ड्रेडिंग कार्पोरेशन ऑफ इंडिया लिमिटेड

ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड

DREDGING CORPORATION OF INDIA LIMITED















47TH ANNUAL REPORT 2022-23

Life line for Ports

BOARD OF DIRECTORS

CHAIRMAN
(NON-EXECUTIVE)



Shri. K.Rama Mohana Rao, IAS
Chairman, DCIL & VPA
Upto 31.03.2023



Shri. T.K.Ramachandran, IAS
Chairman, DCIL & VPA
From 01.04.2023 to 09.05.2023



Dr. Madhaiyaan Angamuthu, IAS
Chairman, DCIL & VPA
w.e.f. 19.05.2023

MANAGING DIRECTOR & CEO



Prof. Dr. G.Y.V. Victor,
Under suspension w.e.f. 13.07.2022
and removed from the services w.e.f.
31.03.2023

MANAGING DIRECTOR & CEO (Addl. Charge)



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

PROMOTER DIRECTORS (NON-EXECUTIVE)



Shri. Sanjay Sethi, IAS
Chairman
Jawaharlal Nehru Port Authority

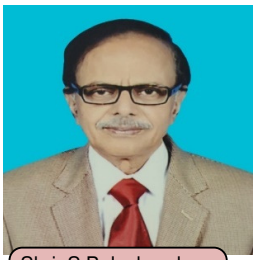


Shri. Sanjay Kumar Mehta, IFS
Chairman
Deendayal Port Authority



Shri. P.L.Haranadh, IRTS
Chairman
Paradip Port Authority

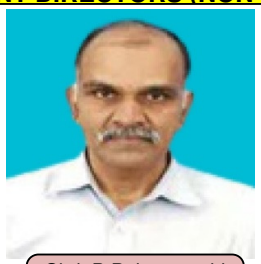
INDEPENDENT DIRECTORS (NON-EXECUTIVE)



Shri. S.Balachandran,
IRAS (Retd.)
(Upto 10.04.2022)



Capt. Anoop Kumar
Sharma
(Upto 04.04.2022)



Shri. B.Poiyaamozhi
(Upto 10.04.2022)



Cmde. Kartik
Subramaniam
(Upto 10.04.2022)



Smt. Nutan Guha
Biswas, IAS (Retd.)

NEW INDEPENDENT DIRECTORS (NON-EXECUTIVE)



Shri. Anindo Majumdar,
IAS (Retd.)
(w.e.f. 20.05.2022 to 03.12.2022)



Shri. Vinod Kumar
Pipersenia, IAS (Retd.)
(w.e.f. 26.05.2022)



Shri. Rajat Sachar,
IES (Retd.)
(w.e.f. 26.05.2022)



Shri. Arun Kumar Gupta,
(w.e.f. 04.07.2022)



Shri. Lov Verma,
IAS (Retd.)
(w.e.f. 28.02.2023)

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

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

HEAD OFFICE
"DREDGE HOUSE", H.B. Colony Main Road,
Seethammadhara, Visakhapatnam – 530 022
Phone: 0891 2523250; Fax : 0891 2560581

REGISTRARS & SHARE TRANSFER AGENT
M/S. KFIN TECHNOLOGIES LIMITED
(upto 31.12.2022)
M/S. ALANKIT ASSIGNMENTS LIMITED
(w.e.f. 01.01.2023)
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi-110055
Landline No.: +91-11-42541234
Email: rta@alankit.com

SECRETARIAL AUDITORS
M/s. Agarwal S. & Associates
Company Secretaries
D-427, 2nd Floor, Palam Extn.,
Ramphal Chowk, Sector 7, Dwarka,
New Delhi - 110075

BANKERS
Canara Bank
State Bank of India
Union Bank of India
BNPPARIBAS
ABN AMRO Bank
EXIM Bank
Deutsche Bank
ICICI Bank
Indian Bank

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

BOARD OF DIRECTORS

Shri. K.Rama Mohana Rao, IAS
Chairman
(upto 31.03.2023)

Shri. T.K.Ramachandran, IAS
Chairman
(From 01.04.2023 to 09.05.2023)

Dr. Madhaiyaan Angamuthu, IAS
Chairman
(w.e.f. 19.05.2023)

Prof. Dr. G. Y. V. Victor
Managing Director & CEO
(Under suspension w.e.f. 13.07.2022 and removed from the services w.e.f. 31.03.2023)
Capt.S.Divakar
Managing Director & CEO (Additional Charge)
(w.e.f. 15.07.2022)

Shri. Sanjay Sethi

Shri Sanjay Kumar Mehta

Shri. P.L.Haranadh

Shri. S Balachandran
(upto 10.04.2022)
Cmde. Kartik Subramaniam (Retd.)
(upto 10.04.2022)
Shri. B Poiyaamozhi
(upto 10.04.2022)
Capt. Anoop Kumar Sharma
(upto 04.04.2022)
Smt. Nutan Guha Biswas
Shri. Anindo Majumdar
(from. 20.05.2022 to 03.12.2022)
Shri. Vinod Kumar Pipersenia
(w.e.f. 26.05.2022)
Shri. Rajat Sachar
(w.e.f. 26.05.2022)
Shri. Arun Kumar Gupta
(w.e.f. 04.07.2022)
Shri. Lov Verma
(w.e.f. 28.02.2023)

CHIEF FINANCIAL OFFICER
Shri. D.Subbarao
(upto 31.03.2023)
Shri. K.Rajesh
(w.e.f. 01.04.2023)

COMPANY SECRETARY
Shri. K.Aswini Sreekanth
(upto 07.06.2022)
COMPLIANCE OFFICER & KMP
Shri . K.Aswini Sreekanth
(upto 05.07.2022)

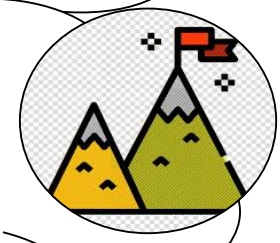
COMPANY SECRETARY, COMPLIANCE OFFICER & KMP
Smt. P.Chandra Kalabhinetri
(w.e.f. 14.07.2022)
kalabhinetri@dcil.co.in

STATUTORY AUDITORS
M/s. Rao & Kumar & Co.
Chartered Accountants,
10-50-19, Soudamani,
Siripuram, Visakhapatnam-530002



VISION

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



MISSION

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

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



OBJECTIVES

i. To become end to end solution provider for holistic dredging solutions to the Ports of the Country including project management consultancy.

ii. To generate on continuous basis reliable geo-technical data with in-house expertise and/ or tie up with premier institutes to build and maintain optimized navigation channels to the ports.

iii. To make forays into the inland and shallow water dredging and underwater mining.

iv. To set up Joint Venture Companies/forging strategic alliances with Indian/ international companies, to carve out a niche in the maritime world.

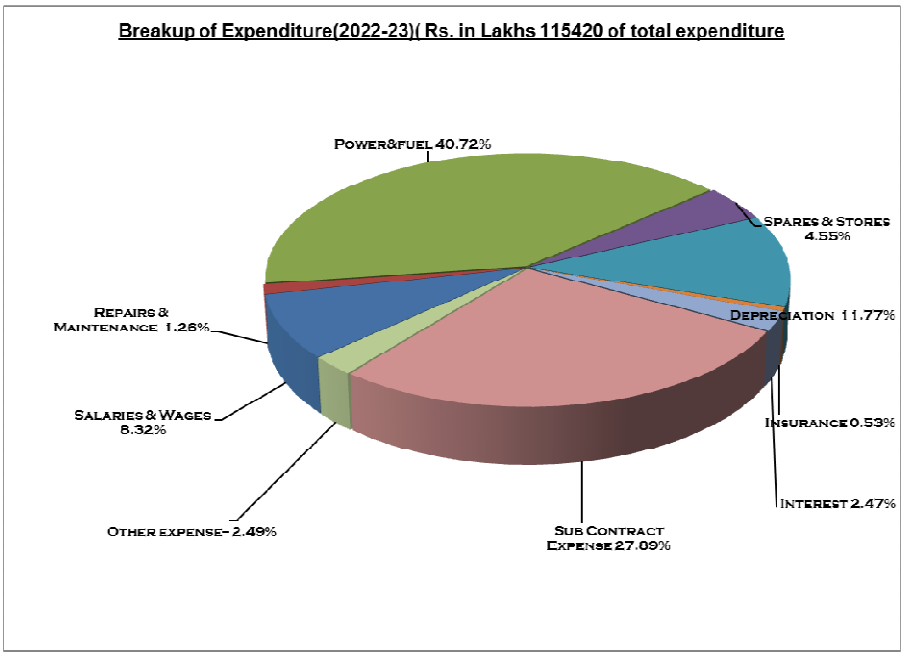
v. To work towards sustainability, innovation and collaboration to the satisfaction of all the stakeholders by conducting business with the highest personal and professional, ethical and moral standards through implementation of e-governance and in accordance with all applicable laws, rules, regulations and procedures.

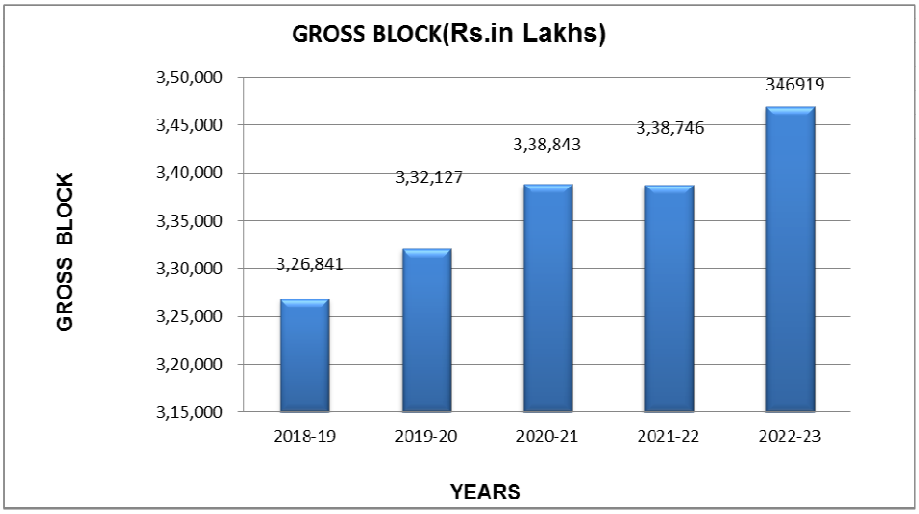
DECADE AT A GLANCE

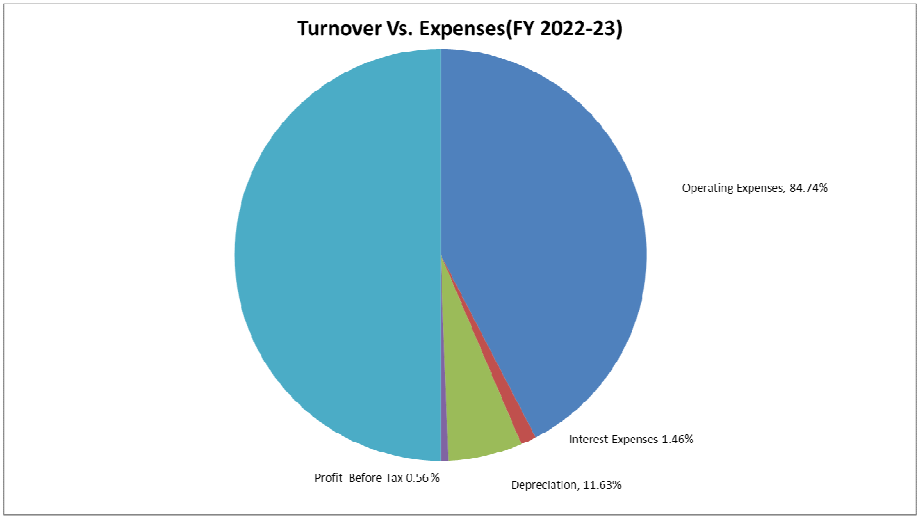
₹. in lakhs

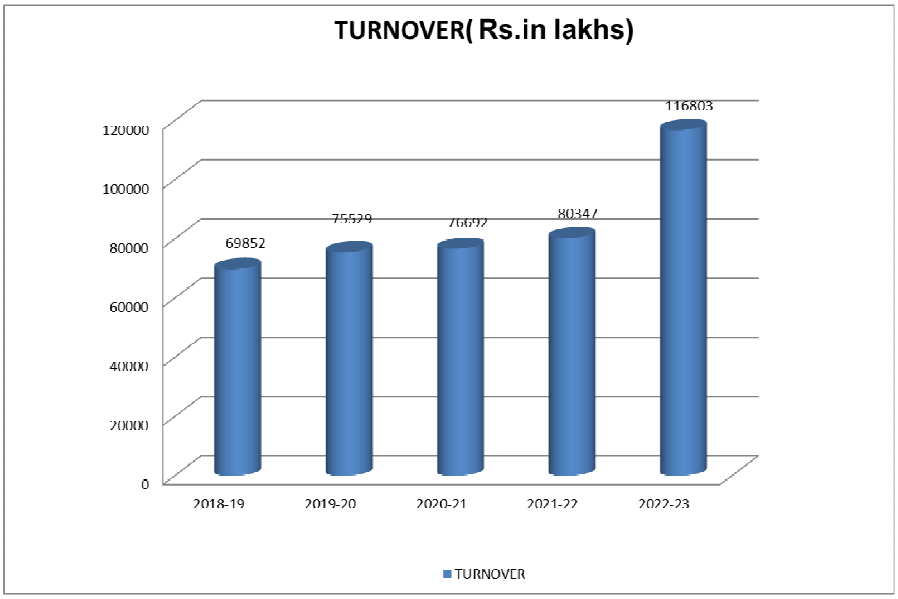
OPERATIONAL STATISTICS

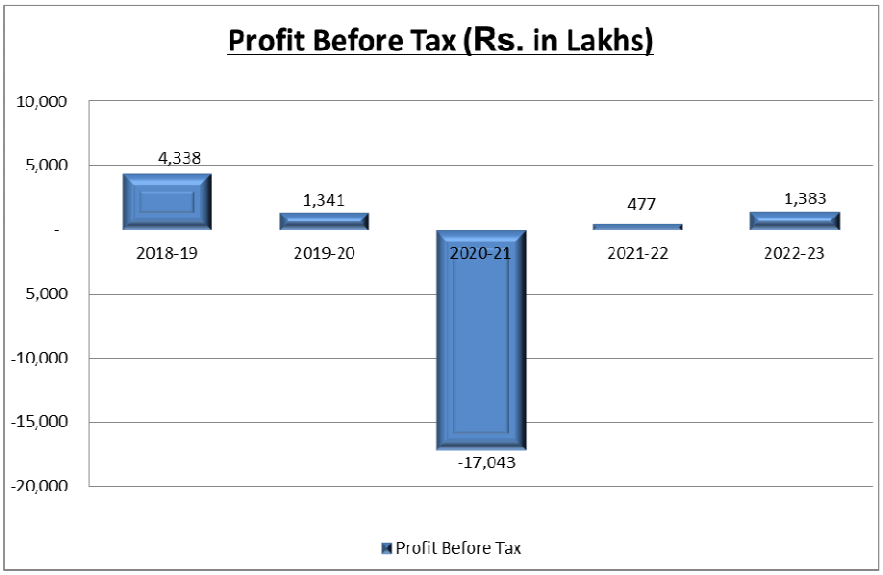
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Restated)	2019-20	2020-21 (Restated)	2021-22 (Restated)	2022-23
Operating Earnings (**A**)	77041	73496	66586	58587	59187	69174	74969	76376	80103	116480
Interest Income	227	699	953	832	447	416	331	245	198	169
Other Income	2	184	579	550	1578	262	229	71	46	154
Total Income (B)	**77270**	**74379**	**68118**	**59969**	**61212**	**69852**	**75529**	**76692**	**80347**	**116803**
Operating Expenses(**C**)	58456	56177	53621	46888	45694	52469	61084	79813	68309	98978
Interest Expenses	1099	2566	1761	1894	2023	1754	1391	1992	1210	2856
Depreciation	13832	9214	9331	9960	11318	11291	11713	11930	12020	13585
Exceptional items	0	(114)	(1110)	0	0	0	0	0	(1669)	0
Excess/short provision of Corporate tax of earlier years written back	0	0	0	0	0	0	0	0	0	
Total Expenses	**73387**	**67843**	**63603**	**58742**	**59035**	**65514**	**74188**	**93735**	**79870**	**115420**
Profit Before Tax	**3883**	**6536**	**4515**	**1227**	**2177**	**4338**	**1341**	**(17043)**	**477**	**1384**
Tax Liability	128	296	323	487	463	535	790	182	120	128
Profit after Tax(D)	**3755**	**6240**	**4192**	**740**	**1714**	**3803**	**551**	**(17225)**	**357**	**1256**
Other Comprehensive income (OCI) (E)	**0**	**0**	**159**	**(28)**	**(50)**	**0**	**0**	**429**	**174**	**263**
Total Comprehensive income for the perod (OCI) (D+E) (F)	**3755**	**6240**	**4350**	**711**	**1664**	**3803**	**551**	**(16797)**	**531**	**1519**
Operating Expenses Vs. Operating Earnings	**76%**	**76%**	**81%**	**80%**	**77%**	**76%**	**81%**	**104%**	**85%**	**85%**
Operating Profit [A-C] **(G)**	**18585**	**17319**	**12965**	**11699**	**13493**	**16705**	**13885**	**(3437)**	**11793**	**17501**
Operating Profit Margin [G/A]	**24.12%**	**23.56%**	**19.47%**	**19.97%**	**22.80%**	**24.15%**	**18.52%**	**-4.50%**	**14.72%**	**15.03%**
Net Profit Margin [F/B]	**5%**	**8%**	**6%**	**1%**	**3%**	**5%**	**1%**	**-22%**	**0.44%**	**1.08%**
FINANCIAL HIGHLIGHTS:										
	31-03-2014	**31-03-2015**	**31-03-2016**	**31-03-2017**	**31-03-2018**	**31-03-2019**	**31-03-2020**	**31-03-2021**	**31-03-2022**	**31-03-2023**
WHAT THE COMPANY OWNED										
Fixed Assets										
Gross Block	327408	304245	320080	317761	325355	326841	332127	338843	338746	346919
Less: Depreciation (Cum)	108633	117694	127317	137008	143694	154985	166698	177932	180710	194295
Net Block	**218775**	**186551**	**192763**	**180753**	**181662**	**171856**	**165429**	**160912**	**158036**	**152624**
Capital Working Progress	1435	2518	3836	2600	4284	775	828	1219	2940	471
Working Capital	58800	59507	54851	50414	49911	51100	47683	22622	9921	-1155
Financial Assets (Investments, other Financial assets)	3000	1242	1087	907	921	414	47	51	51	11597
	282010	**249818**	**252537**	**234673**	**236778**	**224145**	**213988**	**184802**	**170947**	**163536**
WHAT THE COMPANY OWED										
Long term Funds:										
Secured Loans	139669	103866	101328	81778	80948	65202	55210	42658	27283	18554
Unsecured Loans& Other Non-current liabilities	0	717	1026	833	1420	1457	1753	2626	2926	2727
	139669	**104583**	**102355**	**82611**	**82368**	**66659**	**56963**	**45284**	**30210**	**21280**
NET WORTH OF THE COMPANY										
Share Capital	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800
Reserves & Surplus	139541	142435	147383	149262	151610	154686	154224	136719	137937	139456
	142341	**145235**	**150183**	**152062**	**154410**	**157486**	**157024**	**139519**	**140737**	**142256**
Capital Employed (Net block + working capital)	**277575**	**246058**	**247614**	**231167**	**231573**	**222956**	**213113**	**183533**	**167957**	**151469**
Dividend paid	**840**	**840**	**840**	**0**	**560**	**840**	**0**	**0**	**0**	**0**
Dividend %	**30%**	**30%**	**30%**	**0%**	**20%**	**30%**	**0%**	**0%**	**0%**	**0%**
Debt/equity Ratio	**0.98:1**	**0.72:1**	**0.68:1**	**0.54:1**	**0.53:1**	**0.41:1**	**0.35:1**	**0.32:1**	**0.19:1**	**0.20:1**
Earnings per share	**13.41**	**22.29**	**14.97**	**2.54**	**5.94**	**13.58**	**1.97**	**(59.99)**	**1.90**	**5.42**

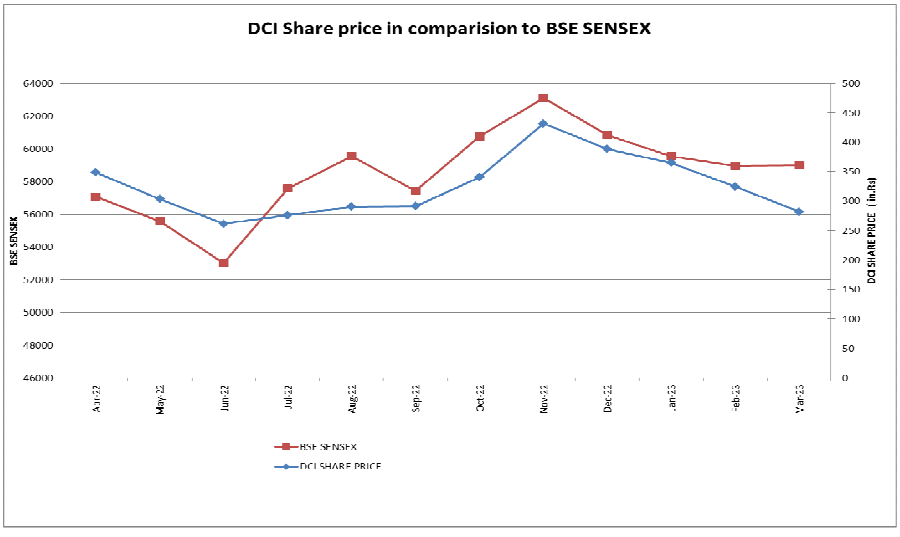

Breakup of Expenditure(2022-23)(Rs. in Lakhs 115420 of total expenditure
POWER&FUEL 40.72%
SPARES & STORES 4.55%
DEPRECIATION 11.77%
INSURANCE 0.53%
INTEREST 2.47%
SUB CONTRACT EXPENSE 27.09%
OTHER EXPENSE- 2.49%
SALARIES & WAGES 8.32%
REPAIRS & MAINTENANCE 1.26%

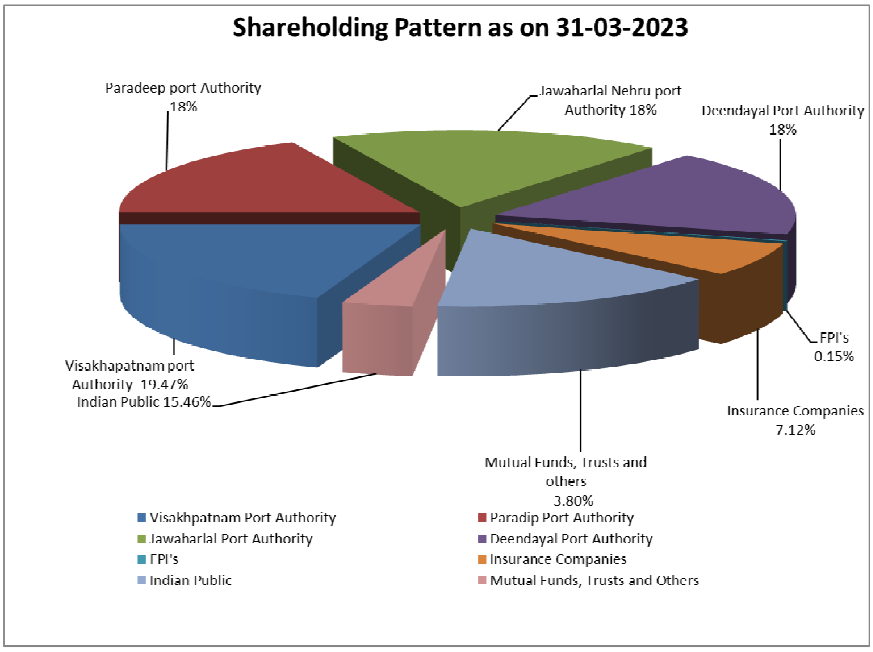

GROSS BLOCK(Rs.in Lakhs)
GROSS BLOCK
3,50,000
3,45,000
3,40,000
3,35,000
3,30,000
3,25,000
3,20,000
3,15,000
3,26,841
3,32,127
3,38,843
3,38,746
346919
2018-19
2019-20
2020-21
2021-22
2022-23
YEARS

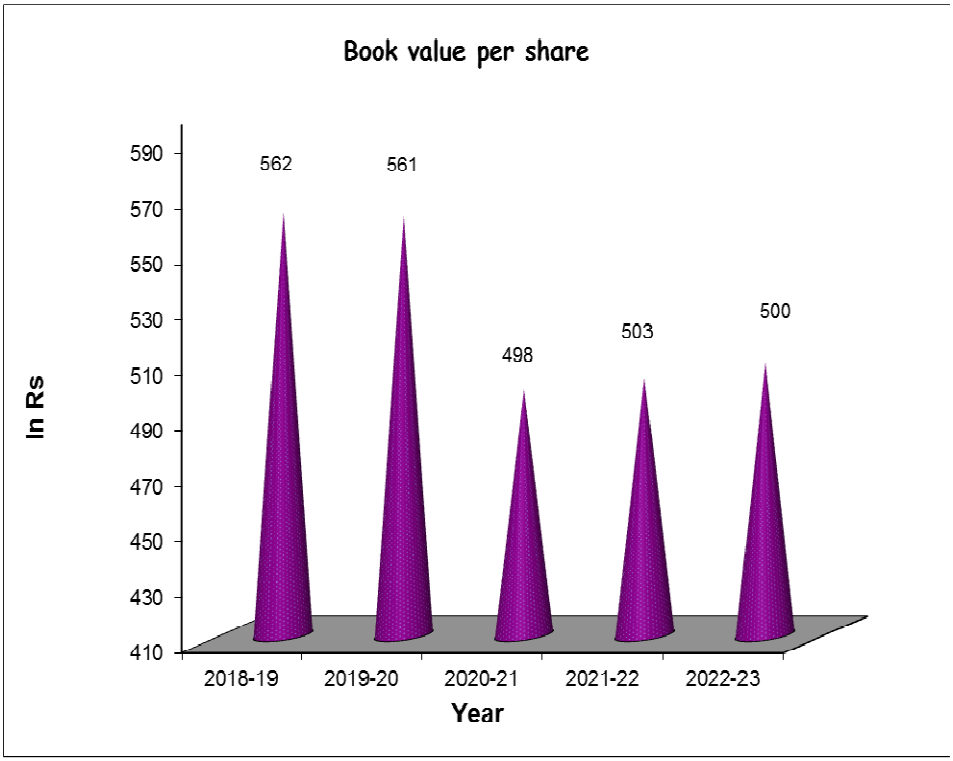

Turnover Vs. Expenses(FY 2022-23)
Operating Expenses, 84.74%
Interest Expenses 1.46%
Depreciation, 11.63%


TURNOVER(Rs.in lakhs)
120000
100000
80000
60000
40000
20000
0
69852
75529
76692
80347
116803
2018-19
2019-20
2020-21
2021-22
2022-23
TURNOVER


Profit Before Tax (Rs. in Lakhs)
10,000
5,000
-
5,000
-10,000
-15,000
-20,000
4,338
1,341
-17,043
477
1,383
2018-19
2019-20
2020-21
2021-22
2022-23
Profit Before Tax


DCI Share price in comparision to BSE SENSEX
BSE SENSEX
DCI SHARE PRICE (in Rs)
BSE SENSEX
DCI SHARE PRICE


Shareholding Pattern as on 31-03-2023
Paradeep port Authority 18%
Jawaharlal Nehru port Authority 18%
Deendayal Port Authority 18%
FPI's 0.15%
Insurance Companies 7.12%
Mutual Funds, Trusts and others 3.80%
Visakhapatnam port Authority 19.47%
Indian Public 15.46%
Visakhpatnam Port Authority
Paradip Port Authority
Jawaharlal Port Authority
Deendayal Port Authority
FPI's
Insurance Companies
Indian Public
Mutual Funds, Trusts and Others


Book value per share
In Rs
590
570
550
530
510
490
470
450
430
410
562
561
498
503
500
2018-19
2019-20
2020-21
2021-22
2022-23
Year

INFORMATION IN RESPECT OF DREDGERS AND FLOATING CRAFTS OF DCI

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

MAJOR MAINTENANCE DREDGING ASSIGNMENTS EXECUTED		
	Client	**Work done during the Years**
1	Syama Prasad Mookerjee Port Authority, Kolkata	From 2002-03 till date
2	New Mangalore Port Authority, Mangalore	2002-03, 2003-04, 2005-06 to 2010-11, 2019-20, 2020-21, 2021-22, 2022-23
3	Mormugao Port Authority, Goa	2002-03 to 2005-06, 2008-09 to 2011-12, 2019-20, 2020-21, 2021-22, 2022-23
4	Jawaharlal Nehru Port Authority, Mumbai	2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2007-08, 2019-20, 2020-21, 2021-22, 2022-23
5	Cochin Port Authority, Kochi	2002-03, 2002-04,2006-07,2011-12 to 2014-15,2016-17 to 2019-20, 2020-21, 2021-22, 2022-23
6	Deendayal Port Authority, Kandla	2002-03 to 2005-06, 2012-13, 2013-14, 2017-18
7	Mumbai Port Authority, Mumbai	2002-03, 2003-04 & 2017-18
8	Paradip Port Authority, Paradip	2002-03 to 2012-13, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23
9	Visakhapatnam Port Authority, Visakhapatnam	2002-03 to 2019-20, 2020-21, 2021-22, 2022-23
10	Chennai Port Authority, Chennai	2003-04, 2022-23
11	Southern Naval Command, Kochi	2002-03 to 2007-08, 2011-12 & 2014-15, 2020-21, 2021-22, 2022-23
12	Karwar Port	2011-12
13	Konkan LNG Private Limited	2015-16 to 2019-20
14	Gangavaram Port	2015-16 & 2017-18, 2018-19, 2019-20, 2020-21
15	Cochin Shipyard Limited, Kochi	2015-16 to 2019-20, 2020-21, 2021-22, 2022-23
16	M/S Ultra Dimension Pvt Ltd	2017-18
17	M/S ITD Cementation, Visakhapatnam	2018-19, 2019-20
18	M/s AVR Infra Pvt Ltd.,	2018-19
19	M/s Vizag Sea Port Pvt Ltd.,	2018-19
20	M/s Essar, Visakhapatnam	2018-19, 2019-20
21	Mumbai Navy	2018-19 & 2019-20
22	VOC Port Trust, Tuticorin	2018-19
23	Karaikal Port	2018-19
24	Krishnapatnam Port	2018-19, 2019-20
25	Muriganga, I & WD West Bengal	2018-19,2019-20 & 2020-21, 2021-22
26	Mahanandi River Mouth	2019-20, 2020-21
27	Kamarajar Port Limited (SOITL)	2020-21, 2021-22
28	Neendakara Fishing Harbour, Kerala	2020-21
29	NRL, Paradip	2021-22, 2022-23
30	M/s JP Offshore	2021-22, 2022-23
31	M/s VCTPL	2021-22
32	Rock & Reef	2022-23
33	Aurobindo Infrastructure Pvt. Ltd.	2022-23
MAJOR CAPITAL DREDGING ASSIGNMENTS EXECUTED		
1	Mormugao Port Authority, Goa	1994-95, 2009 & 2016-17
2	Kolkata Port Authority, Kolkata	1994-95
3	Cochin Port Authority, Kochi	1994-95
4	Kakinada Port, Kakinada	1994-95
5	Jawaharlal Nehru Port Trust, Mumbai	1997-98
6	New Mangalore Port Authority, Mangalore	2000-01
7	Bharat Petroleum Corporation, JNPT, Mumbai	2001-02
8	Visakhapatnam Port Authority, Visakhapatnam	2001-02 & 2014-15
9	Taichung Harbour, Taichung, Taiwan	2001-02
10	Reclamation works at Bahrain	2004-05 & 2005-06
11	KKS Harbour, Sri Lanka	2013-14
12	Kamarajar Port Limited	2010-11 to 2012-13, 2014-15, 2018-19,
13	Deendayal Port Authority, Kandla	2012-13 to 2013-14
14	Andaman Lakshadweep harbour works	2016-17, 2017-18
15	L & T Kattupalli	2016-17
16	Gujarat Maritime Board	2016-17
17	Port of Puducherry, Puducherry	2016-17 & 2017-18
18	Dahej,& Gogha, Gujarat	2017-18
19	Mongla Port, Bangladesh	2017-18, 2018-19 & 2019-20
20	South & North BOT Dock Complex, Paradip Port	2008-09 to 2012-13, 2017-18, 2018-19 & 2019-20, 2020-21, 2021-22, 2022-23
21	LNG Terminal, Kamarajar Port	2018-19
22	Coastal Berth & Jawahar Dock, Chennai Port	2019-20
23	Mangrol-Gujarat:	2022-23

NOTICE is hereby given that the 47th Annual General Meeting ("AGM") of the members of Dredging Corporation of India Limited will be held at 15:00 Hrs. on Wednesday, the 27th September 2023 through Video conferencing ("VC") / Other Audio-Visual Means ("OAVM") to seek the consent of the shareholders of the Company ("Members"), on the agenda herein below through remote electronic voting ("E-voting"):-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and Auditors thereon and the comments thereon of the Comptroller & Auditor General of India and in this regard, to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT** the Audited financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and Auditors and the comments thereon of the Comptroller & Auditor General of India thereon laid before this meeting, be and are hereby received, considered and adopted."

2. To appoint Shri. Sanjay Jagdishchandra Sethi (DIN: 02235406) who retires by rotation as a Director at this meeting and being eligible, offers himself for re-appointment to consider and if thought fit, to pass, with or without modifications(s) the following resolution as an **Ordinary Resolution:-**

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri. Sanjay Jagdishchandra Sethi (DIN: 02235406), who retires by rotation at this meeting be and is hereby re-appointed as Director of the Company."

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

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

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

   "RESOLVED THAT Board of Directors of the Company be and are hereby authorised to fix the fees payable to the Statutory Auditor(s) as may be appointed by Comptroller and Auditor General of India for the Financial Year 2023-24 in accordance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations and all other applicable provisions."

SPECIAL BUSINESS

5. **To approve Material Related Party Transactions**
   To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT** pursuant to the provisions of Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force), Rules made there under and Related Party Transactions Policy of the Company, ratification/approval as the case may be of the Members of the Company be and is hereby accorded to the Board of Directors for contracts/ arrangements/transactions entered/ to be entered with the related parties i.e. promoter(s) (viz. Visakhapatnam Port Authority, Paradip Port Authority, Jawaharlal Nehru Port Authority, Deendayal Port Authority) during the financial year 2023-24 for supply of goods or service in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the Company or ₹1000 Crore whichever is lower as per the last audited financial statements of the Company."

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

By Order of the Board of Directors
-sd-
(P. Chandra Kalabhinetri)
Company Secretary

Place: Visakhapatnam
Date: 04-09-2023

1 In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, December 20, 2022 and other circulars issued from time to time (collectively referred to as 'MCA Circulars') and Other circular issued by Securities and Exchange Board of India ('SEBI') vide Circular Nos. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/ CFD/ CMD2/CIR/P/2021/11dated January 15, 2021, SEBI/HO/CFD/CMD1/P/CIR/2021/602 dated July 23, 2021,SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (SEBI Circulars) have permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Core-2, First Floor, "Scope Minar", Plot No. 2A & 2B, Laxminagar District Centre, Delhi–110091, India.

2 The Register of Members and Share Transfer Books of the Company shall remain closed from 20th September, 2023 to 27th September, 2023 (both days inclusive), for annual closing (for AGM). The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. Alankit Assignments Private Limited having their office at Alankit House, Jhandewalan Extension, New Delhi- 110055.

3 A statement pursuant to Section 102 (1) of the Act relating to the Ordinary Business and Special Business to be transacted at the AGM is annexed hereto.

4 In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards-1 and 2 dated 13th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

5 This AGM Notice is being sent to all the Members, whose names appear in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on date. In compliance with the aforesaid MCA Circulars and SEBI Circular, AGM Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company / M/s. Alankit Assignments Limited / Depositories. Members may note that the AGM Notice will also be available on the Company's website www.dredge-india.com, websites of the Stock Exchanges i.e. BSE (www.bseindia.com), NSE (www.nseindia.com) and CSE (www.cseindia.com) respectively. For any communication, the Members may also send a request to the Company at rta@alankit.com; kalabhinetri@dcil.co.in.

6 Pursuant to the provisions of Section 105 of the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held through VC/OAVM, pursuant to the applicable MCA Circulars and SEBI Circulars as mentioned herein above, physical attendance of Members has been dispensed with, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.

7 Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be assisted by M/s. Alankit Assignments Limited.

8 Since the AGM will be held through VC/OAVM, the route map is not annexed to this AGM Notice.

9 The Board of the Directors of the Company has appointed Mr. Sachin Agarwal of M/s. Agarwal S & Associates, Practicing Company Secretary (Membership No. 5774) as a Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

10 Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send a scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered email address to kalabhinetri@dcil.co.in with a copy marked to rta@alankit.com.

11 The Member's login to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.

12 AGM THROUGH VC/OAVM:

Members will be provided with a facility to attend the AGM through video conferencing platform provided by NSDL / CDSL / M/s. Alankit Assignments Limited. Members can join the AGM 15 minutes before and after the scheduled time of commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first serve basis, in accordance with the MCA Circulars. Instructions for Members for attending the AGM through VC/OAVM are as under:

i. Attending the AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by NSDL / CDSL / M/s. Alankit Assignments Limited.
ii. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in notes below.
iii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
iv. Members who need assistance before or during the AGM may contact Mr. Virender Sharma, Manager (RTA), M/s. Alankit Assignments Limited at Landline No. +91-11-42541234 or send an email request at the email id: rta@alankit.com.

13 PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations

and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL/ CDSL / M/s. Alankit Assignments Limited, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period:

Day, date and time of Commencement of remote e-voting	From:	9:00 A.M. on Sunday, 24.09.2023
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To:	5:00 P.M. on Tuesday, 26.09.2023

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at rta@alankit.com.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Details are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. **User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. **User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. **Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company. V. On successful selection, you will be redirected to e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. **User not registered for Easi/Easiest** I. Option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1

	3. **Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided link for e-voting, where the e-Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.

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

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

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

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can send the mail to M/s. Alankit Assignments Limited rta@alankit.com and kalabhinetri@dcil.co.in. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by sending the mail to M/s. Alankit Assignments Limited rta@alankit.com and kalabhinetri@dcil.co.in.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may contact to Mr. Virender Sharma, Manager (RTA), M/s. Alankit Assignments Limited at Landline No. +91-11-42541234 or send an email request at the email id: rta@alankit.com for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 20th September 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

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

IEPF RELATED INFORMATION:

15 Information containing the names and the last known addresses of the persons entitled to receive the unclaimed dividend amount lying in the account as referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Company on its website www.dredge-india.com and on the website of the IEPF Authority. The concerned members are requested to verify the

details of their unclaimed dividend, if any, from the said websites and lodge their claim with the RTA of the Company, before the unclaimed dividends are transferred to the IEPF Account. Details of unpaid and unclaimed dividends are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

16 The dividend for the financial year 2015-16 and thereafter, which remains unpaid or unclaimed for a period of 7 years would be transferred to the IEPF on respective due dates as given in the statement below. The members, who have not encashed their dividend warrant so far, for the financial years as under may write to the RTA, M/s. Alankit Assignments Limited, New Delhi or to the Company for the procedure for claiming the unpaid dividend.

Financial Year	Date of Declaration	Unclaimed Dividend Cases	Unclaimed Dividend (amount ₹)	Due for transfer to IEPF
2015-16	30/09/2016	2742	123069	October 2023
2016-17	No Dividend Declared			
2017-18	13/08/2018	3343	164536	September 2025
2018-19	08/08/2019	2405	183156	September 2026
2019-20	No Dividend Declared			
2020-21	No Dividend Declared			
2021-22	No Dividend Declared			
2022-23	No Dividend Declared			

17 Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, transferred to the IEPF Authority all dividend and shares in respect of which dividend (upto and including the dividend declared for financial year 2015-16) had remained unpaid or unclaimed for seven consecutive years or more. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the website of the company. The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority. The concerned members/investors are advised to visit the web link of the IEPF Authority http://iepf.gov.in/IEPF/refund.html, or contact M/s. Alankit Assignments Limited / Company, for detailed procedure to lodge the claim with the IEPF Authority.

OTHER INFORMATION

18 As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Accordingly, the Company / M/s. Alankit Assignments Limited has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation. Members can contact the Company or Company's Registrar and Transfer Agent M/s. Alankit Assignments Limited for assistance in this regard.

19 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. to 05:00 P.M. upto the date of the Annual General Meeting (AGM).

20 Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agent (RTA), Mr. Virender Sharma, Manager (RTA), M/s. Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055, Landline No. +91-11-42541234 or send an email request at the email id: rta@alankit.com.

21 Members may send the requests for inclusion / change / updation of Address, Bank A/c details, ECS mandate, Email address, Nominations:
i) For shares held in dematerialized form-to the irrespective Depository Participant.
ii) For shares held in physical form - to the RTA, M/s. Alankit Assignments Limited or to the Company.

22 Non-Resident Indian members are requested to inform the RTA, M/s. Alankit Assignments Limited immediately about:
i) Change in the 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.

23 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.

24 Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents/ Company. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.

By Order of the Board of Directors
-sd-
(P. Chandra Kalabhinetri)
Company Secretary

Place: Visakhapatnam
Date: 04-09-2023

ANNEXURE TO NOTICE

BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED AS PER SEBI (LODR) REGULATIONS 2015 (FOR ITEM NO. 2, 3 AND 5) STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER SECTION 102 OF THE COMPANIES ACT 2013.

ITEM No. 2 - Appointment of Shri. Sanjay Jagdishchandra Sethi (DIN: 02235406) as Director

Shri. Sanjay Jagdishchandra Sethi, Director is retiring by rotation and eligible for re-appointment. He is the nominee Director of Jawaharlal Nehru Port Authority. His brief resume is as under:-

DIN No.	02235406			
Age	23/09/1967 (56 Years)			
Educational Qualification	MA, M.Phil. (Eco.)			
Professional Qualification	Masters in Management from London School of Economics			
Nature of employment	Chairperson, Jawaharlal Nehru Port Authority			
Experience	He has 26 year of experience at Senior levels in Government of Maharashtra and Government of India. Some of other key portfolios are CEO - Maharashtra Industrial Development Corporation (MIDC), Additional Metropolitan Commissioner - MMRDA, Secretary and Development Commissioner – Industries Department, Government of Maharashtra, Municipal Commissioner of Thane and Nagpur, and Managing Director – Maharashtra State Electricity Transmission Co. Ltd. He had been entrusted with the responsibility of Mega projects like Mumbai Metro, Coastal Road, Urban Projects of water and Sewerage among others.			
No. of equity shares held in the Company	NIL			
Directorship / Membership / Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship Committee considered)	Name of the Company	Position held	Name of the Committee	Member / Chairman
	City and Industrial Development Corporation of Maharashtra Ltd.	Director		
	Indian Port Rail & Ropeway Corporation Limited	Director		
	Vadhvan Port Project Ltd	Director		
	JNPT Antwerp Port Training and Consultancy Foundation	Director		

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

Shri. Sanjay Jagdishchandra Sethi is liable to retire by rotation.

Shri. Sanjay Jagdishchandra Sethi 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 (KMP) or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.

Shri. Sanjay Jagdishchandra Sethi is interested in the resolution to the extent of his appointment as director.

In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company. The Board commends the resolution for approval of the members as Ordinary Resolution.

ITEM No. 3 - Appointment of Shri. Sanjay Kumar Mehta (DIN: 06912891) as Director

Shri Sanjay Kumar Mehta, Director is retiring by rotation and eligible for re-appointment. He is the nominee Director of Deendayal Port Authority. His brief resume is as under:-

DIN No.	06912891			
Age	01/10/1964 (58 Years)			
Educational Qualification Professional Qualification	M.Sc. (Botany), I.F.S			
Nature of employment	Chairperson, Deendayal Port Authority			
Experience	Shri Sanjay Kumar Mehta is a 1990 batch IFS Officer of Gujarat cadre has taken over as Chairman at Joint Secretary level, Deendayal Port Authority (DPA), Kandla, Gujarat as per the Orders of Ministry of Shipping, Government of India.			
No. of equity shares held in the Company	NIL			
Directorship / Membership / Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship Committee considered)	Name of the Company	Position held	Name of the Committee	Member / Chairman
	Indian Port Rail & Ropeway Corporation Limited	Director		

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

Shri. Sanjay Kumar Mehta is liable to retire by rotation.

Shri. Sanjay Kumar Mehta 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 (KMP) or their relatives, except the appointee himself, is in any way concerned or interested, financially or otherwise in the resolution.
Shri. Sanjay Kumar Mehta is interested in the resolution to the extent of his appointment as director.
In view his background and experience, it will be in the interest of the Company that he continues as Director of the Company.
The Board commends the resolution for approval of the members as Ordinary Resolution.

ITEM No. 5 - Approval of Related Party Transactions

Pursuant to the share Purchase Agreement executed on 08th March, 2019 between Government of India represented by Ministry of Shipping and the four Ports ("Purchasers") – Visakhapatnam Port Authority (VPA), Paradip Port Authority (PPA), Jawaharlal Nehru Port Authority (JNPA) and Deendayal Port Authority (DPA), all the shares amounting to 73.47% of the Equity share Capital of the Company was transferred to the purchasers - Visakhapatnam Port Authority (19.47%), Paradip Port Authority (18%), Jawaharlal Nehru Port Authority (18%) and Deendayal Port Authority (18%) along with transfer of management and control. Although as per the Companies Act, Section 2 (76) read with 2(6) the individual Ports do not fall under the definition of Related Parties, as the individual ports do not have control exceeding 20% of total voting power, but however on a harmonious reading of related provisions of the Share Purchase Agreement, it can be inferred that each of the four Port Authorities hold significant influence encompassing the entire decision making process of DCIL and that these four Port Authorities are therefore Associates, by a rebuttal of the status that each of the four port Authorities holding less than 20% of equity shares and consequently because these are Associates, they are related parties to the reporting entity, DCIL and the transactions with these four ports, even when conducted in the ordinary course of business, are related party transactions.
As per provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 read with Rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Related Party Transactions Policy of the Company, all material Related Party Transactions shall require approval of the Shareholders of the Company and the Related Party shall abstain from voting on such resolutions. Further, a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company or ₹1000 Crore whichever is lower as per the last audited financial statements of the Company. Further, in terms of provisions Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 and also the relevant Accounting Standard, the promoter(s) (viz. Visakhapatnam Port Authority, Paradip Port Authority, Jawaharlal Nehru Port Authority and Deendayal Port Authority) and KMPs qualify as Related Party(s) of the Company and the Company has existing and continuing contracts/arrangements in the ordinary course of business and on arm's length basis with the related parties which is being continued and will continue to exist beyond 31st March, 2023 in addition to the new Contract(s)/transaction(s) to be entered into. It is difficult to specifically assess the total value of such transactions at this stage, however, it is expected that the aggregate value of all such transactions together would be beyond the threshold limit of materially as specified above.
Therefore, the ratification/ approval as the case may be of the Members of the Company is sought for supply of goods or service during the financial year 2023-24 in the ordinary course of business and on arm's length basis, which may exceed the materiality threshold limit i.e. exceeds ten percent of the annual consolidated turnover of the company or ₹1000 Crore. whichever is lower as per the latest audited financial statements of the Company.
None of the Directors and Key Managerial Personnel or their relatives, is in any way concerned or interested, financially or otherwise in the resolution except the nominee Directors representing the respective ports.
The Board commends the resolution for approval of the members as ordinary resolution.

By Order of the Board of Directors
-sd-
(P. Chandra Kalabhinetri)
Company Secretary

Place: Visakhapatnam
Date: 04-09-2023

DIRECTORS' REPORT FOR THE YEAR 2022-23

Your Directors have pleasure in presenting this 47TH Annual Report together with the audited financial statements of the Company for the year ended 31st March' 2023.

1. FINANCIAL RESULTS

PARTICULARS	(₹ in lakhs) 2022-23	(₹ in lakhs) 2021-22
(I) INCOME		
Operations	1,16,480	80,103
Others	323	245
TOTAL INCOME	**1,16,803**	**80,347**
(II) EXPENDITURE		
i.) Employees Benefits	9600	9,477
ii) Depreciation	13,585	12,020
iii) Repairs and maintenance	1455	691
iv) Power, Fuel and Lubricants	47001	32515
v) Spares and Stores	5249	3599
vi) Insurance	610	647
vii) Other Expenses	35063	21381
viii) Finance costs	2,856	1,210
TOTAL EXPENDITURE	**1,15,419**	**81,540**
Profit before exceptional items and Tax	**1384**	**(1193)**
Exceptional Items	-	1669
Profit before Tax	**1384**	**477**

2. ACQUISITION OF NEW DREDGER

We are happy to inform you that Ministry has accorded approval to the recommendations of the Expert Committee constituted for the purpose of procurement of 12000 m3 TSHD dredgers by DCI to be constructed at Cochin Shipyard Limited under the Atma Nirbhar Program – first in 2021, second in 2023 and the procurement of third dredger should be on the basis of analysis of performance of 2 dredgers. The third dredger capacity shall be determined based on gap viability analysis of the market in 2025 to achieve requirements of dredging at Indian Major Ports as envisaged in Maritime Vision 2030. The agreement between Dredging Corporation of India and Cochin Shipyard Limited was signed on 17/03/2022 and tripartite agreement between DCI-CSL-IHC was signed on 13/04/2022. The Cost of the dredger is 104.59 million EURO's.

The first and Second installment was paid on 04/11/2022 and 14/11/2022 respectively. The third and fourth installments was paid on 11/04/2023 and 04/08/2023 for this year. This is a major milestone in the new market for which the company was working more than a decade.

3. CAPACITY UTILISATION

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

Dredger	Operational Days		Quantity Dredged in LCuM	
	Target	Actual	Target	Actual
TSHD VIII	237.00	237.71	87.93	86.55
TSHD XI	305.00	244.49	38.30	47.26
TSHD XII	305.00	325.12	32.60	27.05
TSHD XIV	305.00	312.14	18.97	21.38
TSHD XV	291.00	235.73	62.01	61.36
TSHD XVI	314.00	313.77	150.16	156.87
TSHD XVII	307.00	269.84	70.74	61.24
TSHD XIX	330.00	302.38	133.47	75.35
TSHD XX	310.00	280.10	33.03	91.17
TSHD XXI	264.00	217.36	23.38	22.48
CSD XXI	247.00	97.68	19.55	7.49
Backhoe-I	247.00	0.00	0.30	0.00
ID Ganga	247.00	138.30	5.90	3.26
Total	3,709.00	2,974.62	676.34	661.48
% Capacity Utilization	**80.20%**		**97.80%**	

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

4. DCI FLEET

The Company has, 10 Trailer Suction Hopper Dredgers (TSHDs), 1 Cutter Suction Dredger (CSD), one Back Hoe Dredger and one Inland Cutter Suction Dredger apart from other ancillary crafts.

5. DREDGING OPERATIONS

A. i) Important contracts completed during the year:

1. Maintenance dredging at New Sand Trap (NST) and its approaches & other areas of VPT and to pump the dredged material to the shore by using extended rain bowing through Floating pipeline method for the year 2021-22.
2. Maintenance dredging of Entrance Channel, Dr. Ambedkar dock basin, Bharathi dock basin, Jawahar dock, Turning circle and all berths of Chennai Port for the year 2022-23.
3. Capital and Maintenance Dredging Work at Kamarajar Port.

4. Dredging for maintenance of Channels and Basins at Cochin Port for the year 2021-22.
5. Maintenance Dredging of Naval Channels (Southern Naval Command, Kochi) at Ernakulam for theyears 2021-22.
6. Chartering of DR-XI to M/s. Rock & Reef, Mumbai for dredging operations at Kochi.
7. Maintenance Dredging of Mumbai Harbour Channel and JN Port Channel for the year 2021-22.

A. ii) New Contracts taken up during the year 2022-23:

1. Maintenance dredging of Approach Channel, Entrance Channel, Turning Circle, Docks & Sand Trap of Paradip Port Authority for the year 2022-23.
2. Land reclamation of NRL COIT plot by pumping of dredged material from sand trap area of Paradip Port for the year 2022-23.
3. Chartering of DR-XV to M/s. JP Offshores for dredging operations at DGNP, Visakhapatnam.
4. Maintenance dredging at New Sand Trap (NST) and its approaches & other areas of VPT and to pump the dredged material to the shore by using extended rain bowing through Floating pipeline method for the year 2022-23.
5. Chartering of DR-XI to M/s. Aurobindo Realty Infrastructure Pvt. Ltd for dredging operations at Ramayyapatanam.
6. Dredging for maintenance of Channels and Basins at Cochin Port for the year 2022-23.
7. Maintenance Dredging of Naval Channels (Southern Naval Command, Kochi) at Ernakulam for the years 2022-23.
8. Maintenance Dredging at New Mangalore Port for the Year 2022-23.
9. Maintenance Dredging at Mormugao Port for the year 2022-23.
10. Maintenance Dredging of Mumbai Harbour Channel and JN Port Channel for the year 2022-23.
11. Capital Dredging at Mangrol Fishing Harbour for 2022-23.

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

a) All dredgers (except dumb vessel DCI Dredge XVIII) of DCI hold valid Safety Management Certificate (SMC).

b) DCI Dredge VIII, DCI Dredge XI and DCI Multicat-1 hold valid Indian Coastal Vessel Safety Certificate.

c) DCI holds a Document of Compliance (DOC) valid till 24.06.2027. The same is being endorsed every year after annual verification audit by DG Shipping.

Ship Security System (ISPS):

a) All dredgers (except dumb vessel DCI Dredge XVIII) of DCI hold valid International Ship Security Certificate (ISSC).

b) DCI Dredge VIII, DCI Dredge XI and DCI Multicat-1 ensure compliance with regard to Ship Security measures as defined in Annex 11 of the Notification for Indian Coastal Vessels.

Quality Management System (ISO 9001:2015):

DCI is certified for Quality Management System (ISO 9001:2015) and the certificate is valid upto 24th February'2025.The QMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

Environmental Management System (ISO 14001:2015):

DCI is certified for Environmental Management System (ISO 14001:2015) and the certificate is valid upto 12th March'2025. The EMS surveillance audit is being carried out every year by IRQS as part of certification of the system.

7. MEMBERS/ INVESTOR SERVICES

a) The shares of the Company are listed on Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. The shares of the Company are dematerialized with both the depositories, NSDL and CDSL. The tax-free bonds are listed with the Stock Exchange, Mumbai. M/s. KFin Technologies Limited, Hyderabad (upto 31.12.2022) and M/s. Alankit Assignments Limited, Delhi (w.e.f 01.01.2023) are the R&T Agents of the Company. M/s.Catalyst Trusteeship Limited (formerly GDA Trusteeship Ltd.), Pune is the Trustee for the The term of the Bonds was for a period of ten years and due date on 28/03/2023 for payment of an amount of Rs. 58.88 Crores towards principal amount and Rs.4.18 Crores towards interest amount. The Company has made Annual Interest Payment along with principal amount of Rs.63,01,67,156/- (Rupees Sixty Three Crores One Lakh Sixty Seven Thousand one Hundred and Fifty Six Only) on due date i.e. 28th Mar'2023, to the eligible bondholders as per the record date.

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

b) The extract of the Annual Return as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 in Form No. MGT–9 is hosted on the website of the company http://www.dredge-india.com/investors.html.

c) Number of meetings of the Board:- During the financial year 2022-23, the company has held Eight Board Meetings. Further details are provided in the Corporate Governance Report. The Company has duly constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and the details of the same including their constitution, No. of meetings etc., is included in the Corporate Governance Report.

d) Directors' Responsibility Statement:- Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors state that:

i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with a proper explanation relating to material departures;

ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

iv) the Directors had prepared the Annual Accounts on a going concern basis;

v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

e) Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government: NIL.

f) The independent directors have submitted the required declaration under sub-section (6) of Section 149 with regard to meeting the stated criteria for independence.

g) The Promoters have been continuing with the same remuneration norms as per the provisions in share purchase agreement. The Independent directors are paid sitting fees of ₹20000/- for attending each meeting of the board or committee thereof and are not paid any other remuneration. The Part-time official Directors were not paid any remuneration by the Company. The remuneration to Managing Director is within the limits specified in Section 197/198 of the Companies Act and Rules made thereunder. The Company has constituted Nomination and Remuneration committee as per Section 178 consisting of three Independent Directors.

h) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made.

(A) THE INDEPENDENT AUDITORS IN THEIR REPORT FOR 2022-23 HAVE STATED AS UNDER:-

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Dredging Corporation of India Limited, Visakhapatnam ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As described in Note No 30.11 to the accompanying financial statements, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

2. As described in Note No 30.21 to the accompanying financial statements which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables, TDS receivable, GST & GST ITC and Advance to Suppliers are subject to reconciliation and confirmations thereby not complying with the measurement and disclosure requirements under Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets and* Ind AS 109, *Financial Instruments.* In absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

3. As stated in Note 30.20 to the accompanying financial statements an Arbitral Award for disputed payables, was passed in favour of *M/s* Mercator Limited (Formerly Mercator Lines Limited) (MLL). As the company's challenge of Award was dismissed in multiple legal forums, MLL had filed an Execution petition before the High Court of Delhi seeking enforcement of Arbitral Award in the year 2019. The management of the company had approached the High Court seeking time for settlement of decretal dues with Mercator Limited (Represented by the Resolution Professional) which did not fructify. The learned High Court had directed the company to deposit an amount of an amount of ₹ 5.00 crores before January 31, 2023 and a further amount of ₹ 8.00 crores by May 10, 2023 in view of the Company's repeated violations of the directions to place a proposal for deposit of the amount awarded into court. The amount disputed is to the tune of an amount of ₹ 45.70 Crores totalling to an amount of approximately ₹ 68.71 Crores including interest and other related costs. The management of the company has concluded that no provision against the same, was required at this stage and treated the same as contingent liability. This has resulted in overstatement of profits by ₹ 68.71 Crores, and understatement of trade payables by the same extent.

4. As stated in Note no. 30.10 to the accompanying financial statements the trade receivables include a sum of ₹ 65.84 Crores due from M/s. Sethusamudram Corporation Ltd. (SCL), towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (AS&FA committee) Government of India. The committee stated that a note seeking approval of the cabinet needs to be moved by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company. There is a significant delay in realization of the said amount and the document evidencing the relevant budget allocation by the Government of India is also not available yet. In view of the same the realisability of the said amount is remote. The management has concluded that no provision against the same, was required at this stage as the same is treated as receivable considered good though unsecured. This has resulted in overstatement of profit and receivables to the same extent.

5. As per the information submitted to the Board of Directors in its meeting dated 08th August 2022, there are indications of impairment in the case of DCI Dredge XVIII. As per Para 9 of Indian Accounting Standard (Ind AS) 36 on Impairment of Assets, the Company needs to assess at the end of each reporting period whether there is any indication that an asset may be impaired, and if any such indications exist, company shall estimate the recoverable amount of the asset. However, Company has not estimated the recoverable amount for DCI Dredge XVIII. In the absence of adequate information, we are unable to comment on the impact thereof on the amounts reported in the financial statements.

6. As stated in Note no. 30.18 to the accompanying financial statements, an Arbitral award issued by the Joint Arbitrator of PMA against the company in favour of M/s Mazagon Dock Limited (MDL) on 12-06-2018 for an amount of *t* 15 Crores. The company has challenged the said award before AMRDC and the matter is still pending. During the financial year 2019-20 MDL approached NCLT with a claim of ₹ 25.50 Crores and invoked CIRP against the Company. NCL T admitted the case on October 24, 2019, and the CIRP proceedings are pending before NCLT. The management of the company has concluded that no provision against the same was required at this stage and treated the same as contingent liability. This resulted in understatement of trade payables by ₹ 25.50 crores, understatement of PPE by ₹ 13.30 Crores (approx.), overstatement of Retained Earnings by ₹ 12.20 Crores (approx.) and profit by ₹ 0.99 Crores (approx.).

7. As stated in Note no.30.14 to the accompanying financial statements, owing to a dispute Cochin Port Trust had forfeited the security deposit made by the company to the tune· of ₹ 5.59 Crores in the financial year 2020-21. The company had accepted the conciliator's recommendations and issued an undertaking for full and final settlement. The company, however, continues to account for the said amount as receivable from Cochin Port Trust. As on the date of this report, company had not recovered the said security deposit nor did it receive any positive confirmation of its release from Cochin Port Trust. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good. This resulted in overstatement of profit and understatement of other provisions by ₹ 5.59 Crores.

8. As stated in Note No. 30.13 during the year, under various dredging works carried out by the company, customers have either recovered Liquidated damages on several accounts or withheld amounts towards LD or are entitled to do the same, as per the terms of agreement that company had entered into with respective customers totalling to the tune of ₹ 15.34 Crores. As on the date of this report, neither the said amounts were released nor a positive confirmation from its customers is received regarding waiver of LD. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good. This resulted in overstatement of profit and receivables to the same extent.

9. Company had availed ITC of GST on vendor bills/invoices- in respect of which payment is pending for more than 180 days. As per the provisions of GST, the same is to be reversed and interest is to be paid in respect of invoices pending payment beyond 180 days. In several cases ITC had not been reversed. Further, in cases where ITC has been reversed, interest which is payable under GST law has not been paid. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

10. Out of Inventory of 135.62 Crores vide Note no. 5 to the Balance Sheet, physical verification for items valuing ₹ 10.28 Crores at 11 locations, had not been conducted by the Company during the year. The impact of the same on amounts stated in Financial Statements is not determinable. Further, shortages identified and reported in the physical verification to the tune of ₹ 3.55 Crores had not been adjusted in the books of account. As a result, profit and inventory is overstated by ₹ 3.55 Crores. Even in respect of reported shortages, reconciliation for entries of regular consumptions vis-a-vis physical verification shortages is pending, in as much we are unable to conclude that the shortages have been adequately adjusted in the books of account and unable to comment on the impact of the same on the amounts reported in the Financial Statements.

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

Emphasis of Matter
We draw attention to;
a. Note No 30.17 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.
b. Note No 30.12 to the financial statements regarding the accounting treatment of Prior Period Items and the disclosure thereof in the Current and Previous reporting periods.

Our Opinion is not modified in respect of above matters.

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

Information Other than the Financial Statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Other Matter

Attention is drawn to the fact that the figures for the quarter ended March 31, 2023 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

a. 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.

b. Particulars of contracts or arrangements with related parties referred to in Section 188 (1):-In line with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same has been posted on the website of the Company. The related party transactions of DCI for the year 2022-23 are mainly with other State controlled enterprises. The necessary disclosures with regard to the transactions with the related parties – Promoter Group has been made at Note No. 29 – Additional information on Financial Statements, Sl.No. 18 with heading – Related Party Transactions in the financial statement for the year 2022-23 and the relevant disclosure in Form No. AOC-2 has also been Annexed to the Board Report. During the year under review, apart from what is disclosed, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the disclosures given by them coming within the purview and requiring disclosure under related party transaction under the stated Accounting Standard.

c. the state of the company's affairs: - This has been explained elsewhere in this report.;
the amounts, if any, which it proposes to carry to any reserves: The following amounts have been transferred to different reserves during the year: -

i) Tonnage Tax Reserve u/s115VTutilization of the IT Act	- (₹472 Lakhs)
ii) Transfer to General Reserve	- ₹3000.00 Lakhs
iii) Transfer to Debenture Redemption Reserve	- NIL

d. In view of the financial position of the company and loan repayment commitments, the Board of directors have not recommended any dividend for the year 2022-23.

e. 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

f. the conservation of energy, technology absorption, foreign exchange earnings and outgo:

i) Conservation of energy: The following measures have been taken:
For online fuel monitoring, the Company is in the process of procurement of flow meters during the year for Dredge XII, XIV and XVII.

ii) Continuous efforts are being made to optimize the fuel consumption on board dredgers as cost of fuel constitutes approximately 35-45% of operational cost.

iii) Technology absorption: There was no transfer of technology and consequently there is no absorption of technology during the

year.

o) A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company:
The Company has in place a Risk Management Policy to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. The Risk Management Committee has been constituted. The threats, risk and concerns are discussed in the Management Discussion and Analysis Report.

p) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:
The Company has in place a Corporate Social Responsibility Committee and a Corporate Social Responsibility and sustainability Policy. During the year 2022-23 the amount required to be spent under CSR is NIL. The particulars of the CSR activities in the prescribed format as required under the Companies Act are given in Annexure.

q) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors:-
As per the requirements of the SEBI (LoDR) Independent Directors evaluated the performance of the Non-Independent Directors, Chairperson, MD. The Board evaluation criteria was circulated to all the Directors and the same is received.

9. INSURANCE

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

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

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

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

12. VENDOR DEVELOPMENT

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

13. R&D ACTIVITIES

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

14. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the DPE Guidelines and SEBI (LoDR) Regulations, 2015 Management Discussion and Analysis Report, Corporate Governance Report and Certificate from the Company Secretary in practice regarding compliance of conditions of Corporate Governance are attached, forming part of this Report.

15. MAN POWER:

The total number of employees (both Shore and Floating) in the Corporation, as on 31st March, 2023 was as under:-

Shore (Executives 117 & Non-Executives 70)	187
Floating (Regular 85 & Contract 365)	450
Total	**637**

16. EMPLOYMENT OF VARIOUS RESERVED CATEGORIES:

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

A. Employment of SC/ST Candidates

The Corporation continued its efforts to fulfill its obligation in providing employment opportunities to SC/ST candidates, in accordance with the Government Policy. The overall representation of SC/STs in the Corporation (both Shore and Floating Establishments, but excluding MPWs) as on 31st March, 2023 .

Sl. No.	Shore Establishment	Total Strength	SC	Percentage	ST	Percentage	Prescribed Percentage	
							SC	ST
1.	Shore Estt.	187	36	19.25%	14	4.49%	16.66	7.5

B. Employment of Ex-Servicemen

The representation of Ex-Servicemen (Shore based employees) in Group 'C' and 'D' categories in the Corporation as on 31st March, 2023 was Nil as against the percentage of 14.5% and 24.5% respectively as prescribed by the Government.

C. Employment of Physically Handicapped

The number of physically handicapped employees in the Corporation as on 31st March, 2023 is 3 (Three), the Group-wise break-up A, B, C & D for shore side is furnished below: -

Sl. No	Group	Total Strength	No. of persons with Disabilities actually Employed	Percentage
(1)	(2)	(3)	(5)	(6)
1.	Group 'A'	117	02	1.71
2.	Group 'B'	25	01	4
3.	Group 'C'	36	-	
4.	Group 'D'	09	-	-
	Total	187	03	1.60

D. The existing schemes and the policy on WOMEN employees in DCI:

The number of women employees on Rolls as on 31.03.2023 : Executives : 13; Non-Executives : 18; 31

as against 14 Executives and 19 Non-executive women employees as on 31.03.2022.

17 COMPLIANCE WITH GOVERNMENT'S POLICY ON WOMEN:

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

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

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

i. The women employees of the Corporation, with less than two surviving children are entitled for 26 weeks 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 sterilization.
iii. One day special casual leave is allowed to the regular women employees of the Corporation who had ICUD insertions.
iv. As per Apex Court's judgment and basing on the Government instructions, a Complaints Committee headed by a Woman Officer was constituted to inquire into the complaints of Sexual Harassment at work places. A Complaints Register is also being maintained.
v. Apart from the Trade Unions, the problems, if any, relating particularly to women employees are looked into as and when the same are brought to the notice of the Management.
vi. A Recreation Room has been provided exclusively for the women employees in the Corporation.
vii. Working uniforms are provided to Group 'D' employees, as per the scales prescribed in the Rules.

19. OTHER BENEFITS:

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

20. WAGE SETTLEMENTS

A. FLOATING ESTABLISHMENT:

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

B. SHORE ESTABLISHMENT:

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

21. INDUSTRIAL RELATIONS:

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

22. HUMAN RESOURCES DEVELOPMENT

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

- During the year 2022-23, 7 Management Development Programmes were conducted.

23. IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

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

24. ACTIVITIES OF PUBLIC GRIEVANCES AND COMPLAINTS CELL:

A Public Grievance Cell has been functioning in the Corporation since 1988 to look into the Grievances/Complaints received from the Public. The Company Secretary is the Director of Public Grievances. As per the Ministry's guidelines, a status report is being

submitted for the information of the Board of Directors at the Board meetings and a quarterly status report is forwarded to the Ministry. In line with the Ministry's direction, a Public Grievance Redressal and Monitoring System (PGRAMS) software was installed in the Computer Network in the Corporation, which works in hand-shake mode between the Ministry and the Corporation.

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

The Corporation continued various welfare schemes viz., Family Pension Scheme, Group Gratuity Assurance Scheme, Personal Accident Insurance Coverage, Group Savings Linked Insurance Scheme, Contributory Provident Fund, Maternity Benefit Scheme, Paternity Leave, Payment of ex-gratia to legal heirs/members of the family of deceased employees, Canteen for projects, Medical Attendance, Leave Travel Concession, Merit Scholarships for the children of SC/ST employees, Pension Scheme and DCI Retired Employees Medical Trust/Scheme etc.. Other welfare measures such as Special Casual Leave for maternity/ paternity are extended to the employees.

26. INFORMATION & FACILITATION COUNTER

In order to ensure transparency in the functioning of the Corporation and also for easy and speedy access for any information to the public, an INFORMATION & FACILITATION COUNTER (IFC) was setup at DCI Head Office, Visakhapatnam and the same is publicized in the web-site also.

CITIZEN'S CHARTER

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

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

27. ACTIVITIES AND ACHIEVEMENTS OF VIGILANCE DEPARTMENT

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

1) <u>The Vigilance Awareness Week (VAW) 2022</u>

The Vigilance Awareness Week 2022 was observed at the Corporate Headquarters and various Regional Offices / Project Offices of Dredging Corporation of India Ltd from 31st October 2022 to 6th November 2022, under the auspices of Central Vigilance Commission (CVC) to spread awareness against corruption. CVC's theme for the year 2022 was "Corruption free India for a developed Nation" with emphasis on spreading awareness in fight against corruption to all sections of Society. In line with the letter and spirit of the theme and guidelines of CVC, several activities were organized covering a wide spectrum of society, with the aim of spreading awareness and sensitizing the public about ways and means to fight corrupt practices.

During the VAW-2022, outreach activities were conducted at schools and colleges like debate, essay writing, slogan and painting etc. We could achieve this with the help of support of the print media and Social media, which gave wide publicity to our activities.

2) <u>Preventive Vigilance</u>

As a measure of preventive vigilance, 2 Periodic and 2 Surprise type inspections and 2 CTE type inspections have been taken up during the year. The lapses/ irregularities notices in this regard have been communicated for taking remedial/ corrective actions.

3) <u>Systemic Improvements undertaken:</u>

Various Systemic improvement measures were suggested by the Vigilance Department for implementation.

- To stack all the original documents of the properties and keep at safe custody.
- To put the vacant properties such as flats at Kolkata & Mumbai and HO office premises for in use or rented.
- To take appropriate decision on usage of ancillary crafts such as Survey Launch-I, II & III.

28. STATUTORY AUDITORS

M/s.Rao & Kumar Co., Chartered Accountants, Visakhapatnam were appointed by the Comptroller and Auditor General of India as Statutory Auditors for auditing the accounts of the Company for the financial year 2022-23. Pursuant to Section 142 (1) of the Companies Act, 2013 the remuneration of the Auditors has to be approved by the Members at the AGM. In the previous AGM the Audit Committee was authorized to fix the fees payable to the Statutory Auditors. It was recommended authorize the Audit Committee for fixation of remuneration for statutory auditors for 2023-24.

29. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Accounts for 2022-23 given by the Statutory Auditors is placed along with the Accounts. Management Comments to the Emphasis of matters of the Auditors have been given elsewhere in this report.

30. SECRETARIAL AUDIT REPORT

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

31. C&AG COMMENTS

The Supplementary Audit for the Accounts of the Company for the year ended 31st March'2023 by Comptroller and Auditor General of India is complete and is placed along with the accounts along with the replies of the management on the Comments of Comptroller and Auditor General of India.

32. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March'2023 as required under the SEBI regulations is annexed to the Directors Report.

33. VOLUNTARY DELISTING FROM CALCUTTA STOCK EXCHANGE

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

34. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Directors recommend for approval of the Members the above appointments/re-appointment of the Directors as proposed in the Notice to the AGM.

35. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

-sd-

Place : Visakhapatnam
Date : 04.09.2023

Dr. Madhaiyaan Angamuthu, IAS
Chairman

Annexure to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Arun Kumar Gupta	Chairperson	1	1
2	Shri. Rajat Sachar	Member	1	1
3	Shri. Vinod Kumar Pipersenia	Member	1	1
4	Capt.S.Divakar	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The composition of the CSR committee, CSR Policy and CSR projects approved by the board is available on our website, at http://www.dredge-india.com/files/csr22-23.pdf.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects undertaken or completed after the effective date of the aforementioned rules for fiscal 2023.

5. (a) Average net profit of the company as per sub-section (5) of section 135: **₹ (6345.51) Lakhs**
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Nil**
   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years**: Nil**
   (d) Amount required to be set-off for the financial year, if any: **₹ 81.66 Lakhs**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ (81.66 Lakhs)**

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil	-	-	-	-	-

(f) Excess amount for set-off, if any: **NIL**

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

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Nil**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/ No): **No**
If Yes, enter the number of Capital assets created/ acquired

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **N.A**

10. The excess amount spent for 2020-21 was ₹81.66 Lakhs is carried forward for the next three financial years 2021-22 to 2023-24. Since no amount is spent for 2021-22 and 2022-23 the amount is available for next one financial year 2023-24.

-sd-
Managing Director & CEO (A/c)

-sd-
Chairman CSR Committee

Report FORM NO. AOC-2 **Annexure to Directors' Report**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Sl No.		Particulars	Amount (₹)
1	Details of contracts or arrangements or transactions not at arm's length basis		
	(a)	Name(s) of the related party and nature of relationship	NA
	(b)	Nature of contracts/arrangements/transactions	NA
	(c)	Duration of the contracts/arrangements/transactions	NA
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
	(e)	Justification for entering into such contracts or arrangements or transactions	NA
	(f)	date(s) of approval by the Board	NA
	(g)	Amount paid as advances, if any:	NA
	(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA
2	Details of material contracts or arrangement or transactions at arm's length basis		
	(a)	Name(s) of the related party and nature of relationship	**Names of Related parties:** 1. Visakhapatnam Port Authority 2. Paradip Port Authority 3.Jawarlalal Nehru Port Authority 4.Deendayal Port Authority **Nature of Relationship:** Significant influence
	(b)	Nature of contracts/arrangements/transactions	Dredging Contract
	(c)	Duration of the contracts/arrangements/transactions	Different periods as per the Contracts.
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Largest Single transactions during the year 2022-23: 1 Visakhapatnam Port Authority: ₹2360 Lakhs 2 Paradip Port Authority: ₹2673.55 Lakhs 3 Jawaharlal Nehru Port Authority: ₹7203.40 Lakhs 4 Deendayal Port Authority: ₹0.00 Lakhs
	(e)	Date(s) of approval by the Board, if any:	NA
	(f)	Amount paid as advances, if any:	Amount not paid as advance. During the year 2022-23, DCI received amount against running bills.

For Dredging Corporation of India Limited
-sd-
Capt.S. Divakar
Managing Director & CEO (A/C)

Place: Visakhapatnam
Date: 04.09.2023

Annexure to Directors' Report

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

i. The ratio of the remuneration of each functional director (for 2022-23) to the median remuneration of the employees of the company for the financial year is given below. Other Directors are not paid any remuneration by the Company. Independent Directors are paid only the sitting fees for attending each meeting of the board or Committee thereof.

S.No.	Name and Designation	Ratio
1	Prof. Dr. GYV Victor, Managing Director and CEO	1.41
	Capt.S.Divakar , Managing Director and CEO (A/c)	0.30

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

S.No.	Name and Designation	Percentage
1	Prof. Dr. GYV Victor, Managing Director and CEO upto 13/07/2022	0.08
2	Capt.S.Divakar, Managing Director and CEO (A/C) , w.e.f. 15/07/2022	0.37
3	Shri. D Subba Rao, HOD(F) & CFO upto 31/03/2023	0.42
4	Shri. K Aswini Sreekanth, CS upto 07/06/2022	0.08
5	Smt. P.Chandra Kalabhinetri, CS w.e.f. 14/07/2022	0.15

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

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

	Current Year (Rs.)	Previous Year (Rs.)	Percentage
Median Remuneration	885970	792670	(11.77)

iv. The number of permanent employees on the rolls of company: The total number of employees on the rolls of the company as on 31st March, 2023 was 637.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase in remuneration including Key Managerial Personnel during the Financial Year has been in the range of 0-1%.

vi. Affirmation that the remuneration is as per the remuneration policy of the company: The remuneration to all the employees is as per the remuneration policy of the Company.

vii. The particulars of employees for the year 2022-23 as required to be disclosed under Rule 5 (2) of the Companies (appointment and remuneration of Managerial Personnel) Rules, 2014 is "NIL" as no employee had earning beyond the limits prescribed therein.

Annexure to Director's Report

The Directors present the Business Responsibility Report of the Company for the Financial Year ended on 31st March 2023, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L29222DL1976PLC008129
2.	Name of the Company	Dredging Corporation of India Limited
3.	Registered address	Core-2, First Floor, "Scope Minar", Plot No.2A & 2B, Laxminagar Disrict Centre, Delhi-110091
4.	Website	www.dredge-india.com
5.	E-mail id	kalabhinetri@dcil.co.in
6.	Financial Year Reported	2022-23
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	63012
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Dredging services
9.	Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5) Number of National Locations	National Locations - 13 - Kolkata, Cochin, Paradip, Mumbai, Visakhapatnam, Chennai, Ennore, Kakdwip (Kolkata), Tuticorin, Goa, New Mangalore, Gangavaram, Neendakara (Kerala).
10.	Markets served by the Company – Local/ State/ National/ International	National / International

Section B: Financial Details of the Company

1.	Paid up Capital (INR) :	₹2800 Lakhs
2.	Total Turnover (INR) :	₹116803 Lakhs
3.	Total profit after taxes (INR) :	₹1256 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	NIL

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3.	Do any other entity/entities (e.g. suppliers, distributors	

	etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percent- age of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NA

Section D : BR Information

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

Details of the BR head

S. No.	Particulars	Details	
1.	DIN Number (if applicable)	009084442	09675405
2.	Name	Prof. Dr. GYV Victor	Capt.S.Divakar
3.	Designation	Managing Director Under suspension w.e.f. 13.07.2022 and removed from the services w.e.f. 31.03.2023	Managing Director (A/c) w.e.f. 15.07.2022
4.	Telephone number	0891-2871327	
5.	e-mail id	dredging@dcil.co.in	

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

Details of compliance (Reply in Y/N)

S. No.	Questions	P 1	P2	P3	P4	P5	P6	P7	P 8	
1.	Do you have a policy for all the principles?	YES								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	YES								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	DCI BR Policy is based on SEBI guidelines and QMS 9001:2015, EMS 14001:2015 Standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	YES								
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	YES								
6.	Indicate the link for the policy to be viewed online	www.dredge-india.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy has been displayed on DCI website which can be accessed by General Public.								
8.	Does the company have in-house structure to implement the policy/policies?	YES								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	YES. The Stakeholder Grievance Committee is functional as per the SEBI (LODR) Regulation, 2015.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	NO								

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

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

1. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The applicability of the BR or Sustainability report to the Company commenced from the year 2022-23 and the same can be accessed under the link: www.dredge-india.com - **Business_Responsibilty_Policy**

Section E: Principle-wise

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

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

PRINCIPLE-2: THE CONDUCT BUSINESS IN A SAFE AND SUSTAINABILE MANNER

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

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

PRINCIPLE-3: PROMOTION OF WELLBEING OF ALL EMPLOYEES

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

PRINCIPLE-4: STAKEHOLDER ENGAGEMENT

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

PRINCIPLE-5: RESPECT AND PROMOTE HUMAN RIGHTS

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

PRINCIPLE-6: PROTECTION AND RESTORATION OF THE ENVIRONMENT

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

PRINCIPLE-7: POLICY ADVOCACY

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

PRINCIPLE–8: TO SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

PRINCIPLE-9: VALUE TO CUSTOMER

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

FORM NO.MR-3

SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March, 2023

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

To
The Members
Dredging Corporation of India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

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

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

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

Observation No. 1 *Non-Compliance of Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, As the chairman of the company is non-executive director, the composition of the board of directors of the company did not consist of one third of the total no of the directors as an independent director during the period from 10.04.2022 to 20.05.2022.*

Observation No. 2 *Non-compliance of Regulation 19(1) and 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall comply with the requirement pertaining to the constitution of nomination and remuneration committee.*

Observation No. 3 *Non-compliance of Regulation 20(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall comply with the requirement pertaining to the constitution of stakeholder relation committee.*

Observation No. 4 *Non-compliance of Regulation 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall comply with the requirement pertaining to the constitution of Risk management committee.*

We further Report that the company had received notices dated 14th of December 2022 from BSE for non-compliance of Regulation 29(2),29(3),42(2),42(3),42(4),42(5),44(3), *45(3*) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 However the Management of the company has requested BSE Via mail dated 16th of December 2022 for detailing of non -compliance but company still have not received any response from BSE.

We further Report that the company had received notices dated 14th of December 2022 from NSE and BSE for imposing fine under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 However, the Company had requested BSE Limited and NSE to withdraw the fines imposed as the Company had complied the aforesaid regulations.

We further Report that the company had received notices from BSE for imposing fine under Regulation 52(4), 57(4), 57(5) *Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.* However the management of the company has filed response with respect to the non-compliance.

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

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

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

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

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

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022
-sd-
Name of the Practicing Company Secretary: CS Anjali
ACS No.:65330
C P No.:26496
UDIN No.:A065330E000545293

Place: New Delhi
Date: 04/07/2023

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

"Annexure A"

To,
The Members,
Dredging Corporation of India Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022
-sd-
Name of the Practicing Company Secretary: CS Anjali
ACS No.:65330
C P No.:26496

Place: New Delhi
Date: 04/07/2023

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2022-23

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition of Board of Directors as on 31/03/2023: Post the strategic sale, i.e. after 08/03/2019 and the Share Purchase Agreement entered into between the Government of India and the four Major Ports (Purchasers) who have purchased the Government Stake, suitable alteration of the Articles of Association, the purchasers were permitted by the Government of India to appoint the Directors etc., subject to compliance of the Companies Act, 2013 and other applicable laws.

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

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

i. The composition of the Board as on 31/03/2023 is as under:

Sl. No.	Name	Category
1	Shri. K.Rama Mohana Rao, Chairman	Promoter - Non-Independent, Non-Executive
2	Capt.S.Divakar, MD & CEO(A/c)	Whole Time Executive
3	Shri. Sanjay Jagdish Chandra Sethi	Promoter - Non-Independent, Non-Executive
4	Shri. Sanjay Kumar Mehta	Promoter - Non-Independent, Non-Executive
5	Shri. P.L.Haranadh	Promoter - Non-Independent, Non-Executive
6	Smt. Nutan Guha Biswas	Part-time Non Official - Independent, Non-Executive
7	Shri. Vinod Kumar Pipersenia	Part-time Non Official - Independent, Non-Executive
8	Shri. Rajat Sachar	Part-time Non Official - Independent, Non-Executive
9	Shri. Arun Kumar Gupta	Part-time Non Official - Independent, Non-Executive
10	Shri. Lov Verma	Part-time Non Official - Independent, Non-Executive

ii. Changes in Board of Directors during 2022-23:

Sl. No.	Name	Designation	Date	Nature of Change
1	Capt. Anoop Kumar Sharma	Director	04/04/2022	Cessation
2	Shri. S Balachandran	Director	10/04/2022	Cessation
3	Shri. Kartik Subramaniam	Director	10/04/2022	Cessation
4	Shri. B. Poiyaamozhi	Director	10/04/2022	Cessation
5	Shri. Anindo Majumdar	Director	20/05/2022	Appointment as an additional Director
6	Shri. Vinod Kumar Pipersenia	Director	26/05/2022	Appointment as an additional Director
7	Shri. Rajat Sachar	Director	26/05/2022	Appointment as an additional Director
8	Shri. Arun Kumar Gupta	Director	04/07/2022	Appointment as an additional Director
9	Prof. Dr.G.Y.V. Victor (Under suspension)	MD	13/07/2022	Change in designation
10	Prof. Dr.G.Y.V. Victor (Under suspension)	CEO	13/07/2022	Change in designation
11	Capt.S.Divakar	Director	14/07/2022	Change in designation
12	Capt.S.Divakar	CEO	15/07/2022	Appointment as an additional Director
13	Shri. Anindo Majumdar	Director	19/08/2022	Change in designation
14	Shri. Vinod Kumar Pipersenia	Director	19/08/2022	Change in designation
15	Shri. Rajat Sachar	Director	19/08/2022	Change in designation
16	Shri. Arun Kumar Gupta	Director	19/08/2022	Change in designation
17	Capt.S.Divakar	MD	13/10/2022	Change in designation
18	Shri. Anindo Majumdar	Director	03/12/2022	Cessation
19	Shri. Lov Verma	Director	28/02/2023	Appointment as an additional Director
20	Prof. Dr.G.Y.V. Victor	MD & CEO	31/03/2023	Removal u/s 169
21	Capt.S.Divakar	MD	31/03/2023	Extension of Directorship
22	Shri. K.Rama Mohana Rao	Director	31/03/2023	Cessation

iii. Changes in Board of Directors from 01/04/2023 till date of report:

Sl. No.	Name	Date	Nature of Change
1	Shri. T. K. Ramachandran	01/04/2023	Appointment
2	Shri. Lov Verma	27/04/2023	Change in designation
3	Shri. T. K. Ramachandran	09/05/2023	Cessation
4	Dr. M. Angamuthu	19/05/2023	Appointment

iv. Brief profile of the Directors appointed during 2022-2023 after completion of the AGM on 21/12/2022 and continuing as on date:

The Independent Director Shri. Lov Verma was appointed on 28/02/2023 and the Additional Director (Promoter Group) & Chairman of the Company Dr. M. Angamuthu was appointed on 19/05/2023.

Shri. Lov Verma				
DIN No.	07560071			
Date of Birth	09-01-1956			
Education Qualification	M.A. Political Science from University of Lucknow and M.A. Rural Development from university of Reading UK.			
Professional qualification				
Nature of employment	Retired Indian Administrative Service of the 1978 batch, U.P. Cadre.			
Experience	Mr. Lov Verma is a retired officer of the Indian Administrative Service of the 1978 batch, Uttar Pradesh Cadre with extensive administrative experience of more than 37 years spanning a wide range of assignments, including 3 years as Secretary to Government of India. He has served at senior positions in the Government of Uttar Pradesh in the State Departments of Health, Finance, Industry, Public Works and others and have done field assignments as District Magistrate and Divisional Commissioner in UP. He was also the Principal Secretary to the Governor of Uttar Pradesh. Mr. Verma played a seminal role in the successful campaign for eradication of Polio, introduction of free third line treatment for HIV/AIDS patients and the mainstreaming of accessibility issues for persons with disabilities in India. While handling delivery of health services, he engaged with issues of financing, personnel, creation of infrastructure and extensive coordination with multilateral agencies in the field of public health. He superannuated in 2016 as Secretary to Government of India, Department of Empowerment of Persons with Disability, Ministry of Social Justice & Empowerment. He was engaged with issues of financing, personnel, creation of infrastructure and extensive co-ordination with multilateral agencies in the field of public health. While in service, he also led the following delegations: 2013: Chaired the UNAIDS Program Coordination Board in Geneva, Switzerland 2014: Led Indian delegation to Sydney and Manila with regard to eradication of Malaria under the Asia Pacific Leaders of the Malaria Alliance 2014: Leader of the Indian delegation to the first Global Health Security Agenda Commitment Development Meeting in Helsinki, Finland He superannuated on January 31, 2016 as Secretary to Government of India, Department of Empowerment of Persons with Disability, Ministry of Social Justice & Empowerment.			
No. of Share held in DCI	Nil			
Directorship/Membership/Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	Teesta Urja Limited	Director	-	-
	Pharmazz India Private limited	Director	-	-
	Affordable Quality Health	Director		
	Quality Healthcare Access Private Limited	Director		

Dr. Madhaiyaan Angamuthu, IAS	
DIN No.	06549030
Date of Birth	28.04.1975
Education Qualification	Ph.D. in Agriculture
Professional qualification	
Nature of employment	Chairperson, Visakhapatnam Port Authority
Experience	Dr. Madhaiyaan Angamuthu, is an Indian Administrative Service (IAS) officer of the Assam-Meghalaya Cadre 2002 Batch, who has ample experience in several key sectors of public administration. A native of Dharmapuri district, Tamil Nadu, he started his career as an Assistant Collector in Jorhat district of Assam. During his terms as District Collector in five districts across Assam, he has initiated several positive transformations that have garnered widespread admiration and public acclaim. His ideation and execution of GINFED (Ginger Growers Cooperative Marketing Federation) in Karbi Anglong district that initiated a focused campaign towards introducing and promoting organic ginger in the National and International markets, is one of the key highlights. In his short span of career, he has had a distinction of engaging in diverse areas of work, from public centric initiatives to building infrastructure. He was appointed as VC and CEO Guwahati Metropolitan Development Authority. He has held charge of portfolios like CEO-Guwahati Bio-tech Park, MD, Guwahati Smart City Limited, Project Director-Assam Urban Infrastructure Investment Programme (an Asian Development Bank Funded project) and Secretary to the Govt. of Assam-Planning and Development Department, Commissioner, Guwahati Municipal Corporation. As Commissioner and Secretary to the Government of Assam, he has headed departments like Welfare of Tribes and Backward Classes Department, General Administration Department, Secretariat Administration Department, Urban Development Department, Tourism Department, Sports and Youth Welfare Department, and Divisional Commissioner, North Assam Division, Tezpur, Assam. Prior to assumption of charge as Chairperson of Visakhapatnam Port Authority, he was the Chairman, Agricultural and Processed Food Products Export Development Authority, an

	apex organisation of the Ministry of Commerce and Industry, Government of India, created specifically for export promotion of agro and allied products from India. APEDA's export basket includes-fresh and processed fruits and vegetables, other processed foods, cereals and cereal products, livestock products, floriculture and Organic products. He holds a Doctorate Degree in Agriculture with specialization in Horticulture from the Indian Agriculture Research Institute (IARI) and Master Degree in Horticulture from Punjab Agricultural University, Ludhiana; and Graduation in Agriculture from Tamil Nadu Agricultural University, Coimbatore. Dr. Angamuthu has also undergone various training programmes within the country and overseas in areas of programme and project implementation, leadership development, urban transportation, urban water management, public policy management and e-governance			
No. of Share held in DCI	Nil			
Directorship/ Membership/ Chairmanship in the Committee of other Companies (Audit Committee and Stakeholder Relationship committee Considered)	Name of the Company	Position Held	Name of the Committee	Member/Chairman
	--	--	--	--
	--	--	--	--

It is informed that Prof. Dr. GYV Victor, Managing Director and CEO of the Company had been suspended w.e.f. 13/07/2022 and the disciplinary proceedings were completed on 31/03/2023. Accordingly, Board accorded approval to remove Prof. Dr. GYV Victor from the Office of Director as managing Director and Chief Executive Officer of the Company w.e.f. 31/03/2023, subject to the approval of the shareholders in the General Meeting as required as per the provisions of the Company Act. Subsequently, the Extra-Ordinary General Meeting (EGM) of the Company was held on 28/6/2023 wherein shareholders accorded approval for his removal.

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

v Board Meetings and Attendance for 2022-23:

Eight Board Meetings were held during the year 2022-23. Attendance of Directors at the meetings of Board of Directors during the financial year 2022-23 and the last Annual General Meeting held on 21/12/2022 is as follows:-

Sl.No.	Director	No. of Board Meetings held		Attended last AGM (21/12/2022)
		During tenure	Attended	
1	Shri. K Rama Mohana Rao, IAS	8	7	Yes
2	Prof. Dr. GYV Victor	2	2	NA
3	Capt.S.Divakar, MD & CEO(A/c)	6	6	Yes
4	Shri. Sanjay Jagdish Chandra Sethi	8	4	Yes
5	Shri. Sanjay Kumar Mehta	8	4	Yes
6	Shri. P.L.Harandh	8	4	Yes
7	Smt. Nutan Guha Biswas	8	7	Yes
8	Shri. Anindo Majumdar	5	5	NA
9	Shri. Vinod Kumar Pipersenia	7	7	Yes
10	Shri. Rajat Sachar	7	7	Yes
11	Shri. Arun Kumar Gupta	6	6	Yes
12	Shri. Lov Verma	1	1	NA

vi. Number of other Boards/Board Committees in which Directors are Members/Chairperson for 2022-23:

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

Sl.No.		Directorship (Listed entities)	No. of positions held (including DCI)	
			Committee Member	Chairperson
1	Shri. K.Rama Mohana Rao, IAS, Chairman	1	1	--
2	Prof. Dr. GYV Victor	1	1	--
3	Capt.S.Divakar, Managing Director	1	1	
4	Shri. Sanjay Jagdish Chandra Sethi	1	0	--
5	Shri. Sanjay Kumar Mehta	1	0	--
6	Shri. P.L.Haranadh	1	0	--
7	Smt. Nutan Guha Biswas	1	2	1
8	Shri. Anindo Majumdar	1	1	1
9	Shri. Vinod Kumar Pipersenia	1	2	2
10	Shri. Rajat Sachar	1	2	--
11	Shri. Arun Kumar Gupta	1	1	--
12	Shri. Lov Verma	1	0	--

vii. Details of Board Meetings held during 2022-23 though Video Conference /Physical mode

Sl.No.	Date	Place	Board Strength	Directors Present
1	10-05-2022	Visakhapatnam	6	6
2	30-05-2022	Visakhapatnam	9	7
3	14-07-2022	Visakhapatnam	10	8
4	08-08-2022	Bhubaneswar	10	8
5	04-10-2022	Visakhapatnam	10	8
6	10-11-2022	Visakhapatnam	10	9
7	10-02-2023	Visakhapatnam	9	6
8	30-03-2023	Visakhapatnam	10	8

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

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

Business Requirement	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving Corporate ethics and values.

3. AUDIT COMMITTEE

i. The Audit Committee is constituted in accordance with the requirements of the provisions of the Companies Act, 2013 and Listing Regulations, 2015. The quorum for meetings of the Audit Committee is two Members or one third of the Members of the Audit Committee whichever is greater, but there should be a minimum of two independent Directors present. The powers, terms of reference and regulations of the Committee have been fixed by the Board as per the relevant provisions in this regard. The Company Secretary acts as Secretary of the Audit Committee. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. The Committee Meetings are also attended by Director (Finance) if any, and Statutory Auditors. Further, Internal Auditors, Heads of Departments and senior executives attend the Audit Committee Meetings as and when required by Audit Committee. The Company has held four Audit Committee Meetings during the financial year 2022-23.

ii. The Constitution of the Audit Committee as on 31-03-2023 is as under: -

1. Shri. Vinod Kumar Pipersenia (w.e.f. 12.12.2022) : Chairman
2. Shri. Anindo Majumdar (upto 03.12.2022) : Chairman
3. Smt. Nutan Guha Biswas (upto 08.08.2022) : Chairman
4. Shri. Rajat Sachar (w.e.f. 08.08.2022) : Member
5. Shri. Arun Kumar Gupta (w.e.f. 08.08.2022) : Member
6. Shri. Sanjay Kumar Mehta (upto 12.12.2022) : Member

iii. Meetings of the Audit Committee and attendance during the year 2022-23:

Details of Audit Committee Meetings held:

Sl.No.	Date	Place	No. of Members Present
1	30-05-2022	Visakhapatnam	3
2	08-08-2022	Visakhapatnam	3
3	10-11-2022	Visakhapatnam	4
4	09-02-2023	Visakhapatnam	3

Details of Attendance:

Director	No. of Meetings held	
	During tenure	Attended
Shri. Vinod Kumar Pipersenia	1	1
Smt. Nutan Guha Biswas	1	1
Shri. Anindo Majumdar	3	3
Shri. Rajat Sachar	3	3
Shri. Sanjay Kumar Mehta	3	2
Shri. Arun Kumar Gupta	3	3

4. REMUNERATION OF DIRECTORS

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

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

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

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

v. Remuneration paid to whole time Directors and sitting fees payable for part-time non-official for Board/Committee meetings held during 2022-23 is as under:-

(₹ in lakhs)

Sl.No.	Name of the Director	Salary	Performance Related Incentive	Sitting Fees	Total
Executive Directors (Whole-time)					
1	Prof. Dr. G.Y.V.Victor (up to 13.07.2022)	13.66	-	-	13.66
2	Capt.S.Divakar	41.37	-	-	41.37
Non-Executive Directors (Independent)					
1	Smt. Nutan Guha Biswas	-	-	2.20	2.20
2	Shri. Anindo Majumdar	-	-	1.60	1.60
3	Shri. Vinod Kumar Pipersenia	-	-	2.60	2.60
4	Shri. Rajat Sachar	-	-	3.60	3.60
5	Shri. Arun Kumar Gupta	-	-	2.60	2.60
6	Shri. Lov Verma			0.40	0.40

vi. In addition to the above, wherever necessary, the travelling, hotel and other related expenditure is being arranged/ reimbursed to the Directors for attending the Board and other meetings.

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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

i. The Stakeholders Relationship Committee has been looking into grievances of shareholders, debenture holders and other security holders and to suggest remedies and measures for improvement.

ii. Mrs. P.Chandra Kalabhinetri, Company Secretary is designated as a Compliance Officer.

iii. No complaints were received during the year 2022-23.

iv. Every effort was made to resolve the complaints to the satisfaction of the investors by the Company and R&T Agent.

v. The Constitution of the Stakeholders Relationship Committee as on 31/03/2023 is as under: -

1. Shri. Vinod Kumar Pipersenia : Chairman
2. Shri. Anindo Majumdar (upto 03.12.2022) : Member
3. Shri. Rajat Sachar : Member
4. Capt.S.Divakar : Member

The Committee has held one meeting on 29/03/2023 for the financial year 2022-23.

6. SHARE TRANSFER COMMITTEE

The Share Transfer Committee has Managing Director and Compliance Officer as members. The Committee is authorized to approve transfer and transmission of shares of the Company. Share transfer/ transmission and other important matters are attended in time under the control of Company Secretary. The Company has not received any request for Share Transfers during the year 2022-2023. The company has been taking all steps to ensure that shareholder related activities are given top priority and matters are attended to immediately. M/s. KFin Technologies Limited, Hyderabad (upto 31.12.2022) is the Registrar and Transfer Agent of the Company providing the services of physical share registry work and electronic interface facility with the depositories. The Company has appointed M/s. Alankit Assignments Limited, Hyderabad as the Registrar and Share Transfer Agent of the Company w.e.f. 01/01/2023.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The CSR Committee upto 31/03/2023 is as under:-

i) Shri. Arun Kumar Gupta : Chairman
ii) Shri. Rajat Sachar : Member
iii) Shri. Vinod Kumar Pipersenia : Member
iv) Capt.S.Divakar : Member

ii. During the year 2022-23, the amount required to be spent under CSR is NIL.

iii. One meeting of the CSR Committee was held during the year on 28/03/2023 at Visakhapatnam in which all the Committee Members were present except Shri. Vinod Kumar Pipersenia.

8. RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee upto 31/03/2023 is as under: -

i) Shri. Rajat Sachar : Chairman
ii) Capt.S.Divakar : Member
iii) Shri. P.L.Haranadh : Member
iv) Capt.K.M.Choudary : Member
v) Capt.S.V.Prasad : Member

Two meetings of the Risk Management Committee were held during the year at Visakhapatnam on 13/03/2023 and 20/03/2023.

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

9. NOMINATION AND REMUNERATIONCOMMITTEE

i. The Board has constituted a Remuneration Committee of Directors for the purpose of deciding the annual bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors. The following is the constitution of the Committee: -

Smt. Nutan Guha Biswas : Chairman
Shri. Rajat Sachar : Member
Shri. Vinod Kumar Pipersenia : Member
Shri. K.Rama Mohana Rao : Member

ii. Two meetings of the Nomination and Remuneration Committee was held during the year at Visakhapatnam on 27/02/2023 and 28/03/2023.
iii. The terms of reference of the Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

10. As per the requirements of the SEBI (LoDR) Independent Directors evaluated the performance of Non-Independent Directors, Chairperson, MD for the year ended 31/03/2023.

11. **CREDIT RATINGS :**The ratings obtained from the Credit rating agencies for the year 2022-23 are as under: -

Sl.No.	Name of the Credit Rating Agency	Rating obtained
1	M/s. Brickwork Ratings	BWR A+/ Negative - August 2022
2	M/s. CARE Ratings	CARE BBB+ Negative - November 2022
3	M/s. India Ratings	IND BBB+ (Outlook Negative) - February 2023

12. INDEPENDENT DIRECTORS MEETING:
One meeting of the Independent Directors was held during the year 2022-23 on 28/03/2023 in which all the five Independent Directors – Smt. Nutan Guha Biswas, Shri. Vinod Kumar Pipersenia, Shri. Rajat Sachar, Shri. Arun Kumar Gupta, Shri. Lov Verma were present.

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

14. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:
Various seminars, conferences, training programmes etc., are attended by the Board members from time to time.

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

16. ANNUAL GENERAL MEETINGS
i. Details of last 3 Annual General Meetings:

1	Year	2020-21	2021-22	2022-23
2	AGM	45th AGM	46th AGM	47th AGM
3	Date	17/12/2021	21/12/2022	27/09/2023
4	Time	10:30 Hrs.	11:00 Hrs.	15:00 Hrs.
5	Venue	Video Conference	Video Conference	Video Conference

ii. During the AGM w.r.t previous years 2020-21 and 2021-22, no special resolution was passed.
iii. **POSTAL BALLOT**
During the year, the Company passed Five Resolutions through postal ballot through e-voting.

Date of postal ballot notice	Resolution passed	Approval date	Scrutinizer	Voting Pattern	
				% of total votes cast in favour of the Resolution	% of total votes cast against the Resolution
19.07.2022	Special Resolution: Appointment of Mr. Anindo Majumdar (DIN:06984371) as an Independent Director of the company.	19.08.2022	Shri. Sachin Agarwal	99.99	0.01
	Special Resolution: Appointment of Mr. Vinod Kumar Pipersenia (DIN: 07280306) as an Independent Director, of the company.			99.99	0.01
	Special Resolution: Appointment of Mr. Rajat Sachar (DIN: 09616779) as an Independent Director of the company.			99.99	0.01
	Special Resolution: Appointment of Mr. Arun Kumar Gupta (DIN: 03310218) as an Independent Director of the company.			99.99	0.01
13.09.2022	Special Resolution: Appointment of Capt.S.Divakar (DIN:09675405) as a Managing Director and CEO (Additional Charge) of the company.	14/10/2022	Shri. Sachin Agarwal	100	0

Procedure for Postal Ballot
The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder, SEBI Listing Regulations, 2015 and applicable circulars issued by the Ministry of Corporate Affairs and SEBI from time to time. In compliance with Regulation 44 of SEBI Listing Regulations, the Company submitted the details regarding the voting results to the Stock Exchanges within the stipulated timelines.

17. DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:
Brief resume along with other details of Director being appointed as required under Companies Act and SEBI (LODR) Regulations, 2015 is given along with the Notice of the Meeting.

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

19. With regard to the Vigil Mechanism as required under Regulation 22 of SEBI (LODR), it is stated that the Company is governed by guidelines of Central Vigilance Commission in this regard which has in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor/Chief Vigilance Officer/ Chairman and Managing Director. The Directors and senior management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices. No employee has been denied access to the Audit Committee. CVC provides for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. The employees have direct access to the chairperson of the audit committee in appropriate or exceptional cases.

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

21. **Code of Conduct for Prevention of Insider Trading**: DCI has its code of conduct for prevention of insider trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines which advises management and staff on procedures to be followed and disclosures to be made while dealing with shares of Company and cautions them of the consequences of violations.

22. **Code of Conduct for Board Members and Senior Management:** The Board has adopted Code of Conduct for Board Members and Senior Management Personnel ('Code') as per the requirements of SEBI Regulations. The Code lays down, in detail the standards of the conduct, ethical and transparent process in managing the affairs of the Company, centers around the following theme:
"The Company's Board Members and Senior Management Personnel shall act in accordance with the highest standards of honesty, integrity, fairness and ethical Conduct while working for the Company as well as representing the Company without allowing their Independent judgment to be subordinated and full-fill the fiduciary obligations."
A copy of the Code has been posted on the Company's website www.dredge-india.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:-

"I hereby confirm that the Company has obtained from all members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial year 2022-23."

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

23. The Company does not have any subsidiary company.

24. All major contracts before being undertaken by the Company are subjected to risk assessment at different departmental levels in the Company as per different Government guidelines.

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

26. No disclosures have been received to the Board from any senior management regarding any personal interest that may have conflict with the interest of the Company at large in any material financial and commercial transaction.

27. Changes in other Key Managerial Personnel (KMP): There is change in the Key Managerial Personnel during the year 2023.

28. The CEO and CFO i.e. Managing Director – Capt.S.Divakar and Shri. K.Rajesh, CFO, have provided the prescribed certification as contained in Regulation 33 (2) (a) and Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2022-23.

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

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

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

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

A. Board: DCI has an Executive Managing Director. Hence maintenance of Chairperson's office by a Non-Executive Chairperson does not arise.
B. Shareholders Rights: A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders. The financial results / Corporate Governance Report, shareholding pattern, reconciliation of share capital report, board meeting notices for financial results, and all other communication that is required to be informed to the Stock Exchanges is posted online and also on the website of the company within the time limits set by the SEBI (LODR) Regulations, 2015. Sending summary of significant events and financial performance on half yearly basis will be examined.
C. Modified opinion (s) in audit report: The listed entity may move towards a regime of financial statements within modified audit opinion – There have been no Qualification made by the Statutory Auditors in this year's Report. There were emphasis of Matter which have been clarified in the Directors report.
D. Separate posts of Chairperson and Chief Executive Officer: The same is complied with as on 31/03/2023.
E. Reporting of Internal Auditor: The Internal auditor may report directly to the Audit Committee –The same will be examined.

33. **Related party transactions**: During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors and senior management that may have potential conflict with the interests of the Company at large and/or which are not in normal course of business. There have been no loans/advances/investments or any other transactions with any of the entities in which Directors are interested as per the

disclosures given by them coming within the purview and requiring disclosure under related party transaction under the Accounting Standard - 18. The policy on related party transactions is hosted on the website at http://dredge-india.com/files/DCI-POLICY-FOR-RELATED-PARTY-TRANSACTION.pdf.

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

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

36. Training of Board Members:- Besides the Executive Directors who have vast experience, the Non-Executive Directors are professionals having vast experience in the fields of management, finance, ocean engineering, IT, administration etc. The executive Directors participate in the Seminars, conferences of professional bodies.

37. Mechanism for evaluating Non-Executive Members: As per the requirements of the SEBI (LODR), Independent Directors in their meeting held on 28/03/2023 evaluated the performance of the Non-Independent Directors, Chairperson, MD.

38. Whistle Blower Policy:- The Whistle Blower Policy as approved by the Board was adopted in the company and is posted on the website of the company.

39. Means of Communication:

i. Quarterly Results
The schedule of consideration of quarterly results by the Board for the year 2022-23 is as under:
a) Results for the 1st quarter ending 30th June, 2022 : On 08-08-2022
b) Results for the 2nd quarter ending 30th Sept, 2022 : On 10-11-2022
c) Results for the 3rd quarter ending 31st Dec, 2022 : On 10-02-2023
d) Audited Results for the year ending 31st Mar, 2023 : On 25-05-2023

ii. The Results are published in "Business standard" newspaper for both English and Hindi versions within 48 hours from the time of declaration.

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

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

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

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

vii. Green Initiative: sending important communication to shareholders through e-mail. The provisions of the Companies Act 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Accordingly, the Company would send the copy of the Annual Report for the year 2022-23 along with the notice convening the Annual General Meeting through email to those shareholders who have registered their email id with the DP's/ R&T agents and have opted for physical copy of the Annual Report.

40. **General Shareholders Information:**

Annual General Meeting
Date, Time & Venue : 27th September 2023 at 15:00 hrs. through Video conferencing
Financial Year : 1st April 2022 to 31st March 2023
Date of Book closure : 20th Sept 2023 to 27th Sept 2023 (both days inclusive)
Remote e-voting cut-off date : 20th Sept 2023
Remote e-voting start date & Time : 24th Sept 2023 @ 09:00 AM
Remote e-voting end date & Time : 26th Sept 2023 @ 05:00 PM

Listing on Stock Exchanges:

Name and address of the Exchange	Stock / Scrip Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) , Mumbai – 400051	DREDGECORP
Bombay Stock Exchange Limited (BSE) Floor 1, Phiroze Jeejeebhoy Towers, Fort, Mumbai -400001	523618
Calcutta Stock Exchange Limited (CSE) 7, Lyons Range, Kolkata - 700001	14050

i. Annual Listing fee for the financial year 2022-23 has been paid to BSE and NSE. The invoice from CSE is awaited.

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

iii. ISIN Nos.
ISIN No. For trading in Demat form for Equity : INE506A01018
ISIN No. for Tax Free Bonds : INE506A07015

iv. The Corporate Identity Number of the Company : L29222DL1976PLC008129

v. Registrar and Share Transfer Agent of the Company: M/s. KFin Technologies Limited, Hyderabad upto 31/12/2022 and M/s. Alankit Assignments Limited w.e.f. 01/01/2023.

vi. **Share Transfer System**: The documentation part for processing of Share Transfers is done by the Registrars. The Registrars send a Memorandum of Share Transfers periodically to the Company for approval of the Share Transfer Committee of the Company. After approval of the Committee, the same is communicated to the Registrars and they endorse the Share Certificates in favour of the transferees and send them to the transferees. Share Transfers are registered and Share Certificates are dispatched within a period of 30 days from the date of the receipt, if documentation is correct and valid in all respects.

vii. Market price data of the Company in comparison to BSE Sensex and NSE (S&P CNX NIFTY) during 2022-23

	BSE SHARE PRICE (₹)		BSE SENSEX (S&P)		NSE SHARE PRICE (₹)		NSE (NIFTY 50)	
Month	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**
Apr-22	375.55	317.1	60845.1	56009.07	375	314.7	18114.65	16824.7
May-22	348.95	283.15	57184.21	52632.48	349.05	283.35	17132.85	15735.75
Jun-22	318	248.1	56432.65	50921.22	319	248	16793.85	15183.4
Jul-22	281.75	258.15	57619.27	52094.25	282.45	258	17172.8	15511.05
Aug-22	295.05	274.95	60411.2	57367.47	295	276	17992.2	17154.8
Sep-22	343.6	285	60676.12	56147.23	323.6	287.55	18096.15	16747.7
Oct-22	375.45	288.8	60786.7	56683.4	375.9	292.65	18022.8	16855.55
Nov-22	456.15	336	63303.01	60425.47	456.45	335.7	18816.05	17959.2
Dec-22	438.1	324	63583.07	59754.1	438.3	326.4	18887.6	17774.25
Jan-23	395.65	340.25	61343.96	58699.2	395.6	340.45	18251.95	17405.55
Feb-23	374.6	320.7	61682.25	58795.97	371.8	320.45	18134.75	17255.2
Mar-23	359.55	275.45	60498.48	57084.91	359.7	278	17799.95	16828.35

Source: Websites of the BSE Limited and NSE Limited.

viii. Shareholding pattern as on 31/03/2023:-

Category	Cases	Holding	% To Equity
Foreign Portfolio – Corp	16	101732	0.36
Trusts	6	50421	0.18
Resident Individuals	45566	4508805	16.10
Insurance Companies	4	1993042	7.12
Non-Resident Indians	284	66283	0.24
Clearing Members	23	6598	0.02
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	2	18206	0.07
Qualified Institutional Buyer	0	0	0
Non-Resident Indian Non Repatriable	281	41904	0.15
Bodies Corporates	228	335462	1.20
HUF	1418	305534	1.09
Promoters – Four Port Authorities	4	20572013	73.47
Total	**47832**	**28000000**	**100**

ix. Distribution of shareholding as on 31/03/2023:-

S. No.	Category	No. of Cases	% of Cases	Amount (in ₹)	% of Amount
1	1-5000	46195	96.58	2433282	8.69
2	5001- 10000	943	1.97	715936	2.56
3	10001- 20000	402	0.84	580541	2.07
4	20001- 30000	119	0.25	303921	1.09
5	30001- 40000	56	0.12	199735	0.71
6	40001- 50000	35	0.07	164374	0.59
7	50001- 100000	55	0.12	406906	1.45
8	100001 & Above	27	0.06	23195305	82.84
	Total:	47832	100.00	28000000	100.00

x. **Dematerialisation/ Rematerialisation of Shares and liquidity**:

The shares of the Company are traded compulsorily in dematerialised form. Out of 2,80,00,000 fully paid up shares of ₹10/- each 2,05,72,013 shares (73.47%) are held by the Promoters represented by the four Port Authorities – Visakhapatnam Port Authority, Paradip Port Authority, Deendayal Port Authority and Jawaharlal Nehru Port Authority and the remaining 74,27,987 shares (26.53%) are held by others. During the year, no shares were rematerialised.

xi. **Distribution of shareholding w.r.t. physical/ dematerialized form as on 31/3/2023 is as under**:

Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	709	1865	0.01
NSDL	29137	15105866	53.95
CDSL	20530	12892269	46.04
Total	**50376**	**28000000**	**100**

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

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

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

xiii. **Project Locations**:

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

xiv. Address for investors correspondence:

Company
Company Secretary
Dredging Corporation of India Limited.
Company Secretary Department,
"Dredge House", H.B. Colony Main Road,

Registrar &Transfer Agent
UNIT: Dredging Corporation of India Ltd.
M/s. Alankit Assignments Limited
Alankit House,
Jhandewalan Extension,

Seethammadhara, Visakhapatnam- 530022
Phone: 0891- 2871207 / 298
e-mail: kalabhinetri@dcil.co.in

New Delhi- 110055
Phone: +91-11-42541234
e-mail: rta@alankit.com

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

xv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments and hence has no Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

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

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

year	Dividend declared	Year	Dividend declared
2012-13	20% (₹ 2/- per equity share)	2017-18	20% (₹ 2/- per equity share)
2013-14	30% (₹ 3/- per equity share)	2018-19	30% (₹ 3/- per equity share)
2014-15	30% (₹ 3/- per equity share)	2019-20	NIL
2015-16	30% (₹ 3/- per equity share)	2020-21	NIL
2016-17	NIL	2021-22	NIL
2017-18	NIL	2022-23	NIL
2018-19	30% (₹ 3/- per equity share)		

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

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

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

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

Financial Year	**Date of Declaration**	**Due for transfer to IEPF**
2015-16	30/09/2016	October 2023
2016-17	No Dividend Declared	
2017-18	13/08/2018	September 2025
2018-19	08/08/2019	September 2026
2019-20	No Dividend Declared	
2020-21	No Dividend Declared	
2021-22	No Dividend Declared	
2022-23	No Dividend Declared	

41. OTHER INFORMATION:

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

i) Annual operating plans and budgets and any updates.
ii) Capital budgets and any updates.
iii) Quarterly results for the Company and its operating divisions/ business segments.
iv) Minutes of the meetings of Audit Committee and other Committees of the Board.
v) The information on recruitment and remuneration of senior officers just below Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
vi) Show Cause, demand, prosecution notices and penalty notices which are materially important.
vii) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
viii) Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company.
ix) Any issue, which involves possible public liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
x) Details of any joint venture or collaboration agreement.
xi) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
xii) Significant labour problems and their proposed solutions. Any significant development in human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
xiii) Sale of material nature, if any, of investments, subsidiaries, assets, which is not in normal course of business.
xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
xv) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as

non-payment of dividend, delay in share transfer etc.

xvi) Terms of reference of the Board Committees.

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

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

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

e) Reconciliation of Share Capital Audit Report: As per the requirements of the Listing Agreement with the Stock Exchanges, a Secretarial Audit is undertaken on quarterly basis for all the quarters in the year 2022-23 for the purpose of reconciliation of total admitted capital with both the depositories and the total issued and listed capital of the Company. The Reconciliation of Share Capital Audit Report obtained from M/s Agarwal S &Associates., Company Secretaries, New Delhi was submitted to the Mumbai, Calcutta and National Stock Exchanges for all the quarters and was also placed before the Board for information.

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

g) The total fees paid to statutory Auditors during the year is ₹ 6.00 Lakhs, plus GST.

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

i) Regarding Compliance of laws applicable to the Company it is confirmed that no specific instances or reports of non-compliance/ default in compliance of any law were received by the Company.

j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
(a) Number of complaints filed during the financial year- Nil
(b) Number of complaints disposed off during the financial year- Nil
(c) Number of complaints pending as on end of the financial year- Nil

Annexure to report on Corporate Governance

CEO / CFO CERTIFICATION

We Capt.S.Divakar, in the capacity of Managing Director & CEO and Shri. K.Rajesh in the capacity of CFO of Dredging Corporation of India Limited, certify to the Board that

(a) We have reviewed financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:
  i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:
  (i) Significant changes in internal control over financial Reporting during the year:
  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  (iii) instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

-sd-
(K.Rajesh)
Chief Financial Officer

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

Place: Visakhapatnam
Date: 25/05/2023

Annexure to report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Directors/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Sanjay Jagdishchandra Sethi	02235406	08/03/2019
2	Mr. Sanjay Kumar Mehta	06912891	08/05/2019
3	Mr. Rama Mohana Rao Katru	07620951	30/07/2020
4	Ms. Nutan Guha Biswas	03036417	22/12/2020
5	Mr. George Yesu Vedha Victor	09084442	01/03/2021
6	Mr. Haranadh Lakshmi Polamraju	07295378	23/10/2021
7	Mr. Vinod Kumar Pipersenia	07280306	26/05/2022
8	Mr. Rajat Sachar	09616779	26/05/2022
9	Mr. Divakar Sanamandra	09675405	15/07/2022
10	Mr. Arun Kumar Gupta	03310218	04/07/2022
11	Mr. Lov Verma	07560071	28/02/2023

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

For **Agarwal S. & Associates**,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022
-sd-
CS Anjali
Partner
ACS No. : 65330
C.P No.: 26496
UDIN: A065330E000749893

Date: 05.07.2023
Place: New Delhi

Annexure to report on Corporate Governance

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Dredging Corporation of India Limited

1. We have examined the compliance of conditions of Corporate Governance by **Dredging Corporation of India Limited** (CIN: L29222DL1976PLC008129) for the year ended 31st March, 2023, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015").

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

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

I. Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, As the chairman of the company is non-executive director, the composition of the board of directors of the company did not consist of one third of the total no of directors as an independent director during the period from 10.04.2022 to 20.05.2022.

II. Regulation 19(1) and 19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall comply with the requirement pertaining to the constitution of nomination and remuneration committee.

III. Regulation 20(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall comply with the requirement pertaining to the constitution of stakeholder relation committee

IV. Regulation 21(2) of the securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed company shall comply with the requirement pertaining to the constitution of Risk management committee.

4. We further report that the Bombay Stock Exchange have levied monetary fines for non -compliance under Regulation 29(2)/29(3), 42(2), 42(3), 42(4), 42 (5), 44(3), 45(3), 52(4), 57(4) and 57(5) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulation,2015 and the management has requested BSE Via mail dated 16th of December 2022 for detailing of Non-Compliance but still have not received any response from BSE.

5. We Further Report that the National Stock exchange and Bombay Stock Exchange have levied monetary fines for non -compliance under Regulation 33 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement), Regulation,2015 and the management of the company has requested to Stock Exchanges vide letters dated 16.12.2022 for waiver of fine.

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

For Agarwal S. & Associates,

Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 2725/2022
-sd-
Name of the Practicing Company Secretary: CS Anjali
ACS No.:65330
C P No.:26496

Place: New Delhi
Date: 04.07.2023
UDIN: A065330E000545381

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2022-23

GLOBAL SCENARIO

1. The global dredging market size is expected to grow from $12.11 billion in 2022 to $12.58 billion in 2023 at a compound annual growth rate (CAGR) of 3.9%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The dredging market is expected to grow to $14.39 billion in 2027 at a CAGR of 3.4%.

2. The dredging market research report is one of a series of new reports from The Business Research Company that provides dredging market statistics, including the dredging industry's global market size, regional shares, competitors with a dredging market share, detailed dredging market segments, market trends and opportunities, and any further data you may need to thrive in the dredging industry. This dredging market research report delivers a complete perspective of everything you need, with an in-depth analysis of the current and future scenario of the industry.

3. Increasing sea-borne trade is expected to propel the growth of the dredging market going forward. Seaborne trade refers to the transportation of goods that takes place through accessible water routes and ports. Dredging helps sea-borne trade by expanding existing ports, maintaining existing waterways, and building new ports and waterways. increasing water-borne trade is driving the growth of the dredging market. Product innovations have emerged as a key trend gaining popularity in the dredging market. Major companies operating in the dredging sector are focused on developing new innovative products to strengthen their position in the market. The dredging market includes revenues earned by entities through dredging services such as capital dredging, maintenance dredging, and inland water dredging. The global economy witnessed mixed trends during the fiscal year. Despite various challenges, the dredging industry showed resilience, mainly driven by increasing infrastructure investments and environmental concerns related to waterways and coastal areas.

4. The dredging market can be segmented based on type, end-user industry, and region. Different types of dredging vessels are suction, jet lift, air lift, bucket, and others. The suction type of dredging vessel operates by sucking through a long tube, akin to some vacuum cleaners on a larger scale. The suction vessel is further bifurcated into trailing suction and cutter suction. Jet lift dredging vessel uses the Venturi effect of a concentrated high-speed stream of water to pull the nearby water, together with bed material, into a pipe. Airlift is a type of small suction dredging vessel. Bucket dredger is equipped with a bucket dredge, a device that picks up sediment by mechanical means, often with many circulating buckets attached to a wheel or chain. Other types of dredging vessels include pneumatic, water injectors, and snagboat. Based on end-user industry, the dredging market can be segregated into oil & gas, trading, tourism, and others.

5. Increase in global trade carried out through the sea and rise in transportation of goods through the sea using large container vessels and ships are factors offering lucrative opportunities to the dredging market. Port infrastructure needs to be expanded; dredging is required to keep ports in working condition. Global demand for energy and gas has been rising. Exploration of oil and gas is carried out primarily in remote areas. For this process, dredging companies are required to construct ports. Dredging is also being carried out on beaches to keep them in prime condition. Dredging is a capital intensive process. This is one of the major restraints of the dredging market. New technological advancements are emerging in order to lower manufacturing costs and increase the productivity of dredging.

6. Large European dredging companies have traditionally dominated the international dredging market. Europe has been the traditional hub of the international dredging market with activities concentrated in the Netherlands, Belgium and the United Kingdom with the five leading Dutch and Belgian companies highlighted in the table below controlling a substantial portion of the international dredging market.

7. The major European companies account for a large proportion of the total international dredging fleet. Responding to demands from customers, continuous efforts are being made to increase the size of dredgers, improve technology and reduce costs. Jumbo trailer suction hopper dredgers with hopper capacities as large as 46,000 cubic meters are being deployed.

8. Many new markets have begun to open in recent years as dredging projects have become more complex and as international dredging companies develop new dredging techniques and more efficient dredgers to reduce unit costs well below that of most local contractors. In addition, dredging contracts increasingly include more demanding environmental clauses that must be satisfied during the performance of the work. Those contractors able to meet stringent environmental requirements are therefore better placed to win contracts.

9. In addition to the leading international dredging companies, countries including China, Japan, Korea, the United Kingdom and the Ukraine also have large dredging companies mostly focused on their respective domestic markets. In addition, new players, especially from Asia, are entering the dredging market, although they are smaller in size.

10. Increasing emphasis on globalization and the need to synergize existing fleet strengths and competition may lead to consolidation in the international dredging industry.

11. Internationally, the dredging industry is experiencing changing regional patterns. Demand in Europe, which was formally concentrated in specific countries such as the Netherlands, Belgium and the United Kingdom, has spread throughout Europe in recent years. However, overall growth for Europe has been only marginal. Singapore, Hong Kong and the Middle East have witnessed higher levels of growth in dredging operations, which is expected to continue in the coming years. Governments or Port Management Authority issue port maintenance contract for dredging which has given impetus to the dredging maintenance business in the coastal areas. However, volatility in the oil & gas sector owing to ongoing coronavirus pandemic is expected to cause stagnancy in the global dredging market for next couple of years as governments have stopped or reduced investment for port maintenance amid COVID-19 pandemic.

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

INDIA SCENARIO

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

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

INDIAN DREDGING MARKET

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

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

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

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

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

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

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

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

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

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

GROWTH DRIVERS

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

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

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

27. Additional infrastructure would include development of coastal economic zones ("CEZs") covering all maritime states and union territories. The CEZs would be segregated on the basis of manufacturing clusters and basic input industries. The manufacturing cluster would include labour intensive sectors of electronics, apparel, leather products, furniture and food-processing. However, basic input industries would include clusters for power, refineries and petrochemicals, steel and downstream industries and cement. Setting up infrastructure for these clusters will require an investment of INR 1,00,000 Cr. and is expected to attract an additional INR7,00,000 Cr. of industrial investment.

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

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

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

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

ACQUISITION OF NEW DREDGER

32. We are happy to inform you that Ministry has accorded approval to the recommendations of the Expert Committee constituted for the purpose for procurement of 12000 m3 TSHD dredgers by DCI to be constructed at Cochin Shipyard Limited under the AtmaNirbhar Program – first in 2021, second in 2023 and the procurement of third dredger should be on the basis of analysis of performance of 2 dredgers. The third dredger capacity shall be determined based on gap viability analysis of the market in 2025 to achieve requirements of dredging at Indian Major Ports as envisaged in Maritime Vision 2030. The agreement between Dredging Corporation of India and Cochin Shipyard Limited was signed on 17/03/2022 and tripartite agreement between DCI-CSL-IHC was signed on 13/04/2022. The Cost of the dredger is 104.59 million EURO's. The first and Second installment was paid on 04/11/2022 and 14/11/2022 respectively. The third and fourth installments was paid on 11/04/2023 and 04/08/2023 for this year. This is a major milestone in the new market for which the company was working more than a decade.

PERFORMANCE

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

	Target	Actual	% Utilisation
No. of Days	3709.00	3974.62	80.20%
Quantity (Mln. Cu.M)	676.34	661.48	97.80%

FINANCIAL PERFORMANCE

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

	Rs. in lakhs	Rs. in lakhs
PARTICULARS	**2022-23**	**2021-22**
Total Income	1,16,803	80,347
Total Expenditure	11,51,419	81,540
Profit after Tax	1,384	(1193)
EPS	5.42	1.90

KEY STRENGTHS OF DCIL

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

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

37. To maintain the value and effectiveness of the fleet, the Company emphasizes preventive maintenance so as to reduce the downtime, increase profitability and enhance the vessel life. With the addition of the Inland cutter suction dredger, the Company has re- enteredintotheinlanddredgingsectorandisexpectingtobeamajorplayerinthesame.

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

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

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

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

OUR WEAKNESS/ CONSTRAINTS AND STEPS TAKEN TO OVERCOME THE SAME

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

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

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

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

OPPORTUNITIES

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

DIVERSIFICATION IN CORE BUSINESS

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

DIVERSIFICATION TO NEW BUSINESSES

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

OUR STRATEGIES

49. We intend to increase income from operations and strengthen our domestic and international competitive position by expanding our operations in both our traditional and new dredging services and adopting a pro-active marketing strategy for our domestic and foreign operations.

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

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

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

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

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

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

THREATS

56. The Company perceives the following threats

i Increasing foreign competition.
ii Increasing competition from Indian dredging companies.
iii Frequent and expensive repairs to dredgers due to ageing.
iv Possible reduction in expenditure on dredging by Government/Ports post COVID-19 situation in the short term.

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

FOREIGN EXCHANGE RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

INDUSTRIAL RELATIONS

60. The industrial relations in the Corporation continued to be cordial throughout the year 2022-23

CORPORATE SOCIAL RESPONSIBILITY

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

FUTURE READYING THE BUSINESS FOR A POST COVID-19 WORLD

62. Company's normal operations have been impacted in a number of ways as Lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards , inordinate delays in import of emergency Spares which are required to carry out the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20, 2020-21 ,2021-22 and 2022-23. It also imposed delays in both Dry-docking / running repairs in yards, impeded conducting surveys and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21 and 2021-22. Notwithstanding constraint, management has taken a number of measures in the last three months and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.

RATIOS

63. The following remaining information w.r.t. details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore as per addition of

new sub clause (i) under clause 1 in Part B ('Management Discussion and Analysis) of schedule V of SEBI (LODR) Regulations, 2015.

Particulars	2022-23	2021-22	Change in %
Debtors Turnover	4.24	3.88	9.25
Inventory Turnover	7.89	5.01	57.29
Interest coverage Ratio	0.86	0.89	-3.65
Current Ratio	0.90	0.87	3.50
Debt Equity Ratio	0.20	0.19	1.73
Operating Profit Margin (%)	0.15	0.15	-
Net Profit Margin (%)	0.01	0.005	50
Return on Net worth (%)	1.07	0.37	070
Debt Service Coverage Ratio	0.50	0.37	36.32

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

1. **Debt Service Coverage Ratio:** The increase in Debt Service coverage Ratio by 36.32% is mainly on account of increase in EBITDA and reduction in Debt obligations as compared to previous year.
2. **Return on Equity Ratio**: The increase in Return on Equity Ratio by 248.05% is mainly on account of increase in operating profit during the year as compared to previous year.
3. **Inventory Turnover Ratio**: The increase in Inventory Turnover Ratio by 57.29% is mainly on account of increase in Operational income and reduction in Inventory balances during the year as compared to previous year.
4. **Net Capital Turnover Ratio:** The increase in Net capital Turnover Ratio by 43.49% is mainly on account of increase in Operational income during the year as compared to previous year.
5. **Net Profit Ratio:** The increase in Net capital Turnover Ratio by 101.82% is mainly on account of increase in Operational income during the year as compared to previous year.
6. **Return on Capital employed** : The decrease in Return on Capital Employed by 2732.83% is mainly on account of increase in interest cost expenses of Rs.2002.60 lakhs for FY 2022-23 as compared to previous year interest of Rs.1064.74 Lakhs**.**
7. **Return on Investment (ROI) :**This ratio is not applicable for the current year and previous year.

CAUTIONARY STATEMENT

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

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INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Dredging Corporation of India Limited, Visakhapatnam ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As described in Note No 30.11 to the accompanying financial statements, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

2. As described in Note No 30.21 to the accompanying financial statements which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables, TDS receivable, GST & GST ITC and Advance to Suppliers are subject to reconciliation and confirmations thereby not complying with the measurement and disclosure requirements under Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets and* Ind AS 109, *Financial Instruments*. In absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

3. As stated in Note 30.20 to the accompanying financial statements an Arbitral Award for disputed payables, was passed in favour of *M/s* Mercator Limited (Formerly Mercator Lines Limited) (MLL). As the company's challenge of Award was dismissed in multiple legal forums, MLL had filed an Execution petition before the High Court of Delhi seeking enforcement of Arbitral Award in the year 2019. The management of the company had approached the High Court seeking time for settlement of decretal dues with Mercator Limited (Represented by the Resolution Professional) which did not fructify.
The learned High Court had directed the company to deposit an amount of an amount of ₹ 5.00 crores before January 31, 2023 and a further amount of ₹ 8.00 crores by May 10, 2023 in view of the Company's repeated violations of the directions to place a proposal for deposit of the amount awarded into court. The amount disputed is to the tune of an amount of ₹ 45.70 Crores totalling to an amount of approximately ₹ 68.71 Crores including interest and other related costs. The management of the company has concluded that no provision against the same, was required at this stage and treated the same as contingent liability. This has resulted in overstatement of profits by ₹ 68.71 Crores, and understatement of trade payables by the same extent.

4. As stated in Note no. 30.10 to the accompanying financial statements the trade receivables include a sum of ₹ 65.84 Crores due from M/s. Sethusamudram Corporation Ltd. (SCL), towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (AS&FA committee) Government of India. The committee stated that a note seeking approval of the cabinet needs to be moved by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company. There is a significant delay in realization of the said amount and the document evidencing the relevant budget allocation by the Government of India is also not available yet. In view of the same the realisability of the said amount is remote. The management has concluded that no provision against the same, was required at this stage as the same is treated as receivable considered good though unsecured. This has resulted in overstatement of profit and receivables to the same extent.

5. As per the information submitted to the Board of Directors in its meeting dated 08th August 2022, there are indications of impairment in the case of DCI Dredge XVIII. As per Para 9 of Indian Accounting Standard (Ind AS) 36 on Impairment of Assets, the Company needs to assess at the end of each reporting period whether there is any indication that an asset may be impaired, and if any such indications exist, company shall estimate the recoverable amount of the asset. However, Company has not estimated the recoverable amount for DCI Dredge XVIII. In the absence of adequate information, we are unable to comment on the impact thereof on the amounts reported in the financial statements.

6. As stated in Note no. 30.18 to the accompanying financial statements, an Arbitral award issued by the Joint Arbitrator of PMA against the company in favour of M/s Mazagon Dock Limited (MDL) on 12-06-2018 for an amount of *t* 15 Crores. The company has challenged the said award before AMRDC and the matter is still pending. During the financial year 2019-20 MDL approached NCLT with a claim of ₹ 25.50 Crores and invoked CIRP against the Company. NCL T admitted the case on October 24, 2019, and the CIRP proceedings are pending before NCLT. The management of the company has concluded that no provision against the same was required at this stage and treated the same as contingent liability. This resulted in understatement of trade payables by ₹ 25.50 crores, understatement of PPE by ₹ 13.30 Crores (approx.), overstatement of Retained Earnings by ₹ 12.20 Crores (approx.) and profit by ₹ 0.99 Crores (approx.).

7. As stated in Note no.30.14 to the accompanying financial statements, owing to a dispute Cochin Port Trust had forfeited the security deposit made by the company to the tune· of ₹ 5.59 Crores in the financial year 2020-21. The company had accepted the conciliator's recommendations and issued an undertaking for full and final settlement. The company, however, continues to account for the said amount as receivable from Cochin Port Trust. As on the date of this report, company had not recovered the said security deposit nor did it receive any positive confirmation of its release from Cochin Port Trust. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good. This resulted in overstatement of profit and understatement of other provisions by ₹ 5.59 Crores.

8. As stated in Note No. 30.13 during the year, under various dredging works carried out by the company, customers have either recovered Liquidated damages on several accounts or withheld amounts towards LD or are entitled to do the same, as per the terms of agreement that company had entered into with respective customers totalling to the tune of ₹ 15.34 Crores. As on the date of this report, neither the said amounts were released nor a positive confirmation from its customers is received regarding waiver of LD. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good. This resulted in overstatement of profit and receivables to the same extent.

9. Company had availed ITC of GST on vendor bills/invoices- in respect of which payment is pending for more than 180 days. As per the provisions of GST, the same is to be reversed and interest is to be paid in respect of invoices pending payment beyond 180 days. In several cases ITC had not been reversed. Further, in cases where ITC has been reversed, interest which is payable under GST law has not been paid. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Statements.

10. Out of Inventory of 135.62 Crores vide Note no. 5 to the Balance Sheet, physical verification for items valuing ₹ 10.28 Crores at 11 locations, had not been conducted by the Company during the year. The impact of the same on amounts stated in Financial Statements is not determinable. Further, shortages identified and reported in the physical verification to the tune of ₹ 3.55 Crores had not been adjusted in the books of account. As a result, profit and inventory is overstated by ₹ 3.55 Crores. Even in respect of reported shortages, reconciliation for entries of regular consumptions vis-a-vis physical verification shortages is pending, in as much we are unable to conclude that the shortages have been adequately adjusted in the books of account and unable to comment on the impact of the same on the amounts reported in the Financial Statements.

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

Emphasis of Matter

We draw attention to;

a. Note No 30.17 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.

b. Note No 30.12 to the financial statements regarding the accounting treatment of Prior Period Items and the disclosure thereof in the Current and Previous reporting periods.

Our Opinion is not modified in respect of above matters.

Key Audit Matters

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the Directors as on March 31, 2023, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and

(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 No 30.01 (A) to the standalone financial statements.

(ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been 31 days delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

(iv) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1, 2023, reporting on Audit Trail in pursuance of Rule 11 (g) of the Companies (Audit and Auditors) Rule, 2014 is considered inapplicable for the current year.

(v) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (i) and (ii) above, contain any material misstatement.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(i) As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of sub section 5 of Section 143 of the Companies Act, 2013 we herewith enclose our report in Annexure - C".

For Rao & Kumar
Chartered Accountants
FRN 03089S

-sd-
CA Guru Prasad K C S
Partner
M.No. 215652
UDIN No: 23215652BGRPDU1292

Place: Visakhapatnam
Date: 25/05/2023

"Annexure A" to the Independent Auditors' Report

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

(i)

(a) (A) The Company has maintained its fixed asset register in an editable Excel Format and has not complied with the necessary recording of full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company does not have any Intangible assets, clauses (B) of paragraph 3 (i) of the order is considered inapplicable to the company;

(b) The management has carried out a physical verification of all major assets (Dredgers) on a yearly basis. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.

(c) According to the information and explanations furnished to us and on the basis of our examination of the records of the company and read together with Note No. 30.26 (a) to the Financial Statements, the details of title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(d) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.

(e) To the best of our knowledge and information, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii)

(a) The Inventories on the Dredgers and at branches have been physically verified by the management during the year. The coverage and procedure of verification by the management requires improvement. Attention is invited to para 10 under the caption "Basis of Qualified Opinion" in our audit report. The discrepancies noticed upon verification, between physical stocks and book records were more than 10% in the aggregate of each class of inventory and are pending reconciliation and proper adjustment in the books of account.

(b) The company was sanctioned working capital limits in excess of ₹ 5 Crores in aggregate by the Banks / Financial Institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks / Financial Institutions are not in agreement with books of account of the company to the extent as reported below read with Note No. 30.26 (k), to the Financial Statements.

₹ in Crores

Particulars	Quarter ended 30th June 2022	Quarter ended 30th September 2022	Quarter ended 31st December 2022	Quarter ended 31st March 2023
Trade receivables balance as per books	314.06	297.63	243.91	435.93
Trade receivables balance as per the Quarterly Statement	313.68	298.21	335.19	425.39
Difference	0.38	-0.58	-91.28	10.54

(iii) Since the company had not made any investments/granted any loans and advances in the nature of loans, clauses (a) to (f) of paragraph 3 (iii) of the order are considered inapplicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.

(v) The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.

(vi) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's nature of business.

(vii)

(a) Subject to paras 2 & 9 under the caption "Basis of Qualified Opinion" in our audit report, according to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund,

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

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

Sl.No	Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates	Rs.(in Lakhs)
1	Income Tax Act, 1961	Income Tax	High Court	2008-09 to 2011-12	2,828.00
2	Income Tax Act, 1961	Income Tax	CIT (A)	2011-12 to 2017-18	5,262.00
3	Income Tax Act, 1961	Income Tax	ITAT	2015-16	84.00
4	Income Tax Act, 1961	Income Tax	CPC	2020-21	596.00
5	Finance Act, 1994	CVD	CESTAT	2004-05 to 2017-18	13,292.00
6	Finance Act, 1994	Service Tax	CESTAT	2016-17 to 2017-18	551.00
7	Finance Act, 1994	GST	Yet to be filed	2017-18	918.00

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

(ix)

(a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;

(b) From the information furnished to us, the company is not declared willful defaulter by any bank or financial institution or other lender;

(c) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the term loans have been applied for the purposes for which the loans were raised;

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company;

(e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries. Associates or joint ventures.

(f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.

(x)

(a) The Company had not raised any money by way of Initial Public Offer or further Public Offer (including Debt Instruments).

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

(xi)

(a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the Companies Act, in form ADT - 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.

(c) From a review of the Secretarial Records, we observe that the company had not received any whistle-blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

(xiv)

(a) The company has appointed an external agency to carry out internal audit and their reports were made available to us. In as much, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into Non-Cash transactions with Directors or persons connected with them.

(xvi)

(a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.

(b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The Company is not part of any group (as per provisions of the Core investment Companies (Reserve bank) Directions, 2016 as amended).

(xvii) The Company has neither incurred any cash loss in the current financial year nor in the immediately preceding financial year.

(xviii) During the year there is no resignation of statutory auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management

plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)
(a) The company does not have any unspent amount in respect of other than ongoing projects as required under sub-section (5) of section 135 of the said Act
(b) The company does not have any unspent amount in respect of ongoing projects that require to be transferred to a special account in compliance with the provision of sub-section (6) of section 135.

(xxi) There are no reportable entities under these clauses, hence paragraph 3 (xx) of the order is considered inapplicable to the company.

For Rao & Kumar
Chartered Accountants
FRN 03089S
-sd-
CA GURU PRASAD
Partner **Place: Visakhapatnam**
MN No.215652 **Date: 25/05/2023**

Annexure-B

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").
We have audited the internal financial controls *over* financial reporting of Dredging Corporation of India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system *over* financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls *over* financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Control environment, Entity's risk assessment process, Control activities, Information system and communication, Monitoring of controls and the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2023.

a) Internal control system for identification and valuation of non-moving and obsolete stock.
b) Delays and omission in passing consumption entries and subsequent rectifications thereof for Inventory lying onboard the Dredgers.
c) System allows posting of consumption entries against inventory items which have inadequate/nil balances resulting in negative inventory closing balances.
d) Internal control system for customer acceptance, credit evaluation and establishing credit limits for sales, which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.
e) Internal control over customer confirmations and follow-up for recovery of dues is inadequate.
f) The Fixed Asset Register is being maintained in editable Excel format outside the ERP system.
g) The ERP system is not periodically tested although during the year systems audit was carried out and reports were submitted.
h) Periodical Reconciliation of Trade Payable and Receivable Accounts with proper monitoring and clearing of pending items.

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

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2023 based on the internal controls with reference to the financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company for the year ended March 31, 2023 and these material weaknesses do not affect our opinion on the financial statements of the company.

For Rao & Kumar
Chartered Accountants
FRN 03089S
-sd-
CA Guru Prasad K C S
Partner
M.No.215652

Place: Visakhapatnam
Date: 25-05-2023

Annexure-C

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

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

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

For Rao & Kumar Chartered Accountants
FRN 03089S
-sd-
CA Guru Prasad K C S
Partner
M.No.215652

Place: Visakhapatnam
Date: 25-05-2023

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DREDGING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Dredging Corporation of India Limited (Company) for the year ended on 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on these financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May 2023.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act, of the financial statements of Dredging Corporation of India Limited for the year ended on 31 March 2023. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on financial position

I. BALANCE SHEET
BALANCE SHEET
ASSETS
Non-current Assets
(a) Property, Plant and Equipment (Note No.1): ₹152623.65 lakh

1) As per the stated accounting policy of the Company, the useful life of the dredger was specified as 25 years. The Dredgers VIII and XI, built in the year 1977 and 1986, had completed life of 46 and 37 years and were fully depreciated to their residual value as on 01 April 2022. Dredging Corporation of India Limited (DCI) carried out the dry dock repairs of Dredgers-VIII and XI during the period between October 2021 and July 2022[1]. DCI capitalised the cost of these dry dock repairs (including spares cost) of ₹2816.18 lakh[2] and depreciated it at an amount of ₹74.64 lakh for the year 2021-22 (Dredge XI) and ₹846.13 lakh[3] for the year 2022-23 by considering the useful life from the date of completion of dry dock repairs to the next due date of docking surveys certification by Indian Register of Shipping (IRS).

Audit observed that capitalisation of dry dock expenditure on Dredger VIII and XI is in contravention to the accounting policy of the Company and ICAI Expert opinion obtained in this regard. As these assets have exceeded their useful life, dry dock repairs incurred on them should have been charged to Repairs and Maintenance (Vessels) under Other Expenses.

Non-compliance to the above has resulted in overstatement of Property, Plant and equipment (Net) by ₹1895.41 lakh and understatement of Repairs and Maintenance (Vessels) account under Other Expenses by ₹2741.54 lakh. Consequently, the Depreciation and Profit Before Tax were overstated by ₹846.13 lakh and ₹2741.54 lakh respectively.

Despite C&AG's similar comments on the Accounts of DCI for the year 2021-22, the Company has not taken any corrective action in this regard.

2) A per the stated accounting policy of the Company, the useful life of the dredgers was specified as 25 years. Dredger XV was built in the year April 1999 and would complete its useful life of 25 years by April 2024. Dredging Corporation of India (DCI) carried out the dry dock repairs of Dredger-XV during the period between January 2022 and June 2022 and capitalised the cost of repairs (including spares) of ₹1910.57 lakh and depreciated an amount of ₹295.17 lakh for the year 2022-23 by considering the life from the date of completion of dry dock to the next due date of docking surveys certified by IRS (June 2027).

Audit observed that the dry dock expenditure incurred should be fully depreciated by April 2024. Accordingly, the depreciation should be accounted to the extent of ₹804.60 lakh. However, DCI apportioned the dry dock expenditure for five years and provided ₹295.17 lakh towards depreciation for the year 2022-23. Thus, there was a short provision of depreciation of ₹509.43 lakh. This has resulted in overstatement of Property, Plant and Equipment and understatement of Depreciation by ₹509.43 lakh. Consequently, the Profit before Tax was overstated by ₹509.43 lakh.

3) As per the stated accounting policy of the Company, Dry Dock expense along with spares consumed will be capitalised to Properly, Plant and Equipment and will be depreciated over a period from the date of dry docking completion to the next due date of docking survey as certified by IRS. The dry dock repairs of Dredge-XX commenced on 18 February 2022 and completed on 12 May 2022. DCI capitalised the spares cost of ₹614.48 lakh along with the dry dock expenditure. Audit observed that spares valuing ₹202.41 lakh which were consumed after the period of dry dock repairs (till 31 March 2023) were also capitalised instead of charging off these expenses to repairs and maintenance. This has resulted in over statement of Property, Plant and Equipment by ₹167.29 lakh, Depreciation by ₹35.12 lakh and understatement of Repairs & Maintenance (Vessels) by ₹202.41 lakh. Consequently, the profit before tax was over stated by ₹167.29 lakh.

(iv) Other Financial Assets (Note No.8)
Deposits - ₹3440.02 lakh

4) DCI was entrusted (02 May 2019) to carry out the Maintenance Dredging of Approach Channel, Entrance Channel Turning Circle, Docks and Sand Trap at Paradip Port for the year 2019-20 at a cost of ₹68.56 crore. As per clause 10 of the general terms and conditions of the contract, in sand trap area, one dredger shall be deployed between 15 November 2019 and 01 December 2019 to dredge 1.0 million m^3 and shall be completed by 15 March 2020. As per the clause No.11 (vii) Liquidated Damages (LD), in case of sand trap dredging, if the dredged quantity is less than 0.8 million m^3 by 15 March 2020 then liquidated damages are applicable at the rate of dredging charge per m^3 for the shortfall.

DCI dredged a quantity of 7.53 lakh m^3 at Sand Trap area as against the minimum quantity of 8.00 lakh m^3 and there was a short fall of 0.47 lakh m^3 in achieving the minimum quantity. Accordingly, PPA recovered (01 June 2022) ₹3.06 crore towards LD from the retention money payable to DCI. However, DCI did not provide for this LD during the year. This has resulted in overstatement of Deposits (Retention Money) and understatement of Other Expenses by ₹3.06 crore. Consequently, the profit before tax was overstated by ₹3.06 crore.

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

-sd-
(M. S. Subrahmanyam)
Director General of Commercial Audit
Hyderabad

Place: Hyderabad
Date: 28 August 2023

[1] Dredger VIII- dry dock period between June 2022 and July 2022; Dredger XI- dry dock period between October 2021 and February 2022.

[2] Dredger VIII- Rs.1034.77 lakh, Dredger XI- Rs.1781.41 lakh

[3] Dredger VIII- Rs.242.33 lakh and Dredger XI – Rs.603.80 lakh

REPLIES OF THE MANAGEMENT ON COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DREDGING CORPORATION OF INDIA LTD. FOR THE YEAR ENDED 31 MARCH 2023

S. No.	Comments of C&AG	Management Response
1	As per the stated accounting policy of the Company, the useful life of the dredgers is specified as 25 years. The Dredge VIII and XI, was built in the year 1977 and 1986, had completed life of 46 and 37 years and were fully depreciated to its residual value as on 01 April 2022. Dredging Corporation of India (DCI) carried out the dry dock repairs of Dredge-VIII and XI during the period between October 2021 and July 2022. DCI capitalised the cost of these dry dock repairs (including spares cost) of ₹2816.18 lakh and depreciated an amount of ₹74.64 lakh for the year 2021-22 (Dredge XI) and ₹.846.13 lakhs for the year 2022-23 by considering the useful life from the date of completion of dry dock repairs to the next due date of docking surveys certification by IRS. Audit observed that capitalisation of dry dock expenditure on Dredger VIII and XI is in contravention to the accounting policy of the Company and ICAI Expert opinion obtained in this regard. As the asset has exceeded its useful life, dry dock repairs incurred on Dredge XI should have been charged to Repairs and Maintenance (Vessels) under Other Expenses. Non- compliance to the above has resulted in overstatement of Property, Plant & Equipment (Net) by ₹1895.41 lakh and understatement of Repairs and Maintenance (Vessels) account under Other Expenses by ₹2741.54 lakh. Consequently, the Depreciation and Profit Before Tax were overstated by ₹846.13 lakh and ₹2741.5 lakh respectively.	**For Comment No.1 and 2 : As regards the accounting of Dry dock expenditure :** The policy for capitalization of Dry dock expense of Dredgers was reviewed and approved by the audit committee and Board on 14-02-2022 in 338th meeting in consultation with, the then Statutory and internal auditors of the company and the same in our opinion is in line with IND AS 16, PPE. As per the policy, the expenditure incurred on account of dry-dock of all vessels (along with spares consumed) is being capitalised to Property, Plant and Equipment and is being depreciated over a period from the date of dry dock completion to the next due date of docking survey as certified by IRS. Para 7 and 14 of IND AS 16, PPE as reproduced below: Para 7: The cost of an item of Property, Plant and Equipment shall be recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably. Para 14: A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed. As per Para 7 & 14 of the Ind AS 16 Property, Plant and Equipments, the expenditure incurred for the Dry Docking qualifies to be recognised as Asset since the cumulative conditions of Para 7 (a),(b) & 14 are satisfied, and accordingly, the cost is to be construed as Property, Plant and Equipment. Since it is but a condition that to continue to operate the dredgers, the Company is required to get the Dry Dock Survey done and incur the related expenses, the Dry Dock Expenses are to be treated as major inspection costs, capitalised and depreciated over the period until the next due date for dry dock survey. Further, during the year management had carried out an assessment of the remaining useful life of the subject assets periodically, and reported the existence of a balance useful life on account of such Dry Dock. In view of the above, the policy of capitalising Dry Dock expenses of all the Dredgers is in line with the requirements of Ind AS and the same has also been disclosed in the Financial Statements. Accordingly, the said expenses were capitalized and depreciation was charged thereon.
2	As per the stated accounting policy of the Company, the useful life of the dredgers is specified as 25 years. Dredge XV was built in the year April 1999 and would complete its useful life of 25 years by April 2024. Dredging Corporation of India (DCI) carried out the dry dock repairs of Dredge-XV during the period between January 2022 and June 2022 and capitalised the cost of repairs (including spares) of ₹1910.57 lakh and depreciated an amount of ₹295.17 lakh for the year 2022-23 by considering the life from the date of completion of dry dock to the next due date of docking surveys certified by IRS (June 2027). Audit observed that the dry dock expenditure incurred should be fully depreciated by April 2024. Accordingly, the depreciation should be accounted to the extent of ₹804.60 lakh. However, DCI apportioned the dry dock expenditure for five years and provided ₹295.17 lakh towards depreciation for the year 2022-23. Thus, there was a short provision of depreciation of ₹509.43 lakh. This has resulted in overstatement of Property, Plant &Equipment and understatement of Depreciation by ₹509.43 lakh. Consequently, the Profit before Tax was overstated by ₹509.43 lakh.	

3	As per Accounting Policy No.7(d) – Dry Dock Expenses, the expenditure incurred on account of dry-dock of vessels (along with spares consumed) will be capitalised to Property, Plant and Equipment and will be depreciated over a period from the date of dry dock completion to the next due date of docking survey as certified by Indian Registrar of Shipping(IRS). The dry dock repairs of Dredge-XX commenced on 18 February 2022 and were completed on 12 May 2022. DCI capitalised the spares cost of ₹614.48 lakh along with the dry dock expenditure. Audit observed that spares valuing ₹202.41 lakh consumed after the dry dock repairs till 31 March 2023 were also capitalised instead of charging off these expenses to repairs & maintenance. This has resulted in overstatement of Property, Plant and Equipment by ₹167.29 lakh, Depreciation by ₹35.12 lakh and understatement of Repairs & Maintenance (Vessels) by ₹202.41 lakh. Consequently, the profit before tax was overstated by ₹167.29 lakh.	DCI Dredge XX docking survey was due on 18.12.2021. The vessel was sailed from Paradip on 17.12.2021 and positioned the vessel at Visakhapatnam on 20.12.2021 for her DD repairs at HSL. However, the same could not be materialized. Thereafter, the vessel sailed to Kochi on 03.02.2022 and reached Kochi on 10.02.2022. The dry dock repairs were commenced on 18.02.2022 and sea trials were completed on 12.05.2022. After obtaining certificates from the Class and on completion of outward formalities, the vessel commenced dredging operations at Kochi on 16.05.2022. Although, the consumption entries in books pertaining to spares were made after the dry dock period, all such spares were consumed for the purpose of dry dock and the same was certified and confirmed by the technical department. Informatively, there was a delay in the booking of Drydock Spares Consumption entries in the ERP.
4	DCI was entrusted (02 May 2019) to carry out the Maintenance Dredging of Approach Channel, Entrance Channel, Turning Circle, Docks & Sand Trap at Paradip Port for the year 2019-20 at a cost of ₹68.56 crore. As per clause 10 of the general terms and conditions of the contract, in sand trap area, one dredger shall be deployed between 15 November 2019 and 01 December 2019 to dredge 1.0 million m^3 and shall be completed by 15 March 2020. As per the clause No.11 (vii) Liquidated Damages (LD), "in case of sand trap dredging, if the dredged quantity is less than 0.8 million m^3 by 15 March 2020 then liquidated damage is applicable at the rate of dredging charge per m^3 for the shortfall. to achieve the quantity of 1.0 million m^3".DCILdredged a quantity of 7.53 lakh m^3 at Sand Trap area as against the minimum quantity of 8.00 lakh m^3 and there was a short fall of 0.47 lakh m^3 in achieving the minimum quantity. Accordingly, PPA recovered (01 June 2022) ₹3.06 crore towards LD from the retention money payable to DCI. However, DCI did not provide for this during the year. This has resulted in overstatement of Deposits (Retention Money) and understatement of Other Expenses by ₹3.06 crore. Consequently, the profit before tax was overstated by ₹3.06 crore.	DCI carried out sand trap dredging for the year 2019-20 from 01-12-2019 to 27-01-2020 by deploying DR-XVII and as per check surveys carried out on 28-01-2020, a quantity of 7.96 LCuM was dredged. DR-XVII sailed on 28-01-2020 to Visakhapatnam for next assignment. Subsequently DR-XX, in addition to Mahanadi River Mouth dredging, has taken few loads in sand trap to achieve minimum quantity of 8.0 LCuM and Paradip Port was informed to carry out post dredging surveys, however the surveys were delayed and could be commenced from 25-02-2020. Unaccounted delay in carrying of post dredge surveys resulted in siltation and quantity of 7.53 LCuM was finalised & LD of 3.06 Cr on shortfall quantity of 2.47 LCuM (10.0 - 7.53) was levied. Efforts are being made with PPA for waiver of LD and realisation of the said amount as the delay in finalisation of post surveys could not be attributable to DCI and hence the amount was not adjusted in books of account.

BALANCE SHEET AS AT 31-03-2023			₹ in lakhs
PARTICULARS	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS:			
Non-current assets			
(a) Property, plant and equipment	1	1,52,623.65	158035.99
(b) Capital work-in-progress	1	470.99	2940.04
(c) Financial Assets			
(i) Investments	2	-	-
(ii) Other financial assets	3	51.26	50.63
(d) Other Non-Current assets	4	11,545.47	-
Total non-current assets		**1,64,691.37**	**161113.17**
Current assets			
(a) Inventories	5	13,562.67	15,975.04
(b) Financial Assets			
(i) Trade receivables	6	33,950.42	20,972.78
(ii) Cash and cash equivalents	7	3,097.14	9,364.02
(iii) Bank balances other than (ii) above		49.46	50.48
(iv) Other financial assets	8	14,458.83	13,468.36
(c) Current tax assets (Net)	9	7,805.11	6,338.64
(d) Other current assets	10	3,189.05	3,512.58
(e) Assets classified as held for sale	11	31.90	31.90
(e)		**76.144..58**	**69,713.81**
Total assets		**2,40,835.95**	**2,30,740.46**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	2,800.00	2,800.00
(b) Other Equity	13	1,39,455.99	1,37,937.41
Total Equity		**1,42,255.99**	**1,40,737.41**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	14	11,272.73	6,929.31
(b) Provisions	15	842.45	897.41
(c) Other non-current liabilities	16	1,884.30	2029.01
Total non-current liabilities		**13,999.48**	**9,855.73**
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(a) Outstanding Dues MESE	17(a)	112.02	106.67
(b) Outstanding Dues other than MESE	17(b)	41,149.36	37,425.45
(ii) Other financial liabilities	18	10,102.62	9,793.62
(iii) Short Term Borrowings	19	16,783.44	20,354.07
(b) Provisions	15	348.71	291.58
(c) Other current liabilities	20	16,084.33	12,175.93
Total current liabilities		**84,580.48**	**80,147.32**
Total Liabilities		**98,579.96**	**90,003.05**
Total Equity And Liabilities		**2,40,835.95**	**2,30,740.46**
Significant Accounting policies	30		
The accompanying notes are an integral part of these financial statements			

For and on behalf of Board of Directors
-sd-
(Dr. Madhaiyaan Angamuthu, IAS)
Chairman

-sd-
(Capt.S.Divakar)
Managing Director &
CEO (A/c)

As per our Report of Even Date
For Rao & Kumar & Co
Chartered Accountants
Firm Regn. No. 003089S
-sd-
(CA.Guruprasad)
Partner
Membership no. 215652

-sd-
(K.Rajesh)
Chief Financial Officer(CFO)

-sd-
(P.Chandra Kalabhinetri)
Company Secretary

Place : Visakhapatnam
Date : 25/05/2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2023

₹ in lakhs

	PARTICULARS	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
	Income			
I	Revenue from operations	21	1,16,479.79	80,102.84
II	Other Income	22,	323.11	244.57
III	**Total Income (I + II)**		**1,16,802.90**	**80,347.41**
IV	**Expenses**			
	(a) Employee benefit expense	23	9,599.51	9,476.91
	(b) Finance costs	24	2,856.13	1,209.65
	(c) Depreciation and amortization expense	25	13,584.92	12,109.96
	(d) Sub-Contract Expenses		32,194.49	18,212.36
	(e) Other expenses	26	57,184.46	40,620.15
Total expenses (IV)			**1,15,419.51**	**81,539.03**
V	**Profit before exceptional items and tax (III - IV)**		**1383.39**	**(1191.62)**
VI	Exceptional Items		-	1668.75
VII	**Profit before tax (V-VI)**		**1383.39**	**477.13**
VIII	**Tax Expense:**			
	Current tax	27	127.59	120.17
	Total Tax		**1255.80**	**356.96**
IX	**Profit for the year (VII - VIII)**	28	**1255.80**	**356.96**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss			
	Re-measurements of the defined benefit plans		262.78	174.37
	Total other comprehensive income (X)		**262.78**	**174.37**
XI	**Total comprehensive income for the period (IX + X)**		**1518.58**	**531.33**
XII	**Earnings per equity share (Face Value ₹ 10)**			
	Basic and Diluted (in ₹)	30(9)	5.42	1.90
Significant Accounting Policies		30		
The accompanying notes are an integral part of these financial statements				

For and on behalf of Board of Directors

-sd-
(Dr. Madhaiyaan Angamuthu, IAS)
Chairman

-sd-
(Capt.S.Divakar)
Managing Director & CEO (A/c)

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

-sd-
(CA.Guruprasad)
Partner
Membership no. 215652

-sd-
(K.Rajesh)
Chief Financial Officer(CFO)

-sd-
(P.Chandra Kalabhinetri)
Company Secretary

Place : Visakhapatnam
Date : 25-05-2023

Cash Flow Statement for the period ended 31-03-2023

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Profit for the year	28	**1,255.80**	**356.96**
Adjustments for :			
Income tax expense recognised in profit or loss		127.59	120.17
Finance Costs recognised in profit or loss		2,124.13	1,156.56
Other non-operating income (net of directly attributable expenses)		-354.69	-199.79
Depreciation and amortisation of non-current assets		13,584.92	12,019.96
Net foreign exchange (gain)/loss		731.91	53.09
Provision for Bad debts		449.45	931.72
		17,919.11	**14,438.67**
Movements in working capital			
(Increase)/decrease in trade receivables		2437.63	-735.47
(Increase)/decrease in inventories		-12,681.73	1,237.34
(Increase)/decrease in other current assets		-972.06	-459.18
Increase/(decrease) in trade payables & Other liabilities		9,334.50	9,832.00
Cash generated from operations		**16,037.45**	**24,313.36**
Income Taxes paid(Refund)		-1594.06	828.07
Exceptional income		-	-1,668.75
Excess provision no longer required written back		-443.09	-1,343.69
Net cash generated by operating activities (A)		**14,000.30**	**20,472.85**
Cash flows from investing activities			
Payments for property, plant and equipment		-17,048.69	-11,068.81
Proceeds from disposal of property, plant and equipment		-	2,008.00
Interest Received		224.24	199.79
Net Cash (used in) /generated by investing activities (B)		**-16,824.45**	**-8,861.02**
Cash flows from financing activities			
Cash Repayment of amounts borrowed		-20,354.07	-14,681.13
Cash Receipt of amounts borrowed		18,720.77	
Interest Paid		-2,121.87	-1,193.37
Net Cash used in financing activities (C)		**-3,755.17**	**-15,874.50**
Net increase in Cash and Cash equivalents D=(A+B+C)		**-6,579.32**	**-4,262.67**
Cash and cash equivalents at the beginning of the year/period	7	9,414.51	4,858.99
Bank Over Draft at the begining of the year/period	18	-9,733.26	-915.07
Net Cash and cash equivalents at the beginning of the year/period (E)		**-318.75**	**3,943.92**
Cash and cash equivalents at the end of the year/period	7	3,146.60	9,414.51
Bank Over Draft at the end of the year/period	18	-10,044.67	-9,733.26
Net Cash and cash equivalents at the end of the year/period (D+E)		**-6,898.07**	**-318.75**

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

-sd-
(Dr. Madhaiyaan Angamuthu, IAS)
Chairman

-sd-
(Capt.S.Divakar)
Managing Director & CEO (A/c)

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

-sd-
(CA.Guruprasad)
Partner
Membership no. 215652
UDIN:

-sd-
(K.Rajesh)
Chief Financial Officer(CFO)

-sd-
(P.Chandra Kalabhinetri)
Company Secretary

Place : Visakhapatnam
Date : 25-05-2023

STATEMENT OF CHANGE IN EQUITY AS AT MARCH 31ST 2023

Note: 2				
(A) Equity share capital (Refer Note.No.1.2)	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of Shares	**Amount in INR**	**No. of Shares**	**Amount in INR**
Balance at the beginning of the reporting period	2,80,00,000	2,800	2,80,00,000	2,800
Change in equity Share capital during the year	-	-	-	-
Balance at the end of the reporting period	2,80,00,000	2,800	2,80,00,000	2,800

(B) Other equity (Refer Note No.2)

Particulars	**Other Equity**						**Total**
	Capital reserve	**General reserve**	**Tonnage tax reserve**	**Tonnage tax reserve Utilisation a/c**	**Debenture Redemption Reserve**	**Retained earnings**	
Balance at March 31, 2021	**451.83**	**44,984.00**	**2,505.00**	**2,105.00**	**3,000.00**	**83,672.85**	**1,36,718.68**
Profit for the year ended March 31, 2021	-	-	-	-	-	356.96	356.96
Other Comprehensive income for the year	-	-	-	-	-	174.37	174.37
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**531.33**	**531.33**
Payment of dividends	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve(Utilised)	-	-	270.00	-	-	(270.00)	-
Transfer to Tonnage Tax Reserve	-	-					-
Transfer to General Reserve	-	-	-	-	-	-	-
Capital Reserve	-	-	-	-	-	-	-
Adjustment pertaining to prior period errors	-	-	-	-	-	687.39	687.39
Balance at March 31, 2022	**451.83**	**44,984.00**	**2,775.00**	**2,105.00**	**3,000.00**	**84,621.57**	**1,37,937.41**
Profit for the year ended March 31, 2023	-	-	-	-	-	1255.80	1255.80
Other Comprehensive income for the year	-	-	-	-	-	262.78	262.78
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,518.58**	**1,518.58**
Payment of dividends	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve(Utilised)	-	-	-	-	-	-	-
Transfer to Tonnage Tax Reserve	-	-	472	-	-	(472.00)	-
Transfer to General Reserve	-	3000	-	-	(3000.00)	-	-
Capital Reserve	-	-	-	-	-	-	-
Adjustment pertaining to prior period errors	-	-	-	-	-	-	-
Balance at March 31, 2023	**451.83**	**47,984.00**	**3,247.00**	**2,105.00**	**-**	**85,668.15**	**1,39,455.99**
The accompanying notes are an integral part of these financial statements							

For and on behalf of Board of Directors

-sd-
(Dr. Madhaiyaan Angamuthu, IAS)
Chairman

-sd-
(Capt.S.Divakar)
Managing Director & CEO (A/c)

As per our Report of Even Date
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Chief Financial Officer(CFO)

-sd-
(P.Chandra Kalabhinetri)
Company Secretary

Place : Visakhapatnam
Date : 25-05-2023

	As at March 31, 2023	As at March 31, 2022
1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS.		
Net Carrying amounts of :		
Freehold Land	35.98	35.98
Buildings	3,340.54	3,497.54
Motor Vehicles	0.58	0.58
Computers	86.93	84.37
Temp Structures / Fixtures & Erections	-	-
Plant and Equipment	1,49,102.87	1,54,352.32
Furniture, Fittings & Equipments	56.74	65.20
Total Net Carrying Cost of PPE	**1,52,623.65**	**1,58,035.99**
Capital work-in-progress (CWIP)	470.99	2940.04
Total Net Carrying Cost of PPE	**1,53,094.64**	**1,60,976.03**

	Free hold Land	Buildings	Motor Vehicles	Computers	Temp Structures/Fixtures & Erections	Plant and Equipment	Furniture, Fittings & Equipment	Total
Gross Carrying amount								
Balance as at 01-04-2021	35.98	4,096.34	29.02	755.55	119.09	3,34,819.54	602.61	**3,40,458.13**
Additions during the year	-	8.86	-	-3.51	-	9,236.32	19.22	**9,260.89**
Disposal during the year (DR-Aquarius and TUG - VII)						-10,940.74		**-10,940.74**
Effect of Foreign currency exchange differences	-	-	-	-	-	17.22	-	**17.22**
Asset Reclassified as held for sale	-	(49.54)	-	-	-	-	-	**(49.54)**
Balance as on 01-04-2022	**35.98**	**4,055.66**	**29.02**	**752.04**	**119.09**	**3,33,132.34**	**621.83**	**3,38,745.96**
Additions during the year	0.00	0.60	0.00	37.51	0.00	8,018.68	1.99	**8,058.79**
Disposal during the year						-		**-**
Effect of Foreign currency exchange differences	-	-	-	-	-	113.79	-	**113.79**
Asset Reclassified as held for sale	-	-	-	-	-	-	-	**-**
Balance as on 31-03-2023	**35.98**	**4,056.26**	**29.02**	**789.55**	**119.09**	**3,41,264.81**	**623.82**	**3,46,918.54**
Accumulated Depreciation								
Balance as at 01-04-2021	-	**418.16**	**28.44**	**629.57**	**119.09**	**1,77,598.64**	**545.65**	**1,79,339.55**
Depreciation during the year	-	157.60	-	38.49	-	11,812.89	10.98	12,019.96
Disposal during the year(Dr-Aqrs & Tug-VII)	-	-	-	-	-	(10,631.51)	-	(10,631.90)
Asset Reclassified as held for sale	-	(17.64)	-	-	-	-)	-	(17.64)
Balance as at 01-04-2022	-	**558.12**	**28.44**	**667.67**	**119.09**	**1,78,780.02**	**556.63**	**1,80,709.97**
Depreciation during the year	-	157.60	-	34.95	-	13,381.92	10.45	13,584.92
Disposal during the year)	-	-	-	-	-	-	-	-
Asset Reclassified as held for sale	-	-	-	-	-	-	-	-
Balance as on 31-03-2022	**-**	**715.72**	**28.44**	**702.61**	**119.09**	**1,92,161.94**	**567.08**	**1,94,294.89**

Notes:

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

1 a. Ageing of Capital work-in progress on 31-03-2023

Particulars	0-1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
a. Initial Costs towards Construction of New Dredger Begail – TSHD 12000Cum Capacity	470.99	0.00	0.00	0.00	470.99
Total	**470.99**	**0.00**	**0.00**	**0.00**	**470.99**

1 b. Ageing of Capital work-in progress on 31-03-2022

0-1 Year		1-2 Years	2-3 Years	More than 3 Years	Total	0-1 Year
A.	Dry dock in Progress (DR- XV)	1494.93	0.00	0.00	0.00	1494.93
B.	Dry dock in Progress (DR- XX)	1404.97	0.00	0.00	0.00	1404.97
a.	Project for E-office	40.14	0.00	0	0	40.14
	Total	**2940.04**	**0.00**	**0.00**	**0.00**	**2940.04**

	As at March 31, 2023	As at March 31, 2022
2. INVESTMENTS		
Non-Current		
Unquoted Investments (all fully paid) : Refer Note	-	-
Investments in Equity Instruments at FVTPL		
Sethusamudram Corporation Limited	375.00	375.00
Mittal Chambers Premises Co-Operative Society Limited	0.01	0.01
Less : written off	375.01	375.01
Total aggregate unquoted investments	**0.00**	**0.00**
Aggregate carrying value of unquoted investments	**-**	-

Note: 1. The Company holds 4.0268% (₹30 crores investment in total Share Capital of ₹745 crores) of the equity share capital of M/s Sethusamudram Corporation Limited. Company involved in the development of shipping route in the shallow straits between India and Sri Lanka. The directors of the Company do not consider that the Company is able to exercise significant influence or control over Sethusamudram Corporation Limited.
b. Investments are carried @₹1.00 in the books of accounts.

3. OTHER FINANCIAL ASSETS		
Non-Current		
Security Deposits	51.26	50.63
	51.26	**50.63**

4. OTHER NON CURRENT ASSETS		
Non-Current		
Capital Advances	11,545.47	-
Total	**11,545.47**	**-**

5. INVENTORIES		
a) Inventories (lower of cost and realizable value)		
Stock of Spares & Stores	13,085.10	15,715.93
Stock of Spares & Stores In Transit	477.57	309.71
(Less) Provision for Unserviceable spares	-	-
	13,562.67	**15,975.04**

Note: 1. The Company follows periodic weighted average cost formula for valuation of Inventory
2. Provision for impairment/Provision for valuation of inventory charged to P&L during the year is NIL (PY.NIL).

6. TRADE RECEIVABLE		
Current		
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	33,950.42	20,972.78
(c) Doubtful	9,643.11	9,968.84
Less: Allowance for doubtful debts (expected credit loss allowance)	(9,643.11)	(9,968.84)
	33,950.42	**20,972.78**

6.1 Trade Receivable Ageing as on 31-03-2023

	Less Than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables-Considerd good	19,917.37	3,570.57	0.00	261.18	6584.00	**30332.91**
Undisputed Trade Receivables-Considered doubtful	551.81	184.28	12.81	48.28	0.00	**797.18**
Disputed Trade Receivables-Considered good@	0	0	3,614.39	0	0	**3,614.39**
Disputed Trade Receivables-Considered doubtful	0.00	0.00	0.00	0.00	8,849.05	**8,849.05**
Total Trade Receivables	**20469.18**	**3754.85**	**3627.20**	**309.46**	**15432.84**	**43593.53**

Trade Receivable Ageing as on 31-03-2022

	Less Than 6 Months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables-Considered good	11.038.68	795.06	292.68	197.57	6583.79	**18907.78**
Undisputed Trade Receivables-Considered doubtful	89.52	716.05	279.86	1116.44	7766.97	**9968.84**
Disputed Trade Receivables-Considered good@	953.00	1112.00	0.00	0.00	0.00	**2065.00**
Disputed Trade Receivables-Considered doubtful	0.00	0.00	0.00	0.00	0.00	**0.00**
Total Trade Receivables	**12081.20**	**2623.11**	**572.54**	**1314.01**	**14350.76**	**30941.62**

	Year Ended March 31, 2023	Year Ended March 31, 2022
7. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	1386.75	6,417.64
Fixed Deposits	1706.52	2,943.79
Cash on hand	3.87	2.60
	3097.14	**9,364.03**
Bank balances other than above:		
Earmarked balances with banks	4.64	5.66
Margin money with banks	44.82	44.82
	49.46	**50.48**

Notes:
1. Cash and cash equivalents as at March 31, 2023, includes restricted cash and bank balances of Rs. 1565.34 Lakhs (P.Y. Rs. 2560.00 Lakhs), respectively. The restrictions are primarily on account of bank balances for obtaining Standby Letter of credit for DR-XIX & DR-XX loan installments and margin money towards Bank Guarantees & Letter of Credits.
2. Other Deposits maintained by the company with the banks comprise of time deposits which can be withdrawn by the company at any point without prior notice or penalty on the principal.
3. Earmarked balance with banks pertains to Unclaimed dividend balances.
4. Current account balances as at March 31,2023 include Escrow account balances of Rs. 33.98 Lakhs (P.Y. Rs. 1.13 Lakhs)

8. OTHER FINANCIAL ASSETS

	Year Ended March 31, 2023	Year Ended March 31, 2022
Deposits	*3440.02*	*3200.33*
Contract Assets*	*9796.64*	*8986.72*
Claims & Other Receivables @	*1153.06*	*1123.70*
Interest Accrued on Deposits & Advances	*59.67*	*136.85*
	14,449.39	**13,447.60**
Loans to Employees	9.44	20.76
Total	**14,458.83**	**13,468.36**

Note:* Contract asset refers to works executed as on 31-03-2023 as per Contract terms and conditions but not yet billed on customers.
@ Payables to Customers amounting to Rs.1726.92 Lakhs (Rs.1726.92 Lakhs) were adjusted by neting off from Other Receivables.

9. CURRENT TAX ASSETS

Current tax asset		
Tax Refund receivable	7,805.11	6,338.64
Total	**7805.11**	**6,338.64**

10. OTHER CURRENT TAX ASSETS

Advances on Capital Assets	-	-
Advances to Employees	84.20	68.71
Prepaid Expenses	75.92	96.04
Advance to Suppliers	3,028.93	3,347.83
Total	**3,189.05**	**3512.58**

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

11. ASSETS CLASSIFIED AS HELD FOR SALE

Residential flats held for sale	31.90	31.90
	31.90	**31.90**

Note: 1. Assets Classified as held for sale at lower of carrying amount or NRV.

12. EQUITY SHARE CAPITAL

Authorised Share Capita		
3,00,00,000 (PY 3,00,00,000) Equity shares of Rs. 10 each	3000.00	3000.00
Issued and Subscribed and Paid up		
1400 Equity shares of INR.10/- each fully paid (P.Y.: 1400 shares).	0.14	0.14
For Consideration other than cash:		
2,79,98,600 (PY:2,79,98,600) equity shares of INR 10/- each allotted as fully paid	2799.86	2799.86
	2,800.00	2,800.00

Terms Attached to Equity Shares:
The Company has one class of Equity Shares. All shares carry equal voting rights.

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

	As at March 31, 2023			As at March 31, 2022		
	Number of shares held	Rs. In Lakhs	% holding of equity shares	Number of shares held	Rs. In Lakhs	% holding of equity shares
Fully paid equity shares						
Visakhapatnam Port Authority	54,51710	545.17	19.47	54,51710	545.17	19.47
Paradip Port Authority	50,40,101	504.01	18.00	50,40,101	504.01	18.00
Jawaharlal Nehru Port Authority	50,40,101	504.01	18.00	50,40,101	504.01	18.00
Deendayal Port Authority	50,40,101	504.01	18.00	50,40,101	504.01	18.00

12.2 Movement of Shareholding of Promoters:

Sl.No.	Promoter Name	Number of shares held by Promoter	%holding of equity shares	% Change during the year
1	Visakhapatnam Port Authority	54,51,710	19.47	0.00
2	Paradip Port Authority	50,40,101	18.00	0.00
3	Jawaharlal Nehru Port Authority	50,40,101	18.00	0.00
4	Deendayal Port Authority	50,40,101	18.00	0.00
	Total	**2,05,72,013**	**73.47**	**0.00**

13 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
General Reserve	47,984.00	44,984.00
Retained earnings	85,668.16	84,621.58
Reserve U/S 115VT of Income Tax Act	2,105.00	2,105.00
Debenture redemption reserve	-	3000.00
Tonnage Tax Reserve	3,247.00	2,775.00
Capital Reserve	451.83	451.83
	1,39,455.99	**1,37,937.41**

13.1 GENERAL RESERVE

Balance at the beginning of the year	44,984.00	44,984.00
Movements from Debenture Redemption Reserve	3000.00	-
Balance at the end of the year	**47,984.00**	**44,984.00**

13.2 RETAINED EARNINGS

Balance at the beginning of the year	84,621.58	83,672.85
Prior period error adjustments	-	687.39
Profit(loss) attributable to owners of the Company	1,255.80	356.96
Transfer to Tonnage Tax Reserve u/s 115 VT of IT Act	(472.00)	(270.00)
Other comprehensive income arising from remeasurement of defined benefit obligation	262.78	174.37
Balance at the end of the year	**85,668.16**	**84,621.58**

13.3 Reserve u/s 115VT Utilisation Account

Balance at the beginning of the year	2,105.00	2,105.00
Movement during the year	-	-
Balance at the end of the year	**2,105.00**	**2,105.00**

13.4 Bonds Redemption Reserve

Balance at the beginning of the year	3,000.00	3,000.00
Movement during the year	-	-
Less: Transfer to General Reserve A/c.	3,000.00	
Balance at the end of the year	**-**	**3,000.00**

13.5 Tonnage Tax Reserve u/s 115 VT of IT Act

Balance at the beginning of the year	2,775.00	2,505.00
Movement during the year	472.00	270.00
Less: Transfer to General Reserve A/c.	-	
Balance at the end of the year	**3,247.00**	**2,775.00**

13.6 Capital Reserve

Balance at the beginning of the year	451.83	451.83
Movement during the year	-	-
Balance at the end of the year	**451.83**	**451.83**

14 NON-CURRENT BORROWINGS

Secured - at amortised cost		
(i) Term Loans		
From Foreign Banks	7,672.73	6,929.31
From India Banks	-	-
(ii) Loans from Indian Port Authorities	3,600.00	-
Total non- current borrowings	**11,272.73**	**6,929.31**

Foreign Currency Term Loans from banks represent the following (INR) denominated loans:

Sl.No.	Particulars		
1	Loan for Dr-XIX	-	5,133.26
2	Loan for Dr.XX	2,525.69	7,211.12
3	Loan for Dr.XXI	4,755.26	9,051.20

4	Loan for TSHD 12000Cum Dredger	7,672.72	-
	Sub total	**14,953.67**	**21,395.58**
5	Current liability portion of Long term Debt	(7,280.94)	(14,466.27)
	Grand Total	**7,672.72**	**6,929.31**

14.1 Summary of Borrowings arrangements :

(i) The terms of repayment of term loans and other loans are stated below

As at March 31, 2023

Particulars	Amount outstanding (INR , Lakhs)	Terms of repayment	Rate of Interest
ABN Amro Bank	0.00 (PY 5,133.26)	Repayable in 0 (2) half year and equal installments	6m Euribor+0.825% p.a.
ABN Amro Bank	2,525.67 (PY.7,210.70)	Repayable in 1 (3) half year and equal installments	6m Euribor+0.825% p.a.
EXPORT-IMPORT BANK OF INDIA, LONDON BRANCH	4,7555.26 (PY.9,051.21)	Repayable in 2 (4) half year and equal installments	6m Euribor+2.85% p.a.
Tax Free bonds/ Debentures	0.00 (PY 5,887.80)	Tenor of the bonds is 10 years (Issued in 2012-13)	Coupon rate for Category I, II, III and IV is 6.97% p.a and additional coupon rate of 0.5% p.a for original allottes under category IV.
Deutsche Bank	7,672.72 (PY 0.00)	Loan drawdowns during Construction of New Dredger	6months Euribor+1.15% p.a.
Loan from M/s. Deendayal Port Authority	3600.00 (PY 0.00)	loan Draw downs from Promoter ports For Construction of New Dredger & Working Capital Loans	8.25%

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

15. NON CURRENT PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Employee Benefits:		
Provision for Gratuity	569.85	484.30
Provision for Leave Encashment	621.31	704.69
Total	1,191.16	**1,188.99**
Current	348.71	291.58
Non-Current	842.45	897.41
Total	1,191.16	**1,188.99**

Employee Benefit Obligation as on 31-03-2023		
Gratuity	569.85	925.95
Leave Encashment	636.44	-

16. OTHER NON CURRENT LIABILITIES

Earnest Money Deposit /SD	1,884.30	2,029.01
	1,884.30	**2,029.01**

17. TRADE PAYABLES – CURRENT

	As at March 31, 2023	As at March 31, 2022
Current		
Trade payables-		
a) total outstanding dues of micro enterprises and small enterprises; and	112.02	106.67
b) total outstanding dues of creditors other than micro enterprises and small enterprises	41,149.36	37,425.45
	41,261.38	**37,532.12**

17.1 Trade Payables Ageing as on 31-03-2023

Particulars	0-1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Un Disputed Dues-MSME	112.02	0.00	0.00	0.00	**112.02**
(ii) Un Disputed dues-Others	28,446.99	10,543.19	2,159.18	0.00	**41,149.36**
(iii) Disputed Dues-MSME	0.00	0.00	0.00	0.00	**0.00**
(iv) Disputed dues-Others@	0.00	0.00	0.00	0.00	**0.00**
Total	**28,559.01**	**10,543.19**	**2,159.18**	**0.00**	**41,261.38**

Trade Payables Ageing as on 31-03-2022

Particulars	0-1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Un Disputed Dues-MSME	106.67	0.00	0.00	0.00	**106.67**

(ii) Un Disputed dues-Others	24,357.24	5,565.06	72.94	560.98	**30,556.22**
(iii) Disputed Dues-MSME	0.00	0.00	0.00	0.00	**0.00**
(iv) Disputed dues-Others@	3,720.06	3,149.17	0.00	0.00	**6,869.23**
Total	**28,183.97**	**8,714.23**	**72.94**	**560.98**	**37,532.12**

17.2 Disclosure requirement under MSMED Act 2006

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) The principal amount remaining unpaid to any supplier at the end of each accounting year.	112.02	106.67
(ii) The interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	5.00	2.48
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	5.00	2.48
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	5.00	2.48

18. OTHER FINANCIAL LIABILITIES

a) Interest Accrued	57.95	60.36
b) Bank Over Draft	10,044.67	9,733.26
	10,102.62	**9,793.62**

19. SHORT TERM BORROWINGS

a). Current Maturities of long term debt-Term Loans (Secured by charge of Dredge BH-I)	7,280.94	14,466.27
b). Current Maturities of long term debt- Tax Free Bonds*	-	5,887.80
c) Term Loan from ICICI Bank	2,670.00	-
d) Working Capital Loan from M/s. Shyam Prasad Mookerjee Port	5,000.00	-
e) Bill discounting	1,832.50	-
	16,783.44	**20,354.07**

***** Tax Free Bonds are due for redemption on 28-03-2023 and same was repaid.

20. OTHER CURRENT LIABILITIES

a) Unclaimed dividend	4.62	5.64
b) EMD/SD from Contractors	352.16	377.35
c) Payables to Customers	5,137.74	74.38
d) TDS payable	69.26	66.75
e) Other payables	10,520.55	11,651.31
	16,084.33	**12,175.93**

21. REVENUE FROM OPERATIONS

a) **Operating Income**		
Sale of Services (Core)	1,15,830.28	78630.23
b) **Other Operating Income**		
i. Excess Provision no longer required	443.09	1,328.13
ii. Sale of Scarp	185.08	90.39
iii. Others	21.34	54.09
Total	**1,16,479.79**	**80,102.84**

22. OTHER INCOME

a) **Interest Income on**		
Bank Deposits	169.38	198.27
Total	**169.38**	**198.27**
b) **Other non-operating income** (		
Interest on Employee advances	0.73	1.53
Rent from office Building & Others	153.00	44.78
	153.73	**46.30**
Total	**323.11**	**244.57**

23. EMPLOYEE BENEFIT EXPENSE

Salaries and Wages	9,093.60	9,105.93

Contribution to provident and other funds	380.20	237.24
Staff Welfare expenses	125.71	133.74
	9,599.51	**9,476.91**

24. FINANCE COSTS

(a)	**Interest Costs**		
	Interest on Foreign Currency loans	267.51	291.32
	Interest on Non-convertible bonds	409.34	413.91
	Interest on work Advances from Ports	327.36	-
(b)	**Interest on Over Draft**	998.39	359.51
(c)	**Exchange differences (Gain)/Loss**	731.91	53.09
(d)	**Other finance Cost**		
	Bank charges / Guarantee Fees	121.62	91.82
Total		**2,856.13**	**1,209.65**

25. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Plant, Property and equipment pertaining to continuing operations	13,584.92	12,019.96
Total depreciation and amortisation pertaining to continuing operations	**13,584.92**	**12,019.96**

26. OTHER EXPENSES

Power and Fuel	47,001.44	32,514.79
Rates & Taxes	29.81	4.84
Rent expense	37.59	101.06
Travelling and Conveyance	278.15	254.22
Contributions	1.23	0.05
Provision for bad debts	449.45	931.72
Written off debts/ provision for other losses*	284.38	0.00
Establishment Expenses	158.86	102.09
Consultancy Expenses	70.46	27.79
Pipeline laying / maintenance expenses	3.01	48.43
Other Direct Work Expenses	321.11	331.17
Boat / Tug &Crane hire Charges	617.73	410.84
Legal Adviser Fee & Secretarial Expenses	167.90	67.45
Repairs & Maintenance		
Vessels	1,344.76	654.28
Buildings	110.53	36.78
Spares & Stores	5,248.58	3,598.64
Insurance	610.42	647.45
Miscellaneous operational Expenses	438.25	879.55
Corporate Social Responsibility	0.00	0.00
Audit Fees and expenses		
a) for Audit	9.60	8.00
b) for Taxation matters	1.20	1.00
Total	**57,184.46**	**40,620.15**

Note: During this year Company had withdrawn the debtors of Rs.195.63 Lakhs of Cochin Port and Rs.88.75 Lakhs of Chennai Port respectively.

27 INCOME TAXES RELATING TO CONTINUING OPERATIONS

27.1 Income taxes recognised in the statement of profit and loss

Current tax		
In respect of the current year		
Indian Tax	127.59	120.17
Total	**127.59**	**120.17**
Deferred tax		
In respect of the current year	-	-
Others	**-**	**-**
Total income tax expense recognised in the current year relating to continuing operations- Income Tax computed as per Tonnage Tax Scheme	**127.59**	**120.17**

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

27.2 Income Tax: The Taxation Laws (Amendment) Act, 2019 has amended the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019 by inserting section 115BAA which provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company has elected to exercise the option and has accordingly recognised Provision for Income Tax for the current year.

Basis of applicable tax rates

Normal Tax rate	22%	22%
Surcharge	10%	10%
Health and Education Cess	4%	4%
Applicable Tax Rate	**25.17%**	**25.17%**

Current Tax Liabilities

Opening Balance	**-**	**-**

Add: Current Tax Payables for the year	127.59	120.17
Less: Taxes Paid	127.59	120.17
Closing Balance	**-**	**-**

28 PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

Profit for the year from continuing operations is attributable to:		
Owners of the Company	1,255.80	356.96
Non-Controlling interests	-	-
Total	**1,255.80**	**356.96**

29 Key Financial Ratios:

	Numerator	Denominator	Year Ended 31.03.2023	Year Ended 31.03.2022	Change in %
Current Ratio	(Current Assets)	(Current Liabilities)	0.90	0.87	3.50
Debt-Equity Ratio	(Long term Debt)	(Total Equity)	0.20	0.19	172
Debt Service coverage ratio	(EBITDA)	(Debt Obligation)	0.50	0.37	36.32
Return on Equity Ratio	(PAT)	(Total Equity)	0.01	0.00	248.05
Inventory Turnover ratio	(Operational Income)	(Avg. Inventory)	7.89	5.01	57.29
Trade Receivables Turnover ratio	(Operational Income)	(Avg. Trade Receivables)	4.24	3.88	9.25
Trade Payables Turnover Ratio	(Operational Income)	(Avg. Trade Payables)	2.96	2.40	23.31
Net capital Turnover Ratio	(Operational Income)	(Total Equity)	0.82	0.57	43.49
Net Profit ratio	(Total Comprehensive income)	(Total Income)	0.013	0.006	101.82
Return on Capital Employed (ROCE)	(PBIT)	(Capital Employed)	0.02	0.00	-2732.83
Return on Investment (ROI)	(PBIT)	(Capital investment)	NA	NA	NA
Interest Coverage Ratio	(EBITDA)	(Interest)	0.86	0.89	-3.65

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

1. Debt Service Coverage Ratio: The increase in Debt Service coverage Ratio by 36.32% is mainly on account of increase in EBITDA and reduction in Debt obligations as compared to previous year.

2. Return on Equity Ratio: The increase in Return on Equity Ratio by 248.05% is mainly on account of increase in operating profit during the year as compared to previous year.

3. Inventory Turnover Ratio: The increase in Inventory Turnover Ratio by 57.29% is mainly on account of increase in Operational income and reduction in Inventory balances during the year as compared to previous year.

4. Net Capital Turnover Ratio: The increase in Net capital Turnover Ratio by 43.49% is mainly on account of increase in Operational income during the year as compared to previous year.

5. Net Profit Ratio: The increase in Net capital Turnover Ratio by 101.82% is mainly on account of increase in Operational income during the year as compared to previous year.

6. Return on Capital employed: The decrease in Return on Capital Employed by 2732.83% is mainly on account of increase in interest cost expenses of Rs.2002.60 lakhs for FY 2022-23 as compared to previous year interest of Rs.1064.74 Lakhs.

7. Return on Investment (ROI): This ratio is not applicable for the current year and previous year.

Note. 30 Additional Information on Financial Statements:

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

Particulars	As at March 31, 2023	As at March 31, 2022
Claims made against the Company not acknowledged as debts	19,497.76	18,577.55
Income Tax Demands received but disputed by the Company	8,770.00	9,817.00
Service Tax Demands received but disputed by the Company(amount may be increased on account of Interest payables form date of demand to date of payment) ^	14,761.00	13,292.00
Estimated amount of contracts remaining to be executed on capital account and not provided for #	67,336.00	77,823.18
Bank Guarantees given by the Company	9,650.85	13,234.70
Total	**1,20,015.61**	**1,32,744.43**

^ It includes – The Company filed an appeal and application for stay before the Customs, Excise and Service Tax Appellate Tribunal against Commissionrates Orders confirming recovery of Rs. 14,761 Lakhs including interest and penalty towards irregular Cenvat credit availed during the period from June, 2005 to June 2018. No Provision has been made as the matter is pending before the tribunal.

 # it includes-DCI entered an agreement with M/s. Cochin Shipyard Limited for construction of New TSHD 12000 CUM capacity Dredger for contract value of Rs.379.70 crores plus Euro 4.6262 crores

B. 1. Contingent Assets: **₹. in Lakhs**

Particulars	As at March 31, 2023	As at March 31, 202

Claims made by the Company	8,665.15	8,665.15
Total	**8,665.15**	**8,665.15**

2. Expenditure in foreign currency:

₹. in Lakhs

Particulars	2022-23	2021-22
Travelling	0.00	0.00
Interest	267.51	291.32
Purchase of Spares	3,188.88	3890.48
Total	**3,456.39**	**4181.80**

3. Value of Imports:

₹. in Lakhs

Particulars	2022-23	2021-22
Components and spare parts (CIF Value)	3,188.88	3,890.48
Value of imported spares and components consumed	5,934.48	6,224.09
Value of indigenous spares and components consumed	765.98	749.48
Percentage of imported spares & components consumed to total spares & components consumed	88.57	89.25
Percentage of indigenous spares & components consumed to total spares & components consumed	11.43	10.75

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

A. Risk Management: The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as Long Term Borrowings (including current portion of Long Term borrowings as shown in the Balance Sheet).

Rs. In Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Net Debt	28,056.17	27,283.38
Total Equity	1,42,255.99	1,40,737.41
Net Debt to Equity Ratios	0.20:1	0.19:1

B. Loan covenants: The Company has 3 ECB Loan Agreements with EXIM Bank and BNP Paribas Bank and Deutsche Bank.

5. Financial Management:

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

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

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

1. **Reconciliation of Trade Receivables:**

Rs.in Lakhs

Particulars	As at 31-03-2023	As at 31-03-2022
Gross Carrying amount of Trade Receivables	43,593.53	30,941.62
Less: Provision made for Expected credit losses	(9,643.11)	(9,968.84)
Net Carrying amount of Trade Receivables.	**33,950.42**	**20,972.78**

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

Rs.In Lakhs

Particulars	As at 31-03-2023
Loss allowance as at 31-03-2021	**10,887.12**
Bad debts provided during the year	931.72
Written off/Withdrawal during the year	(1850)
Loss allowance as at 31-03-2022	**9968.84**

Bad debts provided during the year	449.45
Written off/Withdrawal during the year	-775.18
Loss allowance as at 31-03-2023	**9,643.11**

3. Reconciliation of provision for unserviceable Spares and stores:

Particulars	**As at 31-03-2023**
Provision for Unserviceable Spares as at 31-03-2021	**175.92**
Change in loss allowance	(175.92)
Loss allowance as at 31-03-2022	**0.00**
Provision for losses provided during the year	0.00
Provision for Unserviceable Spares as at 31-03-2023	**0.00**

A. Liquidity Risk:

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

B. Market Risk:

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

C. Foreign currency Risk:

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

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

Particulars'	**As at 31-03-2023**	**As at 31-03-2022**
1.Financial Liabilities:		
a. Borrowings	14,953.67	21,395.98
b. Imported Spares	1,167.65	620.22
c. Imported Services (Dry Dock expenses)	130.77	1,997.51
Total	**16,251.79**	**24,013.71**

6. Financial Instruments:

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

(Rs.In Lakhs)

SN	**Particulars**	**As at March 31, 2023**	**As at March 31, 2022**
	Financial Assets		
1.	**Measured at FVTOCI**		
	Investment in equity instruments designated upon initial recognition	0.00	0.00
2,	**Measured at amortised cost:**		
	Deposits (including security deposits)	3,440.02	3,200.33
	Unbilled Operational Income	9,796.64	8,986.72
	Claims & Other Receivables	1,153.06	1,123.70
	Advances	3,113.13	3,416.54
	Loans to Employees	9.44	20.76
	Trade Receivable	33,950.42	20,972.78
	Cash and Bank balances	3,146.60	9414.51
	Financial Liabilities		
3	**Measured at amortised cost:**		
	Bonds / Debentures	0.00	5887.80
	Term Loans (including current maturities)	14,953.67	21,395.58
	Trade Payable	41,261.38	37,532.12

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

Sl. No.	**Particulars**	**As at March 31, 2023**	**As at March 31, 2022**
	Assets: Investment in equity instruments (M/s Sethusamudram)		
1.	Carrying Value	0.00	0.00
	Designated as Fair Value Through OCI on initial recognition	0.00	0.00
	Total Fair Value	**0.00**	**0.00**
2.	**Liabilities: Term Loans**		
	Carrying Value	14,953.67	21,395.58

	Total Fair Value	**14,953.67**	**21,395.58**

7. Fair Value Measurements

I. Fair value hierarchy:

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

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

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

II. Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

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

III. Valuation processes

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

8. Asset Pledged as Security:

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Non-Current Assets: a. Property, Plant and Equipment	(9)	1,18,861.46	1,26,412.03
Total Assets pledged as security		**1,18,861.46**	**1,26,412.03**

9. Earnings per Share:

Earnings for Share after OCI:

Particulars	2022-23	2021-22
Total Comprehensive for the period	1518.58	531.33
No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Basic EPS	5.42	1.90
Diluted No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Diluted EPS	5.42	1.90

Earnings for Share before OCI:

Particulars	2022-23	2021-22
Profit for the year	1,255.80	355.96
No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Basic EPS	4.48	1.27
Diluted No. of Equity Shares(Face value @ Rs.10 each)	2,80,00,000	2,80,00,000
Diluted EPS	4.48	1.27

10. Trade receivables include a some of Rs.65.84 Cr. due from M/s. Sethusamudram Corporation Ltd (SCL),towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (AS&FA committee) Government of India. The committee stated that a note seeking approval of the cabinet needs to be moved by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company.

11 The Company had changed its accounting policy with regard to dry dock expense during the year 2021-22.The impact due to change of this accounting policy on inventory, dry dock expense and depreciation were considered on prospective basis though Ind AS 8 on "Accounting policy changes in accounting estimates and errors" requires this same to be considered on retrospective basis. The impact of this treatment in the financial statements is not determinable.

12. Disclosure on the Ind As 8 / Prior Period Restatements: Prior period errors in respect of previous year 2021-22 were restated as given below. Further, excess recognition of term loans earlier years for an amount of Rs.689.391akhs were adjusted to the opening reserves of retained earnings under other equity. (Ref. Note.13)

(a) Prior period errors Reconciliations: **Rs. in Lakhs**

Particulars	2021-22
Profit After Tax for the year 2021-22	**341.97**
Operating Income's: Cr	
Short recognisation of income	193.75
Operating Expenses: Dr	
Short consumption of Inventory	(54.91)
Short recognisation of operational expense	(60.34)
on Operating Expenses: Dr	
Short recognisation of Bad debts	(47.22)
Short recognisation of Finance cost	(16.28)
Net Prior period Adjustment	**14.99**
Restated Profit for the year 2021-22	**356.96**

(b) IND – AS 23 – Borrowing Costs:-

During the year an amount of ₹470.99 Lakhs were capitalized.

The effective rate of Interest 5.34% and same rate as used for capitalization of Borrowing costs.

13. As regards Receivables from Ports:

a) Visakhapatnam Pot Authority (VPA): Company had carried out and completed maintenance dredging work for Visakhapatnam Port Authority for the years 2019-20 to 2021-22 as per the agreement dated 01-02-2020. During the year, an amount to the tune of Rs. 6.97 Crores had been withheld from the current year's

invoices of the Company by VPA, towards levy of liquidated damages on account of delays in execution shortfall in quantities executed, under the agreement mentioned above. Representations to VPA for waiver of the said LD have been made and response/approval from VPA is awaited. As favorable response is awaited no provision on this account is considered warranted.

b) Kamarajar Port Limited (KPL): Company had carried out and completed capital & maintenance dredging work for KPL as per the agreement dated 08-07-2020. KPL had withheld an amount to the tune of Rs. 5.17 Crores towards levy of LD in the previous financial year. Out of the said amount Company had requested KPL to consider LD levy only to the tune of Rs. 67.57 Lakhs and to release the balance withheld amount of Rs. 4.49 Crores. As favorable response to the offer made by the company is anticipated and considered probable. The Company made provision for an amount of Rs. 67.57 Lakhs and for the balance withheld amount no provision is considered necessary.

c) New Mangalore Port Authority (NMPA): Company has carried out Post Monsoon Maintenance Dredging during the year as part of the Dredging work agreed for the years 2020-21 to 2022-23 vide agreement dated 06-11-2020. There has been a delay of 5 weeks in execution of the dredging work which would entail levy of LD @ of 1% of Contract Value per week or part thereof. The amount of LD if levied would work out to Rs. 1.85 Crores (approx.). However, Company is anticipating waiver of the said LD and hence no provision on this account is considered necessary.

d) Liquidated damages were levied by M/s. New Manglore Port Authority for an amount of Rs.0.86 Cr for the year 2021-22, the matter has been taken up with DA (Ports), MoPSW requesting to advise NMPA for refund of all the recovered LD amount from 2020-23 & 2021-22 and anticipated LD of 2022-23. The reply is awaited. Copy of said letter No. DCI/ MD&CEO(A/C)/NMPA/2023-24 dtd. 21.04.2023. Further, CSL has also been requested to reimburse the LD amount of Rs.85.88 lakhs as the delay in completion of the work at NMPA was on account of diverting the dredger DR-XVI to CSL during the period from 05.01.2022 to 19.01.2022.

e) Paradip Port Authority (PPA): Company has carried out and completed maintenance dredging work for Paradip Port Authority for the period 2021-22 in accordance with terms of agreement vide agreement dated 07-10-2021. From out of the invoices that the company had submitted to PPA towards work executed in the current year under a new agreement, an amount to the tune of Rs. 1.17 Crores had been recovered by PPA towards liquidated damages on account of shortfall in the quantity executed. Company has made representations to PPA for waiver of the said LO and awaiting positive response from PPA. Therefore, no provision towards bad & doubtful debt has been considered necessary for the said amount.

14. **Cochin Port Security Deposit:** Matter pertains to maintenance dredging for the year 2017-18 awarded to DCIL by CoPA. Although DCI successfully maintained the depths as mentioned in the tender document, CoPA denied releasing the outstanding amounts due to depth differences and classification of Maintenance & Capital Dredging. Both parties mutually appointed Dr. R.Sundaravadivelu, to Conciliate in the matter. He passed award that CoPA may withhold 10% and security deposit and release 15 % of the outstanding bill amount. CoPA released Rs.14.09 Cr by taking undertaking from DCIL towards full and final settlement. Later DCI took up with CoPA to release SD amount of Rs. 5.58 Cr and issued notice dated 04.05.2022 requesting for Arbitration in the matter. Further, letter will be sent to the MoPSW under AMRCD challenging the rejection of DCIL's request for arbitration regarding release of SD amount of Rs. 5.5 Cr.

15. The company had availed ITC of GST on vendor bills/invoices in respect of which payments are made, in some cases the payment become delayed due to reconciliation, information/data etc., pending from the vendors due to this some differences are raised and in all other cases the GST ITC was reversed with in timelines and it was again taken as and when the payment made to the vendors."

16. The Board of Directors in its meeting dtd. 08-08-2022, had resolved to dispose off / sale of DCI DR-XVIII on as is where is basis through MSTC, citting issues of performance and commercially non viability for further operations. However, in the Court case of MLL, the NCLT directed to DCIL not sale any of the assets (including DR-XVIII) of Company. Hence, Company revoked its earlier decision to sale of Dredger and decided to give it on Charter day hire basis to earn operational income. Informatively, Expression of interest received from the parties and tender will finalized in due course.

17. The Company (DCIL) carried out maintenance dredging with JNPA in the financial year 2019-20. During the year, DCIL executed part of dredging area on its own and some of the areas were dredged by subcontractor named M/s. International Seaport Dredging Pvt. Ltd. (herein after called as ISDPL). DCIL received payments from JNPT as per the rates mentioned in the agreement. However, DCIL released payments to ISDPL as per the agreement between DCIL Vs. ISDPL. As there is difference in between JNPT rates to DCIL and DCIL rates to ISDPL, JNPT started recovering these amounts from subsequent invoices raised by the Company. As on 31/03/2023 an amount of Rs.34.98 Cr (excluding GST) has been recovered by JNPA, Company views this amount as disputed trade receivables, but considered good.

18. DCI placed the order in October 2005 for Cutter Suction Dredger (CSD) on Mazagon Dock Limited (MDL) at a cost of Rs. 269.58 Crs and final landed cost of CSD was Rs. 273.74 Crs. MDL delivered the vessel in March 2010(Dredge XVIII) with poor construction, inordinate delay in supply of Dredger, failure to conduct successful trails as envisaged in the contract resulted in poor performance of the Dredger after delivery. In view of above, DCI encased the Performance Bank Guarantee of Rs.27.32 Crs on 01/11/2013 submitted by the contractor. In Feb 2014 MDL has referred the matter to Permanent Machinery of Arbitration (PMA) claiming that Encashment of BG by DCI is bad and illegal, and for refund of Rs.30.35Crs (BG amount along with interest and other charges). Finally, the Joint Secretary & Arbitrator of PMA has published the Award on 12.06.2018 in favor of MDL for an amount of Rs.15.00 Crs. However, DCI challenged the award before AMRDC and the matter is still pending there till date. Further, MDL has filed an application before NCL T to initiate the Corporate Insolvency Resolution proceedings against the DCI for recovery of Rs.25.50 Cr by suppressing the fact DCI has filed an appeal against the award of PMA. This case is posted for hearing before NCLT, Delhi on 09/06/2023. Now the matter has been referred to Conciliation &Settlement Committee under the Ministry of Ports, Shipping and waterways (MoPSW). MoPSW has advised the DCIL Board to resolve the matter and a Board Agenda note has been submitted for discussion and resolution in this regard on

25.05.2023.

19. DCI had entered into an agreement with Shipyard De Donge (Yard) for design, build and delivery of Backhoe Dredger within a period of 18 months (27.07.2010). Since, yard failed to supply the vessel within time; DCI deducted Liquidated Damages amounting to Euros 3,000,000. The issue was referred to Arbitration. Arbitration Tribunal passed an award in favor of the yard for Euros of 1,016,756 amounting to around Rs. 10.57 Cr. DCI filed appeal on the said award before High Court of Andhra Pradesh in 2018 and the same is pending there. The case was last listed on 04-05-2023. None of the appearances made on behalf of the Yard till date.

20. Arbitral Award of Rs.45.70Cr issued in favour of M/s. Mercator Lines Limited (MLL) has been challenged by the Company before the High Court of the Delhi and also before the jurisdictional High Court of Justice, Business and property Courts of England and Wales, Commercial Court and the same have been dismissed. MLL filed Execution petition before the High Court of Delhi seeking execution/enforcement of Arbitral Awards. DC! has contested the Award under section 48 of the Arbitration and conciliation Act 1996, while praying for rejecting the execution petition of MLL on the ground that the Award is contrary to the public policy of India and also on the ground that arbitral procedure was not in accordance with the agreement of parties, particularly LMAA Rules. Accordingly, the said Arbitral Award is to the tune of Rs.68.71 Cr (Including Interest) has been considered by the Company as Contingent Liability. This case is posted for hearing on 18/05/2023.

21. Outstanding balance of trade payables & receivables, other payables, GST & TDS receivables and advances to suppliers are subject to confirmation/ reconciliation and the same is under process.

22. Letters for confirmation of balance from customers has been sent as on 31-03-2023.

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

₹ in Lakhs

Particulars	**As on 31-03-2023**	**As on 31-03-2022**
Revenue from contracts with Customers	1,15,830.28	78,630.23
Revenue from Other Sources	649.52	1,472.61
Total Revenue from Operations	**1,161479.79**	**80,102.84**

Revenue Recognition **₹ in Lakhs**

Particulars	**31-03-2023**			**31-03-2022**		
	At Point in Time	**At Point Over Time**	**Total**	**At Point in Time**	**At Point Over Time**	**Total**
Revenue from Customers	0.00	1,161479.79	1,161479.79	0.00	80,102.84	80,102.84
Total Revenue			**1,161479.79**			**80,102.84**

Contract Asset: **₹ in Lakhs**

Particulars	**31-03-2023**	**31-03-2022**
Opening Balance of Contract Asset	8,986.72	8,680.01
Opening Balance reclassified as Trade Receivable in current period	(8,945.71)	(9,637.75)
Current year Contract Asset - Carried Forward	9,755.63	9,944.10
Closing Balance of Contract Asset	**9,796.64**	**8,986.72**

Contract Liability: **₹ in Lakhs**

Particulars	**31-03-2023**	**31-03-2022**
Opening Balance of Contract Liability	74.88	0.00
Revenue recognised from opening balance of Contract Liability	74.88	0.00
Current year Contract Liability - Carried Forward	5,137.74	74.88
Closing Balance of Contract Liability	**5,137.74**	**74.88**

Contract Assets disclosed under note no.8 to the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.
Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the subsequent financial years. There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.
Trade receivables as disclosed in note no 6 includes contract balances.
Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services. The Company generates revenue from dredging activities. Revenue from dredging and chartering of vessel is recognised over time, which is determined on a percentage of completion method. The Company has recognised revenue over a period of time basis following output method. Since, the Company can tracks the progress toward completion of the contract by measuring quantity dredged to quantity relative to total estimated quantity needed to satisfy the performance obligation, the percentage of dredging completion method/ straight-line basis over the period of the charter i.e. output method provide a faithful depiction of transfer of goods or services.

24. **Key Managerial Personnel:**

Directors : Prof. Dr. G.Y.V. Victor, Managing Director, under suspension w.e.f. 13/07/2022
And removed from the services w.e.f. 31/03/2023
Capt.S.Divakar, Managing Director & CEO (A/C) w.e.f. 15/07/2022

Chief Financial Officer : Shri. D.Subbarao upto 31/03/2023
Shri. K.Rajesh w.e.f. 01/04/2023

Company Secretary : Shri. K.Aswini Sreekanth upto 07/06/2022
Smt. P.Chandra Kalabhinetri w.e.f. 14/07/2022

Total Salary & Benefits : Rs.95.63 Lakhs (P.Y. Rs.138.09 Lakhs)

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

25. Related Party Disclosures:

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

Sl. No.	Party	Largest Single Transaction during the year (Revenue from operations)	Transactions during the year (Revenue from Operations)	Outstanding Balance as on 31-03-2023 (Receivables)
1	Visakhapatnam Port Authority	2360 (PY 427.68)	5712.84 (PY 536.26)	2673.88 (PY 186.21)
2	Paradip Port Authority	2673.55 (PY 2468.36)	20180.53 (PY 14748.24)	186.20 (PY 1293.20)
3	Jawaharlal Nehru Port Authority	7203.40 (PY 11053.29)	34994.50 (PY 22632.43)	14030.84 (PY 6359.97)
4	Deendayal Port Authority	0 (PY 0.00)	0 (PY 0.00)	0 (PY 0.00)

Loans Availed from Related Party

Sl. No.	Particulars	Loan Availed during the year	Repaid during the year	Outstanding as on 31-03-2023
1	**Visakhapatnam Port Authority**			
	Working Capital Advance	2,000.00	-	2,000.00
	Interest	108.10	-	108.10
2	**Paradip Port Authority**			
	Working Capital Advance	6,000.00	5,500.00	500.00
	Interest	125.34	123.15	2.19
3	**Deendayal Port Authority**			
	Working Capital Advance	3600.00	0.00	3600.00
	Interest	123.00	0.00	123.00

Qualitative Inputs	DCIL provides dredging services to these four port Authorities on an ongoing basis, and has in its Board a nominee of each of the Port Authorities. All the transactions have been on arm's length basis.

26. ADDITIONAL REGULATORY INFORMATION:

a) Title deeds of all Immovable Properties are held on the name of the company:

b) The Company has not made revaluation of its Property, Plant and Equipments during the year.

c) Company has not granted any loan or Advance to Promoters, Directors , KMP and related parties:

d) There is no Benami Property held on the name of the company as on 31-03-2023.

e) Company is not declared as wilful defaulter by any bank or financial institutions or lenders during the year..

f) Relation with Stuck off Companies: Company is not made any transactions with companies stuck off under section 248 of the Companies Act, 2013.

g) Company has not Traded or Invested in Crypto currency or Virtual currency during the financial year 2022-23

h) The Company does not have multiple layers of investments. hence, Restriction of number of layers Rules 2017 is not applicable.

i) There are no charges or satisfaction yet to be registered with Register of Companies beyond the statutory period as on 31-03-2023.

j) Undisclosed/unrecorded income has not been surrendered or disclosed as income during the year in the tax assessments as per Income tax Act,1961.

k) The company has borrowings from banks on the basis of security of current assets and quarterly returns and statements of current assets filed by the company with banks are not in agreement with the books of accounts. The reconciliation for difference in the below tables could not be carried out since, the reason for differences area a combination of the following.

- Accounting of TDS, GST TDS subsequently.
- Entries passed in books of accounts subsequent to the date of submission of balances to banks.
- In case of few debtors, there were variances in work done but not billed considered in bank statements vis-a-vis books of accounts.
- Non-operational debtors not considered while submission of debtors statements to banks.

Q4

Particulars	Balance as on 31.03.2023	More than 3 Years	02 to 03 years	01 to 02 Years	6-12 Months	0-6 Months
Balance as per statements submitted Bank	42,539.26	15,110.11	422.63	1,147.10	2,952.92	22,906.51
Balance as per Books of Accounts	43,593.53	15,429.93	309.46	4,240.81	3,756.64	19,856.69
Difference	**-1,054.27**	**-319.82**	**113.17**	**-3,093.71**	**-803.72**	**3,049.82**

Q3

Particulars	Balance as on 31.12.2022	More than 3 Years	02 to 03 years	01 to 02 Years	6-12 Months	0-6 Months
Balance as per statements submitted Bank	33,519.28	15,315.61	94.98	728.88	1,611.21	15,768.59
Balance as per Books of Accounts	24,391.01	18,405.97	775.88	204.37	1,415.20	5,550.09
Difference	**9,128.27**	**3,090.36**	**870.86**	**933.25**	**196.01**	**10,218.50**

Q2

Particulars	Balance as on 30.09.2022	More than 3 Years	02 to 03 years	01 to 02 Years	6-12 Months	0-6 Months
Balance as per statements submitted Bank	29,821.37	15,176.70	466.08	1,119.10	378.18	12,672.31
Balance as per Books of Accounts	29,763.07	18,157.70	754.34	434.73	1,202.81	9,213.50
Difference	**58.30**	**2,981.00**	**288.26**	**684.37**	**815.63**	**3,458.81**

Q1

Particulars	Balance as on 30.06.2022	More than 3 Years	02 to 03 years	01 to 02 Years	6-12 Months	0-6 Months
Balance as per statements submitted Bank	31,367.75	14,777.53	861.16	2,409.89	1,162.18	12,156.99
Balance as per Books of Accounts	31,406.21	17,762.61	861.11	1,368.40	690.45	12,104.54
Difference	**-38.46**	**2,985.08**	**0.05**	**1,041.49**	**1,852.63**	**52.45**

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

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

B. Average net profit of the company as per section135 (5): **₹ -6345.51 Lakhs**

C.

Two percent of average net profit of the company as per section 135(5):	**₹ (126.91 Lakhs)**
Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	**NIL**
Amount required to be set off for the financial year, if any:	**NIL**
Total CSR obligation for the financial year	**₹ 0.00 Lakhs**

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

Total Amount Spent for the Financial Year 2023. (in Rs Lakhs)	Amount Unspent (In Rs. Lakhs)				
	Total Amount transferred to Unspent C S R Account as per section135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section135 (5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
0	Nil	NA	NA	Nil	NA

ii) Details of CSR amount spent against on going projects for the financial year: **Nil**

iii) Details of CSR amount spent against other than on going projects for the financial year: **Nil**

iv) Amount spent in Administrative Overheads: **Nil**

v) Amount spent on Impact Assessment, if applicable: **Not applicable**

vi) Total amount spent for the Financial Year: **Nil**

vii) Excess amount for set off, if any

Sl.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section135(5)	0.00 Lakhs
(ii)	Total amount spent for the Financial Year	0.00
(iii)	Excess amount spent for the financial year[(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	81.66 Lakhs
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	81.66 Lakhs

E. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not applicable**

F. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **No Capital asset was created for the financial year 2022-23 through CSR Spend**

G. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section135(5): **Not applicable**

28. GENERAL

a) The Company is engaged in the business of dredging and therefore, has only one reportable segment in accordance with Ind AS 108 “Operating Segments”.

b) Escalation claims (Labour / Material) have been preferred on the basis of latest available indices.

c) Disclosure requirements under Ind AS 19 on Employee benefits are given under Employee benefit obligations.

29. EMPLOYEE BENEFIT OBLIGATION

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

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

2. Details of Defined contribution plans: The Company offers to its employee's defined Contribution plans in the form Provident fund, Post-Retirement Medical plan and Pension Contribution.

i. Provident fund	The contributions to employee's Provident Fund benefits are made to a separate trust. The trust is exempted u/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 GoI.
ii. Post-Retirement Medical Scheme (new w.e.f. 01.01.2007)	It is a contribution @ 2.19% of monthly Basic and DA towards provision of employees' medical expenses incurred after retirement.
iii. Pension contribution	It is a contribution @ 10% of monthly Basic and DA towards provision of annuity after retirement of employees and the same is being funded by DCI with NPS.

Defined benefit plans – As per Actuarial valuation on 31st March, 2023						
Particulars	**Gratuity**		**Leave (Shore)**		**Leave (Floating)**	
	2022	**2023**	**2023**	**2022**	**2023**	**2022**
Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:						
I. Changes Present value of obligations PVO at the beginning of the period	**1346.54**	**1,482.07**	**676.70**	**749.12**	**27.98**	**28.80**
Interest cost	85.50	94.74	42.79	43.79	1.85	1.69
Current service cost	82.64	85.59	186.24	186.68	44.74	58.98
Past Service Cost- (non vested benefits) Past Service Cost -(vested benefits) Transfer in Liability	141.93	-	-	-	-	-
Benefits Paid By The Company	-261.21	-234.77	-162.11	-	-108.71	-
Actuarial (Gain)/Loss on obligation PVO at end of period	86.62	68.16	-157.20	-302.91	68.99	-61.50
PVO at end of the period	1,482.02	1,495.80	586.42	676.70	34.88	27.98
I. Interest Expenses						
Interest Cost	85.58	94.75	42.79	43.79	1.85	1.69
II. Fair Value of Plan Assets						
Fair Value of Plan Assets at the beginning	630.00	997.77	-	-	-	-
Interest Income	37.64	64.22	-	-	-	-
III. Net Liability						
PVO at beginning of Period	1,346.54	1,482.07	676.69	749.12	27.98	28.80
Fair Value of the Assets at beginning report	630.00	997.77	-	-	-	-
Net Liability	**716.54**	**484.30**	**676.69**	**749.12**	**27.98**	**28.80**
IV. Net Interest						
Interest Expenses	85.53	94.74	42.79	43.79	1.85	1.69
Interest Income	37.64	64.22	-	-	-	-
Net Interest	**47.89**	**30.52**	**42.79**	**43.79**	**1.85**	**1.69**
V. Actual return on plan assets	32.93	51.23	-	-	-	-
Less: Interest income included above	37.64	64.22	-	-	-	-
Return on plan assets excluding interest income	-4.71	-12.99	-	-	-	-
VI. Actuarial (Gain}/loss on obligation:						
Due to Demographic Assumption*	-	-	--	-	-	-
Due to Financial Assumption	-30.45	-25.84	-11.19	-0.11	0.40	0.71
Due to Experience	117.09	94.00	-146.00	-282.25	69.40	-60.78
Total Actuarial (Gain}/loss	**86.62**	**68.16**	**-157.20**	**-302.91**	**68.99**	**-61.50**
*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience						
VII. Fair Value of Plan Assets						

Opening Fair Value of Plan Asset	630.00	997.77	-	-	-	-
Adjustment to Opening Fair Value of Plan Asset	-	-	-	-	-	
Return on Plan Assets excl. interest income	-4.71	-12.95	-	-	-	-
Interest Income	37.64	64.22	-	-	-	-
Transfer in Fund Transfer out Fund	-	-	-	-	-	-
Contributions by Employer	596.04	111.67	162.11	-	108.71	-
Contributions by Employee	-	-	-	-	-	-
Benefits Paid	-261.21	-234.77	-162.11	-	-108.71	-
Fair Value of Plan Assets at end	997.77	925.95	-	-	-	-
VIII. Amounts to be recognized in the balance sheet and statement of Profit & loss account:						
PVO at end of period	1,482.02	1,495.80	586.42	676.70	34.88	27.98
Fair Value of Plan Assets at end of period	997.77	925.95	-	-	-	-
Funded Status	-484.29	-569.85	-586.21	65.98	-34.88	-27.98
Net Asset/(Liability) recognized in the balance sheet	**-484.29**	**-569.85**	**-586.21**	**65.98**	**-34.88**	**-27.98**
IX. Expense recognized in the statement of P & L A/C:						
Current Service Cost	82.64	85.59	186.24	186.68	44.74	58.98
Net Interest	47.89	30.52	42.79	43.79	1.85	1.69
Past Service Cost- (non vested benefits) Past Service Cost -(vested benefits)	141.93	-	-	-	-	-
Expense recognized in the statement of P & L A/C	272..46	116.11	229.03	230.48	46.60	60.68
X. Other comprehensive Income (OCI)						
Actuarial (Gain)/Loss recognized for the period	86.60	68.16	-157.20	-302.91	68.99	-61.50
Return on Plan Assets excluding net interest	-	-	-	-	-	-
Unrecognized Actuarial (Gain)/Loss from previous period	4.71	12.95	-	-	-	-
Total Actuarial (Gain)/Loss recognized for the period (OCI)	91.31	81.11	-157.20	-302.91	68.99	-61.50
XI. Movements in the Liabilities recognized in Balance Sheet						
Opening Net Liability Adjustment to opening balance	716.54	484.30	676.70	749.13	27.99	28.80
Expenses as above	272.46	116.11	161.62	162.94	46.60	-
Benefits Paid By The Company	-	-	-	67.54	-	60.69
Contribution paid -	-596.04	-111.67	-162.11	-	-108.71	-
Other comprehensive Income (OCI)	91.33	81.11	-157.20	-302.91	68.99	-61.50
Closing Net Liability	**484.29**	**569.85**	**586.41**	**676.70**	**34.88**	**27.99**
XII. Schedule III of the Companies Act 2013						
Current Liability	201.79	238.45	106.73	105.62	3.60	1.99
Non – Current Liability	1,280.28	331.40	526.07	571.08	31.27	26.15
XIII. Projected Service Cost 31 March 2023		**84.05**	**170.63**		**51.59**	
Assumptions as at						
Mortality	IALM (2012-14) Ult	IALM (2012-14) Ult	IALM (2012-14) Ult	IALM (2012-14) Ult	IALM (2012-14) Ult	IALM (2012-14) Ult
Interest /Discount Rate	0.07	0.07	0.07	0.07	0.07	0.07
Rate of increase in compensation Annual increase in healthcare costs	0.04	0.04	0.04	0.04	0.04	0.04
Future Changes in maximum state healthcare benefits Expected average remaining service	0.07	8.73	9.27	0.07	9.27	0.07
Employee Attrition rate (Past Service (PS)	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%	PS 0 to 42: 5%

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

30. ACCOUNTING POLICIES:

GENERAL INFORMATION:

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

Country like Haldia, Kolkata, Cochin, Chennai, Mumbai etc. The details of the fleet etc are included in the Annual Report."

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

1.1 Statement of Compliance:

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

1.2 Basis of Measurement:

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

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

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

2. ACCOUNTING ESTIMATES:

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

3. OPERATIONAL INCOME: REVENUE RECOGNITION:

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

b) Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined based on internal assessment/survey.

c) Claims preferred on customers for works/items not contemplated are considered as income on their acceptance.

d) **Revenue Income is recognised in the Statement of Profit and Loss when:**

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- Costs relating to the transaction can be measured reliably

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

4. OTHER INCOME:

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

b) Interest on Tax refunds are accounted on receipt basis.

5. OPERATIONAL EXPENSES:

a) All operational expenses are charged to revenue under accrual basis.

b) Insurance: Final adjustments to insurance premium paid are considered in accounts on the basis of demands received.

c) Insurance:

I Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred.

ii In respect of hull and machinery insurance claims, the claim is accounted as claims recoverable from underwriters on submission of average adjuster report to the underwriter under operational income. Necessary adjustments are made to the claims recoverable account as and when the actual claims are received from the underwriters. In respect of other claims, the same are accounted for on realization /settlement of the same by the underwriters and is accounted under operational income.

6. DEPRECIATION:

a) Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.
b) Freehold land is not depreciated.
c) The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in schedule II of the Companies Act, 2013 except for the following categories of assets in which case the estimated useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Type of Asset	Estimated Useful Life
Dredgers	25 years
Mild steel pipe lines equipment	4 years
High density polyethylene pipe line equipment	8 years
Second hand assets	As per estimated balance Service period.

7. PROPERTY, PLANT & EQUIPMENT:

a. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Entity's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
b. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.
c. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss.
d. Dry Dock Expenses: The expenditure incurred on account of dry-dock of vessels (along with spares consumed) will be capitalised to Property, Plant and Equipment and will be depreciated over a period from the date of dry dock completion to the next due date of docking survey as certified by IRS.
e. Items of Fixed Assets whose cost does not exceed Rs.5,000/- (Rupees five thousand) are capitalized and depreciated 100% during the year.
f. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related assets.

8. BORROWING COSTS:

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

9. FOREIGN CURRENCY TRANSACTIONS:

a) Transactions in foreign currency are recorded at exchange rates prevailing at the dates of the transactions. As per the notification issued by the Ministry of Corporate Affairs Government of India dated 31st Mar, 2009, the Company has opted for adjusting the exchange difference on the long term foreign currency monetary items to the cost of the assets acquired out of these foreign currency monetary items. The Company has accordingly aligned its accounting policy based on the above notification. Exchange differences arising out of fluctuation in exchange rates on settlement/restatement at the period end are accounted based on the nature of transaction as under:
(i) Short term foreign currency monetary assets and liabilities recognized in the profit and loss account.
(ii) Long term foreign currency monetary liabilities used for acquisition of fixed assets adjusted to the cost of the fixed assets and amortized over the remaining useful life of the asset.

10. INVENTORIES:

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

11. FINANCIAL INSTRUMENTS:

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

12. EMPLOYEE BENEFITS:

(a) All short–term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
(b) Employee benefits under defined contribution plans comprising of Provident fund, post-retirement medical benefits (wef 01.01.2007) and pension (NPS) contribution are recognized based on the undiscounted amount

of obligations of the company to contribute to the plan.

(c) Employee benefits under defined benefit plans comprising of gratuity, leave salary benefits are recognized based on the present value of defined benefit obligation which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses are recognized in the statement of Profit & Loss during the period in which they occur.

(d) For defined retirement gratuity benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

(e) Provision for Gratuity, Provident fund, Post-retirement Medical and Pension benefits is funded with separate Trusts formed for the purpose.

13. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

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

b) Contingent Assets and Contingent liabilities are disclosed by way of notes.

14. TAX EXPENSES:

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

For and on behalf of Board of Directors

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

-sd-
(Dr. Madhaiyaan Angamuthu, IAS)
Chairman

-sd-
(Capt.S.Divakar)
Managing Director &
CEO (A/c)

-sd-
(CA.Guruprasad)
Partner
Membership no. 215652
UDIN:

-sd-
(K.Rajesh)
Chief Financial Officer(CFO)

-sd-
(P.Chandra Kalabhinetri)
Company Secretary

Place : Visakhapatnam
Date : 25-05-2023

డ్రెడ్జింగ్ కార్పొరేషన్ ఆఫ్ ఇండియా లిమిటెడ్

ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड

DREDGING CORPORATION OF INDIA LIMITED



47TH ANNUAL REPORT
2022-23





Regd Office:

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Delhi - 110092, Ph : 011-22448528

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HB Colony Main Road, Seethammadhara
Visakhapatnam - 530022,
Ph : 0891-2523250