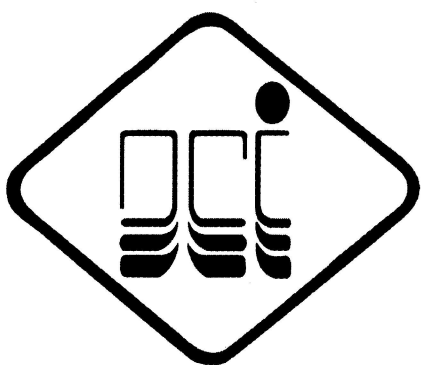


# DREDGING CORPORATION OF INDIA LTD.

*(A Government of India Undertaking)*

*(A Mini Ratna Company)*

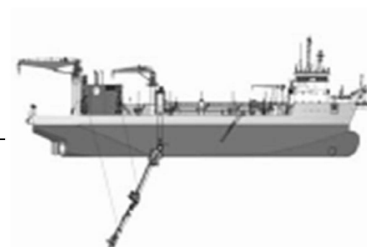


**40<sup>TH</sup>**

***ANNUAL REPORT***

***2015 - 2016***

 *Life line for Ports* 



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#### **REGISTERED OFFICE**

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

Phone : 011 22448528 Fax : 011 22448527

**CIN NO. L29222DL1976GOI008129**

**e-mail : sreekanth@dcil.co.in**

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

#### **HEAD OFFICE**

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

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

##### **BOARD OF DIRECTORS**

Shri Rajesh Tripathi  
Chairman and Managing Director & CEO  
Shri S.Charles  
Director (Finance) & CFO  
Shri M S Rao  
Director (Operations & Technical)  
(from 01/06/2015)  
Shri Barun Mitra  
Shri B.Poiyaamozhi  
Ms.Sheila Sangwan  
(from 23/03/2016)  
Dr.(Ms.)Vrushali Rajendra Waghmare  
(from 23/03/2016)

##### **COMPANY SECRETARY & COMPLIANCE OFFICER**

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

##### **BANKERS**

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

##### **STATUTORY AUDITORS**

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

##### **REGISTRARS & TRANSFER AGENT**

##### **KARVY COMPUTERSHARE PRIVATE LIMITED**

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda,  
Hyderabad - 500 032.

Tel. Nos.: (040) 67162222 ;

Fax No.: (040) 23001153

E-mail Address : einward.ris@karvy.com

For Hindi Version of the 40<sup>th</sup> Annual Report 2015-16  
please write/ e-mail to the Company Secretary giving  
the Folio No. / DP ID & Client ID.

**NOTICE**

**NOTICE** is hereby given that the 40<sup>th</sup> Annual General Meeting of the members of Dredging Corporation of India Limited will be held at 1000 hrs on Friday, the 30<sup>th</sup> September, 2016 in Conference hall, Core-2, Scope Minar, Plot No.2A & 2B, Laxminagar District Center, Delhi - 110092 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance sheet as at 31st March, 2016, the Statement of Profit and Loss Account for the year ended 31st March, 2016 together with the Reports of the Auditors and Directors thereon.
2. To declare dividend @ ₹3.00/- per Equity Share of ₹10/- each for the financial year 2015-16.
3. To appoint a Director in place of Shri S.Charles (07063274) who retires by rotation and is eligible for re-appointment.
4. To pass with or without modification, the following resolution as ordinary resolution for payment of remuneration to Statutory Auditors :

**"RESOLVED THAT** pursuant to Section 142 (1) of the Companies Act, 2013, the remuneration of the Statutory Auditors of the Company, Tukaram & Co., Chartered Accountants, appointed by Comptroller and Auditor General of India be and is hereby fixed at ₹3.50 lakh (rupees three lakh and fifty thousand only) plus service tax as applicable for the year 2015-2016.

**SPECIAL BUSINESS**

5. To appoint Ms. Sheila Sangwan (DIN:01857875) as Director of the Company.  
To consider and if thought fit to pass with or without modifications, the following resolution as an ordinary resolution:  
**RESOLVED THAT** Ms. Sheila Sangwan (DIN:01857875) who was appointed as an Additional Director of the Company by the Board of Directors effective from 23/03/2016 pursuant to the provisions of section 161(1) of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from her under section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a period of three years from the date of appointment on the Board (i.e 23/03/2016) or until further orders from Government of India, whichever is earlier, in terms of Ministry of Shipping letter no. SS-11012/05/2014-SY.II dated 21/03/2016 and is not liable to retire by rotation.
6. To appoint Dr. (Ms.) Vrushali Rajendra Waghmare (DIN:07479570) as Director of the Company.  
To consider and if thought fit to pass with or without modifications, the following resolution as an ordinary resolution:  
**"RESOLVED THAT** Dr. (Ms.) Vrushali Rajendra Waghmare (DIN:07479570) who was appointed as an Additional Director of the Company by the Board of Directors effective from 23/03/2016 pursuant to the provisions of section 161(1) of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from her under section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a period of three years from the date of appointment on the Board (i.e 23/03/2016) or until further orders from Government of India, whichever is earlier, in terms of Ministry of Shipping letter no. SS-11012/05/2014-SY.II dated 21/03/2016 and is not liable to retire by rotation.

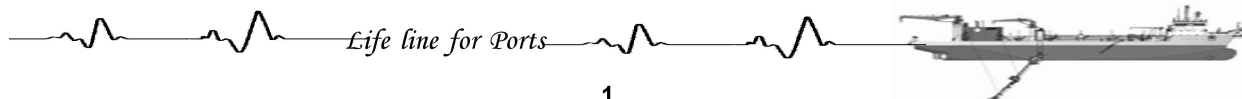
By Order of the Board of Directors

Place : Visakhapatnam  
Dated : 26/08/2016

(K.Aswini Sreekanth)  
Company Secretary

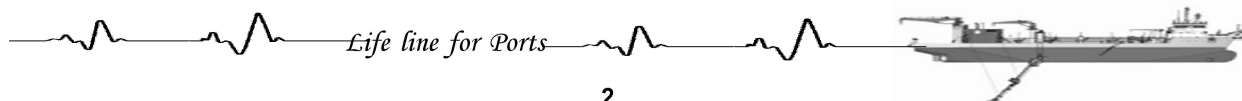
**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY SO APPOINTED NEED NOT NECESSARILY BE A MEMBER OF THE COMPANY.**  
Proxies in order to be valid and effective, must be delivered at the Registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting.  
As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting along with brief resume etc., of the Directors being appointed/re-appointed as required as per SEBI(LODR) Regulations 2015 is annexed hereto.
3. Members / Proxies / Authorised Representatives are requested to bring the attendance slip duly filled and signed along with copy of Annual Report to the meeting.
4. The Annual Report duly circulated to the members of the Company, is also available on the Company's Website at [www.dredge-india.com](http://www.dredge-india.com).
5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday, between 10:30 a.m. and 12:30 p.m. up to the date of the Annual General Meeting.
6. The Register of members and Share Transfer Books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September 2016 (both days inclusive) for the purpose of ascertaining the eligibility of members for payment of





- dividend. The dividend payable on Equity Shares, if approved by the members, will be paid to those members whose names appear on the Company's Register of members and as per beneficial owner's position received from NSDL & CDSL as at the close of working hours on Friday, 23<sup>rd</sup> September, 2016.
- 7 Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), M/s Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Tel. Nos.: (040) 67162222 ; Fax No.: (040) 23001153 ; E-mail Address : einward.ris@karvy.com
  - 8 Reserve Bank of India has initiated NECS (National Electronic Clearing System) facility for credit of dividend directly to the bank account of the members. Hence, members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR code & 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant i.e., the agency where the demat account has been opened and in respect of shares held in physical form with the RTA or at the registered office of the Company.
  - 9 Members may send their requests for change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
    - i) For shares held in dematerialised form - to their respective Depository Participant.
    - ii) For shares held in physical form - to the RTA, M/s Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company.
  - 10 Non-Resident Indian members are requested to inform the RTA, M/s Karvy Computershare Private Limited, Hyderabad immediately about:
    - i) Change in their residential status on return to India for permanent settlement.
    - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  - 11 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
  - 12 Pursuant to the provisions of Section 205A and 205C of the erstwhile Companies Act, 1956 and Section 124 & 125 of the Companies Act, 2013, the Company has transferred all unpaid dividend declared upto the financial year 2007-08 to Investor Education & Protection Fund (IEPF) established by the Central Government. Upon completion of 7 years, the Company would transfer the unclaimed / unpaid dividend for the financial year 2008-09 in October, 2016. The dividend for the financial year 2009-10 and thereafter, which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates. The members, who have not encashed their dividend warrant so far, for the financial years 2007-08 to 2014-15 (except for the years 2010-11 & 2011-12 for which dividend was not declared) may write to the RTA, M/s. Karvy Computershare Private Limited, Hyderabad or at the registered office of the Company for claiming the unpaid dividend.
  - 13 Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report, he may send a request to the Company Secretary at the registered office of the Company or to the RTA at the address given above. Those members who have not registered their email ID are requested to write to the RTA / their Depository Participant for registering the same.
  - 14 In terms of Section 108 of Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing the facility to its members to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.
  15. **The cut-off date to be eligible to vote is Friday, 23<sup>rd</sup> September, 2016.**
  - 16 Facility for E-Voting : Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
    - By email to those members whose email ID is registered with the Company / Depository Participant.
    - By post to those members whose email ID is not registered with the Company / Depository Participant.
  17. The instructions and other information relating to e-voting are as under:
    - A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
      - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
      - ii) Enter the login credentials (i.e., User ID and password sent by e-mail ). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
      - iii) After entering these details appropriately, Click on "LOGIN".
      - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
      - v) You need to login again with the new credentials.
      - vi) On successful login, the system will prompt you to select the "EVENT" i.e., (name of the Company).
      - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.



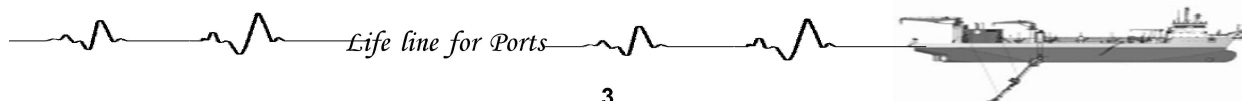


- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: sgsdel@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- xiii) In case a person has to become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 23<sup>rd</sup> September, 2016, may write to the Karvy on the email Id: evoting@karvy.com or to Ms.C.Shobha Anand, Contact No. 040-33215424, at Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, [Unit: DREDGING CORPORATION OF INDIA LIMITED] requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:
  - i) User ID and initial password as provided.
  - ii) Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (A) above, to cast your vote.
- C. The remote e-voting period commences on Tuesday, the 27<sup>th</sup> September, 2016 at 09:30 A.M. and ends on Thursday, the 29<sup>th</sup> September, 2016, at 5.00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday, 23<sup>rd</sup> September, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
- E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Friday, 23<sup>rd</sup> September, 2016.
- F. The Company has appointed Shri D.P.Gupta of SGS Associates, Practising Company Secretary (Membership No.-F2411) as a Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- G. Facility for voting through ballot paper would also be made available at the AGM venue. Members who cast their votes electronically should not vote through ballot paper. However, in case a member votes electronically as well as through ballot paper, the vote cast through ballot paper will be ignored.
- H. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, allow voting by use of ballot or polling paper for all those members who are present at the General Meeting but have not cast their vote electronically using the remote e-voting facility.
- I. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against if any, to the Chairman of the Company or such other officer authorized by the Chairman.
- J. The Results on resolutions shall be declared within 2 days of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- K. The results of voting along with the Scrutinizer's Report(s) thereon would be available on the website of the Company ([www.dredge-india.com](http://www.dredge-india.com)) and on Service Provider's website (<https://evoting.karvy.com>) immediately after the declaration of the results and would also be communicated simultaneously to the Stock Exchanges where the shares of the Company are listed.
- 17. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Karvy Computershare Private Limited. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
- 18. It is to be noted that no gift will be distributed at the meeting.

By Order of the Board of Directors

Place : Visakhapatnam  
Dated : 26/08/2016

(K.Aswini Sreekanth)  
Company Secretary





## ANNEXURE TO NOTICE

**BRIEF RESUME OF DIRECTORS BEING APPOINTED/ RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (for item nos. 3.5 & 6) AND STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013 (for item nos. 5 & 6)**

**Item No. 3 –**

**Shri S.Charles** (DIN: 07063274), aged 54 years (DOB :13/04/1961) was appointed as Director (Finance) of the Company vide Ministry Letter No. SS-28012/02/2013-DCI dt. 22/12/2014. He took charge on 26/12/14. Pursuant to the provisions of the Companies Act, 2013, he was appointed as Director by the Members in the previous AGM held on 30/09/2015 as Director liable to retire by rotation and is now to be retired and being eligible offers himself for re-appointment.

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

**Educational & Professional qualification:**

B.Sc., Member- ICAI, ICSI

**Details of Directorships in other Companies :**

1

Sethusamudram Corporation Limited

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

Nil

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

Nil

**Relationship between Directors interse:**

None

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

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

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

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

**Item No. 5 –**

**Ms. Sheila Sangwan** (DIN: 01857875), aged 63 Yrs (DOB : 04/09/1953) was appointed as Part-time non-official Director (independent director) on the Board of the Company vide Ministry Letter No. :SS-11012/05/2014-SU.II dated 21st March 2016. The effective date of appointment is 23rd March 2016 pursuant to her appointment as Additional Director on the Board of the Company pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office upto the date of this AGM. The Company has received a notice in writing from her under section 160 of the Companies Act, 2013 intending to be appointed as Independent Director of the Company.

Ms. Sangwan was a member of the Indian Revenue Service (Customs and Central Excise) and former Member (Central Board of Excise & Custom), Ex-officio Special Secretary, Department of Revenue, Ministry of Finance. She has a distinguished career spanning 37 years in the government service with diverse exposure ranging across tax administration, policy formulation, implementation, general administration and finance. Ms. Sangwan is the recipient of "Presidential Award" for Specially Distinguished record of Service.

**Educational & Professional qualification:**

Masters (Economics), Masters (Public Administration), Bachelor (Law)

**Details of Directorships in other Companies**

8

JSW Energy Limited

Raj West Power Limited

Jaigad Power Transco Limited

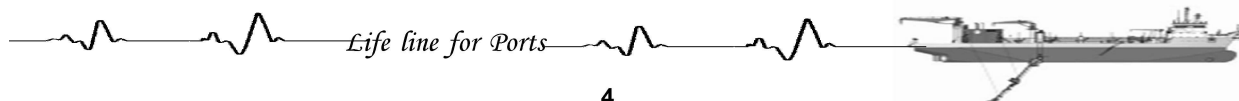
JSW Energy (Raigarh) Limited

Barmer Lignite Mining Company Limited

Himachal Baspa Power Company Limited

JSW IP Holdings Private Limited

Indian Rare Earths Limited



**Membership/Chairmanship in Committees**

Name of the Company	Audit Committee	Stake Holder Relationship Committee
<b>Dredging Corporation of India Limited</b>	<b>Chairman</b>	<b>Chairman</b>
JSW Energy Limited	Member	-
Raj West Power Limited	Chairman	-
Jaigad Power Transco Limited	Member	-
JSW Energy (Raigarh) Limited	Member	-
Barmer Lignite Mining Company Limited	Member	-
Himachal Baspa Power Company Limited	Chairman	-
JSW IP Holdings Private Limited	-	-
Indian Rare Earths Limited	Member	-

The membership/chairmanship of committee is considered only for Audit Committee and Stakeholders Relationship Committee.

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

Nil

**Relationship between Directors interse**

None

She will be not be liable to retire by rotation under Section 152 of the Companies Act, 2013.

The tenure of appointment will be for a period three years from the date appointment on the Board (i.e 23/03/2016) or until further orders from Government of India, whiever is earlier in terms of Ministry of Shipping, Letter no. SS-11012/05/2014-SY.II dated 21/03/2016. Other terms and conditions regulating her appointment is determined by Government of India.

Ms.Sangwan 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 herself, is in any way concerned or interested, financially or otherwise in the resolution.

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

**Item No. 6 –**

**Dr. (Ms.) Vrushali Rajendra Waghmare (DIN:07479570)**, aged 54 Yrs., (DOB: 31/03/1962) was appointed as Part-time non-official Director (independent director) on the Board of the Company vide Ministry Letter No. :SS-11012/05/2014-SU.II dated 21st March 2016. The effective date of appointment is 23rd March 2016 pursuant to her appointment as Additional Director on the Board of the Company pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 and holds office upto the date of this AGM. The Company has received a notice in writing from her under section 160 of the Companies Act, 2013 intending to be appointed as Independent Director of the Company.

Dr.Waghmare has more than 30 years experience as a social activist in various Government and Non- Government organisations. She is also a Member various Committees for education, health and social upliftment.

**Educational & Professional qualification:**

Ph.D (Political Science)

**Details of Directorships in other Companies :**

Nil

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

Nil

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

Nil

**Relationship between Directors interse:**

None

She will be not be liable to retire by rotation under Section 152 of the Companies Act, 2013.

The tenure of appointment will be for a period three years from the date appointment on the Board (i.e 23/03/2016) or until further orders from Government of India, whiever is earlier in terms of Ministry of Shipping, Letter no. SS-11012/05/2014-SY.II dated 21/03/2016. Other terms and conditions regulating her appointment is determined by Government of India.

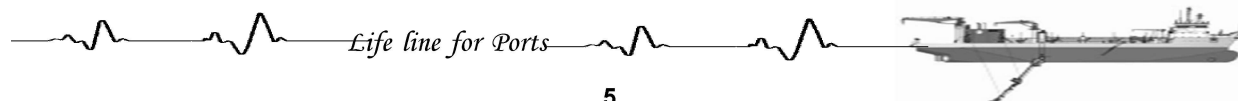
Ms.Waghmare is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. None of the Directors and Key Managerial Personnel or their relatives, except the appointee herself, is in any way concerned or interested, financially or otherwise in the resolution.

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

**By Order of the Board of Directors**

Place : Visakhapatnam  
Dated : 26/08/2016

(K.Aswini Sreekanth)  
Company Secretary



**DIRECTORS' REPORT FOR THE YEAR 2015-16**

Your Directors have pleasure in presenting this 40<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS**

The Profit after tax of the Company for the year 2015-16 increased to ₹7966.80 lakh as compared to ₹6240.84 lakh for the previous year.

The Company's earning per share for the year 2015-16 also increased to ₹28.45 as compared to ₹22.29 for the previous year. The operational income of the Company for the year is ₹66585.89 lakh as compared to ₹73496.05 lakh for the previous year. The other income for the year is ₹1036.27 lakh as compared to ₹883.25 lakh for the previous year. The total income for the year is ₹67622.16 lakh as compared to ₹74379.30 lakh for the previous year.

**DIVIDEND**

Keeping in view the financial performance of the Company and other relevant considerations, your Directors have recommended payment of dividend @ 30% on the paid up capital of the company i.e ₹3 per equity share amounting to ₹840 lakh for the year 2015-16. A sum of ₹800.00 lakh has been transferred to General Reserves during the year ended 31/03/2016.

**CAPACITY UTILISATION**

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

	Target	Actual	% Utilisation
No. of Days	2850	2587	91%
Quantity (Mln. Cu.M)	72	68	94%

**CAPACITY ADDITIONS**

DCI MUTLICAT an ancillary vessel has been added to the fleet of DCI.

DCI has further placed order for an inland cutter suction dredger which will join the fleet very shortly. This would facilitate the Company to take up inland dredging works once again after a long gap.

In continuation of the steps taken for capacity augmentation of its core dredging activity, the Detailed Project Report is being prepared for higher capacity trailing suction hopper dredger.

The Company is also planning to take up refurbishment of the existing aged Dredgers so as to enhance their life as well as their efficiency.

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

**DCI FLEET**

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

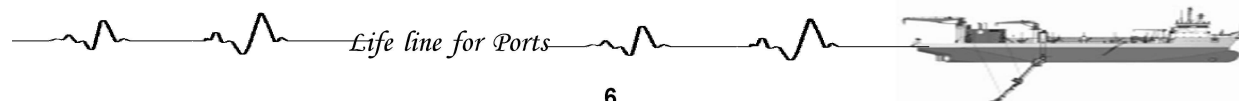
Craft	Year of Built	Hopper Capacity (Cu.M)	Pumping Capacity (Cu.M/hr)
<b>Trailer suction Hopper Dredger (TSHD)</b>			
DCI Dredge VI	1975	3770	-
DCI Dredge VIII	1977	6500	-
DCI Dredge IX	1984	4500	-
DCI Dredge XI	1986	4500	-
DCI Dredge XII	1990	4500	-
DCI Dredge XIV	1991	4500	-
DCI Dredge XV	1999	7400	-
DCI Dredge XVI	2000	7400	-
DCI Dredge XVII	2001	7400	-
DCI Dredge XIX	2012	5500	-
DCI Dredge XX	2013	5500	-
DCI Dredge XXI	2013	5500	-
<b>Cutter suction Hopper Dredger (CSD)</b>			
DCI Dredge VII	1976	-	1000
DCI Dredge Aquarius	1977	-	3500
DCI Dredge-XVIII	2009	-	2000
<b>Back- Hoe Dredger</b>			
DCI Dredge-BH1	2011	-	-

**DREDGING OPERATIONS**

The Company is catering to the dredging requirements of the Haldia/ Kolkata Port for the past thirty years. The Company also caters to the maintenance dredging requirements of other major ports/ India Navy etc. The Company is taking up capital dredging assignments depending on the availability of the vessels and other logistic requirements.

During the year under review, maintenance dredging contracts were executed for Kolkata Port, Haldia, Kandla, Cochin Port Trust, Ernakulam, RGPPL-Dabhol and NST and its approaches of VPT. Capital Dredging Contracts were executed at Kandla Port, Kamarajar Port and Visakhapatnam Port.

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





**MEMORANDUM OF UNDERSTANDING**

The Company has signed Memorandum of Understanding (MOU) with Government of India for the year 2015-16. The Company is expecting a rating of "Very Good" for 2015-16.

**DISINVESTMENT BY GOVERNMENT OF INDIA.**

The Government of India has disinvested 5% of the paid up share capital i.e 14 lakhs shares during August 2015 through OFS mechanism of Stock Exchanges. After the disinvestment, the shareholding of Government of India in the Company is 73.56%.

**SAFETY MANAGEMENT SYSTEM (ISM)**

- (a) All dredgers (except DCI Multicat-01, Dr. VII, Dr. XVIII and Tug- VII) of DCI hold valid Safety Management Certificates (SMC).
- (b) DCI holds a Document of compliance (DOC) valid till 24-06-2017. The same is being endorsed every year after annual verification audit by DG Shipping.

**SHIP SECURITY SYSTEM (ISPS)**

All dredgers (except DCI Multicat-01, Dr. VII, Dr. XVIII and Tug - VII) of DCI hold valid International Ship Security Certificates (ISSC).

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

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

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

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

**MEMBERS/INVESTOR SERVICES**

The shares of the Company are listed on Mumbai, Kolkata and National Stock Exchanges. The shares of the Company are dematerialised with both the depositories, NSDL and CDSL. The tax free bonds are listed with the Stock Exchange, Mumbai. M/s. Karvy Computershare Private Limited, Hyderabad are the R & T Agents of the Company.

M/s **CATALYST TRUSTEESHIP LIMITED (formerly GDA Trusteeship Ltd.,)** Pune is the Trustee for the Tax free bonds issued in the year 2013-14.

**THE REQUIRED PARTICULARS ETC., PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT 2013 ARE AS UNDER:-**

- a) The extract of the Annual Return as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 in form no. MGT - 9 is placed as Annexure - 1.
- b) Number of meetings of the Board :- Seven Board Meetings were held during the financial year 2015-16. Further details are provided in the Corporate Governance Report.
- c) Directors' Responsibility Statement :- Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors state that :
  - (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with a proper explanation relating to material departures;
  - (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
  - (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
  - (iv) the Directors had prepared the Annual Accounts on a going concern basis; and
  - (v) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
  - (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- d) Statement on declaration by the independent directors under section 149 (6):- During the year 2015-16, w.e.f 23<sup>rd</sup> March, 2016 two independent directors were appointed. Both the independent directors have submitted the required declaration under section 149(6)
- e) The Directors of the Company are appointed by Government of India as per the norms pertaining to qualifications etc., prescribed by Government of India. The whole time directors are paid remuneration as prescribed by Government of India from time to time. The Independent directors are paid only sitting fees of ₹10000/- for attending each meeting of the board or committee thereof and are not paid any other remuneration. The Part-time official (Government) Directors are not paid any remuneration by the Company. The Key Management personnel are paid as per the norms fixed by the department of public enterprises from time to time. The Company has constituted Nomination and Remuneration committee as per Section 178 consisting of two Independent Directors and One part-time official Director.
- f) Explanations or comments by the Board on every qualifications, reservation or adverse remark or disclaimer made :-

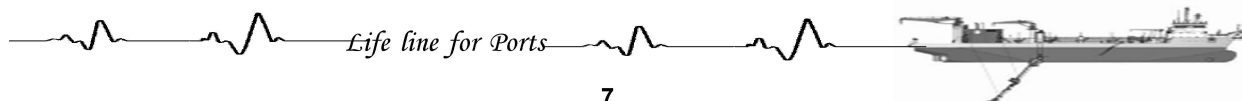
**(A) THE INDEPENDENT AUDITORS IN THEIR REPORT FOR 2015-16 HAVE STATED AS UNDER:-****EMPHASIS OF MATTERS:**

We draw attention to the following matters in the Notes to the financial statements. Our opinion is not qualified in respect of this matter.

**a) Componentization: (Refer note No. V of the financial statements)**

As per note 4 of Schedule II to the Companies Act, 2013 -"Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately."

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





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

b) We draw attention to the Note No VI of the financial statements, where in the Company has made investments in Equity shares amounting to ₹3,000 lakhs in Sethusamudram Corporation Limited (SCL), a Special Purpose Vehicle that was incorporated on 06.1.2004 for developing the Sethusamudram Channel Project. The dredging work at Palk Strait was suspended from 16-07-2009. Since the Balance sheet as on 31<sup>st</sup> March 2015 of Sethusamudram Corporation Limited (SCL) is showing positive net worth, Management does not consider any diminution in the value of the investment.

c) Trade Receivables includes ₹11,433.18 lakhs receivable from M/s Sethusamudram Corporation Ltd. (SCL) which is pending for more than 3 years. Out of the above, Company has provided for doubtful debts to the extent of ₹3019.27 lakhs. The company is of the view that an amount of ₹30897.00 lakhs will be reimbursed by GOI (at whose behest the contract with SCL was entered) to DCI to compensate the actual expenditure incurred on this project. In view of this, a provision for doubtful debts is not made in respect of receivables in this regard amounting to ₹8413.91 lakhs.

d) The balances of sundry debtors, creditors, loans and advances, other receivable and other payables being subject to confirmation and reconciliation resulting in the balances as per books of account not verified by us.

**Management's Reply to Emphasis of Matter:** The above emphasis of matters at Sl.(a), (b) and (c) include the views of the management on the same. With regard balance of sundry debtors etc., at Sl.No. (d) above it is stated that confirmation for some of the amounts, particularly with regard to sundry debtors due from various ports etc., for the works executed by DCI and/or bills raised for the same, are to be received.

**(B) THE COMPANY SECRETARY IN PRACTICE IN THE SECRETARIAL AUDIT REPORT FOR 2015-16 STATED AS UNDER:-**  
**QUOTE**

"We further report that the Board of Directors of the Company is not properly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors."

**UNQUOTE**

**Management's Reply :** The Company is a Government of India Undertaking and as per the Articles of Association of the Company, the Directors are to be appointed by the President of India. At present there are three vacancies in the posts of independent directors. The company has taken up the issue for filling up the vacancies with the administrative Ministry - Ministry of Shipping and the same is under consideration by them.

- g) particulars of loans, guarantees or investment under Section 186 :- Details of investment given under the respective head in the financial statement:- The Company has not given any loans or guarantees.
- h) particulars of contracts or arrangements with related parties referred to in Section 188 (1) :- The Company has no contracts or arrangements with related parties referred to in Section 188 (1). In terms of Accounting Standard 18 (Revised-2014), no disclosure is required in the financial statements of State controlled enterprise (An enterprise which is under the control of the Central Government and/or State Government) as regards related party relationships with other State controlled enterprises and transactions with such enterprises. The related party transactions of DCI for the year 2015-16 are mainly with other State controlled enterprises. During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the stated Accounting standard. As such disclosure under Form AOC-2 of Companies (Accounts) Rules 2014 is "NIL".
- (i) the state of the company's affairs :- This has been explained elsewhere in this report.
- (j) the amounts, if any, which it proposes to carry to any reserves: The following amounts have been transferred to different reserves during the year:-
- |   |   |             |
|---|---|-------------|
| a) Tonnage Tax Reserve u/s 115VT of the IT Act. | - | ₹2020 Lakhs |
| b) Transfer to General Reserve                  | - | ₹800 Lakhs  |
| c) Transfer to Debenture Redemption Reserve     | - | ₹600 Lakhs. |
- (k) the amount, if any, which it recommends should be paid by way of dividend: stated elsewhere in this report
- (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report: Nil
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo:
- i) Conservation of energy : The following measures have been taken:
- All the dredgers in DCI fleet are installed with sophisticated and state-of-the art instrumentation like Differential Global Positioning System (DGPS) and Draft Volume Load Monitoring (DVLM) system to facilitate efficient dredging with potential energy saving.
  - While procuring new dredgers, fuel efficient design with advanced technology is selected. Online Fuel monitoring system is being installed on the vessels for monitoring and control of fuel consumption.
  - Continuous efforts are being made to optimise the fuel consumption on board dredgers as cost of fuel constitutes approximately 40% of operational cost.
- ii) Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the year.
- iii) Foreign Exchange earnings and outgo: (₹In Lakhs)
- |  |          |
|--|----------|
| 1) Foreign Exchange Earnings :                       | 0.00     |
| 2) Foreign Exchange outgo:                           |          |
| a) Import of components and spares (CIF value)       | 5265.75  |
| b) Payment of interest on foreign currency loan      | 2043.02  |
| c) Repayment of installment of foreign currency loan | 12062.84 |

