



# 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

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DCI/CS/E.1/2017

10/02/2017

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

Dear Sir,

As per the Regulation 29 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Stock Exchanges were informed that on 03/02/2017 that a meeting of the Board of directors would be held on 10/02/2017 inter-alia to consider the Standalone un-audited financial results for the Quarter / period ended 31/12/2016.

2. We have to inform you that the Board in the said meeting considered and approved the financial results for the Quarter ended 31-12-2016 and the same are attached along with the limited review report given by the Statutory Auditor for the same.

3. This may please be treated as intimation to Stock Exchanges as per Regulation 47 and regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

4. The Board meeting commenced on 10-02-2016 at 1215 Hrs and ended at 1400 hrs.

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)

CIN NO.:L29222DL 1976 GOI 008129

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

Head Office : "Dredge house" Port area, Visakhapatnam-530001

## Standalone Un-Audited Financial Results for the Quarter and Nine Months ended 31st Dec ,2016

(Rs.In Lakhs)

|           | Particulars                                                                                         | Quarter ended |               |               | Nine Months Ended |              |
|-----------|-----------------------------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|--------------|
|           |                                                                                                     | 31-12-2016    | 30-09-2016    | 31-12-2015    | 31-12-2016        | 31-12-2015   |
|           |                                                                                                     | Unaudited     | Unaudited     | Unaudited     | Unaudited         | Unaudited    |
| <b>1</b>  | <b>Income from Operations :</b>                                                                     |               |               |               |                   |              |
|           | (a) Net Income from Core Dredging Operations                                                        | 13939         | 15645         | 16147         | 42795             | 48887        |
|           | (b) Other Operating Income                                                                          | 1250          | 487           | (7)           | 2779              | 27           |
|           | <b>Total Income from Operations ( Net)</b>                                                          | <b>15189</b>  | <b>16132</b>  | <b>16140</b>  | <b>45574</b>      | <b>48914</b> |
| <b>2</b>  | <b>Expenses:</b>                                                                                    |               |               |               |                   |              |
|           | a) Cost of materials consumed                                                                       | N.A1          | N.A1          | N.A1          | N.A1              | N.A1         |
|           | b) Purchases of Stock-in-Trade                                                                      | N.A1          | N.A1          | N.A1          | N.A1              | N.A1         |
|           | c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade                     | N.A1          | N.A1          | N.A1          | N.A1              | N.A1         |
|           | d) Employee benefits expense                                                                        | 2116          | 2872          | 2722          | 7275              | 7583         |
|           | e) Depreciation and amortization expense                                                            | 2230          | 2278          | 2197          | 6741              | 6994         |
|           | f) Repairs and Maintenance ( Vessels)                                                               | 1024          | 2882          | 4159          | 5051              | 6029         |
|           | g) Fuel and Lubricants                                                                              | 5424          | 5207          | 5613          | 15398             | 16759        |
|           | h) Spares and Stores                                                                                | 969           | 1679          | 1397          | 3875              | 3009         |
|           | i) Other expenses                                                                                   | 1637          | 2380          | 1708          | 5923              | 5494         |
|           | <b>Total expenses</b>                                                                               | <b>13400</b>  | <b>17298</b>  | <b>17796</b>  | <b>44263</b>      | <b>45868</b> |
| <b>3</b>  | <b>Profit /Loss from Operations before other income , finance costs and exceptional items (1-2)</b> | <b>1789</b>   | <b>(1166)</b> | <b>(1656)</b> | <b>1311</b>       | <b>3046</b>  |
| <b>4</b>  | <b>Other Income</b>                                                                                 | <b>205</b>    | <b>246</b>    | <b>256</b>    | <b>739</b>        | <b>796</b>   |
| <b>5</b>  | <b>Profit /Loss from ordinary activities before finance costs and exceptional items (3 + 4)</b>     | <b>1994</b>   | <b>(920)</b>  | <b>(1400)</b> | <b>2050</b>       | <b>3842</b>  |
| <b>6</b>  | <b>Finance costs</b>                                                                                | <b>473</b>    | <b>438</b>    | <b>500</b>    | <b>1401</b>       | <b>1125</b>  |
| <b>7</b>  | <b>Profit /Loss from ordinary activities after finance costs and exceptional items (5-6)</b>        | <b>1521</b>   | <b>(1358)</b> | <b>(1900)</b> | <b>649</b>        | <b>2717</b>  |
| <b>8</b>  | <b>Exceptional Items</b>                                                                            | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>     |
| <b>9</b>  | <b>Profit(+)/ Loss(-) from Ordinary Activities before tax (7-8)</b>                                 | <b>1521</b>   | <b>(1358)</b> | <b>(1900)</b> | <b>649</b>        | <b>2717</b>  |
| <b>10</b> | <b>Tax Expense</b>                                                                                  | <b>117</b>    | <b>79</b>     | <b>62</b>     | <b>282</b>        | <b>238</b>   |
| <b>11</b> | <b>Net Profit(+)/ Loss(-) from Ordinary Activities after tax (9-10)</b>                             | <b>1404</b>   | <b>(1437)</b> | <b>(1962)</b> | <b>367</b>        | <b>2479</b>  |
| <b>12</b> | <b>Extraordinary Items(net of tax expense ( ₹Nil)</b>                                               | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>     |
| <b>13</b> | <b>Net Profit(+)/ Loss(-) for the period (11-12)</b>                                                | <b>1404</b>   | <b>(1437)</b> | <b>(1962)</b> | <b>367</b>        | <b>2479</b>  |
| <b>14</b> | <b>Other Comprehensive Income [OCI]</b>                                                             | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>     |
| <b>15</b> | <b>Total Comprehensive Income (13+14)</b>                                                           | <b>1404</b>   | <b>(1437)</b> | <b>(1962)</b> | <b>367</b>        | <b>2479</b>  |
| <b>16</b> | <b>Paid-up equity share capital</b>                                                                 | <b>2800</b>   | <b>2800</b>   | <b>2800</b>   | <b>2800</b>       | <b>2800</b>  |
|           | (Face Value of the share: ( ₹10 )                                                                   |               |               |               |                   |              |
| <b>17</b> | <b>Earnings per Share ( EPS) (In ₹) (not annulised)</b>                                             |               |               |               |                   |              |
|           | (of ₹10 each ) Not to be annualised                                                                 |               |               |               |                   |              |
|           | (a) Basic                                                                                           | 5.01          | (5.13)        | (7.01)        | 1.31              | 8.85         |
|           | (b) Diluted                                                                                         | 5.01          | (5.13)        | (7.01)        | 1.31              | 8.85         |

## 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. The company has adopted Indian Accounting Standards (Ind-As) with the transition date of April 1, 2015. The impact of transition to Ind-As as on transition date has been provided in the Opening Reserves as on 01-04-2015. Financial results for the quarter ended 31<sup>st</sup> Dec, 2016 are in compliance with Indian Accounting Standards (Ind-As) notified by the Ministry of Corporate Affairs, Consequently, results for the quarter ended Dec, 2015 have been restated to comply with Ind-As to make them comparable. The financial results for the quarter ended 31<sup>st</sup> Dec, 2015 and 31<sup>st</sup> Dec, 2016 have been prepared in accordance with the recognition and measurement principles laid down in Ind – AS 34 “Interim Financial Reporting” prescribed under section 133 of the companies Act, 2013 read with relevant rules there under and in terms of Regulations 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015 and SEBI circular dated July 05, 2016.
4. Reconciliation of profit after tax for quarter and Nine Months ended 30<sup>st</sup> Dec 2015 between Ind AS compliant results reported above with results reported in previous year as per Indian GAAP are given below:

| ₹.lakhs                                                  |                                                     |                                                    |
|----------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Particulars                                              | Quarter ended<br>31 <sup>st</sup> ,December<br>2015 | NineMonths ended<br>31 <sup>st</sup> ,December2015 |
| <b>Profit after tax As per IGAAP</b>                     | <b>797</b>                                          | <b>4197</b>                                        |
| Effect on Depreciation                                   | 196                                                 | 436                                                |
| Effect on Repairs and Maintenance expenditure            | (2952)                                              | (2586)                                             |
| Effect of Finance cost as per effective rate of interest | (3)                                                 | 432                                                |
| <b>Total comprehensive income Under Ind AS</b>           | <b>(1962)</b>                                       | <b>2479</b>                                        |

5. All Spares consumed during the year 2016-17 is charged to the P&L Account.
6. Government of India offered 0.25% of the paid up share capital i.e 70000 equity shares to the eligible employees (employees on rolls as on 21/8/15) @ Rs.362.90 per equity share(which is 5% discount on the rate of Rs.382 per equity shares offered for sale to the public through stock exchange mechanism in August 2015. The Offer was open from 30th October 2016 till 15th November 2016. The total number of eligible employees who have applied and allotted (on 21/11/16) were 126 is 25687 shares. The amount collected was Rs.93.22 lakhs which was transferred to GOI. After the said offer to the employees,

the shareholding of GOI in DCI is now 73.47% (20572013 shares) as against the earlier holding of 73.56% (20597700 shares).

7. The statement does not include Ind AS compliant results for the previous year ended 31st March 2016 as the same is not mandatory as per SEBI's circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016.
8. The details of foreign exchange loss/gain for the period/year is as under:

₹.lakhs

| Period                                  | Capitalised to cost of Vessels | Included in Other income |
|-----------------------------------------|--------------------------------|--------------------------|
| For the quarter ended 31st Dec,2016     | 3816 lakhs (gain)              | 10 lakhs(gain)           |
| For the quarter ended 30th Sep,2016     | 321 lakhs (gain)               | 13 lakhs(loss)           |
| For the quarter ended 31st Dec,2015     | 2096 lakhs (gain)              | 17 lakh (loss)           |
| For the Nine Months Ended 31st Dec,2016 | 4185 lakhs (gain)              | 20 lakhs(loss)           |
| For the Nine Months Ended 31st Dec,2015 | 6879 lakhs (loss)              | 16 lakh (loss)           |

9. During the quarter ended 31<sup>st</sup> Dec, 2016, the company took delivery of inland cutter suction dredger –"DCI ID Ganga" which will be used to undertake shallow water /inland dredging.
10. 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 in this regard.
11. As per Ind AS 37 clause 59 the provisions are reviewed and excess if any, found are reversed.
12. The Statutory Auditors appointed by CAG have carried out the limited review of the aforesaid financial results for QE 31/12/2016 in terms of SEBI (LODR) Regulations
13. The above financial results were reviewed by the Audit Committee at its meeting held 10-02-2017 and have taken record by the Board of Directors at its meeting held on 10-02-2017.
14. Figures of the previous years have been regrouped / reclassified where ever necessary.

By Order of the Board  
For Dredging Corporation of India Ltd

  
(Rajesh Tripathi)

Chairman and Managing Director.

Place: Visakhapatnam

Date: 10/02/2017.



**Independent Auditors' Review Report**

To The Board of Directors Of  
Dredging Corporation of India Limited

1. We have reviewed the accompanying statements of unaudited financial results of Dredging Corporation of India Limited for the Quarter ended 31<sup>st</sup> December, 2016 and year to date from 1<sup>st</sup> April 2016 to 31<sup>st</sup> December 2016 (The "statement") attached herewith, being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Regulation Requirements) Regulation 2015 (the "Listing Regulation, 2015), read with SEBI Circular No. CIR/CFDA/FAC/62/2016 date July 2016. We have not reviewed the results for the quarter ended 31<sup>st</sup> December 2015. The 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.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Without qualifying our report we draw your attention to the following:
  - i) During the financial year 2014-15 and 2015-16, company has capitalised an amount of Rs.6987 lakhs being amount incurred for dry dock of dredgers whose useful life of 25 years (Company has estimated the dredger useful life as 25 years) was completed. The Company has referred the same to expert advisory committee (EAC) of ICAI and EAC has opined that the company has to charge the capitalised amount to the repairs and maintenance as the estimated useful life of the dredgers were expired.

In compliance with the companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013, the company has restated the financial statements of 2015-16 by giving effect of ICAI opinion as an Ind AS Adjustment.

- ii) Note 3 to the statements which states that the company has adopted Ind AS for the financial year commencing from 1<sup>st</sup> April 2016, and accordingly, the statement has been prepared by the company's management in compliance with Ind As.



- iii) During the quarter company has reversed the excess provision against "Pension and Other Contribution/Productivity Linked Incentive" relating to the previous financial years amounting to Rs. 4.08 Cr and is accounted under other operating income during this quarter.
- iv) 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.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in all material respects in accordance with the Indian Accounting Standards and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the listing Regulations, 2015,, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Visakhapatnam  
Date: 10-02-2017

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

P Murali  
Partner  
M.No: 221625

