



ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)

DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

CIN : L29222DL1976GOI00812

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
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E-mail : hodci@dcj.gov.in

DCI/CS/E.1/2015

13/09/2016

The Secretary, The Stock Exchange, Mumbai 25th 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. 5th 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
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,

As per the Regulation 29 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, THE Stock Exchanges were informed that on 3/9/16 that a meeting of the Board of Directors would be held on 13/09/16 inter-alia to consider the Standalone un financial results for the Quarter /Period ended 30/06/16.

2. We have to inform you that the Board in the said meeting considered and approved the financial results for the quarter ended 30-06-2016 and the same are attached along with the Limited review report given by the Statutory Auditor for the same and the same are attached.

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

4. The Board meeting commenced on 13-09-2016 at 1530 Hrs in Board Room, Dredge House, Visakhapatnam and ended at 1800 hrs.

Thanking You,

Yours faithfully,
For Dredging Corporation of India Limited

(K.Aswni Sreekanth)
Company Secretary



DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

CIN NO.: L29222DL1976 GOI 008129

Website : www.dredge-india.com, e-mail: sreekanth@dcil.co.in

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

₹ in lakhs

Standalone unaudited financial results for the quarter ended 30th June, 2016

	Particulars	Quarter ended	Quarter ended
		30-06-2016	30-06-2015
		IND AS	IND AS
		Unaudited	Unaudited
	1	2	3
1	Income from Operations		
	(a) Net Income from Operations	13,212	16,746
	(b) Other Operating Income	1,041	37
	Total Income from Operations (Net)	14,253	16,783
2	Expenses:		-
	a) Cost of materials consumed	N.A1	N.A1
	b) Purchases of Stock-in-Trade	N.A1	N.A1
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	N.A1	N.A1
	d) Employee benefits expense	2,288	2,359
	e) Depreciation and amortization expense	2,233	2,465
	f) Repairs and Maintenance	1,145	1,373
	g) Fuel and Lubricants	4,767	5,380
	h) Spares and Stores	1,227	780
	j) Other expenses	1,905	1,926
	Total expenses	13,565	14,283
3	Profit /Loss from Operations before other income, finance costs and exceptional items (1-2)	688	2,500
4	Other Income	288	258
5	Profit /Loss from ordinary activities before finance costs and exceptional items (3 + 4)	976	2,758
6	Finance costs	490	303
7	Profit /Loss from ordinary activities after finance costs but before exceptional items (5 -6)	486	2,455
8	Exceptional Items	-	-
9	Profit(+)/ Loss(-) from Ordinary Activities before tax (7+8)	486	2,455
10	Tax Expense	86	104
11	Net Profit(+)/ Loss(-) from Ordinary Activities after tax (9-10)	400	2,351
12	Extraordinary Items(net of tax expense)	-	-
13	Net Profit(+)/ Loss(-) for the period (11-12)	400	2,351
14	Other Comprehensive Income[OCI]	-	-
15	Total Comprehensive Income (13 + 14)	400	2,351
16	Paid-up equity share capital (face value of the share - ₹10 per share)	2,800	2,800
17	Earnings per Share (EPS) (in ₹) (not annualised)		
	(a) Basic and diluted before Extraordinary items	1.43	8.39
	(b) Basic and diluted after Extraordinary items	1.43	8.39

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Notes

1. N.A 1. = Not applicable since DCI is not a Manufacturing Company
2. Segmental Reporting as per IND AS-108 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 30th June 2016 are in compliance with Indian Accounting Standards (Ind-As) notified by the Ministry of Corporate Affairs, Consequently, results for the quarter ended June 30, 2015 have been restated to comply with Ind-As to make them comparable. The financial results for the quarter ended 30th June, 2015 and 30th June, 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. The Statutory Auditors appointed by CAG have carried out the limited review of the aforesaid financial results for QE 30/06/2016 in terms of SEBI (LODR) Regulations. The Ind-AS compliant financial results, pertaining to the quarter ended June 30, 2015 of the previous year as mentioned above have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
5. Reconciliation of profit after tax for quarter ended 30th June 2015 between Ind AS compliant results reported above with results reported in previous year as per Indian GAAP are given below:

Particulars	₹ in lakhs
	Quarter ended 30-06-2015
Profit after tax as per Accounting standards (GAAP)	1,669
Effect on Depreciation	107
Effect on Repairs and Maintenance expenditure	331
Effect of Finance cost as per effective rate of interest	244
Total comprehensive income Under Ind AS	2351

6. All Spares consumed during the current quarter is charged to the P&L Account.
7. Based on the technical estimate, an amount of ₹ 9.24 crores was provided as provision towards dry dock repair expense against Dredger XIX during the year 15-16. However, the actual bill is settled and accounted in the 1st quarter of FY2016-17 for ₹ 2.5crores. Thus the excess provision of repair liability created during 15-16 amounting to ₹ 6.74 Cr is accounted under other operating income during this quarter.
8. 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.
9. *The auditors in their limited review report for the quarter ended 30th June,2016 have qualified as under:*

Quote

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

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restated the financial statements of 2015-16 by giving effect of ICAI opinion as an Ind AS Adjustment.

In our opinion company should have charged the un amortized capitalized amount in the current quarter in compliance EAC of ICAI opinion. Therefore profit of the current quarter is overstated to the extent of the un amortized capitalized amount of ₹ 5716 (6987-1271) lakhs.

Unquote

10. Management's reply on the observation of the auditor is as under:

ECA of ICAI in its opinion have stated as under :

Quote


"The opinion expressed hereinafter is from the perspective of accounting requirement contained in the Companies (Accounting Standards) Rules 2006 without considering the application of Accounting standards amended by MCA vide notification dated 30th March, 2016, which should apply for the accounting period commencing on or after the date of such notification."

Unquote

As per the stated Notification of MCA dated 30.3.2016, the Company has adopted Ind As with effect from 1.4.2016 and as such the Companies (Accounting Standards) Rules 2006 no longer apply. The Indian Accounting Standards (Ind AS), as notified under the Companies (Indian Accounting Standards) Rules, 2015, are applicable to the Company for periods commencing on or after April 01, 2016. The results for the quarter ended June 30, 2016 are as per the notified Ind AS. Pursuant to the SEBI circular CIR/CFD/AC/62/2016 dated July 05, 2016, the published figures for the quarter ended June 30, 2015 have been recast to Ind AS to the extent applicable to the Company and have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015. Further a reconciliation between the profits as reported earlier and the Ind AS recast profits for the quarter ended June 30, 2015 is given as a note to the results. In accordance with IndAS 16, effective 1.4.2016 the Company has accounted for all dry dock expenses incurred on dredgers whose useful life of 25 years is completed, as an expense. The amounts incurred for the quarter ended 30.06.2015 have been recast to comply with the same treatment. However, as per the advice of the Audit Committee a review of the EAC opinion of ICAI is being sought by the Company. The Accounts for 2015-16 will be revised as may be necessary depending on the decision on the review petition of the Company and then put upto AGM. Accordingly, Ministry of Corporate Affairs is being approached for seeking extension of time by three months upto 31/12/2016 for holding the AGM instead of 30/9/16.

11. The above financial results were reviewed by the Audit Committee at its meeting held 13-09-2016 and have been approved and taken record by the Board of Directors at its meeting held on 13-09-2016.
12. Figures of the previous years have been regrouped / reclassified where ever necessary.

By Order of the Board
For Dredging Corporation of India Ltd


13/9/16

(Rajesh Tripathi)
Chairman and Managing Director

Place: Visakhapatnam
Date: 13/09/2016.





Independent Auditors' Review Report

To The Board of Directors Of
Dredging Corporation of India Limited

1. We have reviewed the unaudited financial results of Dredging Corporation of India Limited for the Quarter ended 30th June, 2016, which are included in the accompanying statements of unaudited financial results for the quarter ended 30th June 2016 together with notes there on (The "statement"). The statement has been prepared by the company pursuant to Regulation 33 of the securities and exchange board of India (Listing Obligations and Regulation Requirements) Regulation 2015(the "Listing Regulation, 2015). The statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this statements are in consistent with those used in preparation of the companies opening unaudited balance sheet as at 1st April 2015 prepared in accordance with the companies (Indian Accounting Standards) Rules, 2015(Ins AS) prescribed under section 133 of the Companies Act. 2013 and other recognised accounting practices and policies. 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 provides 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) Note 3 to the statements which states that the company has adopted Ind AS for the financial year commencing from 1st April 2016, and accordingly, the statement has been prepared by the company's management in compliance with Ind As.
 - ii) We were neither engaged to review nor have we reviewed the comparative figures including the reconciliation to the total comprehensive income for the quarter ended on 30th June 2015 and accordingly, we do not express any conclusion on the results in the statement for the quarter ended 30th June 2015. As set out in the note no 5 to the statement, these figures have been furnished by the Management.



- iii) 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.
- iv) We draw your attention to the note No. 7 to the statement, where in the company has reversed the excess provision of repair liability created during 15-16 amounting to Rs. 6.74 Cr is accounted under other operating income during this quarter.

5. **Basis for qualified conclusion**

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.

In our opinion company should have charged the un amortized capitalized amount in the current quarter in compliance EAC of ICAI opinion. Therefore profit of the current quarter is overstated to the extent of the un amortized capitalized amount of Rs. 5716 (6987-1271) lakhs.

6. Based on our review conducted as above, ***subject to effect of the non compliance of EAC of ICAI Opinion on capitalisation as mentioned in para 5***, 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad
Date: 13-09-2016

For Tukaram & Co.
Chartered Accountants
FRN: 004436S

 P Murali

Partner

M.No: 221625

