



**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**

NIFTY 50
Stock of the nation

Ref No: NSE/LIST/8500

December 26, 2014

The Company Secretary
Dredging Corporation of India Limited
Dredge House,
Port Area,
Visakhapatnam – 530035

Kind Attn: - K ASWINI SREEKANTH

Dear Sir,

Sub: - Manner of Dealing with the Qualified Audit Reports filed by the Listed Companies.

This has reference to SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013 on the captioned subject matter.

SEBI has informed the Exchange that based on the deliberations at QARC, the cases (Annexure I) were referred to FRRB for its opinion on the qualification. Based on FRRB's opinion and SEBI directives, you are advised to restate the Financial Statements pertaining to Financial Year 2012-13 suitably on the qualifications raised by the Statutory Auditors of your Company as per Clause 5 (d) (ii) of above mentioned SEBI circular.

You are advised to ensure compliance of the said SEBI directives and report status of compliance to the Exchange.

Yours faithfully,
For **National Stock Exchange of India Limited**

Samir Rajdev
Manager

CC to: The Statutory Auditor
M/s. G R Kumar & Co.,
Chartered Accountants,
Flat No. 9, Merry Life Apartments
Doctors colony, Peda waltair,
Visakhapatnam - 500 017

**Annexure I**

Name of the Company	Qualification	Opinion of FRRB	Action to be taken
Dredging Corporation of India Limited	The Company has not recognized impairment of long term investments of Rs. 3,000 lacs (Last year: Rs. 3000 lacs) in M/s. SCL; which is not in accordance with para 17 of "AS-13 Accounting for investments" as prescribed under sub-section 3C of section 211 of the Act. The decline in investment value (other than temporary), is envisaged with reference to Investee's assets and results, prolonged litigation, expected cash flows, restrictions on distributions by Investee or disposal by Investor etc. Had such provision been recognized, the profits of the Company for the year ended 31st March, 2013 and the reserves of the Company as at 31st March, 2013 would have been lower by Rs. 3,000 lacs; thereby resulting in net loss of Rs. 949.10 lacs.	Qualification is justified	Restatement under Clause 5(d)(ii) of the SEBI Circular

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