	7	Yes
6	Capt.Anoop Kumar Sharma	7	7	Yes
7	CMde.Kartik Subramaniam	7	6	Yes
8	Shri.B. Poiyaamozhi	7	6	Yes
9	Smt.NutanGuha Biswas	7	5	Yes
10	Shri.Vinit Kumar	3	1	NA
11	Shri.P L Haranadh	4	3	No

**vii. Number of other Boards/Board Committees in which Directors are Members/Chairperson for 2021-22:**

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: -

SI.No.	Directorship (Listed entities)	No. of positions held (including DCI)	
		Committee Member	Chairperson
1	Shri.K Rama Mohana Rao,IAS, Chairman	1	0
2	Prof.Dr.GYV Victor, Managing Director	1	2
3	Shri.Sanjay JagdishchandraSethi	1	0
4	Shri.Sanjay Kumar Mehta	1	0
5	Shri.S Balachandran	1	2
6	Capt.Anoop Kumar Sharma	1	3
7	CMde.Kartik Subramaniam	1	1
8	Shri.B. Poiyaamozhi	1	2
9	Shri.NutanGuha Biswas	1	0
10	Shri.P L Haranadh	1	0

**viii. Details of Board Meetings held during 2021-22 though Video Conference /Physical mode**

SI.No.	Date	Place	Board Strength	Directors Present
1	16-06-2021	Visakhapatnam	10	10
2	29-06-2021	Visakhapatnam	10	8
3	13-08-2021	Visakhapatnam	10	8
4	11-11-2021	Visakhapatnam	10	7
5	24-11-2021	Visakhapatnam	10	8
6	14-02-2022	Visakhapatnam	10	9
7	15-03-2022	Visakhapatnam	10	9

**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 Six Audit Committee Meetings during the financial year 2021-22.

ii. The Constitution of the Audit Committee as on 31-03-2022 is as under: -

- |    |                    |            |
|----|--------------------|------------|
| 1. | S Balachandran     | : Chairman |
| 2. | Anoop Kumar Sharma | : Member   |
| 3. | B Poiyaamozhi      | : Member   |
| 4. | KartikSubramaniam  | : Member   |



- iii. Meetings of the Audit Committee and attendance during the year 2021-22:

**Details of Audit Committee Meetings held:**

Sl.No.	Date	Place	No. of Members Present
1	08-06-2021	Visakhapatnam	4
2	14-06-2021	Visakhapatnam	4
3	29-06-2021	Visakhapatnam	4
4	13-08-2021	Visakhapatnam	4
5	11-11-2021	Visakhapatnam	2
6	14-02-2022	Visakhapatnam	4

**Details of Attendance:**

Director	No. of Meetings held	
	During tenure	Attended
S Balachandran	6	6
Anoop Kumar Sharma	6	6
B Pooyaamozhi	6	5
KartikSubramaniam	6	5

**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 2021-22 is as under: -

					(₹ in lakhs)
Sl. No	Name of the Director	Salary	Performance Related Incentive	Sitting Fees	Total
<b>Executive Directors (Whole-time)</b>					
1	Prof DrG.Y.V.Victor	43.94	-	-	43.94
<b>Non-Executive Directors (Independent)</b>					
1	S Balachandran	-	-	4.50	4.50
2	Anoop Kumar Sharma	-	-	4.68	4.68
3	KartikSubramaniam	-	-	4.14	4.14
4	B. Pooyaamozhi	-	-	2.70	2.70
5	NutanGuha Biswas	-	-	1.08	1.08

- 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. P.Chandra Kalabhinetri, Company Secretary is designated as a Compliance Officer.
- iii. No complaints were received during the year 2021-22.
- 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 31/03/2022 is as under: -
- Mr. B. Pooyaamozhi : Chairman
  - S Balachandran : Member
  - GYV Victor : Member
- The Committee has held one meeting on 28/03/2022 for the financial year 2021-22.

**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 2021-2022. 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 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)**

- The CSR Committee upto 31/03/2022 is as under: -
- Cmdr. Kartik Subramaniam : Chairman
  - Capt. Anoop Kumar Sharma : Member
  - Bhuvaragan Pooyaamozhi : Member



- ii. During the year 2021-22, the amount required to be spent under CSR is NIL
- iii. One meeting of the CSR Committee was held during the year on 28/03/2022 at Visakhapatnam in which all the Committee Members were present

**8. RISK MANAGEMENT COMMITTEE**

The Board has constituted a Risk Management Committee of Directors. The following is the constitution of the Committee: -

The Risk Management Committee upto 31/03/2022 is as under: -

- i) Capt Anoop Kumar Sharma : Chairman  
 ii) Prof Dr. GYV Victor : Member  
 iii) P L Haranadh : Member  
 iv) Dr. GVR Murthy : Member  
 v) Capt S.V.Prasad : Member

Two meetings of the Risk Management Committee were held during the year at Visakhapatnam on 29/03/2022 and 31/03/2022.

The terms of reference of the Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**9. 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. One meeting of the Nomination and Remuneration Committee was held during the year at Visakhapatnam on 29/03/2022 and all the Members were present in the meeting

- iii. The terms of reference of the Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

10. As per the requirements of the SEBI (LoDR) Independent Directors evaluated the performance of Non-Independent Directors, Chairperson, MD for the year ended 31/03/2022.

11. **CREDIT RATINGS**: The ratings obtained from the Credit rating agencies for the year 2021-22 are as under: -

Sl.No.	Name of the Credit Rating Agency	Rating obtained
1	M/s. Brickwork Ratings	BWR A+/ Negative - August 2022
2	M/s. CARE Ratings	CARE BBB+ Negative- November 2022
3	M/s. India Ratings	IND BBB+ (outlook Negative)- November 2021

**12. INDEPENDENT DIRECTORS MEETING:**

Two meetings of the Independent Directors were held during the year 2021-22. One meeting was held on 01/02/2022 in which all the five Independent Directors – Shri S Balachandran, Cdr. KartikSubramaniam, Capt. Anoop Kumar Sharma, Shri B. Poiyaamozhi and Ms. NutanGuha Biswas were present and another meeting on 28/03/2022 in which four out of five directors were present. One director Ms. NutanGuha Biswas was not present.

**13. DECLARATION BY INDEPENDENT DIRECTORS:**

Various seminars, conferences, training programmes etc., are attended by the Board members from time to time. The programmes attended by the directors.

**14. FAMILIARISATION PROGRAMME FOR 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.

15. 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.

**16. ANNUAL GENERAL MEETINGS**

- i. Details of last 3 Annual General Meetings:

1	Year	2019-20	2020-21	2021-22
2	AGM	44 <sup>th</sup> AGM	45 <sup>th</sup> AGM	46 <sup>th</sup> AGM
3	Date	22/12/2020	17/12/2021	21/12/2022
4	Time	1130 Hrs	1030 Hrs	1100hrs
5	Venue	Conference Hall Laxmi Nagar District Centre New Delhi-110092	Video Conference	Video Conference

- ii. During the AGM w.r.t previous year-2019-20, and 2020-21 no special resolution was passed.

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

**17. 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.

18. 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.



19. 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 AuditCommittee.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.

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

21. **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.

22. **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 judgment 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](http://www.dredge-india.com). The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the 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 2021-22.

(Capt. S Divakar)  
Managing Director & CEO (Addl. Charge)

23. The Company does not have any subsidiary company.

24. 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.

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

26. 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.

27. Changes in other Key Managerial Personnel (KMP): There is no change in the Key Managerial Personnel during the year.

28. 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 2021-22.

29. The Company has been submitting the quarterly compliance report on Corporate Governance to the Stock Exchanges within the timelimits from the close of each quarter.

30. 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.

31. Compliance with mandatory requirements of SEBI (LODR): The Company has complied with the mandatory requirements

32. **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 31/3/2022.  
E. Reporting of Internal Auditor: The Internal auditor may report directly to the Audit Committee –The same will be examined.

**33. 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>

**34.** 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.

**35.** 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.

**36.** 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.

**37.** Mechanism for evaluating non-executive Members: As per the requirements of the SEBI (LODR), independent directors in their meeting held on 28/3/22 evaluated the performance of the non-independent Directors, Chairperson, MD.

**38.** 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.

**39.** Means of Communication:

i. Quarterly Results

The schedule of consideration of quarterly results by the Board for the year 2021-22 is as under:

- a) Results for the 1st quarter ending 30<sup>th</sup> June, 2021 : On 13-08-2021  
b) Results for the 2nd quarter ending 30<sup>th</sup> Sept.2021 : On 11-11-2021.  
c) Results for the 3rd quarter ending 31<sup>st</sup> Dec.2021: On14-02-2022.  
d) Audited results for the year ending 31<sup>st</sup> Mar. 2022 : On 30-05-2022.

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](http://www.dredge-india.com) after consideration and taking on record by the Board.

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

v. The website of the Company - [www.dredge-india.com](http://www.dredge-india.com) displays the presentations made to institutional investors or to the analysts, if any.

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

v. 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 2021-22 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.

**40. GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting–

Date, Time & Venue	:	21 <sup>st</sup> December 2022 at 1100 hrs. through Video conferencing.
Financial Year	:	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022.
Date of Book closure	:	15.12.2022 to 21.12.2022 (both days inclusive)
Remote e-voting cutoff date	:	14.12.2022
Remote e-voting start date & Time	:	18.12.2022 @ 9.00 AM
Remote e-voting end date & Time	:	20.12.2022 @ 5.00 PM

Listing on Stock Exchanges:

Name and address of the Exchange	:	Stock/ Scrip Code
National Stock Exchange of India Limited	:	DREDGECORP ; Exchange Plaza, BandraKurla Complex, Bandra (E), Mumbai – 400051
BSE Limited	:	:523618 ; 25 <sup>th</sup> Floor, New Trading Ring, Rotunda Building, PhirozeJeejeebhoy 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 2021-2022 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 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 2021-22

Month	BSE SHARE PRICE (₹)		BSE SENSEX (S&P)		NSE SHARE PRICE (₹)		NSE (NIFTY 50)	
	High	Low	High	Low	High	Low	High	Low
Apr-21	398	333.25	50,375.77	47,204.50	399	332.2	15044.35	14191.4
May-21	417	360	52,013.22	48,028.07	417.7	358.55	15606.35	14506.6
Jun-21	475	382.95	53,126.73	51,450.58	476	382	15915.65	15459.85
Jul-21	411.4	382.25	53,290.81	51,802.73	402.75	381.1	15962.25	15578.55
Aug-21	402.5	320	57,625.26	52,804.08	384.4	320	17153.5	15834.65
Sep-21	384.4	349	60,412.32	57,263.90	384.4	349.05	17947.65	17055.05
Oct-21	396	332.25	62,245.43	58,551.14	396.15	332	18604.45	17452.9
Nov-21	359.9	314.4	61,036.56	56,382.93	357.35	314.7	18210.15	16782.4
Dec-21	339.2	302.15	59,203.37	55,132.68	339	338.45	17639.5	16410.2
Jan-22	345	310.8	61,475.15	56,409.63	345	310.75	18350.95	16866.75
Feb-22	397.9	306.1	59,618.51	54,383.20	397.6	304.85	17794.6	16203.25
Mar-22	339.8	304.1	58,890.92	52,260.82	336.85	307.3	17559.8	15711.45

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

- viii. Shareholding pattern as on 31/3/2022: -

Category	Cases	Holding	% To Equity
Foreign Portfolio – Corp	13	61726	0.22
Trusts	8	53507	0.19
Resident Individuals	54207	4606488	16.45
Insurance Companies	2	647262	2.31
Non-Resident Indians	324	69264	0.25
Clearing Members	73	52579	0.19
Banks	0	0	0
Qualified Institutional Buyer	3	1394090	4.98
Non-Resident Indian Non Repatriable	275	40249	0.14
Bodies Corporates	241	223667	0.80
I E P F	1	7036	0.03
UNCLAIMED SHARES	1	148	0.00
HUF	1509	271971	0.97
Promoters – Four Port Trusts	4	20572013	73.47
Total	56661	28000000	100

- ix. Distribution of shareholding as on 31/3/2022:

Sno	Category	No. of Cases	% of Cases	Amount (in ₹)	% of Amount
1	11-5000	51957	96.85	27717320	9.90
2	5001- 10000	1038	1.93	8053570	2.88
3	10001- 20000	377	0.70	5480540	1.96
4	20001- 30000	109	0.20	2787010	1.00
5	30001- 40000	54	0.10	1918000	0.69
6	40001- 50000	36	0.07	1682120	0.60
7	50001- 100000	57	0.11	4129560	1.47
8	100001 & Above	21	0.04	228231880	81.50
	Total:	53649	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 Authority, Paradip Port Authority Deendayal Port Authority and Jawaharlal Nehru Port Authority and the remaining 74,27,987 shares (26.53%) are held by others. During the year, no shares were rematerialised.

- xi. **Distribution of shareholding w.r.t physical/ dematerialized form as on 31/3/2022 is as under:**

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	928	2109	0.01
N S D L	32129	15000916	53.57
C D S L	23604	12996975	46.42
Total	56661	28000000	100

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



- a) 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.
- b) No. of shareholders who approached for transfer of shares from suspense account during the year–NIL
- c) No. of shareholders to whom shares were transferred from suspense account during the year –NIL
- d) 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 JNPA. 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: [kalabhinetri@dcil.co.in](mailto:kalabhinetri@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 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](mailto: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)	2017-18	20% (₹ 2/- per equity share)
2013-14	30% (₹ 3/- per equity share)	2018-19	30% (₹ 3/- per equity share)
2014-15	30% (₹ 3/- per equity share)	2019-20	NIL
2015-16	30% (₹ 3/- per equity share)	2020-21	NIL
2016-17	NIL	2021-22	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:

Sl.No.	Name of the Credit Rating Agency	Rating obtained
1	M/s. Brickwork Ratings	BWR A+/ Negative - August 2022
2	M/s. CARE Ratings	CARE BBB+ Negative– November 2022
3	M/s. India Ratings	IND BBB+ (outlook Negative)– November 2021

- 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	
2021-22	No Dividend Declared	

**41. OTHER INFORMATION:**

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



- ii) Capital budgets and any updates.
- iii) Quarterly results for the Company and its operating divisions/ business segments.
- iv) Minutes of the meetings of Audit Committee and other Committees of the Board.
- v) The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- vi) Show Cause, demand, prosecution notices and penalty notices which are materially important.
- vii) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- viii) Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
- ix) Any issue, which involves possible public liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- x) Details of any joint venture or collaboration agreement.
- xi) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- xii) Significant labour problems and their proposed solutions. Any significant development in human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- xiii) Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
- xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- xv) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- xvi) Terms of reference of the Board Committees.
- b) Agenda for Board / its Committee meetings: All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision or for information at the Board/ Committee meetings. The Members of the Board have complete access to all information on the organization. The Chairman and Managing Director in consultation with the other functional Directors and senior management personnel finalises the agenda papers for the Board Meetings which are then communicated to the Company Secretary in advance for circulation to the Board/Committee Members. The Board Agenda comprising of the Board notes, management reports and other explanatory notes are circulated to the Directors in advance. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.
- c) Post meeting Follow-up Mechanism: Follow-up Report on the decisions/ minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/ Committee.
- 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 2021-22 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 ₹ 5.00 Lakhs, plus GST.
- 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:
  - (a) Number of complaints filed during the financial year. - Nil
  - (b) Number of complaints disposed off during the financial year. Nil
  - (c) Number of complaints pending as on end of the financial year. Nil



**CEO / CFO CERTIFICATION**

We Prof. Dr.GYV.Victor, in the capacity of Managing Director & CEO and Shri.D.Subbarao in the capacity of 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 2021-22 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of 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)**  
Chief financial Officer

**(Prof.Dr GYV.Victor)**  
Managing Director&CEO

Place: Visakhapatnam  
Date: 30-05-2022



**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, LAXMINAGAR**  
**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](http://www.mca.gov.in)) as considered necessary and explanations/ representations furnished to us by the Company & its Directors/ 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, 2022 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	Mr. Rama Mohana Rao Katru	07620951	30/07/2020
2	Mr. George Yesu Vedha Victor	09084442	01/03/2021
3	Mr. Sanjay Kumar Mehta	06912891	08/05/2019
4	Mr. Sanjay Jagdishchandra Sethi	02235406	08/03/2019
5	Mr. Bhuvanaragan Poiyaamozhi	06564735	10/04/2019
6	Mr. Bala Chandran Srinivasan	01962996	10/04/2019
7	Mr. Kartik Subramaniam	01957227	10/04/2019
8	Mr. Anoop Kumar Sharma	03531392	04/04/2019
9	Ms. Nutan Guha Biswas	03036417	22/12/2020
10	Mr. Haranadh Lakshmi Polamraju	07295378	23/10/2021

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**  
**Peer Review Cert. No.: 626/2019**

-sd-

**CS Poonam**  
**Partner**

**ACS No. : 37303**  
**C.P No.: 24827**

**Date: 30-07-2022**  
**Place: New Delhi**  
**UDIN: A037303D000711955**



Annexure to report on Corporate Governance  
**CERTIFICATE ON CORPORATE GOVERNANCE**

The Members,

**Dredging Corporation of India Limited.**

1. We have examined the compliance of conditions of Corporate Governance by **Dredging Corporation of India Limited** (CIN: L29222DL1976PLC008129) for the year ended 31<sup>st</sup> March, 2022, 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").
2. 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.
3. 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:
  - i. *Regulation 20(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee of the Board did not consist of three directors during the period from 01.04.2021 to 28.09.2021.*
4. We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulations 52(4), 52(5) and 20(2)/(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, against which the Company has submitted responses along with the waiver requests.
5. 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**  
**Peer Review Cert. No.: 626/2019**

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**Name of the Practicing Company Secretary: CS Poonam**  
**ACS No.:37303**  
**C P No.:24827**

**Place: New Delhi**  
**Date: 27.08.2022**  
**UDIN: A037303D000860950**




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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2021-22**


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**GLOBAL SCENARIO**

1. The global dredging market is estimated at USD 15.7 Billion in 2022 and is forecast to reach USD 21.4 Billion by 2032, growing with a CAGR of 3.3% from 2022 to 2032. A market research and competitive intelligence provider foresees the global dredging market is likely to reach a valuation of around USD 15.7 Billion in 2022. The revenue generation of dredging is likely to accelerate at a steady CAGR of 3.3% to top USD 21.4 Billion by 2032. The demand for energy infrastructure in application is likely to increase at a CAGR of 4.5% over the forecast period of 2022 to 2032.
2. The prospects of dredging industry are closely tied with the broader developments in the global tourism sector, as construction of new airports and beach replenishments accounts for a sizeable share of total revenues generated by dredging companies. India is a leading and lucrative market for dredging in South Asia & Oceania region owed due to highly advanced industries like energy, mining and oil & gas that have impelled the demand for dredging across the country. The demand for dredging is growing steadily with rise in requirements from various infrastructure projects, such as hydro, solar, and other renewable energy sectors. Rise in investments towards various energy infrastructure plans are further spurring the growth of dredging manufacturers. Expansion of the tourism sector across various countries, increasing need to purify water bodies, and surging seaborne international trade are some of the key trends driving sales in the market.
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.



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 one Cutter Suction Dredger DR- XVIII; and one Inland Dredger. 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 green field 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 turnaround time, average output per ship berth day 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 INR7,00,000 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 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 agreement between Dredging Corporation of India and Cochin Shipyard Limited was signed on 17/03/2022 and tripartite agreement between DCI-CSL-IHC was signed on 13/04/2022. The Cost of the dredger is 104.59 million EURO's. The first and Second installment was paid on 02/11/2022 and 14/11/2022 respectively.

**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	3675	2646.92	72.03%
Quantity (Mln. Cu.M)	667.96	552.68	82.74%



**FINANCIAL PERFORMANCE**

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

PARTICULARS	Rs. In lakhs	
	2021-22	2020-21
Total Income	80,154	76,692
Total Expenditure	81360	93735
Profit after Tax	343	(17225)
EPS	1.84	(59.99)

**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 and 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-Acquires and TUG -VII have been decommissioned and sold as scrap during the year. In order to overcome the reduction in capacity, DCI has initiated action procurement of 12000 Cu.M Hopper Capacity Dredger.

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. 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.

55. Material developments in Human Resources / Industrial Relations front, including number of people employed.

## THREATS

56. 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.

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

## FOREIGN EXCHANGE RISKS AND CONCERNS

58. 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

59. 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

60. The industrial relations in the Corporation continued to be cordial throughout the year 2021-22.

#### CORPORATE SOCIAL RESPONSIBILITY

61. 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

62. 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 and 2021-22. 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 and 2021-22. 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

63. The following remaining information w.r.t. details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore as per 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	2021-22	2020-21
Debtors Turnover	3.88	3.71
Inventory Turnover	4.84	4.38
Interest coverage Ratio	11.28	(0.57)
Current Ratio	0.87	1.17
Debt Equity Ratio	0.20	0.30
Operating Profit Margin (%)	15.03%	(4)%
Net Profit Margin (%)	0.43%	(22)%
Return on Networth (%)	0.37%	(11.99)%
Debt Service Coverage Ratio	0.43	(0.07)

#### Explanation for change in Ratios more than 25% as compared to previous year:

**1.Current Ratio:** The decrease in Current Ratio by 30.20% is mainly on account of increase in current liabilities as Bonds will be repayable on 28-03-2022. Hence, classified under short Term Borrowings in FY2021-22.

**2.Debt Service Coverage Ratio:** The increase in Debt Service coverage Ratio by 50.13% is mainly on account of increase in EBITDA and reduction in Debt obligations as compared to previous year.

**3.Inventory Turnover Ratio:** The increase in Inventory Turnover Ratio by 46.12% is mainly on account of increase in Operational income and reduction in Inventory balances during the year as compared to previous year.

**4.Interest Coverage Ratio :** **The increase in Interest Coverage Ratio by 1184.85% is mainly on account of increase in EBITA of Rs.12006.72 lakhs for FY 2021-22 as compared to previous year EBITDA of Rs.-3120.75 Lakhs..**

#### CAUTIONARY STATEMENT

64. 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.

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## INDEPENDENT AUDITOR'S REPORT

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

**Qualified Opinion**

We have audited the accompanying standalone Ind AS financial statements of Dredging Corporation of India Limited, Visakhapatnam ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

1. As described in Note No 29.13 to the financial statements, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, on Accounting Policies, Changes in Accounting Estimates and Errors. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

2. As described in Note No 6.1 to the financial statements, Company has not determined the impact of a pending dispute before the NCL T and a related CBI Investigation involving M/s. Van Oord India Private Limited on the Current reporting period thereby not complying with the measurement and disclosure requirements under Ind AS 37, on Provisions, Contingent Liabilities and Contingent Assets. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

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 thereunder, 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 on the standalone financial statements.

**Emphasis of Matter**

We draw attention to;

- a. Note No 14.1 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.
- b. Note No 29.10 to the financial statements which states that Trade Receivables include a sum of ₹6584 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).
- c. Note No 29.1A to the financial statements regarding Arbitral Award of ₹ 6047 Lakhs in favour of M/s Mercator Lines Limited (MLL) the awarded amount is shown as contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.
- d. Note No 29.12 to the financial statements regarding the accounting treatment of Prior Period Items to the tune of ₹ 692.82 lakhs and the disclosure thereof in the Current and Previous reporting periods.
- e. Note No 29.14 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.

Our Opinion is not modified in respect of above matters.

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

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 our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial



position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2022, taken on record by



- the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (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, 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 No 29.1A to the standalone 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 a delay of 5 days in transferring an amount of ₹ 1.13 Lakhs, required to be transferred, to the Investor Education and Protection Fund by the company.
- (iv) (a) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note to the standalone financial statements
- (a) No dividend is proposed in the previous year, declared or paid by the Company during the year.
- (b) The Board of Directors of the Company have not proposed any final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

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 herewith enclose our report in "Annexure -C".

**For Rao & Kumar**  
**Chartered Accountants**  
**FRN 03089S**

**Anirban Pal**  
**Partner**  
**MN No.214919**

**Place: Visakhapatnam**  
**Date: 30/05/2022**

**Annexure - A:**

**(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)**

- (i) (a) (A) The Company has maintained its fixed asset register in an editable Excel Format and has not complied with the necessary recording of full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company does not have any Intangible assets, clauses (B) of paragraph 3 (i) of the order is considered inapplicable to the company;
- (b) The management has carried out a physical verification of all major assets (Dredgers) on a yearly basis. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations furnished to us and on the basis of our examination of



- the records of the company and read together with Note No. 10 to the Financial Statements, the details of title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
- (d) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.
- (e) To the best of our knowledge and information, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Inventories on the Dredgers and at branches have been physically verified by the management during the year. In our opinion, the coverage and procedure of verification by the management is appropriate. The discrepancies noticed, upon verification, between physical stocks and book records were less than 10% in the aggregate of each class of inventory and such differences are pending reconciliation and proper adjustment in the books of account.
- (b) The company was sanctioned working capital limits in excess of 5 Crores in aggregate by the Banks / Financial Institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks / Financial Institutions are not in agreement with books of account of the company.
- (iii) Since the company had not made any investments/granted any loans and advances in the nature of loans, clauses (a) to (f) of paragraph 3 (iii) of the order are considered inapplicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.
- (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 our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, -Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues with the appropriate authorities
- (b) According to the information and explanations given to us, the following demands have not been deposited on account of disputes.
- | Sl.No | Name of the Statute  | Nature of Dues | Forum where Dispute is pending | Period to which amount relates | Rs.(in Lakhs) |
|-------|----------------------|----------------|--------------------------------|--------------------------------|---------------|
| 1     | Income Tax Act, 1961 | Income Tax     | High Court                     | 2008-09 to 2011-12             | 2,828.00      |
| 2     | Income Tax Act, 1961 | Income Tax     | CIT (A)                        | 2011-12 to 2018-19             | 5,666.00      |
| 3     | Income Tax Act, 1961 | Income Tax     | CPC                            | 2020-21                        | 1,146.00      |
| 4     | Income Tax Act, 1961 | Income Tax     | ITAT                           | 2015-16                        | 177.00        |
| 5     | Finance Act, 1994    | Income Tax     | CESTAT                         | 2005-06 to 2017-18             | 13,292.00     |
- (viii) There were no transactions that were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;
- (b) From the information furnished to us, the company is not declared wilful defaulter by any bank or financial institution or other lender;
- (c) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the term loans have been applied for the purposes for which the loans were raised;
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company;
- (e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.
- (x) (a) The Company had not raised any money by way of Initial Public Offer or further Public Offer (including Debt Instruments).
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible debentures during the year.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year. At this juncture, we draw your attention to Para 2 under the caption Basis of Qualification in our report.
- (b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the



- Companies Act, in form ADT - 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.
- (c) From a review of the Secretarial Records, we observe that the company had not received\_ any whistle-blower complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is Mt a Nidhi Company. Accordingly, Paragraph 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, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv) (a) The company has appointed an external agency to carry out internal audit and their reports were made available to us. In as much, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the reports of the Internal Auditors for the period under audit.
- (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.  
(a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.  
(b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.  
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended).
- (xvii) The company has not incurred any cash loss in the current financial year. However, the company has incurred as cash loss of ₹ 52.95 Crores (Loss After Taxes + Depreciation/Amortisation) in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (a) The company does not have any unspent amount in respect of other than ongoing projects as required under sub-section (5) of section 135 of the said Act  
(b) The company does not have any unspent amount in respect of ongoing projects that require to be transferred to a special account in compliance with the provision of sub-section (6) of section 135. There are no reportable entities under these clauses, hence paragraph 3 (xx) of the order is considered inapplicable to the company.

**For Rao & Kumar Chartered Accountants**  
**FRN 03089S**

**Place: Visakhapatnam**  
**Date: 30/05/2022**

**Anirban Pal**  
**Partner**  
**MN No.214919**



## Annexure-B

**(Referred to in Paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in our report of even date)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Dredging Corporation of India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**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 Control environment, Entity's risk assessment process, Control activities, Information system and communication, Monitoring of controls and the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2022.

- a) Internal control system for identification and valuation of nonmoving and obsolete stock.
- b) Delays and omission in passing consumption entries and subsequent rectifications thereof of Inventory lying onboard the Dredgers.
- c) Internal control system for customer acceptance, credit evaluation and establishing credit limits for sales, which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.
- d) Internal control over customer confirmations and follow-up for recovery of dues is inadequate.
- e) The Fixed Asset Register is being maintained in editable Excel format outside the ERP system.
- f) The ERP system was not periodically tested and appropriate systems audit reports are not available to test and evaluate the desired level of internal financial controls.
- g) Periodical Reconciliation of Trade Payable Accounts with proper monitoring and clearing of pending items.

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, 2022 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, 2022 and these material weaknesses do not affect our opinion on the financial statements of the company.

**For Rao & Kumar Chartered Accountants**  
**FRN 03089S**

**Anirban Pal**  
**Partner**  
**MN No.214919**

**Place: Visakhapatnam**  
**Date: 30/05/2022**

**Annexure-C**

(Referred to in Paragraph 3 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

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

**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 Rao & Kumar Chartered Accountants**  
**FRN 03089S**

**Anirban Pal**  
**Partner**  
**MN No.214919**

**Place: Visakhapatnam**  
**Date: 30/05/2022**

**REVISED INDEPENDENT AUDITOR'S REPORT**

[This Revised Independent Auditors' Report is being issued consequent to the supplementary Audit under Section 143(6)(a) of the Companies Act,2013 by the office of the Comptroller and Audit General of India. Accordingly, clause ii(b) of CARO 2020, under Annexure –A to the Independent Auditors' Report has been suitably modified to include additional information as disclosed in the Financial Statements of the company. This change does not have any impact on the Qualified Audit Opinion dated 30<sup>th</sup> May 2022 issued on the Standalone Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2022. This report supersedes our earlier report.]

**REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

**Qualified Opinion**

We have audited the accompanying standalone Ind AS financial statements of Dredging Corporation of India Limited, Visakhapatnam ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then





ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

1. As described in Note No 29.13 to the financial statements, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, on Accounting Policies, Changes in Accounting Estimates and Errors. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.
2. As described in Note No 6.1 to the financial statements, Company has not determined the impact of a pending dispute before the NCL T and a related CBI Investigation involving M/s. Van Oord India Private Limited on the Current reporting period thereby not complying with the measurement and disclosure requirements under Ind AS 37, on Provisions, Contingent Liabilities and Contingent Assets. In absence of sufficient and appropriate evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

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 thereunder, 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 and sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### **Emphasis of Matter**

##### **We draw attention to;**

- a. Note No 14.1 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.
- b. Note No 29.10 to the financial statements which states that Trade Receivables include a sum of ₹6584 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).
- c. Note No 29.1A to the financial statements regarding Arbitral Award of ₹6047 Lakhs in favour of M/s Mercator Lines Limited (MLL) the awarded amount is shown as contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.
- d. Note No 29.12 to the financial statements regarding the accounting treatment of Prior Period Items to the tune of ₹692.82 lakhs and the disclosure thereof in the Current and Previous reporting periods.
- e. Note No 29.14 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.

#### **Our Opinion is not modified in respect of above matters.**

#### **Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

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 our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

#### **Report on Other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure -A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards



- prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (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, 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 No 29.1A to the standalone 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 a delay of 5 days in transferring an amount of ₹1.13 Lakhs, required to be transferred, to the Investor Education and Protection Fund by the company.
    - (iv)
      - (a) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - (b) The respective Management of the Company, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
    - (v) As stated in Note to the standalone financial statements
      - (a) No dividend is proposed in the previous year, declared or paid by the Company during the year.
      - (b) The Board of Directors of the Company have not proposed any final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.
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 herewith enclose our report in "Annexure - C".

**For Rao & Kumar Chartered Accountants**  
FRN 03089S

**Anirban Pal**  
Partner  
MN No.214919  
22214919APVARI7070

**Place: Visakhapatnam**  
**Date: 25/08/2022**



## Annexure - A:

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

- (i)
- (a) (A) The Company has maintained its fixed asset register in an editable Excel Format and has not complied with the necessary recording of full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B) The Company does not have any Intangible assets, clauses (B) of paragraph 3 (i) of the order is considered inapplicable to the company;
- (b) The management has carried out a physical verification of all major assets (Dredgers) on a yearly basis. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations furnished to us and on the basis of our examination of the records of the company and read together with Note No. 10 to the Financial Statements, the details of title deeds of immovable properties ( other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
- (d) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.
- (e) To the best of our knowledge and information, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
- (a) The Inventories on the Dredgers and at branches have been physically verified by the management during the year. In our opinion, the coverage and procedure of verification by the management is appropriate. The discrepancies noticed, upon verification, between physical stocks and book records were less than 10% in the aggregate of each class of inventory and such differences are pending reconciliation and proper adjustment in the books of account.
- (b) The company was sanctioned working capital limits in excess of ₹5 Crores in aggregate by the Banks /Financial Institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks/ Financial Institutions are not in agreement with books of account of the company to the extent as reported below read with Note No. 7, to the Financial Statements.

## Quarter Ended 31st December 2021:

Particulars	Rs.in Lakhs					
	Total Outstanding balance	More than 3 years	2-3 years	1-2 years	6-12 months	0-6 months
Balance as per books	24,561.26	14,434.59	1,190.38	96.02	2,717.16	6,123.12
Balance as per the Quarterly Statement	24,600.54	14,434.59	1,190.38	96.02	2,436.18	6,443.37
Difference	-39.28	-	-	-	280.98	-320.25

## Quarter Ended 31st March 2022:

Particulars	Rs.in Lakhs					
	Total Outstanding balance	More than 3 years	2-3 years	1-2 years	6-12 months	0-6 months
Balance as per books	30,911.80	14,350.76	1,284.19	572.54	2,623.11	12,081.20
Balance as per the Quarterly Statement	30,842.17	14,370.17	1,284.20	576.61	2,549.31	12,061.87
Difference	69.63	-19.41	-0.01	-4.07	73.80	19.33

- (iii) Since the company had not made any investments/granted any loans and advances in the nature of loans, clauses (a) to (f) of paragraph 3 (iii) of the order are considered inapplicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.
- (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 our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services



Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues with the appropriate authorities.

- (b) According to the information and explanations given to us, the following demands have not been deposited on account of disputes.

Sl.No	Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates	Rs.(in Lakhs)
1	Income Tax Act, 1961	Income Tax	High Court	2008-09 to 2011-12	2,828.00
2	Income Tax Act, 1961	Income Tax	CIT (A)	2011-12 to 2018-19	5,666.00
3	Income Tax Act, 1961	Income Tax	CPC	2020-21	1,146.00
4	Income Tax Act, 1961	Income Tax	ITAT	2015-16	177.00
5	Finance Act, 1994	Income Tax	CESTAT	2005-06 to 2017-18	13,292.00

- (ix) There were no transactions that were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

(x)

- (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;
- (b) From the information furnished to us, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the term loans have been applied for the purposes for which the loans were raised;
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company;
- (e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.

- (x) (a) The Company had not raised any money by way of initial Public Offer or further Public Offer (Including Debt Instruments)

(b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible debentures during the year.

(xi)

- (a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year. At this juncture, we draw your attention to Para 2 under the caption Basis of Qualification in our report.
- (b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the Companies Act, in form ADT - 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.
- (c) From a review of the Secretarial Records, we observe that the company had not received any whistle-blower complaints during the year.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 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, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

(xiv)

- (a) The company has appointed an external agency to carry out internal audit and their reports were made available to us. In as much, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.

- (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.

(xvi)

- (a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.
- (b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank)



- Directions, 2016 as amended).
- (xvii) The company has not incurred any cash loss in the current financial year. However, the company has incurred as cash loss of ₹ 52.95 Crores (Loss After Taxes+ Depreciation/Amortisation) in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The company does not have any unspent amount in respect of other than ongoing projects as required under sub-section (5) of section 135 of the said Act  
 (b) The company does not have any unspent amount in respect of ongoing projects that require to be transferred to a special account in compliance with the provision of sub-section (6) of section 135.
- (xxi) There are no reportable entities under these clauses, hence paragraph 3 (xx) of the order is considered inapplicable to the company.

For Rao & Kumar Chartered Accountants  
FRN 03089S

Place: Visakhapatnam  
Date: 30/05/2022

Anirban Pal  
Partner  
MN No.214919

#### Annexure-B

(Referred to in Paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Dredging Corporation of India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### 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 Control environment, Entity's risk assessment process, Control activities, Information system and communication, Monitoring of controls and the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2022.

- a) Internal control system for identification and valuation of nonmoving and obsolete stock.
- b) Delays and omission in passing consumption entries and subsequent rectifications thereof of Inventory lying onboard the Dredgers.
- c) Internal control system for customer acceptance, credit evaluation and establishing credit limits for sales, which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.
- d) Internal control over customer confirmations and follow-up for recovery of dues is inadequate.
- e) The Fixed Asset Register is being maintained in editable Excel format outside the ERP system.
- f) The ERP system was not periodically tested and appropriate systems audit reports are not available to test and evaluate the desired level of internal financial controls.
- g) Periodical Reconciliation of Trade Payable Accounts with proper monitoring and clearing of pending items.

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, 2022 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, 2022 and these material weaknesses do not affect our opinion on the financial statements of the company.

For Rao & Kumar Chartered Accountants

FRN 03089S

Anirban Pal  
Partner  
MN No.214919

Place: Visakhapatnam  
Date: 30/05/2022



**ANNEXURE-C to the Independent Auditors' Report**  
**(Referred to in Paragraph 3 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)**

**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 Rao & Kumar Chartered Accountants**

**FRN 03089S**

**Anirban Pal**

**Partner**

**MN No.214919**

**Place: Visakhapatnam**

**Date: 30/05/2022**





**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 2022**

The preparation of financial statements of Dredging Corporation of India Limited (Company) for the year ended on 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory 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 Revised Audit Report dated 25 August 2022 which superseded their earlier Audit Report dated 30 May 2022

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 2022. 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. The Audit Report has been revised by the Statutory Auditors to give effect to some of my audit observations raised during supplementary audit.

In addition, 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 Profitability**

**II. STATEMENT OF PROFIT AND LOSS**

**(IV) Expenses**

**(e) Other expenses (Note 25)- :₹40,497.10 lakh**

1. DCI entered (20 November 2020) into an agreement with Indian Oil Corporation Limited (IOCL) for supply of marine fuels at various locations where dredging works were carried out by DCI. As per clause No. 7 of the agreement, 45 days credit facility was to be offered on the supply of marine fuels at various Ports. Initial 30 days interest free credit was offered by the Seller and for balance 15 days interest at the rate of 9.62 per cent per annum was to be charged. Penal interest at the rate of 15 per cent was chargeable beyond credit period of 45 days. Since DCI failed to pay the amounts against the supply of marine fuels within the free credit period during the year 2021-22, DCI is liable to pay interest amount of ₹226.72 lakh to IOCL. However, DCI has not provided any liability towards interest charges payable to IOCL. Non-provision of the same has resulted in understatement of Other Expenses and Trade Payables by ₹226.72 lakh. Consequently, the Profit was overstated by ₹226.72 lakhs..

**B. Comments on financial position**

**I. BALANCE SHEET**

**A. ASSETS**

**Non-Current Assets**

**(a) Property, Plant and Equipment (Note No.10): ₹1,58,036.00 lakh**

2. During the year, the Company changed its accounting policy on dry dock expenses. As per previous policy, dry dock expenses incurred on dredgers where estimated useful life of 25 years was completed was charged to Profit and Loss Account and where 25 years was not completed was capitalized to Property, Plant and Equipment. As per the new accounting policy " Dry dock expenses incurred on account of dry-dock of vessels (along with spares consumed) will be capitalized to Property Plant and Equipment and will be depreciated over a period from the date of dry dock completion to the next due date of docking survey as certified by Indian Registrar of Shipping". Dredging Corporation of India (DCI) carried out Dry Dock repairs of Dredge-XI and Dredge-XIV during the period between August 2021 and February 2022 and capitalised the cost of repairs (including spares cost) of ₹2,030.12 lakh and depreciated an amount of ₹176.55 lakh for the year 2021-22 by considering the life of vessels from the date of completion of dry dock to the next due date of docking surveys certified by Indian Registrar of Shipping as per its new accounting policy.

As per DCI's accounting policy, the life of the dredgers was assessed as 25 years. The Dredge XI and XIV were built in the year 1986 and 1991 respectively and completed life of 36 years and 31 years respectively. These two dredgers have completed their useful lives and do not have any carrying amount in the books of accounts and are being exhibited only with residual value as on 01-04-2021.

Capitalizing dry dock expenditure incurred on Dredgers which have exhausted their useful life is not in order, instead they should have been charged off as revenue expenditure.

This has resulted in overstatement of Property, Plant & Equipment (Net) by ₹1,853.57 lakh and understatement of Repairs and Maintenance (Vessels) under Other Expenses by ₹2030.12 lakh. Consequently, the Depreciation and Profit were overstated by ₹176.55 lakh and ₹1,853.57 lakh respectively.



## Current Assets

### (b) Financial Assets

#### (i) Trade Receivables (Note No.14) - ₹20,990.19 lakh

3. DCI was awarded "Post Monsoon Maintenance Dredging at New Mangalore Port for the year 2020-2021" by New Mangalore Port Trust (NMPT) on 08 September 2020 at a cost of ₹3,707.39 lakh. The work was to be completed within 120 days from the date of commencement of the work (i.e., by 28 January 2021). However, the work was completed on 18 May 2021 with a delay of 200 days. As per Technical Specification of the Agreement, Liquidated Damages (LDs) may be levied at the rate of 1 per cent of the contract value per week of delay or part thereof, subject to a maximum of 10 per cent of the contract value. Accordingly, NMPT recovered ₹370.74<sup>2</sup> lakh towards LD. However, DCI accounted LD to the extent of ₹299.76 lakh only as on 31 March 2022.

This has resulted in overstatement of Trade Receivables and understatement of Other Expenses by ₹70.98 lakh. Consequently, the Profit was overstated by ₹70.98 lakh.

### (b) Financial Assets

#### (iv) Other Financial Assets (Note-16)

#### Deposits - ₹3,200.33 lakh

4. DCI carried out the work of Maintenance of channels and basins at Cochin Port Trust (CoPT) for the year 2017-18 from March 2018 to May 2019. CoPT recovered 25 per cent of the contract value amounting to ₹2,349.52 lakh (including GST) due to dispute. DCI and CoPT mutually appointed one Conciliator for resolving the dispute and the Conciliator recommended that CoPT may withhold 10 per cent of the contract value and Security Deposit (retention money) instead of 25 per cent and Security Deposit and advised CoPT to release 15 per cent of the bill amount. DCI agreed to the above recommendation and gave an undertaking that release of ₹1409.95 lakh (including GST) was in full and final settlement and DCI shall not make any further claims on the subject contract in any other forum. Accordingly, CoPT released ₹1,409.95 lakh. However, DCI did not withdraw the Security Deposit (Retention Money) amount of ₹559.42 lakh from the books of accounts.

This has resulted in overstatement of Deposits by ₹559.42 lakh with corresponding understatement of Provision for Other Losses by a similar amount. Consequently, the Profit was overstated by ₹559.42 lakh.

### Other Financial Assets (Note-16)

#### Contract Assets - ₹8792.98 lakh

5. DCI entered into an agreement with Syama Prasad Mookerjee Port (erstwhile Kolkata Port Trust-SPMP) for maintenance dredging in Hugli River at Haldia for five years period from 2017. The contract period ended on 31 December 2021. Thereafter, the contract was extended with effect from 06 January 2022 for a further period of six months. No dredging work was carried out by DCI due to non-finalisation of the dredging rates and no contractual agreement was entered for the intervening period of 01 January 2022 to 05 January 2022. However, DCI claimed idle time charges of ₹265.76 lakh for the above period and the same was accounted as accrued income. In absence of any contract agreement between DCI and SPMP for the intervening period, the chances of recovery of these idle time charges is remote. Hence, accounting of idle time charges as accrued income has resulted in overstatement of Contract Assets as well as Sale of Service by ₹265.76 lakh. Consequently, the Profit was overstated by ₹265.76 lakh.

## B. Liabilities:

### A. Current Liabilities

#### (a) Financial Liabilities

##### (i) Trade Payables

##### (c) Other Current Liabilities (Note No.9)

##### (e) Other Payables- ₹11,592.76 lakh

6. Other Payables do not include ₹93.33 lakh being the interest amount (up to 31 March 2021) payable to MPT through Mis 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 are to be borne by the Contractor (i.e., DCI) only and the same should be included in the rate quoted by the Contractor". Further, if there is any delay in payment to MPT, interest will be charged at the rate of 15 percent per annum as per Scale of Rate (SOR). Hence, there is a liability on the part of DCI for payment of interest charges on port dues to the Agent. However, DCI did not provide the liability. Non-provision of the same has resulted in understatement of Other Payables as well as Other Expenses by ₹93.33 lakh. Consequently, the Profit was overstated by ₹93.33 lakh.



7. DCI sub-contracted (03 March 2022) a part of the maintenance dredging work carried out at Naval Jetties at Southern Naval Command (SNC), Kochi by deploying suitable Cutter Suction Dredger (CSD) to M/s. West Coast Dredging Company at a cost of ₹218 per M3. During the month of March 2022, CSD dredged a reported quantity of 36,171 M<sup>3</sup>. By considering 50 per cent concentration on reported quantity, DCI accounted ₹37.80 lakh (18,085 M<sup>3</sup> x ₹209 per M<sup>3</sup>) as Accrued Income. However, DCI omitted to provide liability for the amount payable to M/s. West Coast Dredging Company to the extent of ₹39.43 lakh (18,085 cum x ₹218 per M<sup>3</sup>). This has resulted in understatement of Other Payables as well as Other Expenses by ₹39.43 lakh. Consequently, the Profit was overstated by ₹39.43 lakh.

**C. Comment on Auditors' Report**

The significant matters indicated in the comments above resulted in overstatement of the Profit Before Tax by ₹3109.21 lakh and would have the effect of converting the Profit after tax of ₹341.97 lakh into loss of 2767.24 lakh. Statutory Auditors' evaluation of the presentation and content of the financial statements does not adequately represent the underlying transactions of the financial statements in a manner that achieves true and fair presentation of the state of affairs of the Company. This has resulted in Independent Auditors' Report being deficient to such extent.

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

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

**Place: Hyderabad  
Date: 28<sup>TH</sup> October 2022**



**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 2022**

S.No	Comments of C&AG	Management Response
1	<p>DCI entered (20 November 2020) into an agreement with Indian Oil Corporation Limited (IOCL) for supply of marine fuels at various locations where dredging works were carried out by DCI. As per clause No.7 of the agreement, 45 days credit facility shall be offered on the supply of marine fuels at various Ports. Initial 30 days interest free credit shall be offered by the Seller and for balance 15 days interest @9.62percent per annum will be charged. The penal interest @15percent will be charged beyond credit period of 45 days. Since DCI failed to pay the amounts against the supply of marine fuels within the free credit period during the year 2021-22. DCI is liable to pay interest amount of ₹226.72 lakh to IOCL. However, DCI has not provided any liability towards interest charges payable to IOCL. Non-provision of the same has resulted in understatement of Other Expenses and Trade Payables by ₹226.72lakh. Consequently, the Profit Before Tax was overstated by ₹226.72 lakhs.</p>	<p>Company entered agreement with Indian Oil Corporation Ltd (IOCL) for supply of fuel and lubes for DCI Vessels across all locations. As per the agreement, IOCL used to provide credit period up to 30 days. However, sometimes, DCI was unable to release payments to IOCL within 30days due to paucity of funds. As per the terms of agreement IOCL is required to raise the Interest claim through monthly debit notes as stipulated in para 7 of the contract. In this regard, IOCL raised only one invoice for interest payment. DCIL requested IOCL not to claim interest in view of long association with DCI and this bill was not settled by DCIL initially. However, IOCL, stated that, as the invoice was already raised in ERP, they can't reverse the same and assured that, they will not raise further interest invoice if DCIL agreed for the above interest payment which was already raised. Accordingly, company settled the said invoice requested vide mail dated 25/01/2022 with a request of, not to raise further interest claim. As communicated by DCI, IOCL had not raised any further interest invoice on DCI. As there is no interest claim through monthly debit notes (as required under the terms of contract), provision for Interest on delayed payment of Invoices were not made by the Company. However, as and when demand received from IOCL the same will be accounted.</p>
2	<p>Dredging Corporation of India (DCI) carried out Dry Dock repairs of Dredge-XI and Dredge-XIV during the period between August 2021 and February 2022. After completion of the dry dock repairs, DCI capitalised the cost of repairs (including spares cost) of ₹2,030.12 lakh and depreciated an amount of ₹176.55 lakh for the year 2021-22 by considering the life from the date of completion of dry dock to the next due date of docking surveys certified by Indian Registrar of Shipping (IRS).</p> <p>As per DCI accounting policy, the life of the dredgers was assessed as 25 years. The Dredge XI and XIV have built in the year 1986 and 1991respectively and completed life of 37 years and 31 years respectively. These two dredgers were completed their useful lives and do not have any carrying amount in the books of accountsand exhibited only with residual value as on01-04-2021. Hence, dry dock expenditure incurred on these Dredgers where useful life was already completed shall be treated as Repairs and Maintenance (Vessels) under Other Expenses. However, the same were accounted as capital expenditure which was not in order. This has resulted in overstatement of Property, Plant &amp; Equipment (Net) by ₹1,853.57 lakh and understatement of Repairs and Maintenance (Vessels) under Other Expenses by ₹2032.12 lakh. Consequently, the Depreciation and Profit Before Tax were overstated by ₹176.55 lakh and ₹1,853.57 lakh respectively</p>	<p>As per Para 7 and 14 of IND AS 16, PPE as reproduced below:                      Para 7: The cost of an item of Property, Plant and Equipment shall be recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably.                      Para 14: A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. 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. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.</p> <p>As per Para 7 &amp; 14 of the Ind AS 16 Property, Plant and Equipments, the expenditure incurred for the Dry Docking is qualified to be recognised as Asset since the cumulative conditions of Para 7 (a),(b) &amp; 14 are satisfied, and accordingly, the cost is to be construed as Property, Plant and Equipment. Since it is but a condition that to continue to operate the dredgers, the Company is required to get the Dry Dock Survey done and incur the related expenses, the Dry Dock Expenses are to be treated as major inspection costs, capitalised and depreciated over the period until the next due date for dry dock survey. Therefore, this policy of capitalising Dry Dock Expenses is in line with the requirements of Ind AS and has also been disclosed in the Financial Statements.</p>



<p>3</p>	<p>DCI was awarded "Post Monsoon Maintenance Dredging at New Mangalore Port for the year 2020-2021" by New Mangalore Port Trust (NMPT) on 08 September 2020 at a cost of ₹3,707.39 lakh. The work should be completed within 120 days from the date of commencement of the work (i.e., by 28 January 2021). However, the work was completed on 18 May 2021 with a delay of 200 days. As per Clause No.7.2 – Vol.I – Technical Specification of the Agreement, Liquidated Damages (LDs) may be levied at the rate of 1percent of the contract value per week of delay or part thereof, subject to a maximum of 10percent of the contract value. Accordingly, NMPT recovered ₹370.74 lakh towards LD. However, DCI accounted to the extent of ₹299.76 lakh only as on 31 March 2022 leaving the balance LD amount of ₹70.48 lakh. This has resulted in overstatement of Trade Receivables and understatement of Other Expenses by ₹70.48 lakh. Consequently, the Profit Before Tax was overstated by ₹70.48 lakh.</p>	<p>The liquidated damages deducted were as per contract which is a contract on long-term basis with NMPT. Contract is still in progress. DCI is continuously pursuing the matter with New Mangalore Port for waiver of LD and is hopeful of waiver from NMPT. Outflow of Companies resources on this account is very remote. However, as per the advice of the audit the status of the matter would be reviewed during Q3 of FY2022-23 and if necessary, entries would be passed during the financial year 2022-23.</p> <p>Further, although Rs. 370.74 Lakhs was claimed and recovered as LD by NMPT, balance receivable from NMPT standing in the books of DCI toward this contract period is only Rs. 347.01 Lakhs. The reason for balance in the books being Rs. 347.01 Lakhs is due to the fact that NMPT has short-charged GST at the time of recovery of LD. In as much even if a provision is to be setup it is only for said receivable of Rs. 347.01 Lakhs. For the GST short charged by NMPT, even if NMPT claims the said amount, there would be no impact on the Profit &amp; Loss Account since the GST amount would be accounted as ITC receivable.</p> <p>On the advice of the Govt Audit, Company had already made a provision to the tune of Rs. 299.76 lakhs in the financial year 2020-21. Therefore, the balance provision required to be made works out only to Rs. 47.25 Lakhs.</p>
<p>4</p>	<p>A reference is invited to the Audit Note no. 4 dated 13-09-2021 and Audit Issue no. 3 of Management Letter issued during the course of Accounts Audit of DCIL for the year 2020-21, wherein management assured that DCI would pursue the same with COPT and taken corrective action during the year 2021-22. However, DCIL has not taken corrective action in the Year 2021-22.</p> <p>DCI carried out the Maintenance of channels and basins at Cochin Port Trust (CoPT) for the year 2017-18 from March 2018 to May 2019. CoPT recovered 25per cent of the contract value amounting to ₹ 2,349.52 lakh (including GST) due to dispute. DCI and CoPT mutually appointed one Conciliator for resolving the dispute and Conciliator recommended that CoPT may withhold 10 per cent of the contract value and Security Deposit (retention money) instead of 25 per cent and Security Deposit and advised CoPT to release 15 per cent of the bill amount. DCI agreed to the above recommendation and gave an undertaking that release of ₹1,409.95 lakh (including GST) was in full and final settlement and DCI shall not make any further claims on the subject contract in any other forum. Accordingly, CoPT released ₹1,409.95 lakh. However, DCI did not withdraw the Security Deposit (Retention Money) amount of ₹559.42 lakh from the books of accounts. This has resulted in overstatement of Deposits by ₹559.42 lakh with corresponding understatement of Provision for Other Losses by a similar amount. Consequently, the Profit Before Tax was overstated by ₹ 559.42 lakh.</p>	<p>The dispute between CoPT &amp; DCI for the works carried out in 2017-18 was resolved by conciliator mutually appointed by DCI &amp; CoPT. As per conciliator recommendations, CoPT paid Rs.14.10Cr and withheld dredging charges of Rs.9.39Cr and security deposit of Rs.5.59Cr.</p> <p>The security deposit was not the subject of contention/dispute before the conciliator, who was mutually appointed by DCI &amp; CoPT. The order of the conciliator did not speak about the forfeiture of Security Deposit. In fact, the order clearly directs the CoPT to hold 10% of the Invoice and also the security deposit. We respectfully submit that the order is with regard to withholding the amount and not the forfeiture.</p> <p>DCI is also contesting the very order issued by the Conciliator to be having no legal sanctity on several grounds.</p> <p>The company in consultation with its legal cell also maintains that No Dues Certificate issued is with respect to claims other than those which are specifically directed to be withheld in the arbitration order. In as much it does not prohibit the Company from claiming its rightful dues (citing Supreme Court Decisions) which is evident in its letter dated letter no. DCI/Legal/2022/Arb/114, dated 04.05.2022.</p> <p>Company had taken up the matter in the year 2021-22 and pursued the same. Further on this matter company has issued a letter vide letter no. DCI/Legal/2022/Arb/114, dated 04.05.2022 to Cochin port trust and is certain of recovering the same.</p> <p>The matter would be reviewed once again in the year 2022-23 and if necessary, entries would be passed in the books of accounts.</p>



5	<p>DCI entered into an agreement with Syama Prasad Mookerjee Port (erstwhile Kolkata Port Trust-SPMP) for maintenance dredging in Hugli River at Haldia for five years period from 2017. The contract period was ended on 31 December 2021. Thereafter, the contract was extended w.e.f.06 January 2022 for a further period of six months. No dredging work was carried out by DCI due to non-finalization of the dredging rates as well as no contractual agreement was entered for the intervening period of 01 January 2022 to 05 January 2022. However, DCI claimed the idle time charges of ₹265.76 lakh for the above period and the same was accounted as accrued income. Since there was no contract agreement between DCI and SPMP for the intervening period, the chance of recovery idle time charges is remote. However, accounting of idle time charges as accrued income has resulted in overstatement of Contract Assets as well as Sale of Service by ₹265.76 lakh. Consequently, the Profit Before Tax was overstated by ₹265.76 lakh.</p>	<p>The company had sought and obtained a legal opinion from the Office of Assistant Solicitor General of India which inter alia stated that DCI is entitled to claim the amount from SPMP.</p> <p>However, on the advice of the Govt Audit, necessary entries were passed during the half year ended 30-09-2022</p>
6	<p>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 `93.33 lakh each. Consequently, the Loss Before Tax was understated by `93.33 lakh</p>	<p>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&amp; Co.,. 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 the financial year 2021-22. In addition to this, Company did not receive any invoice/any claim in respect of interest portion till date. In the absence of any such claim and since the out flow of resources of Company on this account is very remote the company did not provide for any liability in this regard.</p>
7	<p>DCI sub-contracted (03 March 2022) a part of the maintenance dredging work carried out at Naval Jetties at Southern Naval Command (SNC), Kochi by deploying suitable Cutter Suction Dredger (CSD) to M/s. West Coast Dredging Company at a cost of ₹218 per cum. During the month of March 2022, CSD dredged a reported quantity of 36,171 cum. By considering 50percent concentration on reported quantity, DCI accounted ₹37.80lakh (18,085 cum x ₹209 per cum) as Accrued Income. However, DCI omitted to provide liability for the amount payable to M/s. West Coast Dredging Company to the extent of ₹39.43 lakh (18,085 cum x ₹218 per cum). This has resulted in understatement of Other Payables as well as Other Expenses by ₹39.43 lakh. Consequently, the Profit Before Tax was overstated by ₹39.43 lakh</p>	<p>This liability was inadvertently remained to be considered in the preparation and presentation of the Financial Statements. However, necessary entries were passed during the half year ended 30-09-2022.</p>
C.	<p><b>Comments on Auditors Report:</b> The Significant matters in the comments above resulted in overstatement of the Profit Before Tax by Rs.3109.21 lakh and would have the effect of converting the Profit after tax of Rs.341.97 lakh into loss of Rs.2767.24 lakh. Statutory Auditors' evaluation of the presentation and content of the financial statements does not adequately represent the underlying transactions of the financial statements in a manner that achieves true and fair presentation of the state of affairs of the company. This has resulted in Independent Auditors' Report being deficient to such extent.</p>	<p>It is humbly submitted that out of the 7 comments the management had agreed to Para 7 and passed consequent entries in the books to the tune of Rs. 39.43 lakhs. In respect of Para 5, the management had in the current year opted to withdraw its claim to the tune Rs. 265.76 lakhs as a part of its negotiations for new contracts with the party. The management had further agreed to review Paras 3 &amp; 4 to the tune of Rs. 629.90 lakhs, in the current year and hence cannot be construed to impact the profit for the year. The remaining paras 1,2,&amp; 6 to the tune of Rs. 2173.62 lakhs are issues of interpretation and disagreement of opinion. In as much the effect of the total entries passed by the management do not convert the Profit into Loss as has been concluded.</p>



	<p>In view of the above and considering that our conclusions are based on the audit evidence obtained up to the date of our auditor's report, the matters of information available, interpretation, exercise of professional judgment and maintaining professional skepticism, the Statutory Audit humbly disagrees with the conclusion that the Auditor's Report is deficient.</p>
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It is submitted that the Audit Committee in its 112<sup>th</sup> Audit Committee meeting held on 10/11/2022 deliberated on the submission made by the CFO and was satisfied with the Management Response to the CAG Comments and also justification given by the Statutory Auditors thereon.

**For Dredging Corporation of India Limited**

**(CAPT.S. DIVAKAR)**  
**Managing Director & CEO (A/C)**

**Place: Visakhapatnam**  
**Date: 10/11/2022**



BALANCE SHEET AS AT 31-03-2022				₹ in lakhs
PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021	
<b>ASSETS:</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	10	158036.00	160911.69	
(b) Capital work-in-progress	10	3026.54	1218.62	
(c) Financial Assets				
(i) Investments	11	-	-	
(ii) Other financial assets	12	50.63	50.61	
<b>Total non-current assets</b>		<b>161113.17</b>	<b>162180.92</b>	
<b>Current assets</b>				
(a) Inventories	13	15975.04	17034.55	
(b) Financial Assets				
(i) Trade receivables	14	20990.19	20,173.71	
(ii) Cash and cash equivalents	15	9364.02	4,807.39	
(iii) Bank balances other than (ii) above		50.48	51.60	
(iv) Other financial assets	16	13274.62	12,811.15	
(c) Current tax assets (Net)	17	6338.64	5,600.57	
(d) Other current assets	18	3512.58	3543.24	
(e) Assets classified as held for sale	19	31.90	206.90	
(e)		<b>69537.47</b>	<b>64229.11</b>	
<b>Total assets</b>		<b>230650.64</b>	<b>226410.03</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	1	2,800.00	2,800.00	
(b) Other Equity	2	137235.03	136718.68	
<b>Total Equity</b>		<b>140035.02</b>	<b>139518.68</b>	
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities Borrowings	3	7,616.70	29,389.76	
(b) Provisions	4	897.41	1,159.98	
(c) Other non-current liabilities	5	2029.01	1,466.15	
<b>Total non-current liabilities</b>		<b>10543.12</b>	<b>32,015.89</b>	
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables				
(a) Outstanding Dues MESE	6(a)	106.67	-	
(b) Outstanding Dues other than MESE	6(b)	37409.17	29046.35	
(ii) Other financial liabilities	7	9793.62	1034.13	
(iii) Short Term Borrowings	8	20354.07	13267.89	
(b) Provisions	4	291.58	334.49	
(c) Other current liabilities	9	12117.38	11192.60	
<b>Total current liabilities</b>		<b>80,072.49</b>	<b>54,875.46</b>	
<b>Total Liabilities</b>		<b>90,615.61</b>	<b>86,891.35</b>	
<b>Total Equity And Liabilities</b>		<b>2,30,650.64</b>	<b>2,26,410.03</b>	
<b>Significant Accounting policies</b>	29			

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

  
(K.Rama Mohana Rao, IAS)  
Chairman

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

As per our Report of Even Date  
For Rao & Kumar & Co  
Chartered Accountants  
Firm Regn. No. 003089S

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

  
(K. Aswini Sreekanth)  
Company Secretary

  
(CA. Anirban Pal)  
Partner  
Membership no. 214919  
UDIN: 22214919AJWXPE3958

Place : Visakhapatnam  
Date : 30-05-2022





STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2022			
			₹ in lakhs
PARTICULARS	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
I Revenue from operations	20	79,909.10	76,376.40
II Other Income	21	244.57	316.02
<b>III Total Income (I + II)</b>		<b>80,153.67</b>	<b>76,692.42</b>
<b>IV Expenses</b>			
(a) Employee benefit expense	22	9,476.91	10,097.98
(b) Finance costs	23	1,193.37	1,992.12
(c) Depreciation and amortization expense	24	12,019.96	11,930.34
(d) Sub-Contract Expenses		18,172.94	20,498.69
(e) Other expenses	25	40,497.10	49,216.50
<b>Total expenses (IV)</b>		<b>81,360.28</b>	<b>93,735.63</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>(1206.61)</b>	<b>(17043.21)</b>
VI Exceptional Items	29	1668.75	0.00
<b>VII Profit before tax (V-VI)</b>		<b>462.14</b>	<b>(17043.21)</b>
<b>VIII Tax Expense:</b>			
Current tax	26	120.17	182.36
<b>Total Tax</b>		<b>341.97</b>	<b>(17225.57)</b>
<b>IX Profit for the year (VII - VIII)</b>	27	<b>341.97</b>	<b>(17225.57)</b>
<b>X Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		174.37	428.55
<b>Total other comprehensive income (X)</b>		<b>174.37</b>	<b>428.55</b>
<b>XI Total comprehensive income for the period (IX + X)</b>		<b>516.34</b>	<b>(16797.02)</b>
<b>XII Earnings per equity share (Face Value ₹ 10)</b>			
Basic and Diluted (in ₹)	29(9)	1.84	(59.99)
<b>Significant Accounting Policies</b>	29		
<b>The accompanying notes are an integral part of these financial statements</b>			

For and on behalf of Board of Directors

(K.Rama Mohana Rao, IAS)  
Chairman

(Prof. Dr. G. Y. V. Victor)  
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As per our Report of Even Date  
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Place : Visakhapatnam  
Date : 30-05-2022



## Cash Flow Statement for the period ended 31-03-2022

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flows from operating activities</b>			
<b>Profit for the year</b>	26	<b>341.97</b>	<b>-17,225.57</b>
<b>Adjustments for :</b>			
Income tax expense recognised in profit or loss		120.17	182.37
Finance Costs recognised in profit or loss		1,156.56	1,867.16
Other non-operating income (net of directly attributable expenses)		-199.79	-676.47
Depreciation and amortisation of non-current assets		12,019.96	11,930.33
Net foreign exchange (gain)/loss		36.81	125.77
Provision for Bad debts		884.49	3,716.42
		<b>14,360.17</b>	<b>-79.99</b>
<b>Movements in working capital</b>			
(Increase)/decrease in trade receivables		-735.47	-867.95
(Increase)/decrease in inventories		1,237.34	3,128.32
(Increase)/decrease in other current assets		-459.18	1,052.28
Increase/(decrease) in trade payables & Other liabilities		8,254.35	15,131.02
		<b>22,657.21</b>	<b>18,363.68</b>
<b>Cash generated from operations</b>			
Income Taxes paid(Refund)		828.07	-718.10
Exceptional income		-1,668.75	-
Excess provision no longer required written back		-1,343.69	-
		<b>20,472.84</b>	<b>17,645.58</b>
<b>Net cash generated by operating activities</b>			
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-11,068.81	-301.36
Proceeds from disposal of property, plant and equipment		2,008.00	-
Interest Received		199.79	249.62
		<b>-8,861.02</b>	<b>-51.74</b>
<b>Net Cash (used in) /generated by investing activities</b>			
<b>Cash flows from financing activities</b>			
Cash Repayment of amounts borrowed		-14,681.13	-14,608.90
Interest Paid		-1,193.37	-1,992.93
		<b>-15,874.50</b>	<b>-16,601.83</b>
<b>Net Cash used in financing activities</b>			
<b>Net increase in Cash and Cash equivalents</b>		<b>-4,262.68</b>	<b>992.01</b>
Cash and cash equivalents at the beginning of the year/period (A)	14	4,858.99	7,017.92
Bank Over Draft at the beginning of the year/period (B)	7	-915.07	-4,066.11
		<b>3,943.92</b>	<b>2,951.81</b>
<b>Net Cash and cash equivalents at the beginning of the year/period (A+B)</b>			
Cash and cash equivalents at the end of the year/period (C)	14	9,414.50	4,858.99
Bank Over Draft at the end of the year/period (D)	7	-9,733.26	-915.07
		<b>-318.76</b>	<b>3,943.82</b>
<b>Net Cash and cash equivalents at the end of the year/period (C+D)</b>			
<b>The accompanying notes are an integral part of these financial statements</b>			

For and on behalf of Board of Directors

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Chairman

(Prof. Dr. G.Y.V. Victor)  
Managing Director &  
CEOAs per our Report of Even Date  
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(D. Subba Rao)  
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Company Secretary

(CA. Anirban Pal)  
Partner  
Membership no. 214919  
UDIN:22214919AJWXPE3958Place : Visakhapatnam  
Date : 30-05-2022



STATEMENT OF CHANGE IN EQUITY AS AT MARCH 31ST 2022

Note: 2				
(A) Equity share capital (Refer Note.No.1.2)	As at March 31, 2022		As at March 31, 2021	
	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

Particulars	Other Equity						Total
	Capital reserve	General reserve	Tonnage tax reserve	Tonnage tax reserve Utilisation a/c	Debenture Redemption Reserve	Retained earnings	
<b>Balance at March 31, 2020</b>	<b>451.83</b>	<b>44,984.00</b>	<b>2,505.00</b>	<b>2,105.00</b>	<b>3,000.00</b>	<b>1,01,178.56</b>	<b>1,54,224.39</b>
Profit for the year ended March 31, 2021	-	-	-	-	-	(17,241.44)	(17,241.44)
Other Comprehensive income for the year	-	-	-	-	-	428.55	428.55
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>(16,812.89)</b>	<b>(16,812.89)</b>
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	-	-	-	-	-	(692.82)	(692.82)
<b>Balance at March 31, 2021</b>	<b>451.83</b>	<b>44,984.00</b>	<b>2,505.00</b>	<b>2,105.00</b>	<b>3,000.00</b>	<b>83,672.85</b>	<b>1,36,718.68</b>
Profit for the year ended March 31, 2022	-	-	-	-	-	341.97	341.97
Other Comprehensive income for the year	-	-	-	-	-	174.37	174.37
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>516.34</b>	<b>516.34</b>
Payment of dividends	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve(Utilised)	-	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve	-	-	270.00	-	-	(270.00)	-
Transfer to General Reserve	-	-	-	-	-	-	-
Capital Reserve	-	-	-	-	-	-	-
Adjustment pertaining to prior period errors	-	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>451.83</b>	<b>44,984.00</b>	<b>2,775.00</b>	<b>2,105.00</b>	<b>3,000.00</b>	<b>83,919.19</b>	<b>1,37,235.02</b>


The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

  
(K.Rama Mohana Rao, IAS)  
Chairman

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

As per our Report of Even Date  
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(CA.Anirban Pal)  
Partner  
Membership no. 214919  
UDIN:22214919AJWXPE3958

Place : Visakhapatnam  
Date : 30-05-2022



1 Equity Share Capital		As at March 31, 2022	As at March 31, 2021			
<b>Authorised Share Capital</b>						
3,00,00,000 (PY 3,00,00,000) Equity shares of ₹ 10 each		3,000.00	3,000.00			
<b>Issued Subscribed and Paid up</b>						
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			
<b>Total</b>		<b>2,800.00</b>	<b>2,800.00</b>			
<b>Terms attached to Equity Shares:</b>						
The company has one class of Equity shares. All shares carry equal voting rights						
<b>1.1 Details of shares held by each shareholder holding more than 5%</b>						
	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	₹ in Lakhs	% holding of equity shares	Number of shares held	₹ in Lakhs	% holding of equity shares
<b>Fully paid equity shares</b>						
President of India	-	-	-	-	-	-
Visakhapatnam port Authority	54,51,710	545.17	19.47	54,51,710	545.17	19.47
Paradip port Authority	50,40,101	504.01	18.00	50,40,101	504.01	18.00
Jawaharlal Nehru Port Authority	50,40,101	504.01	18.00	50,40,101	504.01	18.00
Deendayal Port Authority	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

**4.2 Movement of Shareholding of Promoters:**

Sl.No	Promoter Name	Number of shares held	% holding of equity shares	% Change during the year
	Visakhapatnam port Authority	54,51,710	19.47	0%
	Paradip port Authority	50,40,101	18.00	0%
	Jawaharlal Nehru Port Authority	50,40,101	18.00	0%
	Deendayal Port Authority	50,40,101	18.00	0%
	Total	2,05,72,013	73.47	-

	As at March 31, 2022	As at March 31, 2021
<b>2. Other Equity:</b>		
General Reserve	44,984.00	44,984.00
Retained earnings	83,919.19	83,672.85
Reserve U/S 115VT of Income Tax Act	2,105.00	2,105.00
Debenture redemption reserve	3,000.00	3,000.00
Tonnage Tax Reserve	2,775.00	2,505.00
Capital Reserve	451.83	451.83
	<b>1,37,235.02</b>	<b>1,36,718.68</b>
<b>2.1 General Reserve</b>		
Balance at the beginning of the year	44,984.00	44,984.00
Movements	-	-
<b>Balance at the end of the year</b>	<b>44,984.00</b>	<b>44,984.00</b>
<b>2.2 Retained Earnings</b>		
Balance at the beginning of the year	83,672.85	1,01,178.56
Prior period restatements	-	(692.82)
Profit(loss) attributable to owners of the Company	341.97	(17,241.44)
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	(270.00)-	-
Other comprehensive income arising from remeasurement of defined benefit obligation	174.37	428.55
<b>Balance at the end of the year</b>	<b>83,919.19</b>	<b>83,672.85</b>
<b>2.3 Reserve u/s 115VT Utilisation Account</b>		
Balance at the beginning of the year	2,105.00	2,105.00
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>2,105.00</b>	<b>2,105.00</b>
<b>2.4 Bonds Redemption Reserve</b>		
Balance at the beginning of the year	3,000.00	3,000.00
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>2.5 Tonnage Tax Reserve u/s 115 VT of IT Act</b>		
Balance at the beginning of the year	2,505.00	2,505.00
Movement during the year	270.00	-
Less: Transfer to Reserve u/s 115 VT Utilisation Act	-	-
<b>Balance at the end of the year</b>	<b>2,775.00</b>	<b>2,505.00</b>
<b>2.6 Capital Reserve</b>		



	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	451.83	451.83
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>451.83</b>	<b>451.83</b>

**3. Non-current borrowings**

**Secured - at amortised cost**

(i) Tax- free bonds (Secured by charge of Dredge .BH-I)	-	5,887.80
(ii) Term Loans from banks (Secured by charge of Dredge XIX, XX and XXI)	7,616.70	23,501.96
<b>Total non-current borrowings</b>	<b>7,616.70</b>	<b>29,389.76</b>

**Foreign currency Term loans from banks represent the following(INR) denominated loans:**

1	Loan for Dr-XIX	5,402.45	10,548.49
2	Loan for Dr.XX	7,422.77	12,292.73
3	Loan for Dr.XXI	9,257.75	13,928.64
	<b>Sub total</b>	<b>22,082.97</b>	<b>36,769.86</b>
4	Current liability portion of Long term Debt	(14,466.27)	(13,267.89)
	<b>Grand Total</b>	<b>7,616.70</b>	<b>23,501.97</b>

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

**As at March 31, 2022**

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
ABN Amro Bank	5,402.45 (PY 10,548.49)	Repayable in 2 (4) half year and equal installments	6m Euribor+0.825% p.a
ABN Amro Bank	7,422.37 (PY.12,292.73)	Repayable in 3 (5) half year and equal installments	6m Euribor+0.825% p.a
EXPORT-IMPORT BANK OF INDIA, LONDON BRANCH	9,257.74 (PY.13,928.64)	Repayable in 4 (6) 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 allottees under category IV.

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

	As at March 31, 2022	As at March 31, 2021
<b>4. NON CURRENT PROVISIONS</b>		
Employee Benefits:		
Provision for Gratuity	484.30	716.54
Provision for Leave Encashment	704.69	777.93
<b>Total</b>	<b>1,189.99</b>	<b>1,494.47</b>
Current	291.58	334.49
Non-Current	897.41	1,159.98
<b>Total</b>	<b>1,188.99</b>	<b>1,494.47</b>

<b>Employee Benefit Obligation as on 31-03-2022</b>	<b>Plan Liabilities</b>	<b>Plan Assets</b>
<b>Gratuity</b>	1,482.07	997.77
<b>Leave encashment</b>	704.69	

**5. OTHER NON-CURRENT LIABILITIES**

Earnest money Deposit/SD	2,029.01	1,466.15
	<b>2,029.01</b>	<b>1,466.15</b>

**6. TRADE PAYABLES-CURRENT**

Trade payables- Current		
a. total outstanding dues of micro enterprises and small enterprises; and	106.67	
b. total outstanding dues of creditors other than micro enterprises and small enterprises	37,409.17	29,046.35
	<b>37,515.84</b>	<b>29,046.35</b>

Particulars	0 -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Un Disputed Dues-MSME	166.81	0.00	0.00	0.00	166.81
(ii) Un Disputed dues-Others	24280.82	5565.06	72.94	560.98	30479.80
(iii) Disputed Dues-MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues-Others@	3720.06	3149.17	0.00	0.00	6869.23
<b>Total</b>	<b>28167.69</b>	<b>8714.23</b>	<b>72.94</b>	<b>560.98</b>	<b>37515.84</b>



	As at March 31, 2022	As at March 31, 2021
<p>Note:@The Company has invited tender for chartering of dredgers on cubic meters basis for part of the maintenance dredging of Mumbai Harbor Channel and Jawaharlal Nehru Port Channel for the year 2020-21 at Jawaharlal Nehru Port Mumbai. M/s.Van Oord India Pvt Limited was awarded the sub contract being L1.The contract was to dredge and dump in designated location DS-3 approximately 20.01 million cubic metres of material in 7 months 2 weeks' time .Total Contract value excluding GST was approximatelyRs.144.69 Cr.M/s.Van Oord India filed an Insolvency Petition CP No. (IB)-513/(ND)/2021 on 31st August,2021 before NCLT, Delhi claiming alleged outstanding paymentsRs.93.12Crore dues from DCIL pertaining to the contract. DCIL has filed its written statement countering M/s.Van Oord's claims. Arguments are yet the commence. The matter is next fixed for arguments on 5th July, 2022.Informatively, The matter is under CBI investigation.</p>		

#### 6.1 Disclosure requirement under MSMED Act 2006

Particulars	As at March 31, 2022	As at March 31, 2021
(a) (i) The principal amount remaining unpaid to any supplier at the end of each accounting year.	166.81	108.18
(ii)The interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	2.48	2.72
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	2.48	2.72
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	2.48	2.72

#### 7. OTHER FINANCIAL LIABILITIES

Urrant		
a) Bank Over Draft	9,733.26	915.07
b) Interest Accrued	60.36	119.06
	<b>9,793.62</b>	<b>1,034.13</b>

\*The company has borrowings from banks on the basis of security of current assets and quarterly returns and statements of current assets filed by the company with banks are not in agreement with the books of accounts.

#### 8. Short Term Borrowings

a. Current Maturities of long term debt-Term Loans (Secured by charge of Dredge BH-I)	14,466.27	13,267.89
b. Current Maturities of long term debt- Tax Free Bonds*	5887.80	
	<b>20,354.07</b>	<b>13,267.89</b>

#### 9. OTHER CURRENT LIABILITIES

a) Unclaimed dividend	5.64	6.77
b) EMD/SD from Contractors	377.35	317.99
c) Payables to Customers	74.88	-
d) TDS payable	66.75	58.88
e) Other payables	11,592.76	10,808.96
	<b>12,117.38</b>	<b>11,192.60</b>

#### 10 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS.

Net Carrying amounts of :		
Freehold Land	35.98	35.98
Buildings	3,529.44	3,678.18
Motor Vehicles	0.58	0.58
Computers	84.37	125.98
Temp Structures / Fixtures & Erections	-	-
Plant and Equipment	1,54,352.32	1,57,220.90
Furniture, Fittings & Equipments	65.20	56.95
Sub-total	<b>1,58,067.90</b>	<b>1,61,118.59</b>
Less: Asset Reclassified held for sale	31.90	206.90
<b>Total Net Carrying Cost of PPE</b>	<b>1,58,036.00</b>	<b>1,60,911.69</b>
Capital work-in-progress (CWIP)	3,026.54	1,218.62
<b>Total</b>	<b>1,61,062.54</b>	<b>1,62,130.31</b>



	Free hold Land	Buildings	Motor Vehicles	Computers	Temp Structures /Fixtures & Erections	Plant and Equipment	Furniture, Fittings & Equipment	Total
<b>Gross Carrying amount</b>								
Balance as at 01-04-2020	35.98	358.94	29.02	675.47	119.09	3,31,969.59	554.05	3,33,742.14
Additions during the year	-	3,737.40	-	80.08	-	1,739.03	48.56	5,605.07
Disposal during the year (DR-VI)	-	-	-	-	-	-710.63	-	-710.63
Effect of Foreign currency exchange differences	-	-	-	-	-	1,821.56	-	1,821.56
<b>Balance as on 31-03-2021</b>	<b>35.98</b>	<b>4,096.34</b>	<b>29.02</b>	<b>755.55</b>	<b>119.09</b>	<b>3,34,819.54</b>	<b>602.61</b>	<b>3,40,458.14</b>
Additions during the year	-	8.86	-	(3.51)	-	9,236.32	19.22	9,260.89
Disposal during the year	-	-	-	-	-	(10,940.74)	-	(10,940.74)
Effect of Foreign currency exchange differences	-	-	-	-	-	17.22	-	17.22
Asset Reclassified as held for sale	-	(49.54)	-	-	-	-	-	(49.54)
<b>Balance as on 31-03-2022</b>	<b>35.98</b>	<b>4,055.66</b>	<b>29.02</b>	<b>752.04</b>	<b>119.09</b>	<b>3,33,132.34</b>	<b>621.83</b>	<b>3,38,745.97</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at 01-04-2020</b>	-	<b>278.49</b>	<b>28.44</b>	<b>571.11</b>	<b>119.09</b>	<b>1,66,570.83</b>	<b>537.57</b>	<b>1,68,105.63</b>
Depreciation during the year	-	139.67	-	58.46	-	11,724.23	7.98	11,930.34
Disposal during the year(Dr-VI)	-	-	-	-	-	(10,631.51)	-	(10,631.90)
Asset Reclassified as held for sale	-	-	-	-	-	-696.42	-	-696.42
Balance as at 01-04-2021	-	<b>418.16</b>	<b>28.44</b>	<b>629.57</b>	<b>119.09</b>	<b>1,77,598.64</b>	<b>545.65</b>	<b>1,79,339.55</b>
Depreciation during the year	-	157.60	-	38.49	-	11,812.89	10.98	12,019.96
Disposal during the year(Dr-Aqrs & Tug - VII)	-	-	-	(0.39)	-	(10,631.51)	-	(10,631.90)
Asset Reclassified as held for sale	-	(17.64)	-	-	-	-	-	(17.64)
<b>Balance as on 31-03-2022</b>	<b>35.98</b>	<b>558.12</b>	<b>28.44</b>	<b>667.67</b>	<b>119.09</b>	<b>1,78,780.02</b>	<b>556.63</b>	<b>1,80,709.97</b>

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 (including Spares consumed) incurred for dredgers. Consequently, other than for Dry Dock expenses, the charging of depreciation for component parts was not required. Dry Dock expenses (including Spares consumed) are capitalized to the respective dredger and depreciated over a period of next dry-docking period from the date of capitalization based on IRS Certification.
- The Company has elected not to apply the requirements of Ind AS 116 Leases to Short term leases of all assets that have a lease term of 12 months or less and lease for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

**10a. Ageing of Capital work-in progress.**

Particulars	0 -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
a. Dry dock in progress (Dredger-XV)	1581.43	0.00	0.00	0.00	1581.43
b. Dry dock in progress (Dredge-XX)	1404.97	0.00	0.00	0.00	1404.97
c. Project for E-office	40.14	0.00	0.00	0.00	40.14
<b>Total</b>	<b>3026.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3026.54</b>

	As at March 31, 2022	As at March 31, 2021
<b>11. INVESTMENTS</b>		
<b>Non-Current</b>		
<b>Unquoted Investments (all fully paid) : Refer Note</b>	-	-
<b>Investments in Equity Instruments at FVTPL</b>		
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
<b>Total aggregate unquoted investments</b>	<b>0.00</b>	<b>0.00</b>
<b>Aggregate carrying value of unquoted investments</b>	-	-
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		



	As at March 31, 2022	As at March 31, 2021
consider that the Company is able to exercise significant influence or control over Sethusamudram Corporation Limited.		
b. Investments are carried @₹1.00 in the books of accounts.		

**12. OTHER FINANCIAL ASSETS**

<b>Non-Current</b>		
Security Deposits	50.63	50.61
	<b>50.63</b>	<b>50.61</b>

**13. INVENTORIES**

a) Inventories (lower of cost and realizable value)		
Stock of Spares & Stores	15,665.33	17,210.47
Stock of Spares & Stores In Transit	309.71	-
(Less) Provision for Unserviceable spares	-	(175.92)
	<b>15,975.04</b>	<b>17,034.55</b>

Note:1. The Company follows periodic weighted average cost formula for valuation of Inventory

2. Provision for impairment/Provision for valuation of inventory charged to P&L during the year is NIL (PY.NIL) .

**14. TRADE RECEIVABLE**

<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	20,990.19	20,173.71
(c) Doubtful	9,921.61	10,887.12
Less: Allowance for doubtful debts (expected credit loss allowance)	(9,921.61)	(10,887.12)
	<b>20,990.19</b>	<b>20,173.71</b>

**14.1 Trade Receivable Ageing as on 31-03-2022**

	Less Than 6 Months	6Months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables-Considerd good	11038.68	795.06	292.68	214.98	6583.79	<b>18925.19</b>
Undisputed Trade Receivables-Considered doubtful	89.52	716.05	279.86	1069.21	7766.97	<b>9921.61</b>
Disputed Trade Receivables-Considered good@	953.00	1112.00	0.00	0.00	0.00	<b>2065.00</b>
Disputed Trade Receivables-Considered doubtful	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Total Trade Receivables</b>	<b>12,081.20</b>	<b>2,623.11</b>	<b>572.54</b>	<b>1,284.19</b>	<b>14,350.76</b>	<b>30,911.80</b>

Note:@

The Company (DCIL) carried out maintenance dredging with JNPA in the financial year 2019-20. During the year, DCIL executed part of dredging area on its own and some of the areas were dredged by subcontractor named M/s. International Seaport Dredging Pvt Ltd ( herein after called as ISDPL). DCIL received payments from JNPA as per the rates mentioned in the agreement. However, DCIL released payments to ISDPL as per the agreement between DCIL Vs. ISDPL. As there is difference in between JNPA rates to DCIL and DCIL rates to ISDPL, JNPA started recovering these amounts from subsequent invoices raised by the Company for an amount of Rs.20.65 crores.This amount is grouped under considered good.

<b>15. CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
Current Accounts	6,417.64	295.57
Fixed Deposits	2,943.79	4,511.82
Cash on hand	2.59	-
	<b>9,364.02</b>	<b>4,807.39</b>
<b>Bank balances other than above:</b>		
Earmarked balances with banks	5.66	6.78
Margin money with banks	44.82	44.82
	<b>50.48</b>	<b>51.60</b>

Notes:

- Cash and cash equivalents as at March 31, 2022, include restricted deposits of Rs.2560.00Lakhs (PY Rs. 2690.00 Lakhs), respectively. The restrictions are primarily on account of bank balances held as Bond redemption reserve deposits in Canara bank Rs.1555.00 lakhs (PY Rs.1585.00 lakhs) & for obtaining Standby Letter of credit for Dr-XIX & Dr-XX loan instalments.
- 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.

<b>16 OTHER FINANCIAL ASSETS</b>		
Deposits	3200.33	2932.25





Unbilled Operational Income	8792.98	8680.10
Claims & Other Receivables	1123.70	998.55
Interest Accrued on Deposits & Advances	136.85	161.29
	13253.86	12772.19
Loans to Employees	20.76	38.96
<b>Total</b>	<b>13,274.62</b>	<b>12,811.15</b>

Note:\* Contract asset refers to works executed as on 31-03-2022 as per Contract terms and conditions but not yet billed on customers.  
 @ Paybles to Customers amounting to Rs.1726.92 Lakhs were adjusted by netting off from Other Receivables.

**17 CURRENT TAX ASSETS**

<b>Current tax asset</b>		
Tax Refund receivable	6,338.64	5,600.57
<b>Total</b>	<b>6,338.64</b>	<b>5,600.57</b>

**18 OTHER CURRENT ASSETS**

Advances on Capital Assets	-	-
Advances to Employees	68.71	71.21
Prepaid Expenses	96.04	88.86
Advance to Suppliers	3,347.83	3,383.17
<b>Total</b>	<b>3512.58</b>	<b>3543.24</b>

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

**19 Assets Classified as held for sale**

Residential flats held for sale	31.90	31.90
Ancillary crafts held for sale (TUG-VII)	-	175.01
<b>Total</b>	<b>31.90</b>	<b>206.91</b>

Note:1.Assets Classified as held for sale at lower of carrying amount or NRV.  
 2.TUG VII has been Scrapped during the year for an amount of Rs.158Lakhs.

₹.in Lakhs

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>20 REVENUE FROM OPERATIONS</b>		
a) Operating Income		
Sale of Services (Core)	78,436.49	75,329.63
b) Other Operating Income		
Excess Provision no longer required	1,472.61	1,046.77
<b>Total</b>	<b>79,909.10</b>	<b>76,376.40</b>

**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.

**21. OTHER INCOME**

a) Interest Income on		
Bank Deposits	198.27	244.88
<b>Total</b>	<b>198.27</b>	<b>244.88</b>
b) Other non-operating income (net of expenses directly attributable to such income)		
Interest on Tax Refunds / BG encashment	-	60.48
Interest on Employee advances	1.53	4.73
Rent from office Building & Others	44.77	5.93
<b>Total</b>	<b>46.30</b>	<b>71.14</b>
<b>Total</b>	<b>244.57</b>	<b>316.02</b>

**22 EMPLOYEE BENEFIT EXPENSE**

Salaries and Wages	9,105.93	9,411.93
Contribution to provident and other funds	237.24	550.75
Staff Welfare expenses	133.74	135.30
<b>Total</b>	<b>9,476.91</b>	<b>10,097.98</b>

**23 FINANCE COSTS**

(a) Interest Costs		
Interest on Foreign Currency loans	291.32	842.44
Interest on Non-convertible bonds	413.91	413.91
(b) Interest on Over Draft	359.51	528.15
(c) Exchange differences (Gain)/Loss	36.81	125.77
(d) Other finance Cost		
Bank charges / Guarantee Fees	91.82	81.85
<b>Total</b>	<b>1,193.37</b>	<b>1,992.12</b>

**24 DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of Plant, Property and equipment pertaining to continuing operations	12,019.96	11,930.34
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>12,019.96</b>	<b>11,930.34</b>
Depreciation of Property, plant and equipment pertaining to discontinued operations		
<b>Total depreciation and amortisation expense</b>	<b>12,019.96</b>	<b>11,930.34</b>

**25 OTHER EXPENSES**



Power and Fuel	32565.39	27950.26
Rates & Taxes	4.84	17.84
Rent expense	101.06	65.86
Travelling and Conveyance	254.27	251.00
Provision for bad debts	884.49	3716.42
Written off debts/ provision for other losses	0.00	932.27
Establishment Expenses	102.09	139.81
Consultancy Expenses	27.79	58.37
Pipeline laying / maintenance expenses	48.43	8.50
Other Direct Work Expenses	310.26	439.97
Boat / Tug & Crane hire Charges	410.84	392.27
Legal Adviser Fee & Secretarial Expenses	67.45	56.12
Repairs & Maintenance		
Vessels	654.28	5622.11
Buildings	36.78	203.33
Spares & Stores	3493.13	6939.90
Insurance	647.45	719.12
Miscellaneous operational Expenses	879.55	1593.92
Corporate Social Responsibility	0.00	100.63
Audit Fees and expenses		
a) for Audit	8.00	7.80
b) for Taxation matters	1.00	1.00
<b>Total</b>	<b>40497.10</b>	<b>49216.50</b>

## 25 INCOME TAXES RELATING TO CONTINUING OPERATIONS

### 25.1 Income taxes recognised in the statement of profit and loss

<b>Current tax</b>		
In respect of the current year		
Indian Tax	120.17	182.36
<b>Total</b>	<b>120.17</b>	<b>182.36</b>
<b>Deferred tax</b>		
In respect of the current year	-	-
Total income tax expense recognised in the current year relating to continuing operations- Income Tax computed as per Tonnage Tax Scheme	<b>120.17</b>	<b>182.36</b>

\*The Company had opted for Tonnage tax scheme U/s.115VT of Income Tax Act.Hence,Deferred tax Asset or liability is not been measured and recognised as per Ind AS 12.

**26.2 Income Tax:** 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 recognised Provision for Income Tax for the current year.

#### Basis of applicable tax rates

Normal Tax rate	22%	22%
Surcharge	10%	10%
Health and Education Cess	4%	4%
<b>Applicable Tax Rate</b>	<b>25.17%</b>	<b>25.17%</b>

#### Current Tax Liabilities

Opening Balance	-	-
Add: Current Tax Payables for the year	120.17	182.36
Less: Taxes Paid	120.17	182.36
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

## 27 PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

Profit for the year from continuing operations is attributable to :		
Owners of the Company	341.98	-17,225.57
Non-Controlling interests	-	-
<b>Total</b>	<b>341.98</b>	<b>-17,225.57</b>

## 28 Key Financial Ratios ( All Ratios are in Percentage (%)):

	Numerator	Denominator	Year Ended 31.03.2022	Year Ended 31.03.2021
Current Ratio	(Current Assets)	(Current Liabilities)	86.84%	117.05%
Debt-Equity Ratio	(Long term Debt)	(Total Equity)	20.02%	30.66%
Debt Service coverage ratio	(EBITDA)	(Debt Obligation)	42.83%	-7.30%
Return on Equity Ratio	(PAT)	(Total Equity)	0.24%	-12.35%
Inventory Turnover ratio	(Operational Income)	(Avg.Inventory)	484.16%	438.04%
Trade Receivables Turnover ratio	(Operational Income)	(Avg.Trade Receivables)	388.25%	371.08%
Trade Payables Turnover Ratio	(Operational Income)	(Avg.Trade Payables)	240.10%	262.52%



Net capital Turnover Ratio	(Operational Income)	(Total Equity)	57.06%	54.74%
Net Profit ratio	(Total Comprehensive income)	(Total Income )	0.64%	-21.90%
Return on Capital Employed (ROCE)	(PBIT)	(Capital Employed)	-0.01%	-8.84%
Return on Investment (ROI)	(PBIT)	(Capital investment)	-0.01%	-8.77%
Interest Coverage Ratio	(EBITDA)	(Interest)	1127.67%	-57.18%

**Explanation for change in Ratios more than 25% as compared to previous year:**

- 1.Current Ratio:** The decrease in Current Ratio by 30.20% is mainly on account of increase in current liabilities as Bonds will be repayable on 28-03-2022. Hence, classified under short Term Borrowings in FY2021-22.
- 2.Debt Service Coverage Ratio:** The increase in Debt Service coverage Ratio by 50.13% is mainly on account of increase in EBITDA and reduction in Debt obligations as compared to previous year.
- 3.Inventory Turnover Ratio:** The increase in Inventory Turnover Ratio by 46.12% is mainly on account of increase in Operational income and reduction in Inventory balances during the year as compared to previous year.
- 4.Interest Coverage Ratio :** The increase in Interest Coverage Ratio by 1184.85% is mainly on account of increase in EBITA of Rs.12006.72 lakhs for FY 2021-22 as compared to previous year EBITDA of Rs.-3120.75 Lakhs..

**Note.29 Additional Information on Financial Statements:**

**1 A. Contingent Liabilities: Disclosure As per Ind As 37.**

Particulars	₹. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Claims made against the Company not acknowledged as debts^	18577.55	12088.67
Income Tax Demands received but disputed by the Company	9817.00	5170.00
Service Tax Demands received but disputed by the Company (amount may be increased on account of Interest payables from date of demand to date of payment)	13292.00	13061.00
Estimated amount of contracts remaining to be executed on capital account and not provided for #	77823.18	510.00
Bank Guarantees given by the Company	13234.70	6897.39
<b>Total</b>	<b>132744.43</b>	<b>37727.06</b>

**^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 favour of MLL for an amount of Rs.64.59Cr. 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 25/05/2022. DCI obtained Opinion from senior counsels stating that "we are of the view that DCI has an arguable case that the awards by the Hon'ble Arbitral Tribunal and confirmed by the commercial court in London are against the public policy of India and the same can be resisted from enforcement"

**#it includes**- DCI entered an agreement with M/s.Cochin Shipyard Limited for construction of New TSHD 12000 CUM capacity Dredger for contract value of Rs.765.33Crores as on 31/03/2022.

**B. Contingent Assets:**

Particulars	₹. in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Claims made by the Company	8665.15	8565.15
<b>Total</b>	<b>8665.15</b>	<b>8565.15</b>

**2. Expenditure in foreign currency:**

Particulars	₹. in Lakhs	
	2021-22	2020-21
Travelling	0.00	12.16
Interest	291.32	842.44
Purchase of Spares	3890.48	4635.85
<b>Total</b>	<b>4181.80</b>	<b>5490.45</b>

**3. Value of Imports:**

Particulars	₹. in Lakhs	
	2021-22	2020-21
Components and spare parts (CIF Value)	12136.24	15320.25
Value of imported spares and components consumed	5220.70	6224.09
Value of indigenous spares and components consumed	652.95	749.48
Percentage of imported spares & components consumed to total spares & components consumed	88.88	89.25
Percentage of indigenous spares & components consumed to total spares & components consumed	11.12	10.75

**4. Capital Management:** Disclosure As per Ind AS 107&109 as given below.



**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.

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	Rs. In Lakhs	
	As at 31-03-2022	As at 31-03-2021
Net Debt	27970.77	42,657.65
Total Equity	137235.02	140227.38
Net Debt to Equity Ratios	0.20:1	0.31 : 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:

Particulars	Rs.in Lakhs	
	As at 31-03-2022	As at 31-03-2021
Gross Carrying amount of Trade Receivables	30911.81	31060.83
Less: Provision made for Expected credit losses	(9921.61)	(10887.12)
<b>Net Carrying amount of Trade Receivables.</b>	<b>20990.19</b>	<b>20173.71</b>

#### 2. Reconciliation of provision for Bad Debts:

Particulars	Rs.In Lakhs	
	As at 31-03-2022	
Loss allowance as at 31-03-2020	8766.35	
Change in loss allowance	2120.77	
Loss allowance as at 31-03-2021	10887.12	
Bad debts provided during the year	906.32	
Written off/Withdrawal during the year	(1871.83)	
Loss allowance as at 31-03-2022	9921.61	

#### 3. Reconciliation of provision for unserviceable Spares and stores:

Particulars	As at 31-03-2022	
	Provision for Unserviceable Spares as at 31-03-2020	325.30
Change in loss allowance	(149.38)	
Loss allowance as at 31-03-2021	175.92	
Provision for losses provided during the year	(175.92)	
Provision for Unserviceable Spares as at 31-03-2022	0.00	

#### 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 as 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 recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

A. **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.

Particulars	As at 31-03-2022	As at 31-03-2021
1. Financial Liabilities:		
a. Borrowings	22082.96	36769.86
b. Imported Spares	620.22	179.66
c. Imported Services (Dry Dock expenses)	1997.51	1923.21
<b>Total</b>	<b>24700.69</b>	<b>38872.73</b>

**6. Financial Instruments:**

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

SN	Particulars	(Rs.In Lakhs)	
		As at March 31, 2022	As at March 31, 2021
	<b>Financial Assets</b>		
<b>1.</b>	<b>Measured at FVTOCI</b>		
	Investment in equity instruments designated upon initial recognition	0.00	0.00
<b>2.</b>	<b>Measured at amortised cost:</b>		
	Deposits (including security deposits)	3200.33	2932.25
	Unbilled Operational Income	8792.98	8680.10
	Claims & Other Receivables	2850.62	2725.47
	Advances	3416.54	3454.38
	Loans to Employees	20.76	38.96
	Trade Receivable	20990.19	20173.71
	Cash and Bank balances	9414.50	4858.99
	<b>Financial Liabilities</b>		
<b>3</b>	<b>Measured at amortised cost:</b>		
	Bonds / Debentures	5887.80	5887.80
	Term Loans (including current maturities)	22082.97	36769.86
	Trade Payable	37515.88	29140.58

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.

SN	Particulars	As at March 31, 2022	As at March 31, 2021
	<b>Assets: Investment in equity instruments (M/s Sethusamudram)</b>		
1.	Carrying Value	0.00	0.00
	Designated as Fair Value Through OCI on initial recognition	0.00	0.00
	<b>Total Fair Value</b>	<b>0.00</b>	<b>0.00</b>
2.	<b>Liabilities: Term Loans</b>		
	Carrying Value	21395.58	36059.50
	Impact on account of Effective Interest Rate	687.39	710.36
	<b>Total Fair Value</b>	<b>22082.97</b>	<b>36769.86</b>

**7. Fair Value Measurements:**

**I. Fair value hierarchy:**

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).

**II. Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

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

**III. Valuation processes**

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

**8. Asset Pledged as Security:**

Particulars	Notes	As at	As at
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		March 31, 2022	March 31, 2021
<b>Non Current Assets:</b>	(9)	126412.03	133945.38
a. Property, Plant and Equipment			
<b>Total Assets pledged as security</b>		<b>126412.03</b>	<b>133945.38</b>

**9. Earnings per Share:**

**Earnings for Share after OCI:**

Particulars	2021-22	2020-21
Total Comprehensive for the period	516.34	(16797.02)
No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Basic EPS	1.84	(59.99)
Diluted No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Diluted EPS	1.84	(59.99)

**Earnings for Share before OCI:**

Particulars	2021-22	2020-21
Profit for the year	341.97	(17225.57)
No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Basic EPS	1.22	(61.52)
Diluted No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Diluted EPS	1.22	(61.52)

**10. Sethusamudram Dues (SCL):** 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 Rs. 136.72 Crs to DCI. Out of the said amount, an amount of Rs. 70.88Crs 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. Exceptional Income:** During the year, company sold Dr-Acquires and TUG VII as scrap and the same was recognised in Profit and loss account under exceptional income.

Particulars	Sale proceeds	Net Book Value	Profit (Loss)
DR Aquarius	1850.00	164.25	1685.75
TUG VII	158.00	175.00	-17.00
<b>Total</b>	<b>2008.00</b>	<b>339.25</b>	<b>1668.75</b>

**12. Disclosure on the Ind As 8/Prior Period Restatements:** Prior period errors in respect of short consumption of stores Rs.(802.92)Lakhs/Reversal of excess liability of creditors of Rs.94.23laks and Short depreciation of Rs.(15.87) Lakhs are related to earlier years now restated Rs.(692.82)Lakhs to opening reserves of retained earnings under other equity.(Ref.Note.2.2)

**13. Impact on account of Change in accounting policy:**

The company had changed it's Accounting policy to give better presentation of financial statements.

The impact of change of Accounting Policies with regard to dry dock expenditure and inventories (Stores and lubricants) considered on prospective basis from the current accounting period instead of retrospective basis due to impracticable to retrieve the data for earlier year.

- As per revised policy the Dry dock expenses an amount of Rs.40.50 Crore were capitalized and Rs.12.55Crore of depreciation charged to revenue during this year. Net impact on Current year PAT is Rs.27.95 Crore was high on account of revised policy or otherwise current year Profit after Tax would have been lowered by Rs.27.95 Crore.
- As per revised policy the Stores and lubes are charged to revenue on actual consumption basis. Hence, an amount of Rs.7.63Crore was shown in inventory or otherwise current year Profit after Tax would have been lowered by Rs.7.63Crore.
- Due to changes in above accounting policies, the current year profit impact was high to the amount of Rs.35.58 Crore.

**14. Confirmations/Reconciliation of outstanding balance of trade payables, other payables and advances to suppliers are subject to confirmation/reconciliation and the same is under process.**

**15. Letters for confirmation of balance from customers has been sent as on 31-03-2022 and no Confirmations received from customers as on date.**

**16. Revenue from Contract with customers:** The revenue from contracts with customers to the amounts disclosed as total revenue is as under:

Particulars	₹.In lakhs	
	As on 31-03-2022	As on 31-03-2021
Revenue from contracts with Customers	78436.49	75329.63
Revenue from Other Sources	1472.61	1046.77
<b>Total Revenue from Operations</b>	<b>79909.10</b>	<b>76376.40</b>

**Revenue Recognition**

₹.Lakhs

Particulars	31-03-2022			31-03-2021		
	At Point in Time	At Point Over Time	Total	At Point in Time	At Point Over Time	Total
Revenue from Customers	0.00	78436.49	78436.49	0.00	75329.63	75329.63
<b>Total Revenue</b>			<b>78436.49</b>			<b>75329.63</b>

**Contract Asset:**

₹.Lakhs



Particulars	31-03-2022	31-03-2021
Opening Balance of Contract Asset	8680.01	11986.03
Opening Balance reclassified as Trade Receivable in current period	(9637.75)	(11986.03)
Current year Contract Asset - Carried Forward	9750.72	8680.01
<b>Closing Balance of Contract Asset</b>	<b>8792.98</b>	<b>8680.01</b>

**Contract Liability:**

₹.Lakhs

Particulars	31-03-2022	31-03-2021
Opening Balance of Contract Liability	0.00	1000.00
Revenue recognised from opening balance of Contract Liability	0.00	(1000.00)
Current year Contract Liability - Carried Forward	74.88	0.00
<b>Closing Balance of Contract Liability</b>	<b>74.88</b>	<b>0.00</b>

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in Para 3(d) of Note No.23.Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the subsequent financial years. There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Trade receivables as disclosed in note no 13 includes contract balances.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services. The Company generates revenue from dredging activities. Revenue from dredging and chartering of vessel is recognised over time, which is determined on a percentage of completion method. The Company has recognised revenue over a period of time basis following output method. Since, the Company can track the progress toward completion of the contract by measuring quantity dredged to quantity relative to total estimated quantity needed to satisfy the performance obligation, the percentage of dredging completion method/ straight-line basis over the period of the charter i.e. output method provide a faithful depiction of transfer of goods or services.

**17. Key Managerial Personnel:**

Directors: Dr.GYV.Victor., Managing Director (Suspension w.e.f 13.07.2022)

Chief General Manager (Operations): Capt.S.Divakar,

Company Secretary: Shri.Aswini SreekanthKadiyala (Suspension w.e.f 04.07.2022)

Chief Financial Officer: Shri, D.Subbarao

**Total Salary &Benefits: Rs.138.09lakhs (PY. Rs.197.53 lakhs)**

The payment of Managerial remunerations are in compliance with Schedule V & Section 197 of the Companies act, 2013..

**18. Related Party Disclosures:**

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

Qualitative Inputs	DCIL provides dredging services to these four port Authorities on an ongoing basis, and has in its Board a nominee of each of the Port Trusts. All the transactions have been on arm's length basis.
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S.No	Party	Largest Single Transaction during the year	Transactions during the year	Outstanding Balance as on 31-03-2022
1	Visakhapatnam Port Authority	427.68 (PY 509.78)	536.26 (PY.1146.06)	186.21 (PY 654.36)
2	Paradip Port Authority	2468.36 (PY 1362.78)	14748.24 (PY.11377.70)	1293.20 (PY.121.00)
3	Jawaharlal Nehru Port Authority	11053.29 (PY 6614.90)	22632.43 (PY.25139.68)	6359.97 (PY 5350.36)
4	Deendayal Port Authority	0.00 (PY 0.00)	0.00 (PY 0.00)	0.00 (PY 0.00)

**19. ADDITIONAL REGULATORY INFORMATION:**

- Title deeds of all Immovable Properties are held on the name of the company;
- The Company has not made revaluation of its Property, Plant and Equipments during the year.
- Company has not granted any loan or Advance to Promoters, Directors , KMP and related parties:



- d) There is no Benami Property held on the name of the company as on 31-03-2022.
- e) Company is not declared as wilful defaulter by any bank or financial institutions or lenders during the year..
- f) Relation with Stuck off Companies: Company is not made any transactions with companies stuck off under section 248 of the Companies Act, 2013.
- g) Company has not Traded or Invested in Crypto currency or Virtual currency during the financial year 2021-22.
- h) The Company does not have multiple layers of investments. hence, Restriction of number of layers Rules 2017 is not applicable.
- i) There are no charges or satisfaction yet to be registered with Register of Companies beyond the statutory period as on 31-03-2022.
- j) Undisclosed/unrecorded income has not been surrendered or disclosed as income during the year in the tax assessments as per Income tax Act,1961.

**20. Corporate Social Responsibility (CSR):** The Company covered under section 135 of the Companies Act, 2013 and details are given below.

- A. 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**
- B. Average net profit of the company as per section135 (5): **₹-5494.94Lakhs**
- C.

Two percent of average net profit of the company as per section 135(5):	<b>₹ -109.90Lakhs</b>
Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	<b>NIL</b>
Amount required to be set off for the financial year, if any:	<b>NIL</b>
Total CSR obligation for the financial year	<b>NIL</b>

D. i) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2022. (in Rs Lakhs)	Amount Unspent (In Rs. Lakhs)		Amount transferred to any fund specified under Schedule VII as per second proviso to section135 (5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
0	Nil	NA	NA	Nil	NA

- ii) Details of CSR amount spent against on going projects for the financial year: **Nil**
- iii) Details of CSR amount spent against other than on going projects for the financial year: **Nil**
- iv) Amount spent in Administrative Overheads: **Nil**
- v) Amount spent on Impact Assessment, if applicable: **Not applicable**
- vi) Total amount spent for the Financial Year is : **Nil**
- vii) 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 section135(5)	(109.90)Lakhs
(ii)	Total amount spent for the Financial Year	0.00
(iii)	Excess amount spent for the financial year[(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	81.66Lakhs
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	81.66Lakhs

- E. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not applicable**
- F. 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 2021-22 through CSR Spend**
- G. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section135(5): **Not applicable**

**21. GENERAL**

- a) The Company is engaged in the business of dredging and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments".
- b) Income Tax appeals are pending for the Assessment years 2008-09 to 2018-19 before the Honourable High Court and Income Tax Authorities.
- c) The Company filed an appeal and an application for stay before the Customs, Excise and Service Tax Appellate Tribunal against Commissionrates Orders confirming recovery of Rs.13292 Lakhs including interest and penalty towards irregular Cenvat credit availed during the period from June, 2005 to June, 2017. 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.

**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
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	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 Benefit Scheme	Represents benefits given to employees subsequent to retirement on the happening of any unforeseen event resulting in medical costs to the employee

**2. Details of Defined contribution plans:** The Company offers to its employee's defined Contribution plans in the form Provident fund ,Post Retirement Medical pain 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/s 17 of the Employees Provident Fund and Miscellaneous Provisions Act,1952. As per the Conditions for grant of exemption, the Company shall make good the deficiency if any, in the interest rate declared by the trust as against the statutory rate declared by Gov.
ii. Post Retirement Medical Scheme (new w.e.f.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 and the same is being funded by DCI with NPS.

Defined benefit plans – As per Actuarial valuation on 31st March, 2022						
Particulars	Funded Plan		Unfunded plan			
	Gratuity		Leave (Shore)		Leave (Floating)	
	2022	2021	2022	2021	2022	2021
<b>la. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:</b>						
1. Current service cost	82.50	91.00	186.67	192.85	58.98	64.42
2. Past Service Credit	142.00	-	-	-	-	-
3. Interest cost	85.53	-	-	-	-	-
<b>lb. Included in other Comprehensive Income</b>						
1. Return on plan assets	32.93	36.42	-	-	-	-
2. Actuarial (Gain)/Loss on account of :	-	-	-	-	-	-
- Demographic Assumptions	-	-	-	-	-	-
- Financial Assumptions	-30.45	12.72	-20.65	7.87	-0.71	0.25
- Experience Adjustments	117.09	-41.64	-185.19	-326.00	-59.14	-68.80
3. Others (specify)	-	-	-	-	-	-
Total Actuarial Gain/Loss	86.62	-28.91	-205.84	-318.12	-59.85	-68.55
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:						
Service Cost:						
Current Service Cost	82.50	91.00	186.67	192.85	58.98	64.42
Past service cost and (gains)/losses from settlements	142.00	-	-	-	-	-
Net interest expense	47.88	84.00	43.79	49.80	1.69	1.82
Components of defined benefit costs recognised in profit or loss	<b>272.38</b>	<b>175.00</b>	<b>230.46</b>	<b>242.65</b>	<b>60.67</b>	<b>66.24</b>
<b>Re-measurement on the net defined benefit liability</b>						
Return on plan assets (excluding amount included in net interest expense)	-4.71	13.96	-	-	-	-
Actuarial gains and loss arising from changes in financial assumptions	-30.45	-28.91	-205.84	-318.12	-59.85	-68.55
Actuarial gains and loss arising from experience adjustments	117.09	-	-	-	-	-
Others (describe)	-	-	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-	-	-	-	-
<b>Total</b>	<b>81.93</b>	<b>-14.95</b>	<b>-205.84</b>	<b>-318.12</b>	<b>-59.85</b>	<b>-68.55</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March</b>						
1. Present value of defined benefit obligation as at 31st March	1482.07	1346.54	676.69	749.00	27.98	28.80



2. Fair value of plan assets as at 31st March	997.77	630.00	-	-	-	-
<b>3. Surplus/(Deficit)</b>	<b>-484.30</b>	<b>-716.54</b>	<b>676.69</b>	<b>749.00</b>	<b>-27.98</b>	<b>28.80</b>
4. Current portion of the above	202.00	219.00	105.61	118.71	1.99	4.18
5. Noncurrent portion of the above	1280.07	1127.54	571.08	630.29	25.99	24.62
<b>Total</b>	<b>1482.07</b>	<b>1347.00</b>	<b>676.69</b>	<b>749.00</b>	<b>27.98</b>	<b>30.80</b>
<b>II. Change in the obligation during the year ended 31st March</b>						
1. Present value of defined benefit obligation at the beginning of the year	1346.54	1433.00	749.11	27.98	31.11	-
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	-	-	-	-	-	-
<b>3. Expenses Recognised in Profit and Loss Account</b>						
- Current Service Cost	82.50	91.00	186.67	192.85	58.98	64.42
- Past Service Cost	142.00	-	-	-	-	-
- Interest Expense (Income)	85.53	84.00	43.79	49.80	1.69	1.82
<b>4. Recognised in Other Comprehensive Income</b>						
Re-measurement gains / (losses)						
- Actuarial Gain (Loss) arising from:	86.62	-28.91	-205.84	-318.12	-59.85	-68.55
i. Demographic Assumptions	-	-	-	-	-	-
ii. Financial Assumptions	-30.45	-	-	-	-	-
iii. Experience Adjustments	117.09	-	-	-	-	-
5. Benefit payments	-261.20	-231.84	-	-	-	-
7. Present value of defined benefit obligation at the end of the year	<b>1482.07</b>	<b>1346.54</b>	<b>676.69</b>	<b>749.11</b>	<b>27.98</b>	<b>31.11</b>
<b>III. Change in fair value of assets during the year ended 31st March:</b>						
1. Fair value of plan assets at the beginning of the year	630.00	440.00	-	-	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-0.43	-	-	-	-
<b>3. Expenses Recognised in Profit and Loss Account</b>						
- Expected return on plan assets	32.93	36.42	-	-	-	-
<b>4. Recognised in Other Comprehensive Income</b>						
-Remeasurement gains / (losses)						
- Actual Return on plan assets in excess of the expected return	33.00	-	-	-	-	-
5. Contributions by employer (including benefit payments recoverable)	596.00	385.61	-	-	-	-
6. Benefit payments	-261.20	-231.84	-	-	-	-
7. Fair value of plan assets at the end of the year	<b>997.77</b>	<b>-630.00</b>	-	-	-	-
<b>IV. The Major categories of plan assets :</b>						
1. Fixed Deposits and Bank Balance (Including Accrued Interest)	886.99	625.44	-	-	-	-
2. Mutual Funds	110.78	17.36	-	-	-	-
<b>V. Actuarial assumptions</b>						
1. Discount rate	6.86%	6.35%	6.86%	6.35%	6.86%	6.35%
2. Expected rate of return on plan assets	6.86%	6.35%	6.86%	6.35%	6.86%	6.35%
3. Attrition rate	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%
4. Medical premium inflation	-	-	-	-	-	-
<b>VII. Effect of one percentage point change in the assumed medical inflation rate</b>						
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
1. Effect on the aggregate service and interest cost of post-employment medical benefits	-	-	-	-	-	-
2. Effect on the accumulated post employment medical benefits obligation	-	-	-	-	-	-
<b>VIII. Gratuity Experience Adjustments period ended:</b>						
<b>Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>



1. Defined Benefit Obligation(PVO)	1482.07	1346.54	1432.14	1342.85	1400.58	1482.07
2. Fair value of plan assets	997.77	630.00	440.24	761.62	945.84	997.77
3. Surplus/(Deficit)	-484.30	-716.54	-991.90	-581.23	-454.74	-484.30
5. Experience adjustment on plan assets [Gain/(Loss)]	-4.71	13.97	-43.60	47.43	10.58	-4.71

- Figures have been rounded off to decimals of Lakhs.(except share data and otherwise stated)
- Figures for the previous year have been re-grouped/reclassified wherever necessary to conform to current year classification/groupings.

### 23. 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, 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.
- 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.
- Claims preferred on customers for works/items not contemplated are considered as income on their acceptance.
- Revenue Income is recognised in the Statement of Profit and Loss when:**
  - The income generating activities have been carried out on the basis of a binding agreement
  - The income can be measured reliably
  - It is probable that the economic benefits associated with the transaction will flow to the Company
  - Costs relating to the transaction can be measured reliably

Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services. Revenue is recognised when or as performance obligations are satisfied by transferring the promised goods or services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

**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) 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.

- d) 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.

**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: The expenditure incurred on account of dry-dock of vessels (along with spares consumed) will be capitalised to Property, Plant and Equipment and will be depreciated over a period from the date of dry dock completion to the next due date of docking survey as certified by IRS.
- e. Items of Fixed Assets whose cost does not exceed Rs.5,000/- (Rupees five thousand) are capitalized and depreciated 100% during the year.
- f. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related assets.

**8. BORROWING COSTS:**

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

**9. FOREIGN CURRENCY TRANSACTIONS:**

- a) Transactions in foreign currency are recorded at exchange rates prevailing at the dates of the transactions. As per the notification issued by the Ministry of Corporate Affairs Government of India 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 monetary items. The Company has accordingly aligned its accounting policy based on the above notification. Exchange differences arising out of fluctuation in



exchange rates on settlement/restatement at the period end are accounted based on the nature of transaction as under:

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

**10. INVENTORIES:**

- a. Stock of spares and stores is valued at lower of Periodic weighted average cost or 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/fuel/lubricants delivered to crafts are charged to revenue as and when consumed at respective crafts.

**11. FINANCIAL INSTRUMENTS:**

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

**11.1. Initial Recognition:**

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

**12. EMPLOYEE BENEFITS:**

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

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

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

**14. TAX EXPENSES:**

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

For and on behalf of Board of Directors

  
(K.Rama Mohana Rao, IAS)  
Chairman

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

As per our Report of Even Date  
For Rao & Kumar & Co  
Chartered Accountants  
Firm Regn. No. 003089S

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

  
(K. Aswini Sreekanth)  
Company Secretary

  
(CA. Anirban Pal)  
Partner  
Membership no. 214919  
UDIN:22214919AJWXPE3958

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DREDGING CORPORATION OF INDIA LIMITED

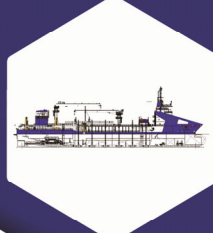
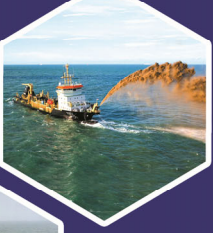


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2021-22

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