ड्रेजिंग कार्पोरेशन ऑफ़ इण्डिया लिमिटेड
(भारत सरकार का उपक्रम)
DREDGING CORPORATION OF INDIA LIMITED
(A Government of India Undertaking)
प्रधान कार्यालय : निकर्षण सदन, पत्तन क्षेत्र, विशाखपट्टणम - 530 001
HEAD OFFICE : "DREDGE HOUSE", Port Area, VISAKHAPATNAM - 530 001
फैक्स Fax : 0891-2560581/2565920, दूरभाष Phone : 0891-2523250
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ISO 14001 : 2015
ISO 9001 : 2015
APPROVED BY IRQS
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DCI/CS/E.1/2019 02/01/2019

The Secretary The National Stock Exchange of India Ltd. 5th Floor, Exchange Plaza, Bandra (E) Mumbai – 400051	Symbol : DREDGE CORP 022 – 26598237 / 38

Dear Sir,

Sub : Clarification with regard to the announcement submitted on 28/11/2018 in connection with in principal approval of cabinet for strategic disinvestment.

Ref : NEAPS mail dt. 26/12/18.

This has reference to the above mail from NEaPS asking clarification from the Company in connection with in principal approval of cabinet for strategic disinvestment.

2. The clarification given by the Company is enclosed as Annexure - I

Thanking you

Yours faithfully
For Dredging Corporation of India Limited

(K.Aswini Sreekanth)
Company Secretary

पंजीकृत कार्यालय : कोर-2,पहली मंजिल, स्कोप मीनार, प्लॉट नं. 2,'क'व 2 ख, लक्ष्मी नगर जिला केन्द्र, दिल्ली : 110 092. फोन : 22448528 फैक्स : 22448527
REGD OFFICE : Core-2, First Floor, SCOPE MINAR, Plot No. 2A & 2B, Laxmi Nagar District Centre, DELHI-110 092. Phone : 22448528, Fax : 22448527

Sl.No.	Particulars	Clarification given by DCI
1	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	The envisaged transaction is proposed to be completed by transferring 100% shares held by the Government of India in DCIL (to the tune of 73.47%) to the 4 identified ports. Accordingly, the current transaction does not envisage a slump sale. Hence, the disclosures pertaining to the Slump Sale transaction are not required to be made in the present case.
2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	DCIL is a CPSE under the administrative control of the Ministry of Shipping, Government of India. The proposed acquirers i.e. Vishakhapatnam Port Trust (as the consortium leader), Paradip Port Trust, Jawaharlal Nehru Port Trust and Kandla Port Trust (now Deendayal Port Trust) are Port Trusts constituted under the Major Port Trusts Act, 1963 ("MPTA"). As per the preamble of the MTPA, the administration, control and management of the aforesaid ports are vested with the Board of trustees constituted under the provisions of the MTPA. Further, none of the 'related party' tests prescribed under Section 2(76) of the Companies Act, 2013 is fulfilled vis-à-vis DCIL and the proposed acquirers' port trusts. In addition, none of the Directors of DCIL is a trustee on the Board of Trustees of the aforesaid Port Trusts. Due to the aforesaid reasons the proposed transaction should not qualify as a related party transaction.
3	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	The Buyers in the present transaction are the 4 ports, namely - Vishakhapatnam Port Trust (as the consortium leader), Paradip Port Trust, Jawaharlal Nehru Port Trust and Kandla Port Trust (now Deendayal Port Trust). Visakhapatnam Port Trust would lead the consortium for the acquisition of the shares of DCIL. The brief description of the 4 ports is attached. The buyers do not belong to the Promoter /

		promoter group / group companies. As per sub-section 69 of section 2 of the Companies Act 2013, Promoter means a "person": i.Who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; OR ii.Who has control over the affairs of the company, directly or indirectly, whether as a Shareholder, director or otherwise; OR iii.In accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity The extant provisions of the Companies Act, 2013 are not applicable to the present case as none of the provisions of section 69 (2) are fulfilled Similarly, according to clause (A) & (B) of sub-regulation 1 of regulation 2 of the SEBI (ICDR) Regulations, 2009, defines (A) Promoter as: i.the person or persons who are in control of the issuer; ii.the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public; iii.the person or persons named in the offer document as promoters: (B)"Promoter Group" includes: i.the Promoter; ii.an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse; and iii.in case promoter is a body corporate: a) a subsidiary or holding company of such body corporate b) any body corporate in which the promoter holds ten per cent or more of the equity share capital or which holds ten per cent or more of

		equity share capital of promoter c) any body corporate in which a group of individuals or companies or combinations thereof which hold 20% or more of equity share capital in that body corporate also holds 20% or more of the equity share capital of issuer; and iv. in case the promoter is an individual: a) any body corporate in which ten per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member; b) any body corporate in which a body corporate as provided in (A) above holds ten per cent or more, of the equity share capital; c) any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total; and d) all persons whose shareholding is aggregated for the purpose of disclosing in the prospectus under the heading "shareholding of the promoter group Provided that a financial institution, scheduled bank, foreign institutional investor and mutual fund shall not be deemed to be promoter group merely by virtue of the fact that ten per cent or more of the equity share capital of the issuer is held by such person: Provided further that such financial institution, scheduled bank and foreign institutional investor shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them." The above ICDR Regulations are also not applicable in the present case and hence, the buyers do not fall within the promoters / promoters group definition.

		According to clause (s) of sub-regulation 1 of regulation 2 of the SEBI (SAST) Regulations, 2011, defines Promoter as – "Promoter" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and includes a member of the promoter group." The SAST Regulations refer to the ICDR Regulations and under the ICDR Regulations, the buyers do not fall within the definition of the {Promoter / promoter group. Hence, the buyers do not qualify as the promoters/ promoters group etc.
4	Consideration received from such sale/disposal;	Currently the transaction is in the evaluative stage. Hence, the formal bid for the consideration is yet to be finalized by the Ports
5	The expected date of completion of sale/disposal;	Yet to be finalized
6	Date on which the agreement for sale has been entered into;	Yet to be finalized
7	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Since, the transaction does not envisage the slump sale as mentioned in point 1. There is no transfer of unit / undertaking taking place in the current transaction. Furthermore, the current business of DCIL is dredging and the transfer of shares from the President of India to the consortium of 4 ports envisages a mere change of shareholding / ownership and not any transfer of undertaking / unit of DCIL, while at the same time the underlying business of DCIL will continue to operate. Hence, the information under the current query is not applicable and does not required to be furnished.

VISAKHAPATNAM PORT TRUST (VPT)

VPT, an ISO 9001, ISO 14001, OHSAS 18001 & ISPS compliant port, is one of the 13 major ports of India. It is located on the east coast, midway between Kolkata and Chennai. During the FY 2009-10 the Port handled a record quantity of 65.50 million tonnes standing 2nd among major ports and first among the east coast ports. The Port is catering to the key industries like the petroleum, steel, power and fertilizers besides other manufacturing industries and playing catalyst role for the agricultural and industrial development of its hinterland spreading from the south to the north.

The Port has three harbours viz., outer harbour, inner harbour and the fishing harbour. The outer harbour with a water spread of 200 hectares has 6 berths and the inner harbour with a water spread of 100 hectares has 18 berths. Bestowed with natural deep-water basins, the outer harbour is capable of accommodating vessels up to 200,000 DWT and draft upto 18.1 meters. The inner harbour is capable of accommodating fully laden Panamax vessels with draft upto 14.5 meters, with tide advantage.

Businesses: Navigational Facilities, Handling Facilities, Harbour & Berthing Facilities, Berthing Status, Berthing Programme, Storage Facility & Logistics

Board of Trustees

Key Financials (INR in Cr)

Particulars	FY 16-17	FY 15-16
Operating Income	917.58	907.53
Operating Expenditure	531.64	551.68
Operating Surplus	385.94	355.84
PAT	23.04	50.06
Total Reserves	2,027.38	2,004.29
Long Term Borrowings	70.53	93.50
Net Block	1,305.49	1,003.36
Cash & Cash Equivalents	819.22	1,352.88

PARADIP PORT TRUST (PPT)

Late Jawaharlal Nehru, the then Prime Minister of India, laid the foundation stone of the Port on 3rd January 1962 near the Confluence of the river Mahanadi and the Bay of Bengal. Indian government declared Paradip Port as the Eighth Major Port of India on 18th April 1966 making it the FIRST MAJOR PORT in the East Coast commissioned after independence.

PPT, an ISO 9001-2015 certified & ISPS compliant port and is strategically situated so as to serve a vast hinterland spreading over the states of Odisha, Jharkhand, Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal. At present Paradip Port is handling various cargo like Crude Oil, POL products, Iron Ore, Thermal Coal, Chrome Ore, Coking Coal, Manganese Ore, Charge Chrome, Ferro Chrome, Ferro Manganese, Limestone, Hard Coke, Ingots and Moulds, Billets, Finished Steel, Scrap, Fertilizer, Fertilizer Raw Material, Clinker, Gypsum, Project Cargo and Containers.

The Port is now equipped with 16 (sixteen) berths, 3 (three) Single Point Moorings (SPM), 1 (one) Ro-Ro Jetty, a well maintained Approach and Entrance Channel having 17.1 Mtrs minimum depth to handle a wide range of vessels up to maximum LOA of 260 Mtrs. The rated capacity of port is 277 MMT per annum. The cargo handling capacity of the port is 164 million metric tonnes at desired berth occupancy. With a slew of capacity augmentation programme on the anvil, the Port is getting ready to have a capacity of 325.00 MMT per annum by 2020

Business Facilities: Port Harbour, Pilotage & Towage facilities, Marine Pollution Control & Reception Facilities, Fresh Water Services, Storage Facilities, Container handling Facilities, Dry Dock/ Repairing Facilities, Port Railways & Electronic Data Interchange

Board of Trustees

Key Financials (INR in Cr)

Particulars	FY 16-17	FY 15-16
Operating Income	1,147.19	1,023.90
Operating Expenditure	610.20	575.42
Operating Surplus	536.99	448.48
PAT	275.63	256.38
Total Reserves	4,691.79	4,282.93
Long Term Borrowings	8.11	8.11
Net Block	1,255.40	1,225.16
Cash & Cash Equivalents	869.73	774.45

DEENDAYAL PORT TRUST (DPT)

Deendayal Port's journey began in 1931 with the construction of RCC Jetty by Maharao Khengarji. After partition, Deendayal Port's success story has continued and it rise to the No. 1 Port in India in the year 2007-08 and since then retained the position for the 11"' consecutive year. On 31.03.2016, Deendayal Port created history by handling 100 MMT cargos in a year - the first Major Port to achieve the milestone.

Deendayal Port, an ISO 9001:2008, ISO 14001 & ISPS Compliant port, is located in Gujarat on the Gulf of Kutch on the northwestern coast of India. It is the largest port of India by volume of cargo handled. Kandla history Deendayal Port Trust, India's busiest major port in recent years, is gearing to add substantial cargo handling capacity with private sector participation. The west coast port handled 72,225 million tonnes of cargo in 2008-09, over 11% more than 64,920 million tonnes handled in 2007-08. Even as much of this growth has come from handling of crude oil imports, mainly for Essar Oil's Vadinar refinery in Gujarat.

Last fiscal, POL traffic accounted for 63 per cent of the total cargo handled at Deendayal Port, as against 59% in 2007-08. Although Deendayal Port Trust officials declined to elaborate given the ongoing election code of conduct, it is reliably learnt that the port will soon initiate the process of selecting developers for four clean cargo berths that together aim to handle 8 million tonnes of cargo. The four berths will be supported by a 14 m draft capable of handling 75,000 dwt vessels.

Infra & Services: Infrastructure, Equipments, Storage facilities, Dry Dock, MSME, Tariffs, Port Clearance, Port Labour, Marine Services, Medical Services

Board of Trustees

Key Financials (INR in Cr)

Particulars	FY 17-18	FY 16-17
Operating Income	1,475.34	1,383.14
Operating Expenditure	677.98	658.78
Operating Surplus	797.35	724.36
PAT	264.43	693.85
Total Reserves	4,681.40	4,761.19
Long Term Borrowings	16.11	95.14
Net Block	1,298.28	1,193.16
Cash & Cash Equivalents	1,799.16	706.57

JAWAHARLAL NEHRU PORT TRUST (JNPT)

The JNPT at Navi Mumbai (formerly known as the Nhava Sheva Port) is India's No. 1 container port handling 55% of the container cargo across all major ports in India. Commissioned on 26thMay 1989, JNPT occupies a prominent place among the most modern ports in India. It is the second youngest and one of the most modern major ports of the country.

The port's construction is one of the technical marvels of the country as it was built on marshy soil in a record time of just three-and-a-half years. The total land area in possession of JNPT measures to 2,987 hectares with enough backup area for developing additional facilities for future maritime requirements of the country. It was built with an investment of Rs.1, 109 crores, out of which Rs.956.97 crores were obtained as loans from various funding agencies, with the World Bank being one of the major contributors.

Today, JNPT is a fully mechanised port that uses the latest technology in handling cargo at the terminals. JNPT is one of the pioneers in running its day-to-day operations with the help of Information Technology (IT), including Electronic Data Interchange (EDI) and Vessel Traffic Management System (VTMS). JNPT enjoys very good road and rail linkages with the hinterlands as well as important business centres like Thane, Nashik and Ahmedabad, which facilitate excellent port industry interface. JNPT has chartered India's international trade to a glorious course of success and achievements, breaking all records and creating new benchmarks. It handled 66.0 million tonnes of total cargo during the financial year 2017-18

Facilities: Terminals, Container Freight Stations, Connected Inland Depots, Marine Services, Shipping Services, Fixed Berthing Window

Key Financials (INR in Cr)

Particulars	FY 16-17	FY 15-16
Operating Income	1700.96	1,665.09
Operating Expenditure	804.96	693.11
Operating Surplus	895.99	971.98
PAT	879.32	718.68
Total Reserves	7,935.66	7,037.72
Long Term Borrowings	556.84	41.31
Net Block	2,467.65	2,392.65
Cash & Cash Equivalents	4,684.01	3,414.99