



# ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)

## DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

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

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

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



website : [www.dredge-india.com](http://www.dredge-india.com)  
[www.dredge.gov.in](http://www.dredge.gov.in)  
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DCI/CS/E.1/2016

09/02/2016

The Secretary, The Stock Exchange, Mumbai 25th Floor, Rotunda Building, Phiroze, Jeejeebhoy Towers Dalal Street, Fort, Mumbai -400001	Code : 022 - 2272 523618 2041, 2037, 3719, 2039, 2061/2272 1072
The Secretary The National Stock Exchange of India Ltd. 5th Floor, Exchange Plaza, Bandra (E) Mumbai - 400051	Symbol : 022 - 26598237 DREDGECORP / 38
The Secretary The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata - 700001	033 - 22104492/ 22104500
The Secretary The Delhi Stock Exchange Ass. Ltd. DSE House, 3/1 Asaf Ali Road Delhi - 110002	Code : 6398 011- 46470056/ 53/54

Dear Sir,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith furnishing the Standalone Unaudited financial Results for the quarter/period ended 31st December, 2015 which were taken on record by the Board of Directors in its 299<sup>th</sup> meeting held on 09/02/16. The enclosed particulars may be taken as announcement to the Stock Exchange of the Standalone Unaudited financial Results for the quarter/period ended 31st December, 2015.

2. We have taken steps to publish the Standalone Un-audited financial Results in the "Business Standard" all editions in English and Hindi versions to meet the provisions of the aforesaid clause of the Listing Agreement.

Thanking You,

Yours faithfully,  
For Dredging Corporation of India Limited

(K.Aswini Sreekanth)  
Company Secretary

## DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

Registered Office: Core-2, 1st Floor, "SCOPE Minar", Plot No.2A &amp; 2B, Laxmi Nagar District Centre, DELHI-110 091.

## Standalone UnAudited Financial Results for the Quarter and Nine months ended 31st Dec,2015

## PART-I

(₹.in lakhs)

	Particulars	Quarter ended			Nine months ended		Year ended
		31-12-2015 (Q3 CY)	30-09-2015 (Q2 CY)	31-12-2014 (Q3 PY)	31-12-2015 (To date Q3 CY)	31-12-2014 (To date Q3 PY)	31-03-2015 (PY)
	1	2	3	2	5	5	7
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	(a) Net Income from Core Dredging Operations	16147	15994	18180	48887	53176	72552
	(b) Other Operating Income	(7)	(3)	341	27	1175	944
	<b>Total Income from Operations ( Net)</b>	<b>16140</b>	<b>15991</b>	<b>18521</b>	<b>48914</b>	<b>54351</b>	<b>73496</b>
2	Expenses:						
	a) Cost of materials consumed	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Purchases of Stock-in-Trade	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Employee benefits expense	2722	2502	2232	7583	6680	9737
	e) Depreciation and amortization expense	2393	2465	2258	7430	6850	9214
	f) Repairs and Maintenance ( Vessels)	1207	531	2799	3443	5928	5933
	g) Fuel and Lubricants	5613	5766	7082	16759	23004	28708
	h) Spares and Stores	1397	832	962	3009	2802	5111
	i) Other expenses	1708	1861	1961	5494	5287	6688
	<b>Total expenses</b>	<b>15040</b>	<b>13957</b>	<b>17294</b>	<b>43718</b>	<b>50551</b>	<b>65390</b>
3	Profit /Loss from Operations before other income , finance costs and exceptional items (1-2)	1100	2034	1227	5196	3800	8106
4	Other Income	256	282	224	796	456	883
5	Profit /Loss from ordinary activities before finance costs and exceptional items (3 + 4)	1356	2316	1451	5992	4256	8989
6	Finance costs	497	513	688	1557	2088	2566
7	Profit /Loss from ordinary activities after finance costs and exceptional items (5-6)	859	1803	763	4435	2168	6423
8	Exceptional Items	0	0	0	0	114	114
9	<b>Profit(+)/ Loss(-) from Ordinary Activities before tax (7-8)</b>	<b>859</b>	<b>1803</b>	<b>763</b>	<b>4435</b>	<b>2282</b>	<b>6537</b>
10	Tax Expense	62	72	35	238	116	296
11	<b>Net Profit(+)/ Loss(-) from Ordinary Activities after tax (9-10)</b>	<b>797</b>	<b>1731</b>	<b>728</b>	<b>4197</b>	<b>2166</b>	<b>6241</b>
12	Extraordinary Items(net of tax expense ( ₹Nil))	0	0	0	0	0	0
13	<b>Net Profit(+)/ Loss(-) for the period (11-12)</b>	<b>797</b>	<b>1731</b>	<b>728</b>	<b>4197</b>	<b>2166</b>	<b>6241</b>
14	Share of profit/loss of associates	0	0	0	0	0	0
15	Minority interest	0	0	0	0	0	0
16	<b>Net profit/lss after taxes,Minority interest and share of profit/loss of associates</b>	<b>797</b>	<b>1731</b>	<b>728</b>	<b>4197</b>	<b>2166</b>	<b>6241</b>
17	Paid-up equity share capital (Face Value of the share: ( ₹10 )	2800	2800	2800	2800	2800	2800
18	Reserves excluding Revaluation Reserves as per Balance sheet of Previous Accounting Year	0	0	0	0	0	144632
9.i	Earnings per Share ( before extraordinary items) (of ₹10 each ) Not to be annualised						
	(a) Basic	2.85	6.18	2.60	14.99	7.74	22.29
	(b) diluted	2.85	6.18	2.60	14.99	7.74	22.29
9.ii	Earnings per Share ( after extraordinary items) (of ₹ 10 each ) Not to be annualised						
	(a) Basic	2.85	6.18	2.60	14.99	7.74	22.29
	(b) diluted	2.85	6.18	2.60	14.99	7.74	22.29

**Part II**

<b>A</b>	Particulars of share holding						
1	Public Shareholding: No.of shares	<b>74,02,300</b>	<b>74,02,300</b>	<b>60,02,300</b>	<b>74,02,300</b>	<b>60,02,300</b>	<b>60,02,300</b>
	Percentage of shareholding	<b>21.44%</b>	<b>21.44%</b>	<b>21.44%</b>	<b>26.44%</b>	<b>21.44%</b>	<b>21.44%</b>
2	Promoters and Promoter group shareholding (In the name of President of India)						
	<u>a) Pledged/Encumbered</u>						
	- No. of Shares	-	-	-	-	-	-
	- Percentage of shares (as a percentage of total shareholding of promoter & promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a percentage of total share capital of the Company)	-	-	-	-	-	-
	<u>b) Non-encumbered</u>						
	- No. of Shares	<b>20597700</b>	<b>20597700</b>	<b>21997700</b>	<b>20597700</b>	<b>21997700</b>	<b>21997700</b>
	- Percentage of shares (as a percentage of total shareholding of promoter & promoter group)	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
	- Percentage of shares (as a percentage of total share capital of the Company)	<b>73.56%</b>	<b>73.56%</b>	<b>78.56%</b>	<b>73.56%</b>	<b>78.56%</b>	<b>78.56%</b>
<b>B</b>	Number of investor complaints						
	i) Pending at the beginning of the quarter ended 31st Dec , 2014 :	0					
	ii) Received during the quarter ended 31st Dec ., 2015:	7					
	iii) Disposed off during the quarter ended 31st Dec ., 2015:	7					
	iv) Lying unresolved as on 31st Dec ., 2015:	0					

## Notes

1. N.A. = Not applicable since DCI is not a Manufacturing Company
2. Segmental Reporting as per AS-17 issued by the ICAI is not applicable since the company has only one segment income i.e., dredging.
3. In compliance with the notification no.GSR 627(E) dated 29/08/2014, the company changed its accounting policy on depreciation with regard to componentization of dredgers with effect from 01/04/2015. This has resulted in decrease of profit by Rs135 Lakhs for the quarter ended 31/12/2015.
4. Pursuant to the company claims vide its letter dated 06-06-2012 for the works executed in Sethusamudram project, the company is of the view that the actual expenditure incurred on this project will be reimbursed by GOI to DCI and the same is under active consideration by the Ministry. In view of this, provision for doubtful debts has not been made in respect of receivables amounting to Rs 8413.91 lakhs.
5. As regards the equity investment made in Sethusamudram Corporation Ltd amounting to Rs 3000 lakhs the management does not consider any diminution for the value of investment and the same has been carried at cost during the current quarter. The Company's review petition filed before SEBI vide Lr No. DCI/CS/E.1/2015. SEBI vide its dated 05/11/2015 has decided that the instant qualification has been addressed by the Company in the subsequent financial years and ensured that it is free from such qualification and accordingly it will be treated as adequate compliance with the requirement of SEBI's directions in their dated 26/12/2014.
6. The Statutory Auditors appointed by CAG have carried out the limited review of the aforesaid financial results for the quarter ended 31/12/2015 in terms of Clause 41 of the Listing Agreement with Stock Exchanges .
7. Statutory Auditors have qualified in their limited review report as under:  
Quote: The company had not complied with the provisions of section 135, 149(1), 149(4), 177 and 178 of the Companies Act, 2013. At this stage, we are unable to comment on the consequential impact of non-compliance of these provisions if any. Unquote.
8. Company's Reply to Statutory Auditor's Qualification is as under:  
The Company is a Government of India Undertaking and as per the Articles of Association of the Company, the Directors are to be appointed by the President of India. The issue of appointment of requisite number of independent directors, women director, has been taken up with the administrative Ministry - Ministry of Shipping and the same is pending with them. Constitution of different committees as required under the Act, will be taken up after the appointment of the said Directors by the Ministry of Shipping. The said qualification has no impact on the profit of the Company for the year.
9. The above financial results have been approved by the Board of Directors at its 299<sup>th</sup> Board meeting held on 09/02/2016. In the absence of Independent directors, Audit Committee could not be constituted and financial results were placed directly before the Board of Directors.
10. Figures of the previous years have been regrouped/reclassified where ever necessary.

Place: Visakhapatnam  
Date: 09/02/2016.

By Order of the Board  
For Dredging Corporation of India Ltd

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(Rajesh Tripathi)  
Chairman and Managing Director.



**Independent Auditors' Review Report**

To The Board of Directors Of

Dredging Corporation of India Limited

1. We have reviewed the accompanying statement of unaudited financial results of Dredging Corporation of India Limited for the Quarter ended 31<sup>st</sup> December, 2015, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Shareholding' and 'Investor Complaints' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report we draw your attention to the following:
  - i). Pursuant to the Notification No. GSR 627 (E) dated 29/08/2014, the Company has, effective from 1st April 2015, changed its accounting policy on depreciation with regard to componentization of dredgers.
  - ii). Trade Receivables includes, Rs.11,433.18 lakhs receivable from M/s Sethusamudram Corporation Ltd.(SCL) which is pending for more than 3 years. Out of the above, Company has provided for doubtful debts to the extent of Rs.3019.27 lakhs. However the company is of the view that an amount of Rs. 30897.00 lakhs will be reimbursed by GOI (at whose behest the contract with SCL was entered) to DCI to compensate the actual expenditure incurred on this project. In view of this, a provision for balance doubtful debts is not made in respect of receivables in this regard amounting to Rs. 8413.91 lakhs.
  - iii). We draw attention to the *Note No 5*, where in the Company has made investments in Equity shares amounting to Rs.3,000 lakhs in Sethusamudram Corporation Limited(SCL), a Special Purpose Vehicle was incorporated on 06.1.2004 for developing the Sethusamudram Channel Project. The dredging work at Palk Strait was suspended from 16-07-2009. The Management does not consider any diminution in the value of the investment and the same has been carried at cost. With regard to the previous statutory auditors qualification in this respect on the accounts for the financial year 2012-13, National Stock Exchange



# TUKARAM & CO.

Continuation Sheet

CHARTERED ACCOUNTANTS

of India Ltd (NSE) vide its letter no. NSE/LIST/8500 dated 26/12/2014 advised the Company to restate the financial statements for FY 2012-13. In response company has filed review petition dated 21/01/2015 to the NSE to review its decision.

SEBI vide its letter dated 5<sup>th</sup> November, 2015, stated that, the qualification regarding investments in Sethusamudram Corporation Limited (SCL) raised by the statutory Auditor for the financial year 2013-14 has been addressed by the company in the subsequent financial years and ensured that it is free from such qualifications, hence the NSE order dated 26/12/2014 to restate the accounts for 2012-13 stands nullified and DCI need not provide for the same.

#### 4. Basis for qualified conclusion

*The company had not complied with the provisions of section 135, 149(1), 149(4), 177 and 178 of the Companies Act, 2013. At this stage, we are unable to comment on the consequential impact of non-compliance of these provisions if any.*

5. Based on our review conducted as above, **subject to effect of the non compliance of provisions of the Companies Act, 2013 as mentioned in para 4**, nothing has come to our attention that causes us to believe that the accompanying statement, Prepared in accordance with the Accounting Standards specified under the Companies Act, 2013 and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad  
Date: 09-02-2016

For Tukaram & Co.,  
Chartered Accountants  
FRN: 004436S

  
P Murali  
Partner  
M.No: 221625

