



# DREDGING CORPORATION OF INDIA LIMITED

CIN No. L29222DL1976GOI008129 GST NO. 37AAACD6021B1ZB

Head Office : "DREDGE HOUSE", Port Area, Visakhapatnam-530001

Phone : 0891 2523250, Fax : 0891 2560581/ 2565920,

Website: [www.dredge-india.com](http://www.dredge-india.com)

Regd. Office : Core-2, First Floor, Scope Minar , Laxminagar District Centre, Delhi – 110092



DCI/CS/E.1/2019/

28/05/2019

The Secretary, The Stock Exchange, Mumbai 25 <sup>th</sup> Floor, Rotunda Building, Phiroze, Jeejeebhoy Towers Dalal Street, Fort, Mumbai -400001	Code : 523618	022 – 2272 2041, 2037, 3719, 2039, 2061/2272 1072
The Secretary The National Stock Exchange of India Ltd. 5 <sup>th</sup> Floor, Exchange Plaza, Bandra (E) Mumbai – 400051	Symbol : DREDGECORP	022 – 26598237 / 38
The Secretary The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata – 700001		033 – 22104492/ 22104500

Dear Sir,

Sub : Secretarial Compliance Report as per Regulation 24AA of the SEBI(LODR)

The Secretarial Compliance report for the year ended 31/3/2019 as per Regulation 24AA of the SEBI (LODR) given by M/S Agarwal S. & Associates, Company Secretary in Practice is attached please.

Yours faithfully,  
For Dredging Corporation of India Limited

(K.Aswini Sreekanth)  
Company Secretary



**SECRETARIAL COMPLIANCE REPORT**  
**OF**  
**DREDGING CORPORATION OF INDIA LIMITED**  
**For the year ended 31<sup>st</sup> March, 2019**

We, Agarwal S. & Associates, Company Secretaries, New Delhi have examined:

- (a) all the documents and records made available to us and explanation provided by **Dredging Corporation of India Limited** ("the listed entity/DCIL"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2019 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the period under review**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the period under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the period under review**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review**



- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.*	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall comprise of at least one woman Director and where the listed entity have a Promoter non - executive chairperson, at least half of the board of directors shall comprise of independent directors	The Board of Directors does not consist of a woman director from 08.03.2019 till 31.03.2019 and also the number of Independent Directors on the Board is less than fifty percent.	As on 31.03.2019, the Board of Directors of the Company shall comprise of at least one woman Director. Also, the Board of Directors of the Company is headed by Promoter Non - Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members.  As on 31.03.2019, the Board of Directors of the Company headed by non executive Chairman comprises of 5 Directors including 1 Managing Director and 4 Part Time Nominee Directors from Promoters.
2.*	Regulation 17 (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.	The performance evaluation of independent directors has not been done by the entire Board of Directors.	The entire Board of Directors shall carry out the performance evaluation of Independent Directors.  However, as on 31 <sup>st</sup> March, 2019, there was no Independent Director on the Board of the Company.



3.*	Regulation 18 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity shall constitute an Audit Committee.	The Company does not have an Audit Committee for a period starting from 09.03.2019 till 31.03.2019.	The Company had an Audit Committee and Stakeholder Relationship Committee with the required composition till 08.03.2019. However, on 08.03.2019, the GOI by strategic disinvestment transferred all the 73.47% of its holding in the Company to the four ports-Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust along with transfer of management and control. Therefore, all the existing Committees were dissolved on 08.03.2019.
4.*	Regulation 20 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall constitute the Stakeholders Relationship Committee.	The Company does not have a Stakeholder Relationship Committee for a period starting from 09.03.2019 till 31.03.2019.	Further, there were no Independent Directors on the Board of the Company for the period 09.03.2019 till 31.03.2019. Subsequent to the appointment of Independent Directors, the said Committees have been constituted on 15.04.2019.
5.*	Regulation 19 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of the Nomination and Remuneration Committee shall include at least fifty percent of the directors as independent directors.	The Composition of the Nomination and Remuneration Committee does not include fifty percent of directors as Independent Directors from 09.03.2019 to 31.03.2019.	Since there were no Independent Directors on the Board of the Company for the period 09.03.2019 till 31.03.2019, the composition of the committee was not as per the regulation. However, subsequent to the appointment of Independent Directors, the composition of the said Committee has been rectified.
6.*	Regulation 19 (4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall: (a) formulate the criteria for	The required policies/criteria were not formulated.	The Nomination and Remuneration Committee should formulate the required policies/criteria. As explained by the management, DCIL was a Government Company till 08.03.2019 and the appointment, remuneration of



	<p>determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;</p> <p>(c) devise a policy on diversity of Board of Directors.</p>		<p>directors and employees were governed by DPE Guidelines etc. However, post strategic disinvestment by GOI on 08.03.2019, the Company is in the process of making due compliance of the same.</p>
7.*	<p>Regulation 25 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.</p>	<p>No separate meeting of Independent Directors was held during the year and therefore no evaluation has been done as required under Regulation 25 (4).</p>	<p>The separate meeting of Independent directors should have been held during the year in order to comply with provisions of the applicable Regulations.</p>
8.*	<p>Regulation 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall in their meeting:</p> <p>(a) review the performance of non-independent directors and the board of directors as a whole;</p> <p>(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.</p>		



	(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.		
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\* As communicated by the Management, DCIL was a Government Company till 08<sup>th</sup> March, 2019, and as per the Articles of Association of the Company, the appointment of Directors was to be done by the Government of India. The matter of appointment of requisite number of Independent Director was taken up with the administrative Ministry and the same was pending at their end. However, on 08.03.2019, the Government of India by strategic disinvestment, transferred all the 73.47% of its holding in DCIL to four ports viz Visakhapatnam Port Trust, Paradip Port Trust, Jawaharlal Nehru Port Trust and Deendayal Port Trust along with transfer of management and control. Subsequent to transfer of shareholding, the existing Directors resigned including Independent Directors and the new Directors were appointed. Thus, there were no Independent Directors on the Board of the Company for the period 09.03.2019 till 31.03.2019. Further the power to appoint new directors now vests with the new promoters' subject to the provisions of the Companies Act, 2013 and SEBI Regulations read with existing Articles of Association. The Company has appointed four Independent Directors as on 24.05.2019 and Management has confirmed that it is in the process of appointing the remaining requisite number of Directors including women director and independent director.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2018.	Fine of Rs. 5,42,800/- inclusive of GST vide its letter dated 05.11.2018	The Company has submitted response vide their letter dated 20.11.2018 and has requested to review its decision of imposing the penalty on the grounds that since DCIL is a Government of



				India undertaking under the administrative control of Ministry of Shipping and pursuant to Article of Association of the Company, the appointment of Directors of DCIL is done by President of India.
2.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2018.	Fine of Rs. 5,42,800/- inclusive of GST vide its email dated 06.11.2018	The Company has submitted response vide their email/letter dated 15.11.2018 and has requested to review its decision of imposing the penalty on the grounds that, since DCIL is a Government of India undertaking under the administrative control of Ministry of Shipping and pursuant to Article of Association of the Company, the appointment of Directors of DCIL is done by President of India.
3.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2018.	Fine of Rs. 5,42,800/- inclusive of GST vide its letter dated 31.01.2019	The Company has submitted response vide their letter dated 04.02.2019 and has requested to review its decision of imposing the penalty on the grounds that since DCIL is a Government of India undertaking under the administrative control of Ministry of Shipping and pursuant to Article of Association of the Company, the appointment of Directors of DCIL is done by President of India.
4.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2018.	Fine of Rs. 5,42,800/- inclusive of GST vide its letter dated 31.01.2019	The Company has submitted response vide their letter/email dated 04.02.2019 and has requested to review its decision of imposing the penalty on the grounds that since DCIL is a Government of India undertaking under the administrative control of



				Ministry of Shipping and pursuant to Article of Association of the Company, the appointment of Directors of DCIL is done by President of India.
5.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2019.	Fine of Rs. 5,31,000/- inclusive of GST vide its letter dated 02.05.2019	The Company has submitted response vide their letter dated 11.05.2019 and has requested to review its decision of imposing the penalty on the grounds that DCIL is in a transition face pursuant to strategic disinvestment by GOI to four ports along with transfer of management and control and the new promoters are in the process of appointing new Directors.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended  (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.	N.A.	N.A.	N.A.	N.A.

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



*Agarwal*

Signature: \_\_\_\_\_

Name of the Practicing Company Secretary: CS Sachin Agarwal

FCS No.: 5774

C P No.: 5910

Place: New Delhi

Date: May 28, 2019