



ड्रेजिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
(भारत सरकार का उपक्रम)

DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

IN : L29222DL1976GOI008129

प्रधान कार्यालय : "निकर्षण सदन", पत्तन क्षेत्र, विशाखपट्टणम-530 035

HEAD OFFICE : "Dredge House", Port Area, Visakhapatnam-530 035

फैक्स Fax : 0891-2560581/2565920, दूरभाष Phone : 0891-2523250



DCI/CS/SE/2016/

01/10/2016

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|--|
| Corporate Relationship Department, Bombay Stock Exchange Ltd. 1 st Floor, New Trading Ring, Rotunda Building, Phiroze, Jeejeebhoy Towers Dalal Street, Fort, Mumbai –400001 |
| The Manager , Listing Department, The National Stock Exchange of India Ltd. Exchange Plaza, Bandra (E), Mumbai – 400051 |
| The Secretary, The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata – 700001 |

Dear Sir,

Sub : Submission of Annual Report for 2015-16

Pursuant to the provisions of Regulation 34 of the SEBI (LODR) Regulations for please find attached the Annual Report for 2015-16 duly approved by the Members at the 40th AGM of the company held on 30/9/16.

2. Please take the same on record.

Thanking You,

Yours Faithfully

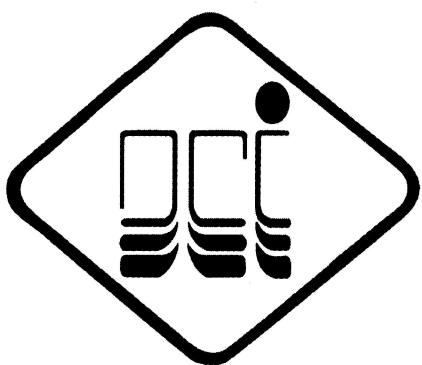
For Dredging Corporation of India Limited,

(K Aswini Sreekanth)
Company Secretary

DREDGING CORPORATION OF INDIA LTD.

(A Government of India Undertaking)

(A Mini Ratna Company)



40TH ANNUAL REPORT 2015 - 2016

 *Life line for Ports* 



| Sl No. | CONTENT | Page Nos. |
|---------------|--|--------------------|
| 1. | Board of Directors etc. | Inside front Cover |
| 2. | Notice | 1 |
| | Notes to Notice | 1 |
| | Statement under Section 102 | 4 |
| 3. | Directors' Report for the year 2015-16 | 6 |
| | Enclosure - A - CEO & CFO Certification | 12 |
| | Annexure - I - Extract of Annual Return-MGT- 9 | 12 |
| | Annexure- II- CSR Report | 17 |
| | Secretarial audit Report | 18 |
| | Corporate Governance Report | 20 |
| | Corporate Governance Certificate | 27 |
| | Management Discussion and Analysis Report | 28 |
| 4. | Independent Auditors' Report | 32 |
| 5. | Comments of the Comptroller and Auditor General of India. | 36 |
| 6. | Annual Accounts | |
| | i) Balance Sheet as at 31 st March, 2016 | 37 |
| | ii) Statement of Profit and Loss for the year ended 31 st March, 2016 | 38 |
| | iii) Notes I to XVIII | 39-48 |
| | iv) Cash flow Statement for the year ended 31 st March, 2016 | 49 |
| 7. | Proxy Form - MGT- 11 | |
| 8. | Attendance Slip | |
| 9. | Location Map for AGM Venue | |

REGISTERED OFFICE

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

Phone : 011 22448528 Fax : 011 22448527

CIN NO. 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 40th 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 40th Annual General Meeting of the members of Dredging Corporation of India Limited will be held at 1000 hrs on Friday, the 30th 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.

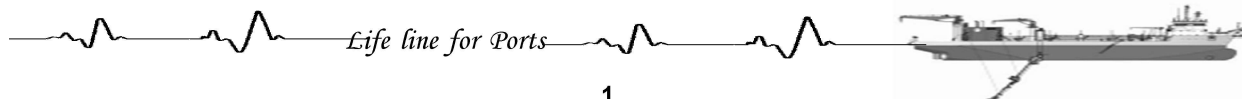
By Order of the Board of Directors

Place : Visakhapatnam
Dated : 26/08/2016

(K.Aswini Sreekanth)
Company Secretary

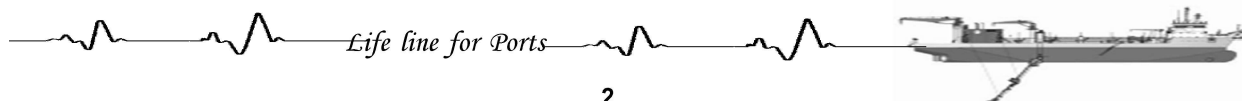
NOTES

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.
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, 24th September, 2016 to Friday, 30th 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, 23rd 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, 23rd 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.



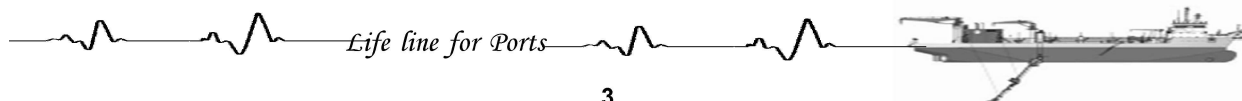


- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- 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. 23rd 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 27th September, 2016 at 09:30 A.M. and ends on Thursday, the 29th 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, 23rd 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, 23rd 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) 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

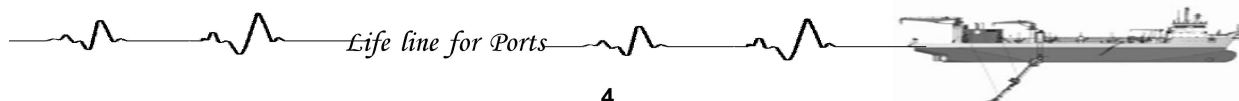
JSW Energy (Raigarh) Limited

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 |
|--|-----------------|-------------------------------------|
| Dredging Corporation of India Limited | Chairman | Chairman |
| 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, whoever 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, whoever 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.

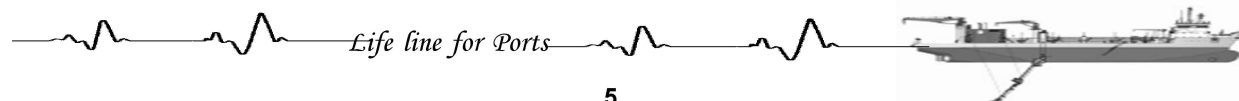
Ms.Waghmare is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. None of the Directors and Key Managerial Personnel or their relatives, except the appointee herself, is in any way concerned or interested, financially or otherwise in the resolution.

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 40th Annual Report together with the audited accounts of the Company for the year ended 31st 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: -

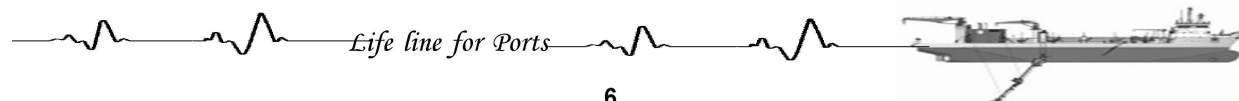
| Craft | Year of Built | Hopper Capacity (Cu.M) | Pumping Capacity (Cu.M/hr) |
|--|---------------|------------------------|----------------------------|
| Trailer suction Hopper Dredger (TSHD) | | | |
| DCI Dredge VI | 1975 | 3770 | - |
| DCI Dredge VIII | 1977 | 6500 | - |
| DCI Dredge IX | 1984 | 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 | - |
| Cutter suction Hopper Dredger (CSD) | | | |
| DCI Dredge VII | 1976 | - | 1000 |
| DCI Dredge Aquarius | 1977 | - | 3500 |
| DCI Dredge-XVIII | 2009 | - | 2000 |
| Back- Hoe Dredger | | | |
| 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 14th 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 14th September' 2018. The EMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

MEMBERS/INVESTOR SERVICES

The shares of the Company are listed on 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 23rd 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 :-

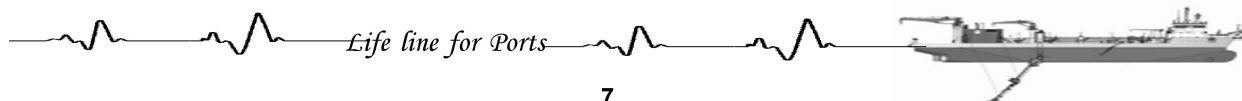
(A) THE INDEPENDENT AUDITORS IN THEIR REPORT FOR 2015-16 HAVE STATED AS UNDER:-**EMPHASIS OF MATTERS:**

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 31st 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.

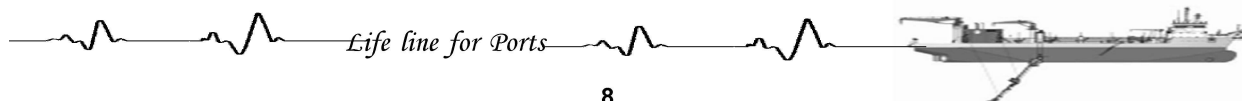
(B) THE COMPANY SECRETARY IN PRACTICE IN THE SECRETARIAL AUDIT REPORT FOR 2015-16 STATED AS UNDER:-
QUOTE

"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 |





- d) Foreign travel 11.50 19383.11
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company:
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.
- (o) 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 2015-16, the amount to be spent under CSR as per Companies Act is ₹83.86 lakhs. The Company has spent ₹120.50 lakhs during the year and including the rolled over amount to next year of ₹47.91 lakhs it aggregates to ₹168.41 lakhs. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure -II
- (p) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;
The Board of Directors of the Company are appointed by Government of India. The administrative Ministry – Ministry of Shipping reviews the performance of the Company on regular basis. The performance reports of the whole time directors are reviewed by the Ministry on Annual basis.

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

As per Notification No. GSR 463(E) dated 5/6/2015 issued by 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

VENDOR DEVELOPMENT

This is a continuous process and DCI procures spares and stores on a regular basis from suppliers spread all over the world. DCI is updating the supplier-base continually.

R & D ACTIVITIES

Online fuel monitoring system is being installed on our vessels for having continuous monitoring and control of the consumption of fuel.

IMPORT SUBSTITUTION

As part of import substitution, the Company has signed agreement with another PSU for design, manufacture and supply of the spare parts indigenously.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the DPE Guidelines and SEBI (LODR) Regulations, Management Discussion and Analysis Report, Corporate Governance Report and Certificate from the Company Secretary in practice regarding compliance of conditions of Corporate Governance are attached, forming part of this Report.

MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31st March, 2016 was 523, as against 566 during the previous year.

EMPLOYMENT OF VARIOUS RESERVED CATEGORIES:

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

A. Employment of SC/ST Candidates

The Corporation continued its efforts to fulfill its obligation in providing employment opportunities to SC/ST candidates, in accordance with the Government Policy. The overall representation of SC/STs in the Corporation (both Shore and Floating Establishments, but excluding MPWs) as on 31st March, 2016 is as under:-

| Sl. No. | Shore/ Floating Establishment | Total | SC | % | ST | % | Prescribed % SC | % ST |
|---------|-------------------------------|-------|----|-------|----|------|-----------------|------|
| 1 | Shore | 324 | 59 | 18.20 | 21 | 6.48 | 16.66 | 7.5 |
| 2 | Floating | 199 | 28 | 14.07 | 9 | 4.52 | 16.66 | 7.5 |

B. Employment of Ex-Servicemen

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

C. Employment of Physically Handicapped

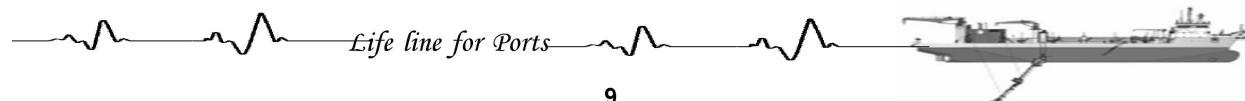
The number of physically handicapped employees in the Corporation as on 31st March, 2016 is 8 (Eight), the group-wise break-up A, B, C & D is as furnished hereunder:-

| Group | Total Strength | No. of persons with disabilities actually Employed | Percentage with reference to identified posts |
|-------|----------------|--|---|
| A | 183 | 05 | 2.73 |
| B | 41 | 01 | 2.43 |
| C | 85 | 02 | 2.35 |
| D | 15 | Nil | Nil |
| Total | 324 | 08 | 2.46 |

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

D. Employment of women

The number of women employees on Rolls as on 31st March, 2016 is 52 as against 53 as on 31st March, 2015. Out of them number of executives is 19 and Non-Executives is 33.



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

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

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

EXISTING BENEFITS AND WELFARE MEASURES FOR THE WOMEN EMPLOYEES :

- i) The women employees in the Corporation are entitled to 180 days of Maternity Leave.
- ii) Special Casual leave not exceeding 14 working days is sanctioned to regular women employees of the Corporation to undergo non-puerperal sterilisation.
- iii) One day special casual leave is allowed to the regular women employees of the Corporation who had IUD insertions.
- iv) Basing on Apex Court's judgement and keeping in view the Government instructions on Sexual harassment of Women at work places, a Complaints Committee headed by a Woman Officer was constituted to inquire into the complaints of Sexual Harassment at work places. A Complaints Register is also being maintained.
- v) DCI is a Life Member of the Forum for Women in Public Sector and one 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.
- vi) As a welfare measure, a Rest Room is provided exclusively for the women employees.
- vii) Working uniforms are provided to Group'D' women employees, as per the scales prescribed in the Rules.
- viii) The women employees of DCI are sponsored to various in-house and also external training programmes. 47 women employees had undergone training during the year 2015-16.
- xi) Women's Day was celebrated on 08.03.2016 in DCI.

WAGE SETTLEMENTS**A. FLOATING ESTABLISHMENT :**

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

B. SHORE ESTABLISHMENT:

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

INDUSTRIAL RELATIONS:

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

WELFARE MEASURES:

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

HUMAN RESOURCES DEVELOPMENT

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

- i) During the year 2015-16, 252 employees were trained in various training programmes.
- ii) During the year 2015-16, 15 DCCP Apprentice Trainees and 10 Industrial Trainees were inducted for training for a period of 12 months.

IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

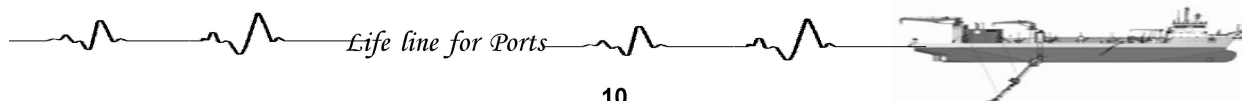
As per the Directives of the Government of India, the Corporation implemented the Right to Information Act, 2005 w.e.f. 12.10.2005, and made all required infrastructural arrangements such as appointment of Public Information Officers, Asst. Public Information Officers and Appellate Authority; set-up of procedure and submission of periodical reports on the progress of implementation of the Act. A register is maintained for monitoring the requests from public seeking information and the replies by the concerned are also being co-ordinated. Required periodical reports on the implementation of RTI/ Status of RTI replies are being furnished to the Ministry, CIC from time to time.

ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL :

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

INFORMATION & FACILITATION COUNTER

In order to ensure transparency in the functioning of the Corporation and also for easy and speedy access for any information to the public, an Information and Facilitation Counter (IFC) has been set up at DCI Head Office, Visakhapatnam and the same is notified in the web-site also.



**PROGRESSIVE USE OF HINDI**

The Corporation continued its efforts to implement the Official Language Policy of the Government, an Incentive Scheme to award cash prizes, etc., is in vogue in the Corporation and employees trained under in-service training in Hindi and qualified in various examinations conducted thereunder are being awarded cash awards.

Hindi week was celebrated during September, 2015. Three Hindi workshops were conducted for employees to impart working skills in drafting & noting in Hindi, and in UNICODE Hindi Typing, operation of Bilingual softwares etc., One Hindi Seminar on the Problems and Solutions in the Implementation of Official Language in South India was conducted on 24.12.2015 and employees from CGOs, PSUs located at Visakhapatnam participated in the above OL Seminar. Several programs in Hindi were conducted during the year.

Computerization of forms / correspondence and reports in Hindi, was implemented in various departments. Several formats, PF Statements, letter-heads, visiting cards, banners and other items of stationery are printed / made bilingual and the same are made available on the computers. Web-site information was also updated in Hindi. Unicode was installed in various functional Departments.

Issue of Office Orders / Circulars, Reports submitted to Government and Parliamentary Committees was ensured in bilingual. ISM Policy, ISM Code, all ISM Manuals, Safety Instructions, etc., were translated into Hindi. Correspondence in Hindi was extended to some more areas of work - such as, RTI and Public Grievances etc., The officers of the Corporation actively participated in the meetings and activities of the Town Official Language Implementation Committee, Visakhapatnam during the year.

CITIZEN'S CHARTER

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

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

CHANGE IN ACCOUNTING POLICY

A new Accounting Policy for accounting for post retirement medical and pensions benefits has been included pursuant to the approval for post retirement medical and pension schemes by administrative Ministry. The effect on profits for the year due to the introduction of the policy has been disclosed in Note No. XIII to the Financial results.

ACTIVITIES OF VIGILANCE DEPARTMENT

During the year 2015-16, the Vigilance department has taken significant measures to integrate its activities with other departments of the Corporation and provide a pro-active orientation to interface it with managerial process. As a part of the same, periodic, surprise and CTE type inspections have been carried out and systemic deficiencies and irregularities noticed have been communicated to concerned departments for necessary action.

Systematic improvements were suggested in recruitment procedure, disposal of unserviceable equipment and scrap and deduction of statutory taxes from bills of contractors.

Vigilance Awareness week was observed during 26th October 2015 to 31st October, 2015. In association with Visakhapatnam Port Trust DCI organized a panel discussion on the topic "Prevention of Corruption is first step in National Development" in the Visakhapatnam public library. For creating and spreading awareness on corruption and its ill effects among the general public awareness walk was organized by DCI on 31st October, 2015 at R.K Beach Road, Visakhapatnam. A special edition of vigilance bulletin "Alert" was released by CMD.

Leveraging technology, E-Publishing/ E-procurement: the company has made 42 procurements through E-procurement system of NIC as on 31.03.2016. Many E-initiatives have been followed by the Company throughout the year.

STATUTORY AUDITORS

M/s Tukaram & Co., Chartered Accountants, Hyderabad were appointed by the Comptroller and Auditor General of India as Statutory Auditors for auditing the accounts of the Company for the financial year 2015-16. Pursuant to Section 142 (1) of the Companies Act, 2013 the remuneration of the Auditors has to be approved by the Members at the AGM. The Board recommends the remuneration of ₹3.50 lakhs plus service tax as applicable for the year 2015-16 for approval of the Members at this AGM.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2015-16 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.

SECRETARIAL AUDIT REPORT

The report of the Secretarial Auditors - M/s P.N.Rao & Co. pursuant to Section 204 of the Companies Act, 2013 and Rules made thereunder is placed after the Director's Report. The comments/ replies of the management of the qualification of the Secretarial auditor has been given elsewhere in this report.

C&AG COMMENTS

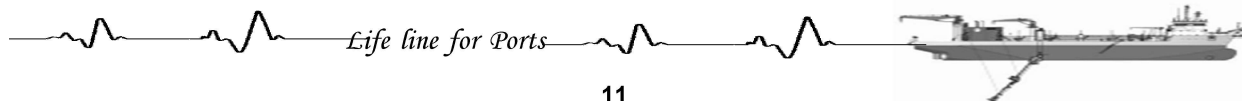
The Comptroller and Auditor General of India has issued "NIL" Comments on the Accounts of the Company for the year ended 31st March, 2016 and the same are placed next to the Statutory Auditor's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the Articles of Association of the Company, all the Directors are appointed by the President of India as communicated through the administrative Ministry - Ministry of Shipping.

Ministry of Shipping vide its letter dated 21/03/2016 communicated appointment of Ms. Sheila Sangwan and Dr. Ms. Vrushali Rajendra Waghmare as Non-official Part-time Directors of the Company. The above two directors have taken over charge w.e.f. 23/03/2016. The formal appointment of these two Directors is being proposed in this meeting.

It is also proposed to retire and re-appoint Shri S.Charles, Director (Finance) in this meeting





The directors recommend for approval of the Members the above appointments/ re-appointment.

ACKNOWLEDGEMENTS

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

The 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

Place : Visakhapatnam

Date : 26/08/2016

RAJESH TRIPATHI

CHAIRMAN AND MANAGING DIRECTOR

Enclosure - A

CEO & CFO CERTIFICATION

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

- (a) We have reviewed financial statements and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Board (in the absence of Audit Committee), deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Board (in the absence of Audit Committee):
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There has been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.


Rajesh Tripathi
Chairman and Managing Director & CEO
New Delhi, 30/05/2016


S.Charles
Director (Finance) & CFO

ANNEXURE-I

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2016, pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|--|
| i | CIN | L29222DL1976GOI008129 |
| ii | Registration Date | 29/03/1976 |
| iii | Name of the Company | DREDGING CORPORATION OF INDIA LIMITED |
| iv | Category/Sub-category of the Company | A Public Sector Undertaking (Government Company) |
| v | Address of the Registered office & contact details | CORE-2, FIRST FLOOR, SCOPE MINAR, PLOT NO. 2A & 2B, LAXMINAGAR DISTRICT CENTRE, DELHI - 110092. PH: 01122448528 |
| vi | Whether listed company | YES |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/S. KARVY COMPUTERSHARE PVT. LTD, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone no. 040 44655000e-mail : einward.ris@karvy.com |

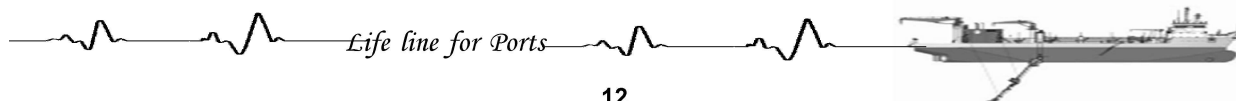
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SL No | Name & Description of main | NIC Code of the Product /service products/services | % to total turnover of the company |
|-------|----------------------------|--|------------------------------------|
| 1 | DREDGING | 63012 | 98.81 |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|-------------------------------|---------|-------------------------------|------------------|--------------------|
| 1 | NIL | NIL | NIL | NIL | NIL |





IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | |
|--|---|-------------|-----------------|-------------------|---|-------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total Shares | % Change during the year |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | | 0 | 0 | 0 | | 0 | 0 | 0 | 0.00 |
| b) Central Govt.or State Govt. | 21997700 | 0 | 21997700 | 78.56 | 20597700 | 0 | 20597700 | 73.56 | -6.36 |
| c) Bodies Corporates | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL:(A) (1) | 21997700 | 0 | 21997700 | 78.56 | 20597700 | 0 | 20597700 | 73.56 | -6.36 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter | | | | | | | | | |
| (A)= (A)(1)+(A)(2) | 21997700 | 0 | 21997700 | 78.56 | 20597700 | 0 | 20597700 | 73.56 | -6.36 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 373577 | 0 | 373577 | 1.33 | 135448 | 0 | 135448 | 0.48 | -63.74 |
| b) Banks/FI | 908035 | 0 | 908035 | 3.24 | 1037869 | 0 | 1037869 | 3.71 | 14.30 |
| C) Cenntral govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 1457791 | 0 | 1457791 | 5.21 | 2451209 | 0 | 2451209 | 8.75 | 68.15 |
| g) FIIS | 172798 | 0 | 172798 | 0.62 | 108786 | 0 | 108786 | 0.39 | -37.04 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (B)(1): | 2912201 | 0 | 2912201 | 10.40 | 3733312 | 0 | 3733312 | 13.33 | 28.20 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | 519530 | 100 | 519630 | 1.86 | 587425 | 100 | 587525 | 2.10 | 13.07 |
| i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital upto ₹1 lakhs | 2396823 | 3230 | 2400053 | 8.57 | 2884817 | 3497 | 2888314 | 10.32 | 20.34 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs | 53416 | 0 | 53416 | 0.19 | 60000 | 0 | 60000 | 0.21 | 12.33 |
| c) Others (specify) | | | | | | | | | |
| NRIS | 62960 | 0 | 62960 | 0.22 | 86378 | 0 | 86378 | 0.31 | 37.20 |
| Clearing Members | 30761 | 0 | 30761 | 0.11 | 23502 | 0 | 23502 | 0.08 | -23.60 |
| Trusts | 23279 | 0 | 23279 | 0.08 | 23269 | 0 | 23269 | 0.08 | -0.04 |
| SUB TOTAL (B)(2): | 3086769 | 3330 | 3090099 | 11.04 | 3665391 | 3597 | 3668988 | 13.10 | 18.73 |
| Total Public Shareholding | | | | | | | | | |
| (B)= (B)(1)+(B)(2) | 5998970 | 3330 | 6002300 | 21.44 | 7398703 | 3597 | 7402300 | 26.44 | 23.32 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 27996670 | 3330 | 28000000 | 100.00 | 27996403 | 3597 | 28000000 | 100.00 | 0.00 |


(ii) SHARE HOLDING OF PROMOTERS

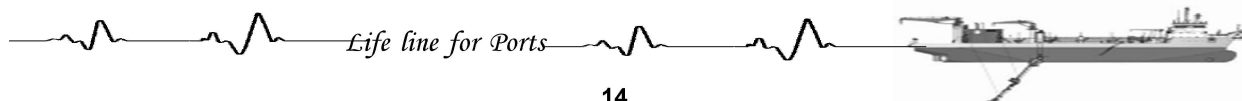
| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--------------------|---|-------------------|--|-------------------------------------|-------------------|--|--|
| | | NO of shares | % of total shares | % of shares pledged of the company to total shares | NO of shares | % of total shares | % of shares pledged of the company to total shares | |
| 1 | President of India | 21997700 | 78.56 | 0 | 20597700 | 73.56 | 0 | -6.36 |
| | Total | 21997700 | 78.56 | 0 | 20597700 | 73.56 | 0 | -6.36 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

| Sl. No. | | Share holding | | Cumulative Share holding | |
|---------|--|---------------|----------------------------------|--------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 21997700 | 78.56 | 21997700 | 78.56 |
| 2 | 20/08/2015 - Disinvestment through OFS | (-) 1400000 | 5.00 | 20597700 | 73.56 |
| 3 | At the end of the year | 20597700 | 73.56 | 20597700 | 73.56 |

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

| Sl. | Name | Date | Remarks | Change in shareholding | | Cumulative shareholding | |
|-----|---|------------|-----------------|------------------------|-------|-------------------------|------|
| | | | | No. of shares | % | No. of shares | % |
| 1 | LIFE INSURANCE CORPORATION OF INDIA | 01/04/2015 | Opening balance | - | - | 837456 | 2.99 |
| | | 28/08/2015 | Purchase (net) | 800475 | 2.86 | 1637931 | 5.85 |
| | | 31/03/2016 | Closing balance | - | - | 1637931 | 5.85 |
| 2 | GENERAL INSURANCE CORPORATION OF INDIA | 01/04/2015 | Opening balance | - | - | 473073 | 1.69 |
| | | 28/08/2015 | Purchase (net) | 192943 | 0.69 | 666016 | 2.38 |
| | | 31/03/2016 | Closing balance | - | - | 666016 | 2.38 |
| 3 | LIC OF INDIA MARKET PLUS 1 GROWTH FUND | 01/04/2015 | Opening balance | - | - | 501712 | 1.79 |
| | | 31/03/2016 | Closing balance | - | - | 501712 | 1.79 |
| 4 | LIC OF INDIA PROFIT PLUS GROWTH FUND | 01/04/2015 | Opening balance | - | - | 352761 | 1.26 |
| | | 31/03/2016 | Closing balance | - | - | 352761 | 1.26 |
| 5 | NATIONAL INSURANCE COMPANY LTD | 01/04/2015 | Opening balance | - | - | 147262 | 0.53 |
| | | 31/03/2016 | Closing balance | - | - | 147262 | 0.53 |
| 6 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 01/04/2015 | Opening balance | - | - | 0 | 0.00 |
| | | 28/08/2015 | Purchase (net) | 128000 | 0.46 | 128000 | 0.46 |
| | | 31/03/2016 | Closing balance | - | - | 128000 | 0.46 |
| 7 | SBI PSU FUND | 01/04/2015 | Opening balance | - | - | 95340 | 0.34 |
| | | 31/03/2016 | Closing balance | - | - | 95340 | 0.34 |
| 8 | WALLFORT FINANCIAL SERVICES LTD | 01/04/2015 | Opening balance | - | - | 0 | 0.00 |
| | | 10/07/2015 | Purchase (net) | 100000 | 0.36 | 100000 | 0.36 |
| | | 26/02/2016 | Purchase (net) | 15363 | 0.05 | 115363 | 0.41 |
| | | 04/03/2016 | Sale (Net) | -15363 | -0.05 | 100000 | 0.36 |
| | | 18/03/2016 | Sale (Net) | -25345 | -0.09 | 74655 | 0.27 |
| | | 25/03/2016 | Purchase (net) | 10345 | 0.04 | 85000 | 0.30 |
| | | 31/03/2016 | Closing balance | - | - | 85000 | 0.30 |
| 9 | INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STR | 01/04/2015 | Opening balance | - | - | 50000 | 0.18 |
| | | 17/04/2015 | | 6000 | 0.02 | 56000 | 0.20 |
| | | 22/05/2015 | | 9168 | 0.03 | 65168 | 0.23 |
| | | 29/05/2015 | | 10832 | 0.04 | 76000 | 0.27 |
| | | 26/06/2015 | | 3903 | 0.01 | 79903 | 0.29 |
| | | 10/07/2015 | | 8400 | 0.03 | 88303 | 0.32 |
| | | 14/08/2015 | | -5099 | -0.02 | 83204 | 0.30 |
| | | 21/08/2015 | | -23204 | -0.08 | 60000 | 0.21 |
| | | 31/03/2016 | Closing balance | - | - | 60000 | 0.21 |
| 10 | MV SCIF MAURITIUS | 01/04/2015 | Opening Balance | - | - | 57300 | 0.20 |
| | | 12/06/2015 | Sale (Net) | -3339 | -0.01 | 53961 | 0.19 |
| | | 26/06/2015 | Sale (Net) | -1260 | 0.00 | 52701 | 0.19 |
| | | 30/06/2015 | Sale (Net) | -948 | 0.00 | 51753 | 0.18 |
| | | 03/07/2015 | Sale (Net) | -1302 | 0.00 | 50451 | 0.18 |
| | | 10/07/2015 | Sale (Net) | -948 | 0.00 | 49503 | 0.18 |
| | | 31/07/2015 | Sale (Net) | -1425 | -0.01 | 48078 | 0.17 |
| | | 07/08/2015 | Sale (Net) | -324 | 0.00 | 47754 | 0.17 |
| | | 14/08/2015 | Sale (Net) | -3325 | -0.01 | 44429 | 0.16 |
| | | 21/08/2015 | Sale (Net) | -475 | 0.00 | 43954 | 0.16 |





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

| Sl. No. | Name | Date | Remarks | Change in shareholding | | Cumulative shareholding | |
|---------|------|------------|-----------------|------------------------|-----------------|-------------------------|------|
| | | | | No. of shares | % No. of shares | No. of shares | % |
| | | 28/08/2015 | Sale (Net) | -1900 | -0.01 | 42054 | 0.15 |
| | | 18/09/2015 | Purchase (net) | 474 | 0.00 | 42528 | 0.15 |
| | | 25/09/2015 | Sale (Net) | -59 | 0.00 | 42469 | 0.15 |
| | | 30/09/2015 | Purchase (net) | 1428 | 0.01 | 43897 | 0.16 |
| | | 09/10/2015 | Purchase (net) | 475 | 0.00 | 44372 | 0.16 |
| | | 30/10/2015 | Purchase (net) | 950 | 0.00 | 45322 | 0.16 |
| | | 20/11/2015 | Sale (Net) | -950 | 0.00 | 44372 | 0.16 |
| | | 04/12/2015 | Sale (Net) | -1900 | -0.01 | 42472 | 0.15 |
| | | 11/12/2015 | Sale (Net) | -4740 | -0.02 | 37732 | 0.13 |
| | | 25/12/2015 | Purchase (net) | 3499 | 0.01 | 41231 | 0.15 |
| | | 31/12/2015 | Sale (Net) | -519 | 0.00 | 40712 | 0.15 |
| | | 05/02/2016 | Purchase (net) | 462 | 0.00 | 41174 | 0.15 |
| | | 25/03/2016 | Purchase (net) | 1103 | 0.00 | 42277 | 0.15 |
| | | 31/03/2016 | Closing balance | - | - | 42277 | 0.15 |

(iv) SHAREHOLDING PATTERN OF KEY MANAGEMENT PERSONNEL

| (iv) SHAREHOLDING PATTERN OF KEY MANAGEMENT PERSONNEL | | | | | | |
|---|------|------|---------|------------------------|-------------------------|---|
| Sl. | Name | Date | Remarks | Change in shareholding | Cumulative shareholding | |
| | | | | No. of shares | % No. of shares | % |
| | | | NIL | | | |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 103865.78 | 0 | 0 | 103865.78 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 420.42 | 0 | 0 | 420.42 |
| Total (i+ii+iii) | 104286.20 | 0 | 0 | 104286.20 |
| Change in Indebtedness during the financial year | | | | |
| Additions : Exchange variation | 9933.78 | 0 | 0 | 9933.78 |
| Reduction : Repayments made | -12062.85 | 0 | 0 | -12062.85 |
| Reduction : Decrease in interest accrued but not due | -62.78 | | | -62.78 |
| Net Change | -2191.85 | 0 | 0 | -2191.85 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 101736.71 | 0 | 0 | 101736.71 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 357.64 | 0 | 0 | 357.64 |
| Total (i+ii+iii) | 102094.35 | 0 | 0 | 102094.35 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: ₹ in lakhs

| Sl. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | | | Total Amount |
|-------------------------------|---|---|-------------------------------------|---------------------------------|------------------|--------------|
| | | Rajesh Tripathi CMD | P.Jayapal (upto 31/05/15) DOT | M.S.Rao (from 1/6/16) DOT | S.Charles DFN | |
| 1 | Gross salary as per Income Tax. 1961. | | | | | |
| | (a) Salary as per section 17(1) | 24.09 | 5.25 | 18.96 | 20.32 | 68.62 |
| | (b) Value of perquisite u/s 17(2) | 2.41 | 1.21 | - | - | 3.62 |
| | (c) Profits in lieu of salary u/s 17(3) | 1.33 | 16.46 | 3.69 | 2.89 | 24.37 |
| 2 | Stock option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | - as % of profit | - | - | - | - | - |
| | - others (specify) | - | - | - | - | - |
| 5 | Others (please specify) | - | - | - | - | - |
| | Total (A) | 27.83 | 22.92 | 22.65 | 23.21 | 96.61 |
| Ceiling as per the Act | | Not Applicable for Government Companies | | | | |

**B. Remuneration to other directors:**

₹ in lakhs

| Sl.No | Particulars of Remuneration | Name of the Directors | | Total Amount |
|--|--|-------------------------------------|-------------------|---|
| 1 | Independent Directors | Sheila Sangwan | Vrushali Waghmare | |
| | (a) Fee for attending board committee meetings | ---No meeting held during tenure--- | | |
| | (b) Commission | | | |
| | (c) Others, please specify | | | |
| | Total (1) | | | |
| 2 | Other Non Executive Directors | Barun Mitra | B.Poiyaamozhi | |
| | (a) Fee for attending board committee meetings | ---NIL--- | | |
| | (b) Commission | | | |
| | (c) Others, please specify. | | | |
| | Total (2) | | | |
| | Total (B)=(1+2) | - | - | - |
| Total Managerial Remuneration (A + B) | | | | 95.96 |
| Overall Ceiling as per the Act. | | | | Not Applicable for Government Companies |

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

₹ in lakhs

| Sl. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | | | Total |
|---------|---|----------------------------|-----|-------|----------------------|-------|
| | | CEO | CFO | CS | (K.Aswini Sreekanth) | |
| 1 | Gross salary as per Income Tax. 1961. | | | | | |
| | (a) Salary as per section 17(1) | - | - | 10.24 | | 10.24 |
| | (b) Value of perquisite u/s 17(2) | - | - | 0.14 | | 0.14 |
| | (c) Profits in lieu of salary u/s 17(3) | - | - | 0.59 | | 0.59 |
| 2 | Stock option | - | - | - | | - |
| 3 | Sweat Equity | - | - | - | | - |
| 4 | Commission | - | - | - | | - |
| | - as % of profit | - | - | - | | - |
| | - others (specify) | - | - | - | | - |
| 5 | Others (please specify) | - | - | - | | - |
| | Total (A) | - | - | 10.97 | | 10.97 |

The remuneration paid to Shri Rajesh Tripathi, CMD & CEO and Shri S Charles, DFN & CFO being the KMP's as per the provisions of the Companies Act, 2013 is provided in table VI A above.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
|------|------------------------------|-------------------|--|----------------------------|-----------------------------------|

A. COMPANY

Penalty

Punishment

Compounding

B. DIRECTORS

Penalty

Punishment

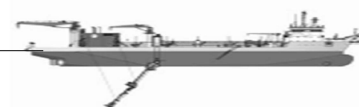
Compounding

C. OTHER OFFICERS IN DEFAULT

Penalty

Punishment

Compounding





ANNEXURE – II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16**1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

DCI's Corporate Social Responsibility Policy (CSR Policy) aims to integrate its Corporate Mission with the Social responsibility by complementing the efforts of the Government in the nation-building process by contributing to basics of life in harmony with nature in a socially, economically and environmentally sustainable manner at all times. As per the CSR and Sustainability Policy of the Company The CSR activities would primarily focus on initiatives such as education, health, environment, women empowerment, livelihood promotion, sanitation, slum improvement and disaster management. Initiatives of State Governments as well as Central Government Departments /Agencies could be synergised with CSR activities. The activities should come within the scope those listed in the Companies Act and Rules made thereunder.

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

2. The Composition of the CSR Committee

The Company has set up a Board level CSR Committee as stipulated under the Companies Act, 2013 and Rules framed thereunder.

For the year 2015-16 till the appointment of two independent directors w.e.f 23/3/16 and constitution of the CSR Committee of directors, the CSR activities were being monitored by the executive committee consisting of CMD, DFN & DOT with the approval of the Board.

The CSR committee now consists of Ms. Sheila Sangwan, Shri S.Charles and Shri M.S.Rao.

For the year 2015-16, the Company has carried out the CSR activities, with the approval of the Board. As such this report signed by CMD.

3. Average Net Profit of the Company for last three financial years: -**₹4193 lakhs****4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :****₹83.86 lakhs****5. Details of CSR spent during the financial year:****Total amount to be spent for the financial year :****₹120.50 lakhs****Amount unspent, if any**

There is inspent amount as per the provisions of the Companies Act, 2013 as the amount that is to be spent as the Act is ₹83.86 lakhs against which an amount of ₹120.50 lakhs has been spent which is more than the required amount. However, considering that the committed expenditure as per work orders is ₹168.41 lakhs, the unspent balance of ₹47.91 lakhs is carried forward to next year.

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------|--|---|--|---|---|--|---|
| S.No | CSR Project or activity identified | Sector in which the Project is covered (Clause No. of Schedule VII to the Companies Act, 2013 as amended) | Projects or Programs (1) Local area or other(2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (₹in Lakhs) | Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs(2) Overheads (₹in Lakhs) | Cumulative expenditure upto the reporting period (₹in Lakhs) | Amount spent: Direct or through implementing agency (₹in Lakhs) |
| 1 | Construction of Toilets for schools etc. | Cl. (i) promoting health care and sanitation | Visakhapatnam, Andhra Pradesh | 76.05 | 71.90 | 71.90 | Amount spent directly |
| 2 | - do - | - do - | Visakhapatnam, AP and Benares, UP - | 60.02 | 48.60 11.05 rolled over to 2016-17 | 120.50 | - do - |
| 3 | Medical Equipment | -do- | Visakhapatnam, Andhra Pradesh | 36.86 | expenditure rolled over to 2016-17 | 120.50 | - do - |

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

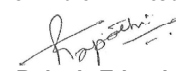
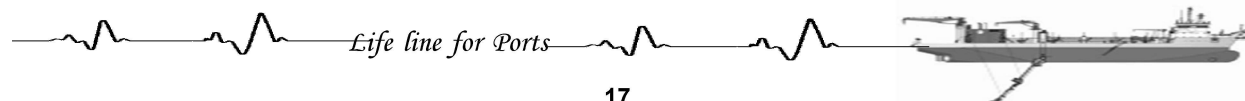
The Company has spent ₹120.50 lakhs during the year and including the rolled over amount to next year of ₹47.91 lakhs it aggregates to ₹168.41 lakhs. The amount spent during the year is more than the required amount of ₹83.86 lakhs.

7. RESPONSIBILITY STATEMENT

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

(As the CSR expenditure for 2015-16 was made by the Executive Committee consisting of CMD, DFN & DOT, the report is being signed by CEO & CMD)

For Dredging Corporation of India Limited


Rajesh Tripathi
Chairman and Managing Director




SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2016

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

To
The Members,
Dredging Corporation of India Limited

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 (CIN:L29222DL1976GOI008129) having its registered office at Core-2, First Floor, "Scope Minar", Plot No.2A & 2B, Laxminagar District Centre, Delhi – 110091 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 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 March 31, 2016 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 External Commercial Borrowings. There is no Foreign Direct Investment/ Overseas Direct Investment during the year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The following Acts/ Guidelines specifically applicable to the Company:
 - (a) Merchant Shipping Act, 1958
 - (b) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.
 - (c) International Safety Management Code (ISM)

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

- (i) Secretarial Standards with respect to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India applicable with effect from 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, CSE Limited and the National Stock Exchange of India Limited and the Uniform Listing Agreement entered with the said stock exchanges pursuant to the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 1st December, 2015)

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned above subject to the following observations.

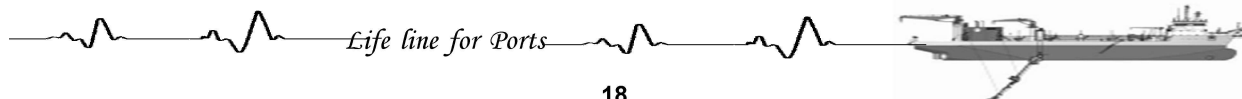
The Company has complied with the requirements of corporate governance as provided under clause 49 of the listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance, with the exception of appointment of independent Directors to the extent of 50% of the total strength of the Board. The Company has appointed only two Independent Directors on 23rd March, 2016 as against the requirement of five independent directors.

With the appointment of two independent directors on 23rd March, 2016, company has constituted the CSR Committee (Sec 135), Audit Committee (Sec 177), Nomination and Remuneration committee (Sec 178) and Stakeholders Relationship committees under the Companies Act, 2013. As these committees were constituted only on 23rd March, 2016, these committees have not met even once before 31st March, 2016.

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

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

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





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

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.

Decisions at Board meetings as represented by the Management were taken unanimously.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

P. Narasinga Rao

(P. NARASINGA RAO)

FCS No. 4406

CP. No. 2552

Place : Visakhapatnam

Date : 07/07/2016

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

Annexure - A'

To
The Members
Dredging Corporation of India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 appropriation of financial records and books of accounts of the Company.
4. Wherever required, we have obtained management representation from the Company Secretary about compliance / non compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The Company has complied with of section 149 (1) of the Companies Act, 2013 which mandates appointment of a woman director from 23rd March, 2016.
8. As per information provided to us and as per audited financials for the year 2015-16 the National stock exchange of India vide its letter no. NSE/LIST/8500 dated 26/12/2014 advised the company to restate the financial statements for FY 2012-13 suitably on the qualification raised by then statutory auditors of the company. Aggrieved by the said directions, the Company filed review petition before SEBI vide Lr no.DCI/CS/E.1/2015 requesting to review and reconsider its directions in its letter. SEBI vide its letter dated 05/11/2015 has decided that the instant qualification has been addressed by the Company in the subsequent financial years and ensured that it is free from such qualification and accordingly it will be treated as adequate compliance with the requirement of SEBI's directions in their letter dated 26/12/2014

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

P. Narasinga Rao

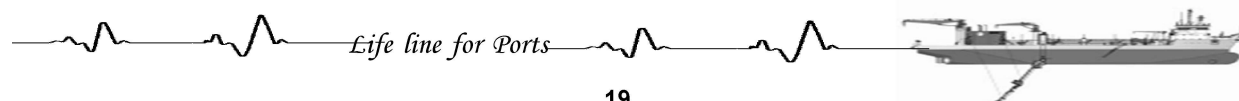
(P. NARASINGA RAO)

FCS No. 4406

CP. No. 2552

Place : Visakhapatnam

Date : 07/07/2016



**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16****1 COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE**

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

2 BOARD OF DIRECTORS

- i Composition of Board of Directors as on 31/03/2016:** Pursuant to the Articles of Association of the Company, all the Directors are appointed by the President of India. The Company could not meet the Corporate Governance requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 & DPE Guidelines with regard to composition of Independent Directors as they are appointed by Government of India. Two Independent Directors (Non-official Part-time Directors) were appointed on 23/03/2016.

As on 31/03/2016, the Company has seven directors consisting of three Executive (whole time / functional) Directors – Chairman and Managing Director, Director (Finance) and Director (Operations & Technical), two Part-time Official Directors and two Part-time Non-official Directors (Independent Directors). The two Independent Directors are woman directors. They have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The independent directors have given a declaration to the company about their independence to enable the board for determining its composition as envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder.

Mr. P. Jayapal, Director (Operations & Technical) ceased to be director on his superannuation on 31/05/15 and Shri M. S. Rao, was appointed as Executive Director - Director (Operations and Technical) w.e.f. 01/06/2015.

Ms. Sheila Sangwan and Dr.(Ms.) Vrushali Rajendra Waghmare were appointed as additional & Independent Directors of the Company w.e.f. 23/03/2016.

The directors who have been appointed during the year have been first appointed as additional directors by the Board. Formal appointment as directors is being proposed at the Annual General Meeting

The composition of the Board as on 31/03/2016 is as under:

| Name | Designation/Category | Official /Non Official |
|---|-----------------------------------|------------------------|
| Executive Directors | | |
| i) Shri Rajesh Tripathi | Chairman and Managing Director | Whole-time official |
| ii) Shri S. Charles, | Director (Finance) | Whole-time official |
| iii) Shri M.S. Rao, | Director (Operations & Technical) | Whole-time official |
| Non-Executive Directors | | |
| iv) Shri Barun Mitra | Government Nominee | Part-time official |
| iv) Shri B. Poiyaamozhi | Government Nominee | Part-time official |
| vi) Ms. Sheila Sangwan | Independent Director | Part-time Non-official |
| vii) Dr. (Ms.) Vrushali Rajendra Waghmare | Independent Director | Part-time Non-official |

ii Changes in Board of Directors during 2015-16:

| Name | Date | Nature of Change |
|---|----------|------------------|
| i) Shri P. Jayapal, DOT | 31/05/15 | Retirement |
| ii) Shri M. S. Rao, DOT | 01/06/15 | Appointment |
| iii) Ms. Sheila Sangwan | 23/03/16 | Appointment |
| iv) Dr.(Ms.) Vrushali Rajendra Waghmare | 23/03/16 | Appointment |

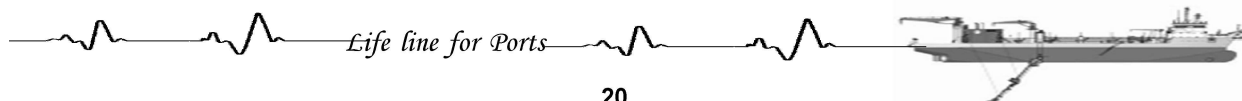
iii Changes in Board of Directors from 1/4/16 till date of report:

There have been no change in Board of Directors from 01/04/2016 till date of report.

iv Board Meetings and Attendance: 2015-16

Seven Board Meetings were held during the year 2015-16. Attendance of Directors at the meetings of Board of Directors during the financial year 2015-16 and the last Annual General Meeting held on 30.09.2015 is as follows:-

| Name of the Director | No. of Board Meetings | | Attended last AGM (30/09/15) |
|--|-----------------------|----------|------------------------------|
| | During tenure | Attended | |
| 1. Shri Rajesh Tripathi, CMD | 7 | 7 | Yes |
| 2. Shri S. Charles, DFN | 7 | 7 | Yes |
| 3. Shri P. Jayapal, DOT (upto 31.05.15) | 2 | 2 | NA |
| 4. Shri M.S. Rao, DOT (w.e.f. 01.06.15) | 5 | 5 | Yes |
| 5. Shri B.Poiyaamozhi | 7 | 5 | No |
| 6. Shri Barun Mitra | 7 | 7 | No |
| 7. Ms. Sheila Sangwan (w.e.f. 23.03.16) | 0 | NA | NA |
| 8. Dr.(Ms.) Vrushali Rajendra Waghmare (w.e.f. 23.03.16) | 0 | NA | NA |





v Number of other Boards / Board Committees in which Directors are Members/ Chairperson as on 31/03/16 :

| Director | Directorships | No. of outside position held | |
|---|---------------|------------------------------|-----------------------|
| | | Committee Member | Committee Chairperson |
| 1. Shri Rajesh Tripathi, CMD | 2 | - | - |
| 2. Shri S. Charles, DFN | - | - | - |
| 3. Cmde. P. Jayapal (Retd.), DOT (upto 31.5.15) | - | - | - |
| 4. Shri M. S. Rao (w.e.f. 01.06.15) | - | - | - |
| 5. Shri B. Poiyaamozhi | 1 | - | - |
| 6. Shri Barun Mitra | 2 | - | - |
| 7. Ms. Sheila Sangwan (w.e.f. 23.03.16) | 7 | 4 | 2 |
| 8. Dr. (Ms.) Vrushali Rajendra Waghmare (w.e.f. 23.03.16) | - | - | - |

The membership/chairmanship of committee is considered only for Audit Committee and Stakeholders Relationship Committee. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the listed Companies in which they are a Director. All the Directors have made requisite disclosures regarding directorships/ committee position occupied by them in other companies.

vi Details of Board Meetings held during 2015-16 and attendance is as under:-

| Sl.No. | Date | Place | Board Strength | Directors Present |
|--------|------------|----------------|----------------|-------------------|
| 1. | 16/04/2015 | New Delhi | 5 | 4 |
| 2. | 26/05/2015 | New Delhi | 5 | 5 |
| 3. | 13/07/2015 | Visakhapatnam | 5 | 4 |
| 4. | 14/08/2015 | New Delhi | 5 | 4 |
| 5. | 10/11/2015 | New Delhi | 5 | 5 |
| 6. | 09/01/2016 | Visakhapatnam* | 5 | 5 |
| 7. | 09/02/2016 | Visakhapatnam | 5 | 5 |

* The Board meeting was conducted through video conferencing.

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

3 AUDIT COMMITTEE

i The Audit Committee is constituted in accordance with the requirements of the provisions of the Companies Act, 2013, DPE Guidelines and Listing Regulations, 2015. The quorum for meetings of the Audit Committee is two Members or one third of the Members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present. The powers, terms of reference and regulations of the Committee have been fixed by the Board as per the relevant provisions in this regard. The Company Secretary acts as Secretary of the Audit Committee. The Committee Meetings whenever held are also attended by Director (Finance), Statutory Auditors, Internal Auditors, Heads of Departments and senior executives as and when required. Due to the vacancies in the posts of Independent directors during 2015-16 upto 23/03/2016, no Audit Committee Meeting was held in 2015-16. Two Independent Directors have been appointed w.e.f. 23-03-2016 and immediately the Audit Committee was constituted w.e.f 29/3/16.

ii The Constitution of the Audit Committee as on 31-03-2016 is as under :-

1. Ms. Sheila Sangwan : Member
2. Dr.(Ms.) Vrushali Rajendra Waghmare : Member
3. Shri B. Poiyaamozhi : Member

iii Meetings of the Audit Committee and attendance during the year 2015-16:

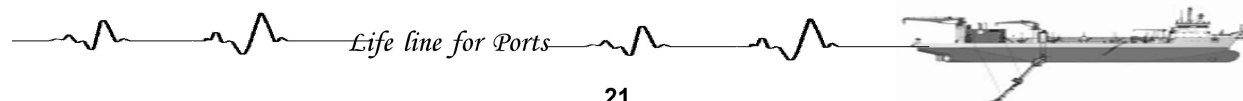
Audit Committee Meetings were not held during the year 2015-16 as there were no Independent Directors till 23rd March, 2016.

4 REMUNERATION OF DIRECTORS

- i. DCI being a Government of India Undertaking, the remuneration payable to its whole-time Directors is as per the Rules and Regulations prescribed by the Government of India, received through the Administrative Ministry, Ministry of Shipping.
- ii. The Part-time Official (Government) Directors do not receive any remuneration from the Company.
- iii. The Part-time Non-Official Directors were paid sitting fees @ ₹10,000/- for each Board meeting and each committee meeting they attend.
- iv. DCI does not have a policy of paying commission on profits to any of the Directors of the Company.
- v. Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2015-16 is as under :-

| meetings held during 2018-19 is as under :- | | | | | (₹in lakhs) |
|---|--------|---------------------------------|--------------|-------|-------------|
| Name of the Director | Salary | Performane Related Incentive | Sitting Fees | Total | |
| Executive Directors (Whole-time) | | | | | |
| 1. Shri Rajesh Tripathi, CMD | 27.83 | - | - | 27.83 | |
| 2. Shri S. Charles, DFN | 23.21 | - | - | 23.21 | |
| 3. Shri P.Jayapal, DOT (upto 31.05.15) | 22.92 | - | - | 22.92 | |
| 4. Shri M.S. Rao, DOT (w.e.f. 01.06.15) | 22.65 | - | - | 22.65 | |

Part-time official Directors are not paid any remuneration. In addition to the above, wherever necessary, the travelling, hotel and other related expenditure is being arranged/ reimbursed to the Directors for attending the Board and other meetings.





- vi. Independent Directors are paid sitting fees of ₹10000 for attending every meeting of the Board or committee thereof. For 2015-16 the independent directors were appointed w.e.f 23/03/16, and no meeting of the Board or Committee thereof was held after their appointment during 2015-16. Hence no remuneration towards sitting fees was paid to independent directors during 2015-16.
- 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

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. The terms of reference of the Committee are provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015.

- i. As there are no Independent Directors on the Board of the company, there is no Stakeholders Relationship Committee meeting held in the year. After the appointment of Independent Directors on 23/03/2016 a Stakeholders relationship Committee was constituted w.e.f 29/3/16.
- ii. K.Aswini Sreekanth, Company Secretary is designated as Compliance Officer.
- iii. A total of 40 complaints were received during the year 2015-16, there is no pending complaint as on 31/03/16.
- iv. Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agents. The Constitution of the Stakeholders Relationship Committee as on 31/03/2016 is as under :-

- 1. Ms. Sheila Sangwan : Member
- 2. Dr. (Ms.) Vrushali Rajendra Waghmare : Member
- 3. Shri B. Pooyaamozhi : Member

As the Committee was constituted w.e.f from 29/03/2016 no meeting of the Committee could be held in 2015-16.

6 SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee constituted in the year 1997. The Share Transfer Committee has Chairman and Managing Director, Director (Finance) and Director (Operations & Technical) as members. The Committee is authorized to approve transfer and transmission of shares of the Company. Share transfer/ transmission and other important matters are attended in time under the control of Company Secretary. As on 31-3-16 the company had 50,184 shareholders. During the year, 120 shares were transferred covering 118 requests of shares for share transfers. The company has been taking all steps to ensure that shareholder related activities are given top priority and matters are attended to immediately. M/s Karvy Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent of the Company providing the services of physical share registry work and electronic interface facility with the depositories.

7 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

After the appointment of Independent Directors on 23/03/2016 a CSR Committee was constituted w.e.f 29/03/2016 with the following directors:

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

As the Committee was constituted w.e.f from 29/03/2016 no meeting of the Committee could be held in 2015-16. The report of the Corporate Social Responsibilities activities of the Company is placed elsewhere in the Annual Report. The terms of reference of the Committee are as per the CSR Policy adopted by the Company and provisions of Companies Act, 2013 and other statutory provisions as applicable.

8 NOMINATION AND REMUNERATION COMMITTEE

After the appointment of Independent Directors on 23/03/2016 a Stakeholders relationship Committee was constituted w.e.f 29/3/16. The Board has constituted a Nomination and Remuneration Committee of Directors for the purpose of deciding the annual bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors within limits prescribed by DPE. The following are the members of the Committee as on 31/03/2016:

- a) Ms. Sheila Sangwan : Member
- b) Ms. Vrushali Rajendra Waghmare : Member
- c) Shri B. Pooyaamozhi : Member

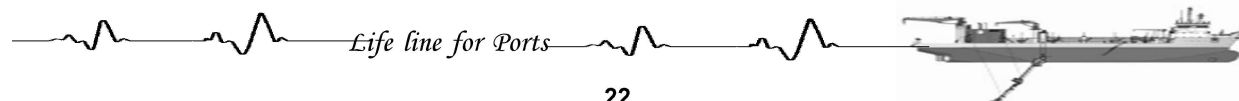
DCI being a Government Company, the remuneration of Executive Directors who are Government appointees and their remuneration is decided as per the Rules and regulations of the Government and DPE Guidelines. As the Committee was constituted w.e.f from 29/03/2016 no meeting of the Committee could be held in 2015-16. The terms of reference of the Committee are provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 as applicable to the Government Companies.

9 ANNUAL GENERAL MEETINGS

- i. Details of last 3 Annual General Meetings:

| | 2012-13 37 th AGM | 2013-14 38 th AGM | 2014-15 39 th AGM |
|----------|--|--|--|
| 1. Date | 26-9-2013 | 29-9-2014 | 30-9-2015 |
| 2. Time | 1000 hrs. | 1000 hrs. | 1000 hrs. |
| 3. Venue | Siri Fort Auditorium August Kranti Marg New Delhi - 110049 | Manekshaw Centre Parade Road, New Delhi - 110010 | Manekshaw Centre Parade Road, New Delhi - 110010 |

- ii. During the previous years – 2012-13 and 2013-14 no special resolution was passed. During the year 2014-15 two special resolutions were passed in the AGM held on 30.09.2015 to accord consent of members to the Board for





borrowing monies in excess of paid up capital and free reserves and to create charges on the assets of the company, under section 180 (a) & (c) of the Companies Act, 2013, respectively.

- iii. During the previous year, no special resolution was passed through postal ballot.
 - iv. No resolution was passed through postal ballot during the previous year.
 - v. There is no proposal before the AGM of this year requiring conduct of business through postal ballot.
- 10 Details of Directors seeking appointment/re-appointment :**
Brief resume along with other details of Directors being appointed - Ms. Sheila Sangwan, Dr(Ms.)Vrushali Rajendra Waghmare and Director being re-appointed - Shri S.Charles as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is given along with the Notice of the meeting.
- 11** The Company has complied with all the Accounting Standards issued by ICAI.
- 12** The Company has complied with the requirements of regulatory authorities on matters related to Capital Markets and no penalties/ strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last 3 years except for that NSE and BSE have informed imposition of fine for non-appointment of women director on the Board as per the requirements of SEBI. Both BSE and NSE were requested to review the imposition of fine in view that the Company is a Government Company and appointment of Directors is to be done by the Government and the matter has been taken up with the administrative Ministry. Subsequently two women (independent directors) were appointed on the Board w.e.f from 23/03/2016 by Government.
- 13** DCI is a Government of India undertaking and there are established Government guidelines and mechanism of reporting illegal or unethical behaviour. Employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor/Chief Vigilance Officer/ Chairman and Managing Director. The Directors and senior management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. No employee has been denied access to the Audit Committee.
- 14 Code of Conduct for Prevention of Insider Trading:** DCI has its code of conduct for prevention of insider trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code lays down guidelines which advises management and staff on procedures to be followed and disclosures to be made while dealing with shares of Company and cautions them of the consequences of violations.
- 15 Code of Conduct for Board Members and Senior Management:** The Board in its 204th meeting held on 06-12-2005 has adopted Code of Conduct for Board Members and Senior Management Personnel ('Code') as per the requirements of Clause-49 of the then listing agreement. The Code lays down, in detail the standards of the conduct, ethical and transparent process in managing the affairs of the Company, centres around the following theme:
"The Company's Board Members and Senior Management Personnel shall act in accordance with the highest standards of honesty, integrity, fairness and ethical Conduct while working for the Company as well as representing the Company without allowing their Independent judgement to be subordinated and fulfill the fiduciary obligations."
A copy of the Code has been posted on the Company's website www.dredge-india.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below:
"I hereby confirm that the Company has obtained from all members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial year 2015-16."

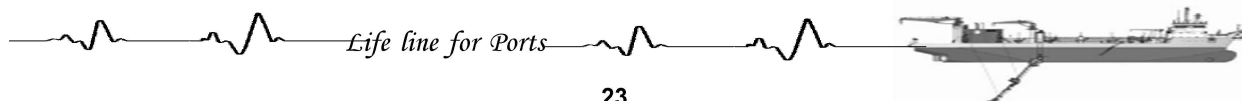
Place : Visakhapatnam

Date : 26/08/2016


(Rajesh Tripathi)

Chairman and Managing Director

- 16** The Company does not have any subsidiary company.
- 17** 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.
- 18** The Management Discussion and Analysis Report forms part of this Annual Report.
- 19** 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.
- 20** The CEO and CFO i.e., Chairman and Managing Director – Shri Rajesh Tripathi and Director (Finance) Shri S. Charles, have provided the prescribed certification as contained in Regulation 33 (2) (a) and Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2015-16.
- 21** The Company has been submitting the quarterly compliance report on Corporate Governance to the Stock Exchanges within 15 days from the close of each quarter.
- 22 Compliance with mandatory requirements of SEBI (LODR)**
The Company has complied with the mandatory requirements except with the requirement of having atleast 50% independent directors which is being pursued with the Government of India.
- 23 Compliance with non-mandatory/discretionary requirement of SEBI (LODR) - Schedule II- Part E :-**
A. Board : DCI has a executive Chairman and Managing Director. Hence maintenance of Chairperson's office by a non-executive Chairperson does not arise
B. Shareholders Rights : A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders- The financial results/ corporate governance report, shareholding pattern, reconciliation of share capital report, board meeting notices for financial results, and all other communication that is required to be informed to the stock exchanges is posted online and also on the website of the company within the time limits set by the SEBI (LODR) Regulations. Sending summary of significant events and financial performance on half yearly basis will be examined.





C. Modified opinion(s) in audit report : The listed entity may move towards a regime of financial statements with unmodified audit opinion - There have been no Qualifications made by the Statutory Auditors in this year's Report. There were Emphasis of Matter which have been clarified in the Director's Report. The Secretarial Auditors have qualified their report with regard to non-appointment of required number of independent directors. The appointment of Directors has to be done by the Government of India and the Company has taken up with Ministry for appointment of the requisite number of directors.

D. Separate posts of chairperson and chief executive officer: The appointment of Boar level executives is done by the Government of India.

E. Reporting of internal auditor: The internal auditor may report directly to the audit committee - The same will be examined

24 Related Party Transactions :- In terms of Accounting Standard 18 (Revised-2014), no disclosure is required in the financial statements of State controlled enterprise (An enterprise which is under the control of the Central Government and/or State Government) as regards related party relationships with other State controlled enterprises and transactions with such enterprises. The related party transactions of DCI for the year 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 standrad.

25 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.

26 Mechanism for evaluating non-executive Members : DCI, being a Government Company, where the Directors are appointed by the Government, the evaluation of performance of the Directors is done by the Government.

27 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.

28 Means of Communication:

i. Quarterly Results

The schedule of consideration of quarterly results by the Board for the year 2016-17 is as under:

- | | |
|---|----------------------------|
| a) Results for the 1 st quarter ending 30 th June, 2016 | : On or before 14-09-2016. |
| b) Results for the 2 nd quarter ending 30 th Sept. 2016 | : On or before 14-12-2016. |
| c) Results for the 3 rd quarter ending 31 st Dec. 2016 | : On or before 14-02-2016. |
| d) Audited results for the year ending 31 st Mar., 2017 | : On 30-05-2017 |

ii. The Results are published in the leading English newspaper like - "Mint" and in Hindi Newspaper- "Hindustan " within 48 hours from the date of declaration.

iii. The Quarterly Results are posted on the website of the Company - www.dredge-india.com after consideration and taking on record by the Board.

iv. The website of the Company - www.dredge-india.com displays the official news releases, if any.

v. The website of the Company - www.dredge-india.com displays the presentations made to institutional investors or to the analysts, if any.

vi. Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form part of the Annual Report.

vii. 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.

viii. Green initiative – reaching important communication to shareholders through email. 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 2015-16 alongwith 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 not opted for physical copy of the Annual report.

29 GENERAL SHAREHOLDERS INFORMATION:

i. Annual General Meeting –

Date, Time & Venue : 30th September, 2016 at 1000 hrs. in Conference Hall, Ground Floor, Core-2, Scope Minar, Plot No. 2A & 2B, Laxminagar District Centre, Delhi - 110092.

ii. Financial Year : 1st April 2015 to 31st March 2016.

iii. Date of Book closure : 24/09/2016 to 29/09/2016 (both days inclusive)

iv. Date of payment of dividend : The dividend after declaration by the shareholders in the 40th AGM to be held on 30-09-16 would be paid tentatively by last week of October , 2016.

v. Listing on Stock Exchanges :-

Name and address of the Exchange

Stock/ Scrip Code
DREDGECORP

a) National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

b) Delhi Stock Exchange Ltd.

DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002

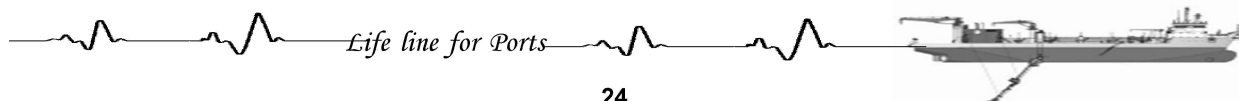
c) BSE Limited,

25th Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai - 400 001

6398

523618





d) Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001.

14050

Annual Listing fee for the financial year 2015-2016 has been paid. to the Stock Exchanges.

The tax free bonds of the company are listed with BSE Limited, Mumbai

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

vii The Corporate Identity Number of the Company is **L29222DL1976GOI008129**

viii **Registrar and share transfer agents:** M/s Karvy Computershare Private Ltd., Hyderabad are the R & T Agents of the Company.

ix **Share Transfer System:**

The documentation part for processing of Share Transfers is done by the Registrars. The Registrars send a Memorandum of Share Transfers periodically to the Company for approval of the Share Transfer Committee of the Company. After approval of the Committee, the same is communicated to the Registrars and they endorse the Share Certificates in favour of the transferees and send them to the transferees. Share Transfers are registered and Share Certificates are despatched within a period of 30 days from the date of the receipt, if documentation is correct and valid in all respects. During the year there were 118 requests for transfers for transfer of 120 shares and they have been approved on five different dates. There are no overdue share transfers pending as on 31/3/16

| x Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2015-2016 | | | | | | | | |
|---|---------------------|--------|-----------------|-----------|--------------------|--------|---------------|----------|
| Month | BSE Share Price (₹) | | BSE SENSEX(S&P) | | NSE Share Price(₹) | | NSE(CNXNIFTY) | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr-15 | 410.30 | 353.50 | 29,094.61 | 27,073.25 | 407.00 | 352.20 | 8,844.80 | 8,144.75 |
| May-15 | 407.90 | 345.00 | 27,903.29 | 26,423.99 | 407.75 | 345.10 | 8,489.55 | 7,997.15 |
| Jun-15 | 389.80 | 341.00 | 27,968.75 | 26,307.07 | 389.00 | 341.00 | 8,467.15 | 7,940.30 |
| Jul-15 | 423.90 | 356.20 | 28,578.33 | 27,529.57 | 423.70 | 356.00 | 8,646.75 | 8,315.40 |
| Aug-15 | 481.00 | 312.00 | 28,417.59 | 25,298.42 | 481.50 | 311.00 | 8,595.95 | 7,667.25 |
| Sep-15 | 347.90 | 315.70 | 26,471.82 | 24,833.54 | 348.60 | 319.00 | 8,055.00 | 7,539.50 |
| Oct-15 | 379.00 | 332.00 | 27,555.06 | 26,168.71 | 379.80 | 331.15 | 8,336.30 | 7,930.65 |
| Nov-15 | 384.00 | 333.00 | 26,824.30 | 25,451.42 | 384.50 | 327.00 | 8,116.10 | 7,714.15 |
| Dec-15 | 396.40 | 348.00 | 26,256.42 | 24,867.73 | 396.25 | 348.00 | 7,979.30 | 7,551.05 |
| Jan-16 | 424.80 | 340.00 | 26,197.27 | 23,839.76 | 425.10 | 337.25 | 7,972.55 | 7,241.50 |
| Feb-16 | 359.00 | 290.00 | 25,002.32 | 22,494.61 | 359.00 | 290.00 | 7,600.45 | 6,825.80 |
| Mar-16 | 392.30 | 294.90 | 25,479.62 | 23,133.18 | 391.90 | 310.00 | 7,777.60 | 7,035.10 |

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

xi **Shareholding pattern as on 31/03/2016:**

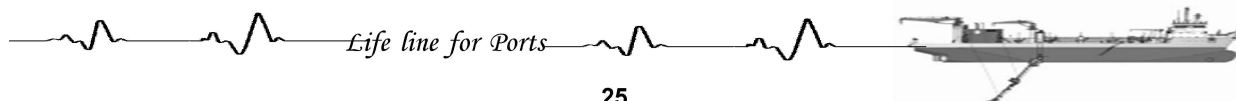
| Category | No. of shareholders | No. of shares | Percentage |
|---------------------------------|---------------------|-----------------|----------------|
| Government of India | 1 | 20597700 | 73.56% |
| Resident Individuals | 47462 | 2755532 | 9.84% |
| Insurance Companies | 6 | 1023735 | 3.66% |
| Bodies Corporate | 612 | 585503 | 2.09% |
| HUF | 1426 | 191215 | 0.68% |
| Mutual funds | 3 | 135448 | 0.48% |
| Non Resident Indians | 543 | 86378 | 0.31% |
| Foreign portfolio Investors | 2 | 66050 | 0.24% |
| Foreign Institutional Investors | 2 | 42736 | 0.15% |
| Clearing Members | 113 | 27091 | 0.10% |
| Trusts | 7 | 23269 | 0.08% |
| Banks | 4 | 11536 | 0.04% |
| NBFC | 4 | 2598 | 0.01% |
| Total | 50188 | 28000000 | 100.00% |

xii **Distribution of shareholding as on 31/03/2016:**

| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
|-------------------|--------------|----------------|-----------------|------------------|----------------|
| 1-5000 | 49201 | 98.03% | 1806554 | 18065540 | 6.45% |
| 5001- 10000 | 543 | 1.08% | 426495 | 4264950 | 1.52% |
| 10001- 20000 | 229 | 0.46% | 344523 | 3445230 | 1.23% |
| 20001- 30000 | 78 | 0.16% | 199795 | 1997950 | 0.71% |
| 30001- 40000 | 36 | 0.07% | 129576 | 1295760 | 0.46% |
| 40001- 50000 | 23 | 0.05% | 107577 | 1075770 | 0.38% |
| 50001- 100000 | 53 | 0.11% | 390154 | 3901540 | 1.40% |
| 100001& Above | 25 | 0.04% | 24595326 | 245953260 | 87.85% |
| TOTAL | 50188 | 100.00% | 28000000 | 280000000 | 100.00% |

xiii **Dematerialisation/ Rematerialisation of Shares and liquidity :**

The shares of the Company are traded compulsorily in dematerialised form. To facilitate this Company has entered into agreements with both NSDL and CDSL. Out of 2,80,00,000 fully paid up shares of ₹10/- each 2,05,97,700 shares (73.56%) are held by the President of India and nominees and the remaining 74,02,300 shares (25.44%) are held by others. In the year 2015-16, 2 shares have been dematerialized covering 2 demat requests. During the year, 269 shares were rematerialised and share certificates issued covering 70 requests for Rematerialisation of Shares.





| Category | No. of Holders | Total Shares | % To Equity |
|--------------|----------------|-----------------|-----------------|
| PHYSICAL | 2393 | 3919 | 0.01% |
| N S D L | 35254 | 26652533 | 95.19% |
| C D S L | 12541 | 1343548 | 4.80% |
| Total | 50188 | 28000000 | 100.00 % |

xiv Disclosures with respect to demat suspense account/ unclaimed suspense account:-

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
35 shareholders for 187 shares pertaining to Disinvestment by Offer for Sale by GOI in 2003-04
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year;
3 shareholders for 39 shares
- number of shareholders to whom shares were transferred from suspense account during the year;
3 shareholders for 39 shares
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
32 shareholders for 148 shares pertaining to Disinvestment by Offer for Sale by GOI in 2003-04
- The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

xv Project Locations :

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

xvi Address for investors correspondence :-**Company**

Company Secretary
Dredging Corporation of India Limited.
Company Secretary Department,
"Dredge House", Port Area,

Visakhapatnam - 530001.
Phone: 0891- 2566537/ 2871 207/298
Fax: 0891 - 2529846
e-mail : sreekanth@dcil.co.in

Registrar & Transfer Agent :-

UNIT: Dredging Corporation of India Ltd.
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad- 500 032.
Phone : (040) 67162222
Fax : (040) 23001153

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

xvii 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.

xviii Corporate Action : - Dividend declared by the Company from 2008-09:-

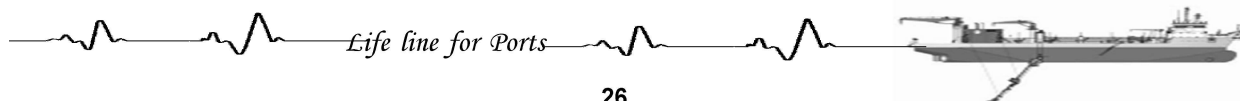
| Year | Dividend declared | Year | Dividend declared |
|---------|---------------------------|---------|---------------------------|
| 2008-09 | 50% - ₹5 per Equity share | 2009-10 | 30% - ₹3 per Equity share |
| 2010-11 | Nil | 2011-12 | Nil |
| 2012-13 | 20% - ₹2 per Equity share | 2013-14 | 30% - ₹3 per Equity share |
| 2014-15 | 30% - ₹3 per Equity share | | |

xix Unpaid Dividend:

Section 205 of the Companies Act, 1956 provides that any dividend that has remained unpaid / unclaimed for a period of seven years be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Shareholders are also informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. The summarized details of dividend declared by IndianOil which remains unpaid as on 31.03.2016 are given below:

| Year | No. of unpaid case | Unpaid Dividend Amount (₹) |
|---------|-----------------------|----------------------------|
| 2008-09 | 2085 | 169415 |
| 2009-10 | 2317 | 83205 |
| 2010-11 | 2363 | 84426 |
| 2011-12 | dividend not declared | |
| 2012-13 | dividend not declared | |
| 2013-14 | 1848 | 77898 |
| 2014-15 | 1783 | 79983 |

The shareholders, who have not yet encashed their dividend for the aforesaid 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 unclaimed and unpaid amount, as referred to under section 205C(2) of the Companies Act, 1956 within 90 days after holding of the AGM, in prescribed form 5 INV. 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 the information in the prescribed form / format with the MCA / IEPF website and also hosted it on DCI website.



**30. 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 those stated in the SEBI (LODR) Regulations

b. Agenda for Board / its Committee meetings: All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision or for information at the Board/ Committee meetings. The Members of the Board have complete access to all information on the organization. The Chairman and Managing Director in consultation with the other functional Directors and senior management personnel finalises the agenda papers for the Board Meetings which are then communicated to the Company Secretary in advance for circulation to the Board/ Committee Members. The Board Agenda comprising of the Board notes, management reports and other explanatory notes are circulated to the Directors in advance. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

c. Post meeting Follow-up Mechanism : Follow-up Report on the decisions/ minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/ Committee.

d. Recording of Minutes of proceedings at Board and Committee Meetings : The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The Minutes after approval of the Chairman are circulated to all the members of the Board and Committee meetings. The Minutes are confirmed in the next meeting of the Board/ Committee. The minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.

e. Reconciliation of Share Capital Audit Report : As per the requirements of the SEBI (LODR) Regulations, 2015 the Reconciliation of Share Capital Audit Report obtained from M/s P.N.Rao & Co., Company Secretaries, Visakhapatnam was submitted to the Mumbai, Calcutta and National Stock Exchanges for all the quarters and was also placed before the Board for information.

f. The financial results are filed in Websites of NEAPS and BSE Online Filing.

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

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

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of

DREDGING CORPORATION OF INDIA LIMITED

- We have examined the compliance of conditions of Corporate Governance by Dredging Corporation of India Limited, ('the Company) for the year ended 31st March, 2016 as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
- The Compliance of Conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
- In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above and DPE Guidelines, during the year ended March 31, 2016 **except to the requirement of composition of Independent Directors on the Board.**
- I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

P. Narasimha Rao

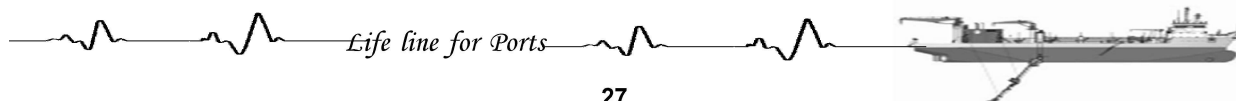
(P. NARASINGA RAO)

FCS No. 4406

CP. No. 2552

Place : Visakhapatnam

Date : 07/07/2016



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2015-16****INDIAN DREDGING - OUTLOOK & POLICY GUIDELINES**

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

1.1 India has rich maritime history with trade and cultural contacts with multiple countries and cultures around the globe. Ports give significant economic pay offs for their city and state- they help generate jobs, add value, mobilise new investment, bring in tax revenues and support trade through reduced logistic costs. The Government of India has initiated Sagarmala National perspective plan with the concept of port led development. Port-led development focusses on logisticsintensive industries (where transportation either represents high proportion of costs or timely logistics is a critical success factor). These industries can be structurally competitive, if developed proximate to coast or waterways. This would be supported by efficient and modern port infrastructure and seamless multi-model connectivity. The Sagarmala National Perspective Plan (NPP) has identified range of projects and enablers under four pillars - logistic intensive industries, efficient ports, seamless connectivity and requisite skill base which can unlock opportunities for port led development.

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

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

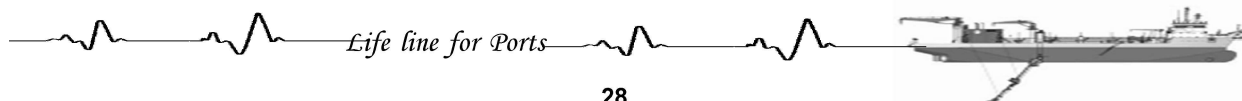
2. Dredging requirement :- The capital dredging requirements for major ports stem from the various port projects planned by the major ports. Ports of Kolkata, Paradip, Visakhapatnam, Ennore, Chennai, Tuticorin, Mormugao, Jawaharlal Nehru and Kandla are planning to undertake the capital dredging of quantities more than 10 MCM. The capital dredging quantities in respect of other major ports are less than 10 MCM. The total quantity planned is 221.11 MCM of all the 12 major ports including the requirement for Navy. The projection for maintenance dredging at Major Ports is 404.25 MCM. In total the requirement is 625.36 MCM which is almost at the same level when (92.5%) compared with 676.34 MCM projected for the major ports during 11th Five Year plan. The non major ports have projected a total requirement of 543.61 MCM of which 418.03 MCM is for capital dredging and 128.58 MCM is for maintenance dredging. When compared with the projection of 368.59 MCM and 46.41 MCM respectively for capital and maintenance dredging during 11th Five year plan, there is an increase of nearly 31%. Capital dredging requirement of the State of Orissa, Andhra Pradesh and Gujarat constitute 57.8% of total capital dredging due to development of Gopalpur and Dhamra ports in Orissa, development of Machilipatnam, Krishnapatnam, Kakinada and Gangavaram ports in Andhra Pradesh, and development of Hazira port in Gujarat state.

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

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

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

6. With the 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. The addition of the dredgers XIX and XX to the fleet in December, 2012 and July, 2013 and XXI in March, 2014 has augmented the capacity of the Company.

7. CORPORATE PERFORMANCE

CAPACITY UTILISATION

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

| | Target | Actual | % Utilisation |
|----------------------|--------|--------|---------------|
| No. of Days | 2850 | 2605 | 91.4% |
| Quantity (Lakh Cu.M) | 72 | 69 | 96% |

| FINANCIAL PERFORMANCE | | (₹ Lakhs) | |
|--|--|-----------|---------|
| | | 2015-16 | 2014-15 |
| Income from Operations | | 66586 | 73496 |
| Other income | | 1036 | 883 |
| Total turnover | | 67622 | 74379 |
| Profit before interest, depreciation and tax | | 20153 | 15636 |
| Interest | | 2043 | 2566 |
| Depreciation | | 9820 | 9214 |
| Profit Before Tax | | 8290 | 6423 |
| Provision for Tax | | 323 | 296 |
| Profit after Tax | | 7967 | 6241 |
| Proposed/Declared Dividend (30%) | | 840 | 840 |
| Earnings Per Share (₹) | | 28.45 | 22.29 |
| Book Value per share (₹) | | 551.39 | 526.54 |

8. OUR COMPETITIVE STRENGTHS

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

Premier and the only PSU dredging company in India

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

Flexible portfolio of dredging assets

Our Company operates a diverse dredging fleet which is the largest in India in terms of capacity. The size, versatility and technical capabilities of our fleet improves its competitiveness as it generally permits our Company to select the appropriate equipment for a particular maintenance dredging job. To maintain the value and effectiveness of fleet, the Company emphasizes preventive maintenance so as to reduce the downtime, increase profitability, enhance the vessel life.

Strong relationships with Customers

Our Company caters to the dredging requirements of the Major Ports and the Indian Navy right from its inception in 1976 and has a better understanding of the dredging requirements of the Indian Ports. Our Company is the leader in maintenance dredging in India through its combination of usage of advanced equipment and experience. Our Company believes that its size as the largest dredging company in India and its extensive experience significantly enhanced its ability to profitably bid for and complete the contracts awarded to it.

Experienced management team

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

9. OUR STRATEGIES

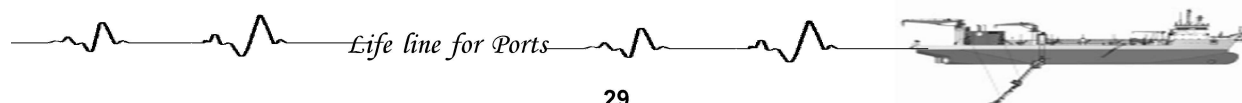
We intend to increase income from operations and strengthen our domestic and international competitive position by expanding our operations in both our traditional and new dredging services and adopting a pro-active marketing strategy for our domestic and foreign operations. We aim to achieve our mission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

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

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

Making forays in foreign dredging market

Apart from consolidation in the Indian dredging market, we have plans to make forays in the foreign dredging market. The initiatives taken for setting our foot once again in foreign waters is likely to materialise in this financial year.



**Enhancement of the fleet capability**

In continuation of the efforts to sustain the existing capacity for which orders were placed for three dredgers meant as replacement of existing aged dredgers, our Company plans to higher hopper capacity trailer suction hopper dredgers. The detailed Project Report for the same is under preparation. 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 placed order for an inland cutter suction dredger and the same is expected to join fleet very shortly.

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. In this direction a long term MOU was signed with Cochin Shipyard Limited.

Strategic alliances through long term contracts with major ports

Your Company proposes 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 also proposes to act as nodal agency to meet all dredging requirements for major ports in the country.

Optimize capacity utilization

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

10. THREATS

The Company perceives the following threats

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

The increased competition has in a way helped the company to tighten up and become more competitive. The company has taken steps in this regard by appointing a consultant to benchmark different parameters -both technical and operational against the best in the world as well take corrective steps to match the same..

11. INDIAN DREDGING MARKET OUTLOOK

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

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

The Sagarmala initiative of the Government gives impetus to port led development and consequent increase in demand for dredging.

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

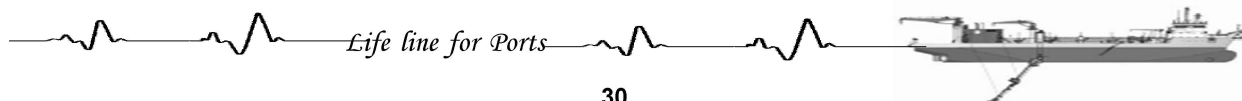
12. RISKS AND CONCERNS

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

13. INITIATIVES TAKEN/FUTURE PLANS OF THE COMPANY

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

- i Appointment of marketing consultants for promoting DCI business abroad.
- ii Appointment of strategic consultants for preparation of documents for growth and diversification into new business and to increase revenue and profits.
- iii Consolidation of share in maintenance dredging in India
- iv More participation in capital dredging – acquiring necessary skills, training company personnel, acquiring/chartering dredgers.





- v Acquisition of dredgers with fuel efficient design and advanced technology, fitted with sophisticated and state-of-the-art technology.
- vi Reducing operational costs - Focusing on fuel efficiency in ship operations, streamlining spare parts procurement systems.
- vii Close monitoring of repairs.
- viii Technology upgradation.

14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

15. INDUSTRIAL RELATIONS

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

16. CORPORATE SOCIAL RESPONSIBILITY

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.

17. CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" describing the objectives, expectations, assumptions or predictions of the Company may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.

**INDEPENDENT AUDITORS' REPORT**

TO
THE MEMBERS OF
DREDGING CORPORATION OF INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Dredging Corporation of India Limited ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including the Accounting Standards specified under the section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2016 and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS:

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

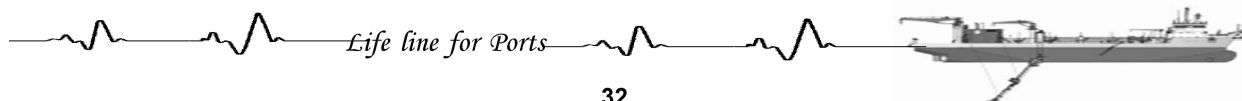
b)

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 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 31st 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.

Report on Other Legal and Regulatory Requirements

- 1) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representation received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 A". Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the Company's internal controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements-refer note XVI 1a-e to the financial statements;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
- 2) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 3) Directions under Section 143(5) of the Companies Act, 2013 are for part of this report.

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


(P.MURALI)

Partner : Membership No. 221625

Place : Hyderabad

Date : 30.05.2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Caluse (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 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

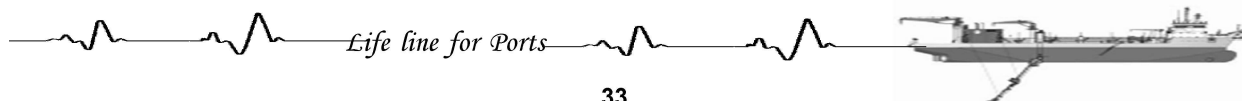
Management's Responsibility for Internal Financial Controls

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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



(P.MURALI)

Place : Hyderabad
Date : 30.05.2016

Partner : Membership No. 221625

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2 under "Report on other Legal and Regulatory requirements" section of our report of even date)

(i) In respect of its fixed assets:

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

(ii) According to the explanation, the Company has carried out physical verification of spares on board dredgers only in respect of eight dredgers as against its fleet strength of sixteen (Ref. note No. XVII 5 f), as such we are unable to comment on the physical verification of spares and stores.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or Limited Liability Partnerships or other parties covered in the Register maintained u/s 189 of the Act.

(iv) The Company has not granted any loans, made any investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.

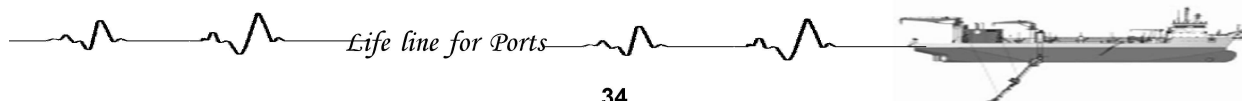
(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.

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

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

- The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrear, as at March 31, 2016 for a period of more than six months from the date they became payable.
- There are no dues in respect of Income Tax, Service Tax, Customs Duty and Value Added Tax as on 31st March 2016 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions and government.





- (ix) During the period the Company has not raised moneys by way of initial public offer or further offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration paid during the year is within the limits prescribed under the provisions of section 197 of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under Clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) All transactions with related parties are in accordance with the provisions of section 177 and section 188 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



(P.MURALI)

Place : Hyderabad
Date : 30.05.2016

Partner : Membership No. 221625

DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013 APPLICABLE FROM THE YEAR 2015-16 ACCOUNTS.

| Sl.No | Directions | Company's Reply |
|-------|---|---|
| 1. | Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available | Yes, the Company has clear title/ lease deeds for freehold/ leasehold land. |
| 2. | Whether there are any cases of waiver/ write off of debts/leasons/interest etc. If yes, the reasons there for and the amount involved. | Not applicable |
| 3. | Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Government or other authorities. | Yes, Stock register for the stock lying at various dredgers are being maintained. No gift/grant was received during the period. |

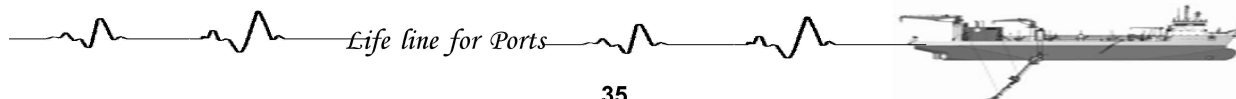
For Tukaram & Co
Chartered Accountants
[Firm Regn No. 004436S]



(P.MURALI)

Place : Hyderabad
Date : 30.05.2016

Partner : Membership No. 221625





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE
ACCOUNTS OF DREDGING CORPORATION OF INDIA LIMITED,
VISAKHAPATNAM FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended on 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the independent audit in accordance with the standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Dredging Corporation of India Limited, Visakhapatnam for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

(ARABINDA DAS)

**Principal Director of Commercial Audit
& Ex-officio Member, Audit Board,
Hyderabad**

Place : HYDERABAD

Date : 10TH JUNE 2016


**BALANCE SHEET AS AT 31st MARCH, 2016**

(₹ in Lakh)

| | Note No. | As at 31-3-2016 | As at 31-3-2015 |
|---|----------|------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| (a) Share Capital | I | 2800.00 | 2800.00 |
| (b) Reserves and Surplus | II | 151587.68 | 144631.88 |
| (c) Money received against share warrants | | 0.00 | 0.00 |
| 2. SHARE APPLICATION MONEY PENDING ALLOTMENT | | 0.00 | 0.00 |
| 3. NON-CURRENT LIABILITIES | III | | |
| (a) Long-term borrowings | | 88920.98 | 92310.41 |
| (b) Deferred tax liabilities (Net) | | 0.00 | 0.00 |
| (c) Other long term liabilities | | 190.67 | 184.37 |
| (d) Long-term provisions | | 246.13 | 532.76 |
| 4. CURRENT LIABILITIES | IV | | |
| (a) Short-term borrowings | | 1034.24 | 129.48 |
| (b) Trade payables | | 6738.97 | 6116.16 |
| (c) Other current liabilities | | 35110.15 | 29272.60 |
| (d) Short-term provisions | | 1846.58 | 1502.43 |
| TOTAL | | 288475.40 | 277480.08 |
| II. ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| (a) Fixed Assets | V | | |
| (i) Tangible Assets | | 193182.36 | 187133.66 |
| (ii) Intangible Assets | | 0.00 | 0.00 |
| (iii) Capital work- in- progress | | 3597.54 | 101.50 |
| (iv) Intangible Assets under development | | 0.00 | 0.00 |
| (b) Non-current investments | VI | 3000.01 | 3000.01 |
| (c) Deferred tax assets (net) | VII | 0.00 | 0.00 |
| (d) Long-term loans and advances | VIII | 4168.66 | 3556.92 |
| (e) Other non-current assets | IX | 0.00 | 0.00 |
| 2. CURRENT ASSETS | X | | |
| (a) Inventories | | 13320.98 | 10793.60 |
| (b) Trade Receivables | | 34216.33 | 37305.37 |
| (c) Cash and cash equivalents | | 13169.45 | 11784.35 |
| (d) Short-term loans and advances | | 6026.71 | 5991.93 |
| (e) Other current assets | | 17793.36 | 17812.74 |
| TOTAL | | 288475.40 | 277480.08 |
| Notes on Financial Statements | XVII | | |
| Accounting Policies | XVIII | | |


For and on behalf of Board of Directors


(RAJESH TRIPATHI)
 Chairman and Managing Director & CEO

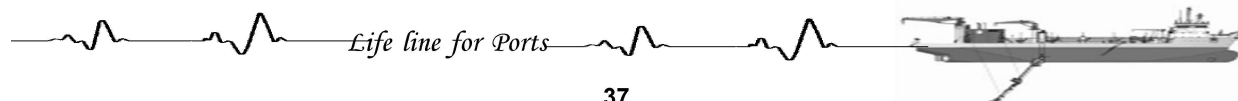

(S.CHARLES)
 Director (Finance) & CFO


(K.ASWINI SREEKANTH)
 Company Secretary

As per our Report of even date
 For Tukaram & Co
 Chartered Accountants
 Firm Regn No. 004436S


(P.MURALI)
 Partner
 Membership No. 221625

PLACE : NEW DELHI,
 DATED : 30-05-2016



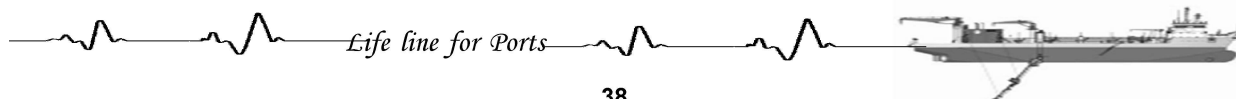
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

| | | (₹ in Lakh) | |
|---|-------------|------------------------|------------------------|
| | Note No. | YEARENDED 31-3-2016 | YEARENDED 31-3-2015 |
| I. Revenue from operations | XI | 66585.89 | 73496.05 |
| II. Other income | XII | 1036.27 | 883.25 |
| III. Total Revenue (I + II) | | <u>67622.16</u> | <u>74379.30</u> |
| IV. Expenses: | | | |
| Cost of materials consumed | | 0.00 | 0.00 |
| Purchase of Stock-in-Trade | | 0.00 | 0.00 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-trade | | 0.00 | 0.00 |
| Employee benefits expense | XIII | 11756.41 | 9737.06 |
| Finance costs | | 2043.02 | 2566.36 |
| Depreciation and amortization expense | V | 9820.49 | 9213.70 |
| Repairs and Maintenance (Vessels) | | 4401.47 | 5933.18 |
| Fuel and Lubricants | | 22132.66 | 28707.56 |
| Spares & stores | | 4616.55 | 5111.15 |
| Insurance | | 1551.94 | 1543.69 |
| Other expenses | XIIV | 4119.58 | 5143.85 |
| Total Expenses | | <u>60442.12</u> | <u>67956.56</u> |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 7180.04 | 6422.75 |
| VI. Exceptional items | | 1110.15 | 114.10 |
| VII. Profit before extraordinary items and tax (V - VI) | | 8290.19 | 6536.84 |
| VIII. Extraordinary items | XVII (5)(b) | 0.00 | 0.00 |
| IX. Profit before tax (VII - VIII) | | 8290.19 | 6536.84 |
| X. Tax expense: | XV | | |
| (1) Current tax | | 323.39 | 296.00 |
| (2) Deferred tax | | <u>0.00</u> | <u>0.00</u> |
| XI. Profit/(Loss) for the period from continuing operations (VII - VIII) | | 7966.80 | 6240.84 |
| XII. Profit/(Loss) from discontinuing operations | | 0.00 | 0.00 |
| XIII. Tax expense of discontinuing operations | | 0.00 | 0.00 |
| XIV. Profit/(Loss) from discontinuing operations (after tax) (XII-XIII) | | 0.00 | 0.00 |
| XV. Profit/(Loss) for the period (XI + XIV) | | <u>7966.80</u> | <u>6240.84</u> |
| XVI. Earnings per equity share : | XVI | | |
| (1) Basic (in ₹) | | 28.45 | 22.29 |
| (2) Diluted (in ₹) | | 28.45 | 22.29 |
| Notes on financial statements | XVII | | |
| Accounting Policies | XVIII | | |

For and on behalf of Board of Directors

(RAJESH TRIPATHI)

Chairman and Managing Director & CEO

(S.CHARLES)
Director (Finance) & CFO(K.ASWINI SREEKANTH)
Company SecretaryAs per our Report of even date
For Tukaram & Co
Chartered Accountants
Firm Regn No. 004436S(P.MURALI)
Partner
Membership No. 221625PLACE : NEW DELHI,
DATED : 30-05-2016



(₹ in Lakh)

| | As at 31-3-2016 | As at 31-3-2015 |
|--|--------------------|--------------------|
| Note- I SHARE CAPITAL | | |
| AUTHORISED: | 3000.00 | 3000.00 |
| 3,00,00,000 Equity Shares of ₹10/- each | | |
| ISSUED, SUBSCRIBED, AND PAID-UP: | | |
| For Cash - 1400 Equity Shares of ₹10/- each fully paid | 0.14 | 0.14 |
| For consideration other than cash - 2,79,98,600 Equity Shares of ₹10/- each allotted as fully paid | 2799.86 | 2799.86 |
| | 2800.00 | 2800.00 |

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

| Particulars | As at 31 st March 2016 | | As at 31 st March 2015 | |
|---|-----------------------------------|-------------|-----------------------------------|----------------|
| | No. | ₹ in lakh | No. | ₹ in lakh |
| Outstanding at the beginning of the year | 28000000 | 2800.00 | 28000000 | 2800.00 |
| Issued during the year | 0 | 0.00 | 0 | 0.00 |
| Outstanding at the end of the Year | 28000000 | 2800 | 28000000 | 2800.00 |

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

| Name of the Shareholder | As at 31 st March 2016 | | | As at 31 st March 2015 | | |
|--|-----------------------------------|-----------------|----------------|-----------------------------------|-----------------|----------------|
| | % age | No. | ₹ in lakh | % age | No. | ₹ in lakh |
| President of India | 73.56 | 20597700 | 2059.77 | 78.56 | 21997700 | 2199.77 |
| Life Insurance Corporation of India | 5.85 | 1637931 | 163.79 | 2.99 | 837456 | 83.75 |

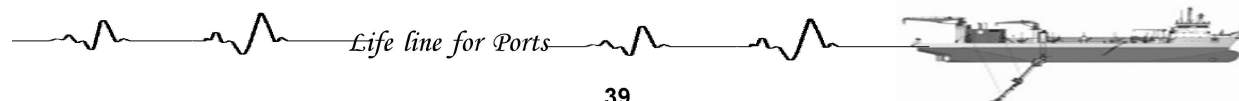
During the year ended 31/03/2016, on 21st August, 2015 the Government of India disinvested 5% of its share holding in the Company. After disinvestment the GoI holding is 73.56% of the share holding in the Company. (PY GoI holding was 78.56%)

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

| As at 2015-16 | As at 2014-15 | As at 2013-14 | As at 2012-13 | As at 2011-12 |
|------------------|------------------|------------------|------------------|------------------|
| ₹ in lakh | ₹ in lakh | ₹ in lakh | ₹ in lakh | ₹ in lakh |
| 2799.86 | 2799.86 | 2799.86 | 2799.86 | 2799.86 |

| | | | |
|---|-----------------------------|-------------------------|-------------------------|
| NOTE- II | RESERVES AND SURPLUS | As at 31-03-2016 | As at 31-03-2015 |
| CAPITAL RESERVE:(*) | | | |
| As per last Balance Sheet | | 451.83 | 451.83 |
| GENERAL RESERVE: | | | |
| As per last Balance Sheet | | 44184.00 | 43564.00 |
| Add : Transfer during the year | | 800.00 | 620.00 |
| | | 44984.00 | 44184.00 |
| TONNAGE TAX RESERVE U/S 115 VT OF IT ACT | | | |
| As per last Balance Sheet | | 0.00 | 1460.00 |
| Add : Transfer during the year | | 2020.00 | 1800.00 |
| Less: : Transfer to Reserve u/s 115 VT Utilisation Account | | -2020.00 | -3260.00 |
| | | 0.00 | 0.00 |
| RESERVE U/S 115 VT UTILISATION ACCOUNT | | | |
| As per last Balance Sheet | | 21750.00 | 18490.00 |
| Add : Transfer during the year | | 2020.00 | 3260.00 |
| | | 23770.00 | 21750.00 |
| DEBENTURE REDEMPTION RESERVE | | | |
| As per last Balance Sheet | | 1800.00 | 1200.00 |
| Add : Transfer during the year | | 600.00 | 600.00 |
| | | 2400.00 | 1800.00 |
| PROFIT AND LOSS ACCOUNT | | | |
| PROFIT AFTER TAX | | 7966.80 | 6240.84 |
| Less : Transfer to Tonnage Tax Reserve U/S 115 VT of IT Act | | -2020.00 | -1800.00 |
| Less : Transfer to General Reserve | | -800.00 | -620.00 |
| Less : Transfer to Debenture Redemption Reserve | | -600.00 | -600.00 |
| Less : Proposed Dividend | | -840.00 | -840.00 |
| Less : Tax on Dividend | | -171.00 | -171.00 |
| Add : Balance brought forward from previous year | | 76446.05 | 74374.78 |
| Less : Transfer of Residual value | | 0.00 | -138.57 |
| | | 79981.85 | 76446.05 |
| | | 151587.68 | 144631.88 |

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





| | As at 31-3-2016 | As at 31-3-2015 |
|---|--------------------------------|--------------------|
| (₹ in Lakh) | | |
| NOTE- III | NON CURRENT LIABILITIES | |
| LONG TERM BORROWINGS | | |
| From Banks | 83033.18 | 86422.61 |
| Secured by charge on TSHD DCI DR XIX , XX & XXI. Loan is re-payable in 20 equal half yearly installments commencing from six months after delivery of the dredger | | |
| From Tax Free Bonds | 5887.80 | 5887.80 |
| | 88920.98 | 92310.41 |
| Borrowings from banks represent the following Euro denominated loans: | | |
| a) Loan for Dr.XIX as on 31/03/2016. (Repayable in 14 half yearly and equal instalments at an interest rate of 6m Euribor+0.825% p.a) | 31833.07 | |
| b) Loan for Dr.XX as on 31/03/2016. (Repayable in 15 half yearly and equal instalments at an interest rate of 6m Euribor+0.825% p.a) | 31941.79 | |
| c) Loan for Dr.XXI as on 31/03/2016 . (Repayable in 16 half yearly and equal instalments at an interest rate of 6m Eurobor+2.85% p.a) | 32074.06 | |
| Sub Total | 95848.92 | |
| Less: Current liability portion(re-payable in one year) | -12815.74 | |
| Long term borrowings from Banks | 83033.18 | |
| Vide Notification no.46/2012.F.No.178/60/2012-(ITA.1) dated 6th Nov, 2012 Ministry of Finance, Govt. of India, authorised the Company to issue tax-free, secured, redeemable, non convertible bonds to an extent of ₹50000 lakhs. The Company raised an amount of ₹5887.80 lakhs and the same has been utilized for second stage payment of Dr.XXI constructed by IHC Dredgers B.V, Netherlands during the year 2012-13 and commissioned during Feb,2014. The tenor of the bonds is 10 years. The coupon rate for category I, II,III and IV is 6.97% p.a and additional coupon rate of 0.5% p.a for original allottees under category IV. The Bonds are fully secured by way of charge on DCI Back-hoe dredger. | | |
| Deferred Tax Liabilities (Net) | 0.00 | 0.00 |
| In view of adoption of Tonnage Tax Scheme under Income Tax Act, 1961, no provision is required for deferred tax liability/asset for the year. | | |
| | 0.00 | 0.00 |
| Other long term Liabilities | | |
| Trade payables | 0.00 | 0.00 |
| Others- Non-Current SD&EMD | 190.67 | 184.37 |
| | 190.67 | 184.37 |
| Long-term provisions | | |
| a) Provision for employee benefits | 246.13 | 532.76 |
| | 246.13 | 532.76 |
| NOTE- IV | CURRENT LIABILITIES | |
| Short term borrowings | | |
| i) Deposits from contractors | 232.08 | 128.11 |
| ii) Advances from customers | 802.16 | 1.37 |
| | 1034.24 | 129.48 |
| Trade payables * | 6738.97 | 6116.16 |
| | 6738.97 | 6116.16 |
| * include : Amounts due to the Micro, Small and Medium Enterprises based on available information to whom a sum exceeding ₹1 Lakh is outstanding | | |
| a) for more than 30 days as per agreed terms | Nil | Nil |
| b) Amounts due other than (a) above | Nil | Nil |
| Other Current Liabilities | | |
| Interest accrued but not due on borrowings | 357.64 | 420.42 |
| Interest accrued and due on borrowings | 0.00 | 0.00 |
| Un-claimed dividend | 4.96 | 5.67 |
| Current portion of secured loans | 12815.74 | 11555.37 |
| Other payables | 21931.81 | 17291.14 |
| | 35110.15 | 29272.60 |
| Short-term provisions | | |
| Employee benefits -current | 835.58 | 491.43 |
| Provision for Proposed Dividend | 840.00 | 840.00 |
| Tax on Dividend | 171.00 | 171.00 |
| | 1846.58 | 1502.43 |



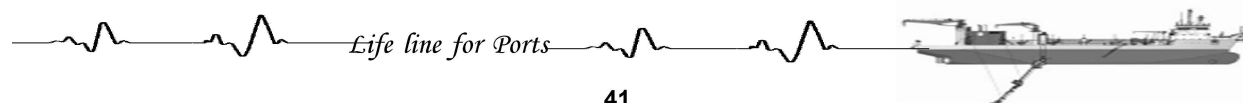
| NOTE- V | | | | | | | | | | | |
|--|--------------------|--------------------------|-----------------------------------|----------------------------|------------------|---------------------|--------------------|----------------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | | | | | | | |
| DESCRIPTION | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
| | As on 31-3-15 | Additions in the year | Foreign Exchange Variations | Deductions/ Adjustments | As on 31-3-16 | Upto 31-3-15 | During the year | Deductions/ Adjustments | Upto 31-3-16 | As on 31-3-16 | As on 31-3-15 |
| TANGIBLE ASSETS | | | | | | | | | | | |
| 1 LAND-FREEHOLD | 35.98 | 0.00 | 0.00 | 0.00 | 35.98 | 0.00 | 0.00 | 0.00 | 0.00 | 35.98 | 35.98 |
| 2 BUILDINGS | 346.28 | 0.00 | 0.00 | 0.00 | 346.28 | 288.61 | 1.54 | 0.00 | 290.15 | 56.13 | 57.67 |
| 3 PLANT & MACHINERY | | | | | | | | | | | |
| a) DREDGERS | 293149.40 | 3265.43 | 9933.77 | 0.00 | 306348.59 | 107950.15 | 9403.73 | 22.66 | 117376.54 | 188972.05 | 185199.25 |
| b) ANCILLARY CRAFTS | 3527.85 | 2594.81 | 0.00 | 0.00 | 6122.66 | 2055.44 | 264.26 | 0.00 | 2319.71 | 3802.95 | 1472.41 |
| c) PIPELINE, BALL & SOCKETS, JOINTS ETC. | 6652.63 | 0.00 | 0.00 | 0.00 | 6652.63 | 6468.09 | 83.69 | 0.00 | 6551.78 | 100.85 | 184.54 |
| d) OTHER OPERATIONAL ASSETS | 286.94 | 0.00 | 0.00 | 0.00 | 286.94 | 279.87 | 1.26 | 0.00 | 281.13 | 5.80 | 7.07 |
| 4 FURNITURE, FIXTURES AND OFFICE EQUIPMENT | | | | | | | | | | | |
| a) FURNITURE, FITTINGS, EQUIPMENTS ETC., | 517.16 | 14.29 | 0.00 | 0.00 | 531.44 | 458.71 | 18.59 | 0.00 | 477.30 | 54.15 | 58.45 |
| 5 MOTOR VEHICLES | 29.02 | 0.00 | 0.00 | 0.00 | 29.02 | 10.27 | 3.78 | 0.00 | 14.05 | 14.98 | 18.75 |
| 6 COMPUTERS | 454.69 | 83.57 | 0.00 | 0.00 | 538.25 | 355.16 | 43.64 | 0.00 | 398.80 | 139.46 | 99.53 |
| 7 TEMP. STRUCTURES | 119.09 | 0.00 | 0.00 | 0.00 | 119.09 | 119.09 | 0.00 | 0.00 | 119.09 | 0.00 | 0.00 |
| FIXTURES/ERECTONS | | | | | | | | | | | |
| TOTAL | 305119.03 | 5958.10 | 9933.77 | 0.00 | 321010.89 | 117985.39 | 9820.49 | 22.66 | 127828.53 | 193182.36 | 187133.66 |
| INTANGIBLE ASSETS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| GRAND TOTAL | 305119.03 | 5958.10 | 9933.77 | 0.00 | 321010.89 | 117985.39 | 9820.49 | 22.66 | 127828.53 | 193182.36 | 187133.66 |

Notes:

- Buildings include ₹3.37 lakh (previous year ₹3.37 lakh) being the cost of two residential flats at Mumbai which are yet to be registered in the name of the Company.
- 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. Pursuant to this, the company changed its accounting policy during the QE 30/06/2015 broadly categorizing the component parts of dredgers into three items i.e., 1. Keel and Hull (60% of vessel's cost), 2. Plant and Machinery in salt and sea water environment (35% of vessel's cost), 3. Electrical /Electronic Equipment (5% of vessel's cost). However, this was only a broad categorization but could not be componentized. 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. Consequently, the charging of depreciation for component parts was not required. Accordingly, restored the last year's accounting policy for charging depreciation for FY 2015-16 in the last quarter ending 31/03/2016.
- CSD Dr XVIII had some inherent manufacturing defects and the production/output of the vessel was below the designed output. In view of the under performance of the vessel, the company invoked the performance guarantee for an amount of ₹27.37 Crs given by the builder and the company has taken action to remedy the defects at a cost of ₹32 Crs. The vessel is expected to be back into operations by June, 2016. The management has carried out the impairment test and noted that the value in use is in excess of the carrying cost and hence does not require any impairment provision.

| | | |
|--|--|--------------------|
| of the carrying cost and hence does not require any impairment provision. | | (₹ in Lakh) |
| | As at 31-3-2016 | As at 31-3-2015 |
| NOTE V | CAPITAL WORK IN PROGRESS | |
| Capital work-in-progress | 3597.54 | 101.50 |
| | INTANGIBLE ASSETS UNDER DEVELOPMENT | |
| Intangible assets under development | 0.00 | 0.00 |
| NOTE VI | NON CURRENT INVESTMENTS | |
| Invest ment in Equity Instruments | | |
| At Cost - Non- Trade (Unquoted) | | |
| a) 5 Equity Shares of ₹50/- each fully paid - up in Mittal Chambers Premises Co-operative Society Ltd., Bombay | 0.01 | 0.01 |
| b) Sethusamudram Corporation Limited 300 lakh Equity shares of ₹10 each fully paid (Previous year 300 lakh Equity shares) | 3000.00 | 3000.00 |
| | 3000.01 | 3000.01 |

As regards equity investment made in Sethusamudram Corporation Ltd (SCL) amounting to ₹ 3000 lakhs. The Management does not consider any diminution for the value of the investment and the same has been carried as at the end of 31st March, 2016 as the investee company's (SCL) network is more than the equity capacity as under:





| | Financial Year | Share Capital | Reserves & Surplus | Net worth | (₹ in Lakh) |
|--|----------------|---------------|--------------------|-----------|-------------|
| | 2012-13 | 74500 | 5602 | 80102 | |
| | 2013-14 | 74500 | 5818 | 80318 | |
| | 2014-15 | 74500 | 5781 | 80281 | |

National stock Exchange of India vide its letter no.NSE/LIST/8500 dated 26/12/2014 advised the company to restate the financial statements for FY 2012-13 suitably on the qualification raised by then statutory auditors of the Company. Aggrieved by the said directions, the Company filed review petition before SEBI vide Lr no.DCI/CS/E.1/2015 requesting to review and reconsider its directions in its letter. SEBI vide its dated 05/11/2015 has decided that the instant qualification has been addressed by the Company in the subsequent financial years and ensured that it is free from such qualification and accordingly it will be treated as adequate compliance with the requirement of SEBI's directions in their letter dated 26/12/2014

| | As at 31-3-2016 | As at 31-3-2015 |
|-------------------------------------|--------------------|--------------------|
| NOTE VII | | |
| DEFERRED TAXASSETS | | |
| Deferred tax asset | 0.00 | 0.00 |
| NOTE VIII | | |
| LONG TERM LOANS AND ADVANCES | | |
| Capital advances* | 2818.98 | 2416.50 |
| Security deposits (Non-Current) | 711.55 | 866.69 |
| Other loans and advances | 638.12 | 273.73 |
| | 4168.66 | 3556.92 |

* Capital Advances include ₹1748.50 lakhs released to the party on stage payments achieved as per the shipbuilding contracts which are backed up by valued Bank Guarantees. Contractually the two barges were to be delivered by 08/02/2014 and 14/05/2014 respectively. The party is given final extension of time up to 08/03/2016.

| NOTE IX | | OTHER NON CURRENT ASSETS | |
|---|----------|--------------------------|----------|
| Long term trade receivables | 0.00 | | 0.00 |
| NOTE X | | CURRENT ASSETS | |
| CURRENT INVESTMENTS | | | |
| Investments | 0.00 | | 0.00 |
| INVENTORIES | | | |
| a) Stock of spares and stores (Valued at cost) | 13646.93 | | 10544.19 |
| LESS: Provision for unserviceable Spares & Stores | -545.51 | | -968.29 |
| b) Spares and stores in transit | 219.56 | | 1217.70 |
| | 13320.98 | | 10793.60 |

| | | |
|--|-----------------|-----------------|
| TRADE RECEIVABLES (UNSECURED) | | |
| a) Debts outstanding for a period exceeding 6 months | 40195.85 | 34709.38 |
| b) Other Debts | 10008.73 | 16302.88 |
| LESS: Considered doubtful and provided for Debts considered good | -15988.25 | -13706.89 |
| | 34216.33 | 37305.37 |

Pursuant to the company claims vide its letter dated 06/06/2012 for the works executed in sethusamudram project, the company is of the view that the actual cost incurred will be reimbursed by GOI and the same is under active consideration by GOI. In view of this, provisions for doubtful debts has not been made in respect receivables in this regard.

| | | |
|----------------------------------|-----------------|-----------------|
| CASH AND CASH EQUIVALENTS | | |
| a) Balance with Banks | 646.32 | 316.76 |
| b) Cheques on Hand | 0.00 | 5.02 |
| c) Cash on Hand | 8.06 | 2.90 |
| d) Others -Fixed depositis | 12510.11 | 11454.00 |
| e) Earmarked balances with Banks | 4.96 | 5.67 |
| | 13169.45 | 11784.35 |

| | | |
|--------------------------------------|----------------|----------------|
| SHORT TERM LOANS AND ADVANCES | | |
| a) Secured - considered good | 109.91 | 142.94 |
| b) Unsecured* | 5916.80 | 5848.99 |
| | 6026.71 | 5991.93 |

* Include tour advances to -

| | As at 31/3/16 | Max Amt. during the year | As at 31/3/15 | Max Amt. during the year |
|----------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| Chairman and Managing Director | 0.00 | 0.00 | 0.00 | 0.00 |
| Director(Finance) | 0.00 | 0.00 | 0.00 | 0.00 |
| Director(Operations & Technical) | 0.00 | 0.00 | 0.56 | 0.00 |



(₹ in Lakh)

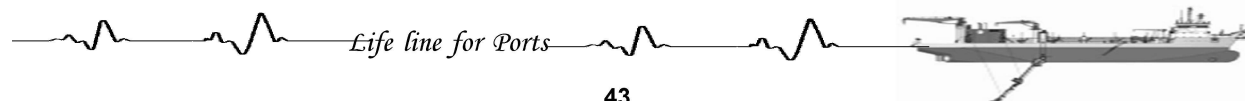
| | As at 31-3-2016 | As at 31-3-2015 |
|--|--------------------|--------------------|
| OTHER CURRENT ASSETS | | |
| a) Interest accrued on Deposits and Advances | 298.42 | 292.28 |
| b) Unbilled operational income | 4443.86 | 4471.91 |
| c) Income Tax paid | 14580.80 | 12971.32 |
| Less : Provision for income tax | -4165.01 | 3857.57 |
| Income tax paid and tax deducted at source | 10415.79 | 9113.75 |
| DEPOSITS | | |
| a) Customs, Posts & Telegraphs | 4.56 | 4.63 |
| b) Other deposits | 1077.56 | 2439.34 |
| PREPAID EXPENSES | 151.95 | 458.38 |
| NET CLAIMS & OTHER RECOVERABLES | | |
| Claims & other recoverables | 1413.04 | 1044.26 |
| Less : Provisions for doubtful claims | -11.82 | -11.82 |
| | 17793.36 | 17812.74 |

| | | |
|----------------------------|--------------------------------|----------|
| NOTE XI | REVENUE FROM OPERATIONS | |
| a) Core Dredging Services | 66366.23 | 72552.40 |
| b) Other Operating Revenue | 221.67 | 943.65 |
| Less : Rebates / Discounts | -2.01 | 0.00 |
| | 66585.89 | 73496.05 |

| | | |
|--------------------|---------------------|--------|
| NOTE XII | OTHER INCOME | |
| Interest earned on | | |
| a) Fixed Deposits | 952.54 | 698.48 |
| b) Tax refunds | 74.36 | 17315 |
| c) Others | 9.37 | 11.57 |
| | 1036.27 | 883.25 |

| | | |
|---|----------------------------------|---------|
| NOTE XIII | EMPLOYEE BENEFIT EXPENSES | |
| Employee benefits expense | | |
| i) Pay and benefits to operational staff | 6097.82 | 5571.55 |
| iii) Contribution to Provident and Other Funds | 113.97 | 107.66 |
| iv) Pay and benefits to shore employees | 5138.79 | 3775.09 |
| v) Contribution to Provident and other funds | 298.92 | 203.47 |
| Employee benefits includes two new schemes introduced in this year: | | |
| | (₹ in lakh) | |
| i) Provision for post retirement medical scheme for Shore Employees: (Provision for @2.19 % of Basic +DA) | 42.00 | |
| ii) Provision for pension scheme to eligible shore : employees (Rtd wef:01.01.2007) | 938.00 | |
| vi) Remuneration to Directors: | | |
| a) Chairman-and-Managing Director | 38.70 | 26.82 |
| b) Director (Finance) | 23.14 | 5.57 |
| c) Director (Operations & Technical) | 45.07 | 46.89 |
| | 11756.41 | 9737.06 |

| | | |
|---|-----------------------|--------|
| NOTE-XIV | OTHER EXPENSES | |
| A) Other Operational Expenses | | |
| i) Lodging Expenses: Floating Staff | 26.75 | 71.65 |
| ii) Travelling, Portage & Conveyance - Floating Staff | 111.01 | 138.46 |
| iii) Equipment Transportation Expenses | 0.69 | 58.24 |
| iv) Direct Works Expenses: | | |
| a) Boat/Tug Hire charges | 950.74 | 410.36 |
| b) Crane Hire charges | 95.21 | 2.67 |
| c) Pipeline laying/maintenance expenses | 87.40 | 64.70 |
| d) Payments to Contractors | 448.94 | 183.79 |
| e) Others | 342.31 | 329.55 |
| v) Miscellaneous Expenses | 270.59 | 325.36 |
| B) Rent | 44.67 | 48.13 |
| C) Rates and Taxes | 13.96 | 12.37 |
| D) Other Establishment Expenses | | |
| i) Donations | 203.32 | 50.50 |
| ii) Travelling Expenses | 397.35 | 294.61 |
| iii) Bank Charges & Guarantee fee | 126.36 | 70.55 |





(₹ in Lakh)

| | As at 31-3-2016 | As at 31-3-2015 |
|---|---|--------------------|
| NOTE XIII & XIV | OTHER EXPENSES ... contd.. | |
| iv) Printing & Stationery | 20.95 | 32.49 |
| v) Postage, Telegrams, Phones & Telex | 38.86 | 32.06 |
| vi) Repairs and Maintenance of Building, | 185.77 | 130.94 |
| vii) Expenditure on data processing | 49.75 | 43.11 |
| viii) Advertisement & Publicity (including NIT) | 10.29 | 1.15 |
| ix) Dailies & Periodicals and Cost of Library | 10.78 | 16.71 |
| x) Remuneration to Auditors : | | |
| a) As Auditors | 6.50 | 4.50 |
| b) Tax Audit Fees | 0.70 | 0.50 |
| c) For other Services | 0.00 | 0.00 |
| xi) Other professional services | 10.19 | 3.57 |
| xii) Legal Advisor Fee & Expenses | 188.15 | 32.09 |
| xiii) Electricity, water charges | 69.31 | 64.91 |
| xiv) Expenses on seminars | 11.55 | 25.42 |
| xi) Expenditure on Corporate Social Responsibility | 83.86 | 71.00 |
| xvi) Others | 141.63 | 214.14 |
| E) Provisions | | |
| i) For doubtful debts | 2276.09 | 2316.46 |
| ii) For unserviceable spares and stores | -495.94 | 37.96 |
| F) Prior Period adjustments (Net) | | |
| debits | 1.56 | 55.91 |
| credits | -1609.72 | 0.00 |
| | 4119.58 | 5143.85 |
| NOTE XV | TAX EXPENSE | |
| 1) For Current Tax | | |
| a) Income Tax | 323.39 | 279.00 |
| b) Wealth Tax | 0.00 | 10.00 |
| 2) Deferred Tax | 0.00 | 0.00 |
| | 323.39 | 289.00 |
| NOTE XVI | EARNING PER SHARE | |
| 1) Basic/ Diluted | 28.45 | 22.29 |
| a) Earnings per share | | |
| i) Profit after Tax (₹ in lakh) | 7966.80 | 6240.84 |
| ii) Weighted average number of Equity Shares (Nos.) | 28000000 | 28000000 |
| Face value ₹10/- per share | | |
| iii) Basic Earnings per share (in ₹) | 28.45 | 22.29 |
| NOTE XVII | ADDITIONAL INFORMATION ON ACCOUNTS | |
| 1. CONTINGENT LIABILITIES: | | |
| a. Letters of Credit | 603.90 | 3.64 |
| b. Claims made against the Company not acknowledged as debts | 21606.78 | 36712.58 |
| c. Estimated amount of contracts remaining to be executed on capital account and not provided for | 6540.43 | 7983.95 |
| d. Income Tax Demands received but disputed by the Company | 5296.63 | 5296.63 |
| e. Service Tax Demands received but disputed by the Company | 8755.24 | 3702.02 |
| 2. EARNINGS IN FOREIGN EXCHANGE | | |
| Earnings in foreign exchange | 0.00 | 0.00 |
| | 0.00 | 0.00 |
| 3. EXPENDITURE IN FOREIGN CURRENCY | | |
| a) Travelling | 11.50 | 0.45 |
| b) Interest | 2043.02 | 2152.02 |
| 4. VALUE OF IMPORTS (CIF BASIS) | | |
| a) Components and spare parts (CIF Value) | 5265.75 | 4912.57 |
| b) Value of imported spares and components consumed | 3788.10 | 4154.04 |
| c) Value of indigenous spares and components consumed | 322.16 | 346.54 |
| d) Percentage of imported spares & components consumed to total spares & components consumed | 92.30 | 92.30 |
| e) Percentage of indigenous spares & components consumed to total spares & components consumed | 7.84 | 7.70 |



5. GENERAL

- a) Letters seeking confirmation of balances have been sent to Customers and replies from the Customers are awaited and as such could not be reconciled.
- b) Commissioner (Appeals) Vide order no.S.N.P-5-360/CUS/ (ARS)/KPL (port)/2013 dated 30/06/2015 stated that the company is entitled to refund of the entire amount of ₹1132.81 lakhs custom duty paid by the company. Aggrieved by this order, Assistant commissioner approached the CESTAT, Kolkata for stay of the commissioner orders dated 30/06/2015. CESTAT dismissed the stay petition filed by the department in favour of the company. The company has submitted all the documents for obtaining refund of the amount. This amount has been considered and shown under exceptional items in profit and loss account amounting to ₹1110.15 lakhs and reduced residual value of Dr-Aquarius by ₹22.66 lakhs.
- c) The Company filed an appeal and an application for stay before the Customs, Excise and Service Tax Appellate Tribunal against Commissioner's Orders confirming recovery of ₹8755.24 lakhs towards irregular Cenvat credit availed during the period from June, 2005 to March, 2014 and imposing a penalty/interest of ₹5421.87 lakhs. No provision has been made as the matter is pending before the tribunal.
- d) Escalation Claims (Labour / Material) have been preferred on the basis of latest available indices.
- e) Income Tax appeals are pending for the Assessment years 2009-10 to 2014-15 before the Income Tax Authorities.
- f) Physical verification of inventory on board dredger has been carried out in respect of eight dredgers and the same is pending for verification in respect of eight dredgers. Necessary adjustments for surplus /deficit of the items will be made in the accounts soon after completion of physical verification of all the dredgers.
- g) Disclosure requirements under AS 15 on Employee benefits are given hereunder.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year, is under: (₹ in lakhs)

| | 2015-16 | 2014-15 |
|---|---------|---------|
| Employer's Contribution to Provident Fund (inclusive of Contribution to Pension Fund) | 412.83 | 312 |

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 Govt. The provident fund contributions are accounted for on accrual basis.

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

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

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

(₹ in Lakh)

| | Gratuity (Funded) | Leave Encashment (un funded) | |
|--|-------------------|------------------------------|---------------|
| | | Floating Staff | Shore Staff |
| I. Assumptions | | | |
| Mortality | | | |
| Interest/ Discount Rate | 7.46% | 7.46% | 7.46% |
| Rate of increase in Compensation | 4.00% | 4.00% | 4.00% |
| Rate of return (expected) on plan assets | 8.00% | - | - |
| Employee Attrition Rate (Past Service (PS)) | PS:0 to 42.5% | PS:0 to 42.5% | PS:0 to 42.5% |
| Expected average remaining service | 8.14% | 7.58% | 8.85% |
| II. Changes in present value of obligations | | | |
| PVO at beginning of period | 1307 | 32 | 622 |
| Interest Cost | 113 | 3 | 44 |
| Current Service Cost | 57 | 35 | 108 |
| Past Service Cost (non vested benefits) | - | - | - |
| Past Service Cost (vested benefits) | - | - | - |
| Benefits paid | 303 | 00 | 120 |
| Actuarial (gain)/loss on obligation | (495) | (38) | (82) |
| PVO at end of the period | 1285 | 31 | 730 |
| III. Changes in fair value of plan assets | | | |
| Fair Value of Plan Assets at beginning of period | 1349 | - | - |
| Adjustment to opening balance | (42) | - | - |
| Expected return on Plan Assets | 124 | - | - |
| Contributions | 187 | - | 119 |
| Benefits paid | 303 | - | (119) |
| Actuarial gain/(loss) on plan assets | (51) | - | - |
| Fair Value of Plan Assets at the end of period | 1870 | - | - |
| IV. Fair value of plan assets | | | |
| Fair Value of Plan Assets at beginning of period | 1349 | - | - |
| Adjustments to opening balance | (42) | - | - |
| Actual return on Plan Assets | 73 | - | - |
| Contributions | 187 | - | 119 |
| Benefits paid | 303 | - | (119) |



(₹ in Lakh)

| | Gratuity (Funded) | Leave Encashment (un funded) | |
|--|--|--|---|
| | | Floating Staff | Shore Staff |
| Fair Value of Plan Assets at end of period | 1870 | - | - |
| Funded Status (including unrecognised past service cost) | (585) | (31) | (731) |
| Excess of actual over estimated return on Plan Assets | (51) | - | - |
| V. <u>Experience History</u> | | | |
| Gain/loss on obligation due to change in Assumption | 15 | (75) | 10 |
| Experience (Gain) / Loss on obligation | (510) | 37 | 67 |
| Actuarial(Gain) / Loss on Plan Assets | (51) | - | - |
| VI. <u>Actuarial Gain/(Loss) Recognized</u> | | | |
| Actuarial Gain/(Loss) for the period (Obligation) | (495) | 38 | (76) |
| Actuarial Gain/(Loss) for the period (Plan Assets) | (51) | - | - |
| Total Gain/(Loss) for the period | 444 | 38 | (76) |
| Actuarial Gain/(Loss) recognized for the period | 444 | 38 | (76) |
| Unrecognized Actuarial Gain/(Loss) at end of period | - | - | - |
| VII. <u>Past Service Cost Recognized</u> | | | |
| Past Service Cost (Non vested benefits) | - | - | - |
| Past Service Cost (vested benefits) | - | - | - |
| Average remaining future service till vesting of the benefits | - | - | - |
| Recognised Past Service Cost - Non vested benefits | - | - | - |
| Recognised Past Service Cost - vested benefits | - | - | - |
| Unrecognised Past Service Cost - Non vested benefits | - | - | - |
| VIII. <u>Amounts recognized in the balance sheet and statement of profit & loss account</u> | | | |
| PVO at end of period | 1285 | 31 | 731 |
| Fair Value of Plan Assets at end of period | 1870 | - | - |
| Funded Status | 585 | (31) | (731) |
| Unrecognized Actuarial Gain/(Loss) | - | - | - |
| Unrecognized Past service cost/(Loss)- non vested benefits | - | - | - |
| Net Asset/(Liability) recognized in the balance sheet | 585 | (31) | (731) |
| IX. <u>Expense recognized in the statement of P&L A/c</u> | | | |
| Current Service Cost | 79 | 35 | 108 |
| Interest cost | 104 | 2 | 44 |
| Past service cost (non vested benefits) | - | - | - |
| Past service cost (vested benefits) | - | - | - |
| Unrecognised past service cost (non vested benefits) | - | - | - |
| Expected Return on Plan Assets | (102) | - | - |
| Net Actuarial (Gain) / Loss recognized for the period | 117 | (38) | 76 |
| Expense recognized in the statement of P&L A/c | 2 | 1 | 228 |
| X. <u>Movements in the Liability recognized in Balance Sheet</u> | | | |
| Opening Net Liability | 247 | 32 | 622 |
| Adjustment to opening balance | (247) | - | - |
| Expenses as above | 198 | 1 | 228 |
| Contribution paid | 240 | - | (119) |
| Closing Net Liability | 42 | 31 | 731 |
| XI. <u>Short Term Compensated Absence Liability</u> | | | |
| Valuation date | 31-03-2016 | 31-03-2016 | 31-03-2016 |
| No. of days | - | 2516 | 17520 |
| Amount* | - | 67 | 370 |
| (*Not included in the Net liabilities under item No. VIII) | | | |
| h) Disclosure of provisions required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets." | | | |
| Provision for | Carrying amount at the beginning of the year | Additional provisions made during the year | Amounts used during the year |
| | (01-04-2015) | | Carrying amount at the end of the period (31-03-2016) |
| Employee benefits | 1024.19 | 56.98 | - |
| | | | 1081.17 |

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

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

**NOTE-XVIII- ACCOUNTING POLICIES:****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.**

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

2. OPERATIONAL INCOME:

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

3. OTHER INCOME:

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

4. OPERATIONAL EXPENSES:

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

5. DEPRECIATION:

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

- i. Dredgers-
- ii. The useful life dredgers will be 25 years.
- iii. Expenditure incurred on drydocking of dredgers which have completed the useful life of 25 years already is capitalised to the said dredger and depreciated over the extended useful life determined by technical evaluation.
Note: Residual value of the dredgers will be considered at 2% of the original cost of the dredger including capitalisation of exchange variance in accordance with AS-11.
In respect of the following assets depreciation is provided on straight line method based on technical estimation of useful lives of such assets:
- iv. Pipeline Equipment: 25% for Mild Steel pipe line equipment and 12.5% for high density polyethylene pipe line equipment.
- v. Second hand assets: As per estimate of balance service life.
- vi. Building on lease: Cost of building constructed on lease hold land is amortized over the lease period.
- vii. Items of Fixed Assets whose cost does not exceed Rs 5,000/- (Rupees five thousand) are capitalised and depreciated 100% during the year.
- viii. Cost of Library: Cost of library is considered as Other establishment expenditure.
- ix. The exchange differences on long term foreign currency monetary liabilities used for acquisition of specific fixed assets adjusted to the cost of fixed assets, are amortized over the remaining useful life of the said asset

6. FIXED ASSETS:

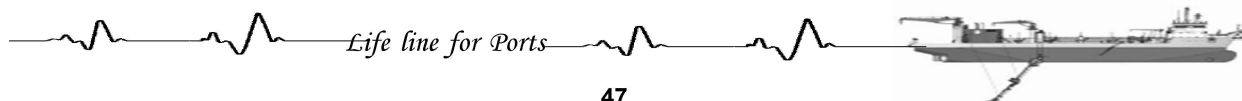
- a) Fixed Assets are stated at historical cost less depreciation (historical cost includes financing cost and other related overheads).
b) Grants in Aid relating to specific Fixed Assets are shown as deduction from the gross value of the assets concerned in arriving at book value.
c) Items of the nature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

7. BORROWING COSTS:

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

8. FOREIGN CURRENCY TRANSACTIONS:

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





exchange difference on the long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency items. The Company has accordingly aligned its accounting policy based on the above notification. Exchange differences arising out of fluctuation in exchange rates on settlement/restatement at the period end are accounted based on the nature of transaction as under:

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

9. INVENTORIES:

- (a) Stock of spares and stores is valued at weighted average cost and is inclusive of :
 - (i) Customs duty, if any as applicable to the whole consignment and
 - (ii) Overheads at predetermined rate.
- (b) Reconditioned spares are valued at the respective cost of reconditioning.
- (e) Spares /stores are accounted for as per respective delivery/ shipment terms as material-in transit/ stock accounts, valued as per (a) above and are charged to revenue as and when consumed.
- (f) Stores and lubricants delivered to crafts during the year are charged to revenue.

10. INVESTMENTS:

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

11. EMPLOYEE BENEFITS:

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

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

Provision for medical assistance to retired shore employees is made at the rate of 2.19% of Basic pay plus DA of the eligible employees and is governed by guidelines issued by DPE. The contributions are funded with separate trust.

Provision for post-retirement pension to employees is made at the rate of 11% of Basic pay plus DA of eligible employees as on 01-01-2007 and is governed by guidelines issued by DPE.

12. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

For and on behalf of Board of Directors

(RAJESH TRIPATHI)

Chairman and Managing Director & CEO

(S.CHARLES)

Director (Finance) & CFO

(K.ASWINI SREEKANTH)

Company Secretary

As per our Report of even date

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

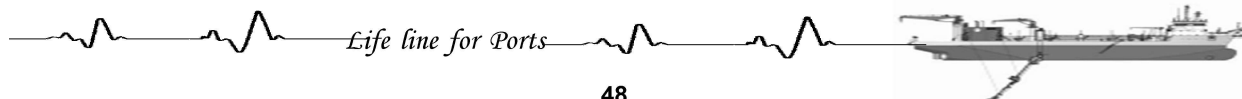
(P.MURALI)

Partner

Membership No. 221625

PLACE : NEW DELHI,

DATED : 30-05-2016





To

The Board of Directors,

DREDGING CORPORATION OF INDIA LIMITED

We have examined the attached Cash Flow Statement of DREDGING CORPORATION OF INDIA LIMITED for the year ended 31-03-2016. The statement has been prepared by the Company in accordance with the requirements of SEBI (LODR) regulations and based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report, dated 30-05-2016 to Members of the Company.

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

(P.MURALI)

Partner : Membership No. 221625

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakh)

| | YEAR ENDED 31-3-2016 | YEAR ENDED 31-3-2015 |
|---|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 8,290 | 6,537 |
| Less/Add: Profit/Loss on sale of assets | - | - |
| | <u>8,290</u> | <u>6,537</u> |
| ADJUSTMENT FOR : | | |
| Depreciation | 9,821 | 9,214 |
| Interest Expense | 2,043 | 2,566 |
| Interest Income | (953) | (710) |
| Operating Profit before changes in working capital | <u>19,201</u> | <u>11,070</u> |
| Working Capital changes: | | |
| (Increase)/decrease in inventory | (2105) | 610 |
| (Increase)/decrease in Trade Receivables | 808 | (756) |
| (Increase)/decrease in other current Assets | 2,197 | 9,893 |
| Increase/(decrease) in trade payables & other liabilities | 2,072 | (1,199) |
| Cash generated from operations | <u>22,173</u> | <u>8,548</u> |
| Less: Interest paid | (2,105) | (2,983) |
| Income Taxes paid | (1,625) | (1,849) |
| Exceptional Income | (1,110) | (114) |
| Prior period expenses | 0 | 56 |
| Net Cash from operating activities (A) | <u>17,333</u> | <u>21,200</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (3,839) | (1,389) |
| Sale proceeds from Assets sold | - | - |
| Interest Received | 965 | 511 |
| Investments | - | - |
| Net Cash from investing activities (B) | <u>(2,874)</u> | <u>(878)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Long term Borrowings | (12,063) | (13,209) |
| Dividend paid | (840) | (840) |
| Corporate Dividend Tax | (171) | (143) |
| Net Cash from Financing Activities (C) | <u>(13,074)</u> | <u>(14,192)</u> |
| Net increase/decrease in cash and cash equivalents (A+B+C) | <u>1,385</u> | <u>6,131</u> |
| Cash & Equivalents as at beginning of the year | 11,784 | 5,653 |
| Cash & Equivalents as at end of the year | <u>13,169</u> | <u>11,784</u> |

For and on behalf of Board of Directors

(RAJESH TRIPATHI)

Chairman and Managing Director & CEO

(S.CHARLES)

Director (Finance) & CFO

(K.ASWINI SREEKANTH)
Company Secretary

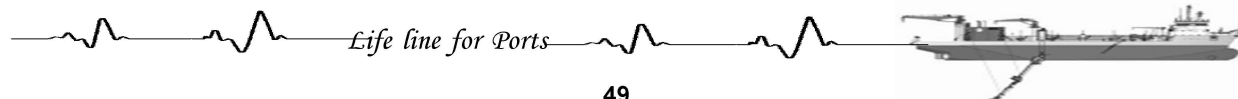
As per our Report of even date

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

(P.MURALI)

Partner
Membership No. 221625

PLACE : NEW DELHI,
DATED : 30-05-2016



**DREDGING CORPORATION OF INDIA LIMITED**

CIN:L29222DL1976GOI008129

FORM NO. MGT-11 -PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

REGISTERED OFFICE : Core: 2, 1st Floor, "SCOPE MINAR", Plot No. 2A & 2B, Laxminagar District Centre, .
 Delhi - 110 092, Phone No. : 011 22448528, Fax No. : 01122448527;
 E-mail : sreekanth@dcil.co.in; website : www.dredge-india.com

NAME OF THE MEMBER(S) :

REGISTERED ADDRESS :

E-MAIL ID :

FOLIO NO/ CLIENT ID* :

DP ID :

I/ We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1 Name

Address

E-Mail ID

Signature

or failing him

2 Name

Address

E-Mail ID

Signature

or failing him

3 Name

Address

E-Mail ID

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Wednesday, the 30th day of September, 2016 at 10.00 a.m at Conference Hall, Scope Minar, Core-2, Ground Floor, Plot no. 2A & 2B, Laxminagar District Centre, New Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Ordinary Resolutions

1. To receive, consider and adopt the audited Balance sheet as at 31st March, 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. Declaration of dividend @ ₹3.00/- per Equity Share of ₹10/- each to the shareholders for the financial year 2015-16.
3. To appoint a director in place Shri S,Charles (DIN:07063274)who retires by rotation and is eligible for re-appointment
3. Fixation of remuneration to Statutory Auditors for 2015-16.
4. To appoint Ms.Sheila Sangwan (DIN: 01857875) as Director of the Company
5. To appoint Dr. (Ms.)Vrushali Rajendra Waghmare (DIN: 07479570) as Director of the Company

Signed this _____ day of _____, 2016

Signature of the Shareholder _____

Signature of the proxy holder(s) _____

**Affix
Revenue
Stamp**

NOTE: THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

-----TEAR HERE-----

**DREDGING CORPORATION OF INDIA LIMITED.**

CIN NO : L29222DL1976GOI008129

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

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

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

ATTENDANCE SLIP FOR 40TH ANNUAL GENERAL MEETING**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.****Joint shareholders may obtain additional Attendance Slip on request.**

| |
|-------------|
| DP. Id*: |
| Regd. Folio |

| |
|--------------------|
| Client Id*: |
| No. of shares held |

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 40th ANNUAL GENERAL MEETING of the company held on 30th September, 2016 at 1000 hrs. at 10.00 a.m at Conference Hall, Scope Minar, Core- 2, Ground Floor, Plot no. 2 A & 2B, Laxminagar District Centre, New Delhi - 110092

*Applicable for investors holding shares in electronic form

Signature of the shareholder or proxy.



**LOCATION MAP OF 40TH AGM VENUE - CONFERENCE HALL, SCOPE MINAR, CORE-2, PLOT NO.2A % 2B, -
LAXMINAGAR, DELHI. DATE : 30/09/2016; TIME : 10.00 AM**



NOTES

[illegible]

PRINTED MATTER

To,

If undelivered please return to :
KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda,
Hyderabad - 500 032.
Tel. Nos.: (040) 67162222 ; Fax No.: (040) 23001153
E-mail Address : einward.ris@karvy.com