



DREDGING CORPORATION OF INDIA LIMITED

CIN No.: L29222DL1976PLC008129 GST NO.: 37AAACD6021B1ZB

Head Office: "DREDGE HOUSE", H.B.Colony Main Road,

Seethammadhara, Visakhapatnam- 530001

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

Website: www.dredge-india.com



Regd. Office: Core-2, First Floor, Scope Minar, Laxminagar District Centre, Delhi- 110092

DCI/CS/E.1/2023

25/05/2023

Listing Compliance

Bombay Stock Exchange Limited

Floor 1, Phiroze Jeejeebhoy Towers, Fort, Mumbai- 400001

Scrip code : 523618

Listing Compliance

The National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G

Bandra Kurla Complex, Bandra (E) , Mumbai- 400051

Symbol : DREDGECORP

The Secretary

The Calcutta Stock Exchange Assn. Ltd.

7, Lyons Range, Kolkata - 700001

Scrip Code : 14050

Dear Sir,

As per the Regulation 29 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Stock Exchanges were informed on 19/05/2023 that a meeting of the Board of Directors would be held on 25/05/2023 inter-alia to consider the Standalone Audited Financial Results for the period ended 31/03/2023.

2. We have to inform you that the Board in the said meeting considered and approved the Audited Financial Results for the period ended 31/03/2023 and the same are attached along with the Limited Review Audit report given by the Statutory Auditors for the same.

3. We have taken steps to publish the standalone Audited Financial Results in the "Business Standard" all editions for English version and "Business Standard" all editions for Hindi versions to meet the provisions of the aforesaid clause of the Listing Regulations, 2015.

4. Pursuant to Regulation 33 (3) of the Listing Regulations, as amended, we have inform you that the Auditors have given an qualified opinion on the Audited Financial Results of the Company and the replies to the same are included in the Notes of the Financial Results for the period ended 31/03/2023.

5. 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.

6. The Board meeting commenced on 25/05/2023 at 1500 Hrs. and ended at 1940 Hrs.

Thanking You.

Yours' faithfully,

For Dredging Corporation of India Limited

(P. Chandra Kalabhinetri)

Company Secretary

DREDGING CORPORATION OF INDIA LIMITED

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

Head Office : "Dredge house" HB Colony, Seethammadara , Visakhapatnam-530022

Standalone Financial Results for the Quarter and Year ended 31st March, 2023

		Rs.lakhs				
S.No	Particulars	Quarter Ended March 31, 2023	Quarter Ended March 31, 2022	Quarter Ended Dec 31, 2022 (Un-Audited)	Year Ended March 31, 2023 (Audited)	Year Ended March 31, 2022
1	Revenue from operations	33,722.20	28,909.03	37,131.51	1,16,479.79	80,102.84
2	Other Income	53.60	49.33	98.67	323.11	244.57
3	Total Income (1+2)	33,775.80	28,958.36	37,230.18	1,16,802.90	80,347.41
4	Expenses					
	(a) Employee benefit expense	2,644.36	2,969.01	2,399.18	9,599.51	9,476.91
	(b) Finance costs	616.84	347.17	1,293.18	2,856.14	1,209.65
	(c) Depreciation and amortization expense	3,503.79	3,287.55	3,493.82	13,584.92	12,019.96
	(d) Other expenses	28,392.19	22,210.57	28,623.80	89,378.95	58,832.51
	Total expenses (4)	35,157.18	28,814.29	35,809.98	1,15,419.52	81,539.03
5	Profit before exceptional items and tax (3-4)	-1,381.39	144.07	1,420.20	1,383.38	-1,191.62
6	Exceptional Items	-	-17.00	-	-	1,668.75
7	Profit before tax (5-6)	-1,381.39	127.07	1,420.20	1,383.38	477.13
8	Tax Expense:					
	Current tax	36.65	20.68	36.61	127.59	120.17
		36.65	20.68	36.61	127.59	356.96
9	Profit for the year (7-8)	-1,418.04	106.39	1,383.59	1,255.79	356.96
10	Other comprehensive income	262.78	174.37		262.78	174.37
11	Total comprehensive income for the period (9-10)	-1,155.26	280.76	1,383.59	1,518.57	531.33
12	Paid up share capital (face value Rs,10/- each)	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00
13	Earnings per equity share					
	(1) Basic (in `)	(4.13)	1.00	4.94	5.42	1.90
	(2) Diluted (in `)	(4.13)	1.00	4.94	5.42	1.90


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Statement of Assets & Liabilities

ASSETS		As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Non-current assets			
(a)	Property, plant and equipment	1,52,623.65	1,58,035.99
(b)	Capital work-in-progress	470.99	2,940.04
(c)	Financial Assets		
(i)	Investments	-	-
(ii)	Other financial assets	51.26	50.63
(c)	Other Non Current Assets	11,545.47	-
Total non-current assets		1,64,691.37	1,61,026.65
Current assets			
(a)	Inventories	13,562.67	15,975.04
(b)	Financial Assets		
(i)	Trade receivables	33,950.42	20,972.78
(ii)	Cash and cash equivalents	3,097.13	9,364.03
(iii)	Bank balances other than (ii) above	49.46	50.48
(iv)	Other financial assets	14,458.84	13,468.36
(c)	Current tax assets (Net)	7,805.11	6,338.64
(d)	Other current assets	3,189.05	3,512.57
(e)	Assets Classified as held for sale	31.91	31.90
Total current assets		76,144.59	69,713.80
Total assets		2,40,835.96	2,30,740.45
EQUITY AND LIABILITIES		As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Equity			
(a)	Equity Share Capital	2,800.00	2,800.00
(b)	Other Equity	1,39,455.98	1,37,937.41
Total equity		1,42,255.98	1,40,737.41
Liabilities			
Non-current liabilities			
(a)	Financial Liabilities Borrowings	18,942.73	6,929.31
(b)	Provisions	842.45	897.41
(c)	Other non-current liabilities	1,884.29	2,029.01
Total non-current liabilities		21,669.47	9,855.73
Current liabilities			
(a)	Financial Liabilities		
(i)	Trade Payables	41,261.38	37,532.12
(ii)	Other financial liabilities	10,102.62	9,793.62
(iii)	Short Term Borrowings	7,280.94	20,354.07
(b)	Provisions	348.72	291.58
(d)	Other current liabilities	17,916.86	12,175.93
Total current liabilities		76,910.51	80,147.32
Total Liabilities		98,579.98	90,003.05
Total Equity And Liabilities		2,40,835.96	2,30,740.45


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Notes

1. The Company is engaged in the business of dredging and therefore, has only one reportable segment in accordance with IND AS 108 "Operating Segments".
2. Pursuant to Regulation 54(2) of Regulations 33 of the SEBI (LODR) Regulations, 2015. It is informed that the company has issued DCI Tax free BONDS 2012-13 for an amount of Rs. 58.87 Cr in the nature of Secured, Redeemable, Non-Convertible debentures ("Bonds") having tax benefit under section 10(15)(iv)(h) of the Income Tax Act,1961-(ISIN series-INE506A27015) which are listed on BSE. However, Bonds were repaid on 28/03/2023.
3. Additional line items (Ratios) disclosure pursuant to Regulation 52 (4) of SEBI (LODR):

S.No	Ratios	Year Ended 31/03/23	Year Ended 31/03/22
a)	Debt-equity ratio	0.19:1	0.20:1
b)	Debt Service Coverage ratio	1.76:1	0.73:1
c)	Interest Coverage ratio	8.90:1	11.31:1
d)	Outstanding redeemable preference shares	0	0
e)	Debenture redemption reserve (Rs.lakhs)	0	3000
f)	Net worth (Rs.Lakhs)	142255.98	140737.41
g)	Net profit after tax (Rs.lakhs)	1518.57	531.33
h)	Outstanding redeemable preference shares (Quantity and value)	-	-
i)	Capital Redemption Reserve	-	-
i)	Current ratio	0.98:1	0.87:1
j)	Long term debt to working capital	0.16:1	0.21:1
k)	Bad debts to Account receivable ratio	0.22:1	0.32:1
l)	Current liability ratio	0.78:1	0.89:1
m)	Total debt to total assets	0.32:1	0.45:1
n)	Debtors turnover (Annualised)	4.24:1	3.88:1
o)	Inventory Turnover Ratio	7.89:1:1	5.00:1
p)	Operating Profit Margin(%)	0.15%	0.15%
q)	Net Profit Margin (%)	0.01%	0.005%
r)	Sector specific equilant ratios	-	-


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4. Disclosure pursuant to Regulation 52(4) of SEBI (LODR):-

	Particulars	DCI Tax free Bonds 2012-13	Remarks
a)	Credit Rating	1.CARE:BBB+ Negative 2.BWR : A+/Negative	-
b)	Previous interest due date	28/03/2023	Interest paid and bonds are due for redemption
c)	Interest paid on	28/03/2022	
d)	Next Interest due date	NA	Bonds are repaid on 28-03-2023
e)	Asset Cover	100%	As on 31/03/2023
f)	Net Worth	Rs.1422.56 Crore	As on 31/03/2023

5. The details of foreign exchange loss / (gain) for the period/year are Rs. 7.32Cr (PY0.53Cr) are included under finance cost.

6. Disclosure on the Ind As 8/Prior Period Restatements: Prior period errors in respect of previous years 2021-22 were restated on account of short consumption of Inventory Rs.0.55Cr, Short recognition of operational expense of Rs.0.60Cr, Short recognition of Bad debts of Rs.0.47Cr, Short recognition of Finance cost of Rs.0.16Cr and Short recognition of Operation revenue Rs.1.94Cr.

7. The Company had changed its accounting policy with regard to dry dock expense during the year 2021-22. The impact due to change of this accounting policy on inventory, dry dock expense and depreciation were considered on prospective basis though Ind AS 8 on "Accounting policy changes in accounting estimates and errors" requires this same to be considered on retrospective basis. The impact of this treatment on financial results is not determinable

8. As regards Receivables from Ports:

a) Visakhapatnam Pot Authority (VPA): Company had carried out and completed maintenance dredging work for Visakhapatnam Port Authority for the years 2019-20 to 2021-22 as per the agreement dated 01-02-2020. During the year, an amount to the tune of Rs. 6.97 Crores had been withheld from the current year's invoices of the Company by VPA, towards levy of liquidated damages on account of delays in execution shortfall in quantities executed, under the agreement mentioned above. Representations to VPA for waiver of the said LD have been



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made and response/approval from VPA is awaited. As favorable response is awaited no provision on this account is considered warranted.

- b) Kamarajar Port Limited (KPL): Company had carried out and completed capital & maintenance dredging work for KPL as per the agreement dated 08-07-2020. KPL had withheld an amount to the tune of Rs. 5.17 Crores towards levy of LD in the previous financial year. Out of the said amount Company had requested KPL to consider LD levy only to the tune of Rs. 67.57 Lakhs and to release the balance withheld amount of Rs. 4.49 Crores. As favourable response to the offer made by the company is anticipated and considered probable, company had made provision for an amount of Rs. 67.57 Lakhs and for the balance withheld amount no provision is considered necessary.
- c) New Mangalore Port Trust (NMPT): Company has carried out Post Monsoon Maintenance Dredging during the year as part of the Dredging work agreed for the years 2020-21 to 2022-23 vide agreement dated 06-11-2020. There has been a delay of 5 weeks in execution of the dredging work which would entail levy of LD @ of 1% of Contract Value per week or part thereof. The amount of LD if levied would work out to Rs. 1.85 Crores (approx.). However, Company is anticipating waiver of the said LD and hence no provision on this account is considered necessary.
- d) Liquidated damages were levied by M/s. New Mangalore Port Authority for an amount of Rs. 0.86 Cr for the year 2021-22, the matter has been taken up with DA (Ports), MoPSW requesting to advise NMPA for refund of all the recovered LD amount from 2020-23 & 2021-22 and anticipated LD of 2022-23. The reply is awaited. Copy of said letter no. DCI/ MD&CEO(A/C)/ NMPA/ 2023-24 dtd. 21.04.2023. Further, CSL has also been requested to re-imburse the LD amount of Rs. 85.88 lakhs as the delay in completion of the work at NMPA was on account of diverting the dredger DR-XVI to CSL during the period from 05.01.2022 to 19.01.2022.
- e) Paradip Port Authority (PPA): Company has carried out and completed maintenance dredging work for Paradip Port Authority for the period 2021-22 in accordance with terms of agreement vide agreement dated 07-10-2021. From out of the invoices that the company had submitted to PPA towards work executed in the current year under a new agreement, an amount to the tune of Rs. 1.17 Crores had been recovered by PPA towards liquidated damages on account of shortfall in the quantity executed. Company has made representations to PPA for waiver of the said LD and awaiting positive response from PPA. Therefore, no provision towards bad & doubtful debt has been considered necessary for the said amount.
9. Cochin Port Security Deposit - Matter pertains to maintenance dredging for the year 2017-18 awarded to DCIL by CoPT. Although DCI successfully maintained the depths as mentioned in the tender document, CoPT denied releasing the



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outstanding amounts due to depth differences and classification of Maintenance & Capital Dredging. Both parties mutually appointed Dr.R.Sundaravadivelu, to Conciliate in the matter. He passed award that CoPT may withhold 10% and security deposit and release 15 % of the outstanding bill amount. CoPT released Rs.14.09 Cr by taking undertaking from DCIL towards full and final settlement. Later DCI took up with CoPT to release SD amount of Rs.5.58 Cr and issued notice dated 04.05.2022 requesting for Arbitration in the matter. Further, letter will be sent to the MoPSW under AMRCD challenging the rejection of DCIL's request for arbitration regarding release of SD amount of Rs.5.5Cr.

10. The company had availed ITC of GST on vendor bills/invoices in respect of which payments are made, in some cases the payment become delayed due to reconciliation, information/data etc., pending from the vendors due to this some differences are raised and in all other cases the GST ITC was reversed with in timelines and it was again taken as and when the payment made to the vendors."
11. Trade receivables include a some of Rs.65.84 Cr. due from M/s. Sethusamudram Corporation Ltd (SCL),towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (AS&FA committee) Government of India. The committee stated that a note seeking approval of the cabinet needs to be moved by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company.
12. The Board of Directors in its meeting Dt.08-08-2022,had resolved to dispose off/sale of DCI Dredge XVIII on as is where is basis through MSTC,citting issues of performance and commercially non viability for further operations. However, in the Court case of MLL, the NCLT directed to DCIL not sale any of the assets (Including DR XVIII) of company .Hence, Company revoked its earlier decision to sale of Dredger and decided to give it on Charter day hire basis to earn operational income.Informatively, Expression of interest received from the parties and tender will finalized in due course.
13. The Company (DCIL) carried out maintenance dredging with JNPT in the financial year 2019-20. During the year, DCIL executed part of dredging area on its own and some of the areas were dredged by subcontractor named M/s. International Seaport Dredging Pvt Ltd (herein after called as ISDPL). DCIL received payments from JNPT as per the rates mentioned in the agreement. However, DCIL released payments to ISDPL as per the agreement between DCIL Vs. ISDPL. As there is difference in between JNPT rates to DCIL and DCIL rates to ISDPL, JNPT started recovering these amounts from subsequent invoices raised by the Company. As on 31/03/2023



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an amount of Rs.31.39 Cr has been recovered by JNPT Company views this amount as disputed trade receivables, but considered good.

14. Arbitral Award of Rs.45.70Cr issued in favour of M/s.Mercator Lines Limited (MLL) has been challenged by the Company before the High Court of the Delhi and also before the jurisdictional High Court of Justice, Business and property Courts of England and Wales, Commercial Court and the same have been dismissed.MLL filed Execution petition before the High Court of Delhi seeking execution/enforcement of Arbitral Awards.DCI has contested the Award under section 48 of the Arbitration and conciliation Act 1996, while praying for rejecting the execution petition of MLL on the ground that the Award is contrary to the public policy of India and also on the ground that arbitral procedure was not in accordance with the agreement of parties, particularly LMAA Rules.Accordingly,the said Arbitral Award is to the tune of Rs.68.71 Cr (Including Interest) has been considered by the Company as Contingent Liability. This case is posted for hearing on 18/05/2023.
15. DCI placed the order in October 2005 for Cutter Suction Dredger (CSD) on Mazagon Dock Limited (MDL) at a cost of Rs. 269.58 Crs and final landed cost of CSD was Rs. 273.74 Crs.MDL delivered the vessel in March 2010(Dredge XVIII) with poor construction, inordinate delay in supply of Dredger, failure to conduct successful trials as envisaged in the contract resulted in poor performance of the Dredger after delivery. In view of above, DCI encased the Performance Bank Guarantee of Rs.27.32 Crs on 01/11/2013 submitted by the contractor. In Feb 2014 MDL has referred the matter to Permanent Machinery of Arbitration (PMA) claiming that Encashment of BG by DCI is bad and illegal, and for refund of Rs.30.35Crs (BG amount along with interest and other charges). Finally, the joint Secretary & Arbitrator of PMA has published the Award on 12.06.2018 in favor of MDL for an amount of Rs.15.00 Crs. However, DCI challenged the award before AMRDC and the matter is still pending there till date. Further, MDL has filed an application before NCLT to initiate the Corporate Insolvency Resolution proceedings against the DCI for recovery of Rs.25.50 Cr by suppressing the fact DCI has filed an appeal against the award of PMA. This case is posted for hearing before NCLT, Delhi on 09/06/2023. Now the matter has been referred to Conciliation &Settlement Committee under the Ministry of Ports, Shipping and waterways (MoPSW). MoPSW has advised the DCIL Board to resolve the matter and a Board Agenda note has been submitted for discussion and resolution in this regard on 25.05.2023.
16. DCI had entered into an agreement with Shipyard De Donge (Yard) for design, build and delivery of Backhoe Dredger within a period of 18 months (27.07.2010). Since, yard failed to supply the vessel within time; DCI deducted Liquidated Damages amounting to Euros 3,000,000. The issue was referred to Arbitration. Arbitration



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Tribunal passed an award in favor of the yard for Euros of 1,016,756 amounting to around Rs. 10.57 Cr. DCI filed appeal on the said award before High Court of Andhra Pradesh in 2018 and the same is pending there. The case was last listed on 04-05-2023. None of the appearances made on behalf of the Yard till date.

17. Reconciliation of outstanding balance of trade payables & receivables, other payables, GST&TDS receivables and advances to suppliers are subject to reconciliation and the same is under process.
18. The audited accounts are subject to review by C&AG U/s 143(6) of The Companies Act, 2013.
19. The figures of the last quarter ending 31/03/2023 are the balancing figures in respect of figures for full financial year 2022-23 and the figures published up to third quarter of FY 2022-23.
20. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 24/05/2023 and 25/05/2023.
21. The figures of the previous year/period have been regrouped/ rearranged/restated wherever necessary/ practicable to conform to current year/ period's transactions.

By Order of the Board
For Dredging Corporation of India Ltd



(Capt.S.Divakar)

Managing Director &CEO(A/C)

Place: Visakhapatnam

Date: 25/05/2023

कप्तान एस. दिवाकर-Capt. S. Divakar
प्र.नि. व मुख्य कार्यपालक अधिकारी (अ.भा.)
MD & CHIEF EXECUTIVE OFFICER (A/C)
ड्रेजिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED
विशाखपट्टणम-VISAKHAPATNAM



कलगर्ल राजेश-KALAGARLA RAJESH
मुख्य वित्तीय अधिकारी
CHIEF FINANCIAL OFFICER
ड्रेजिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LTD.
विशाखपट्टणम-VISAKHAPATNAM

CEO / CFO CERTIFICATION

We Capt.S.Divakar, in the capacity of Managing Director& CEO and Shri.K.Rajesh in the capacity of HIOD(Finance)& CFO of Dredging Corporation of India Limited, certify to the Board that

- (a) We have reviewed financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; .
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial Reporting during the year:

- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which they have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.



(K.Rajesh)

Chief financial Officer

कलगर्ल राजेश-KALAGARLA RAJESH
मुख्य वित्तीय अधिकारी
CHIEF FINANCIAL OFFICER
ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LTD.
Place: Visakhapatnam

Date: 25/05/2023



(Capt.S.Divakar)

Managing Director&CEO

कप्तान एस. दिवाकर-Capt. S. Divakar
प्र.नि. व मुख्य कार्यपालक अधिकारी (अ.भा.)
MD & CHIEF EXECUTIVE OFFICER (A/C)
ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
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Cash Flow Statement for the period ended 31-03-2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit for the year	1,255.79	356.96
Adjustments for :		
Income tax expense recognized in profit or loss	127.59	120.17
Finance Costs recognized in profit or loss	2,124.13	1,156.56
Other non-operating income (net of directly attributable expenses)	-354.69	-199.79
Depreciation and amortization of non-current assets	13,584.92	12,019.96
Net foreign exchange (gain)/loss	731.91	53.09
Provision for Bad debts	449.45	931.72
	17,919.10	14,438.67
Movements in working capital		
(Increase)/decrease in trade receivables	2,437.63	-735.47
(Increase)/decrease in inventories	-12,681.73	1,237.34
(Increase)/decrease in other current assets	-972.06	-459.18
Increase/(decrease) in trade payables Other liabilities	9,355.84	8,176.00
Cash generated from operations	16,058.79	22,657.36
Income Taxes Refund (Paid)	-1,594.06	828.07
Exceptional income	-	-1,668.75
Excess provision no longer required written back	-464.43	-1,343.69
Net cash generated by operating activities	14,000.30	20,472.99
Cash flows from investing activities		
Payments for property, plant and equipment	-17,048.69	-11,068.81
Proceeds from disposal of property, plant and equipment	-	2,008.00
Interest Received	224.24	199.79
Net Cash (used in) /generated by investing activities	-16,824.45	-8,861.02
Cash flows from financing activities	-33,648.89	-17,722.04
Cash Repayment of amounts borrowed	-14,229.31	-14,681.13
Cash Receipt of amounts borrowed	12,596.01	-
Interest Paid	-2,121.87	-1,193.37
Net Cash used in financing activities	-3,755.18	-15,874.50
Net increase in Cash and Cash equivalents	-6,579.32	-4,262.53
Cash and cash equivalents at the beginning of the year/period (A)	9,414.50	4,858.99
Bank Over Draft at the beginning of the year/period (B)	-9,733.26	-915.07
Net Cash and cash equivalents at the beginning of the year/period (A+B)	-318.76	3,943.92
Cash and cash equivalents at the end of the year/period (C)	3,146.59	9,414.50
Bank Over Draft at the end of the year/period (D)	-10,044.67	-9,733.26
Net Cash and cash equivalents at the end of the year/period (C+D)	-6,898.08	-318.76
Significant Accounting Policies		
The accompanying notes are an integral part of these financial statements		


कलगर्ल राजेश-KALAGARLA RAJESH
 मुख्य वित्तीय अधिकारी
 CHIEF FINANCIAL OFFICER
 ड्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
 DREDGING CORPORATION OF INDIA LTD.
 विशाखपट्टणम-VISAKHAPATNAM


कप्तान एस. दिवाकर-Capt. S. Divakar
 प्र.नि. व मुख्य कार्यपालक अधिकारी (अ.भा.)
 MD & CHIEF EXECUTIVE OFFICER (A/C)
 ड्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
 DREDGING CORPORATION OF INDIA LIMITED
 विशाखपट्टणम-VISAKHAPATNAM



Independent Auditor's Report on the Quarterly Standalone Financial Results and Standalone Year to Date Results of Dredging Corporation of India Limited, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors
Dredging Corporation of India Limited

Report on the Audit of the Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial results of Dredging Corporation of India Limited (hereinafter referred to as "the Company"), for the quarter ended 31 March 2023 and for the year ended 31 March 2023 ("the Statement" or "Standalone annual financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion, to the best of our information and according to the explanations given to us, the Statements:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard as amended; and
- (ii) except for the possible effect of the matter described in the basis for qualified opinion paragraph below, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter ended 31 March 2023 and for the year ended 31 March 2023.

Basis for Qualified Opinion

1. As described in Note No. 7 to the accompanying financial results, Company has not determined the retrospective impact of the change in Accounting Policies on the Opening balance of Other Equity and the Current and Previous reporting periods thereby not complying with the measurement and disclosure requirements under Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Results.
2. As described in Note No. 17 to the accompanying financial results which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables, TDS receivable, GST ITC and Advance to Suppliers are subject to reconciliation and confirmations thereby not complying with the measurement and disclosure requirements under Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* and Ind AS 109, *Financial Instruments*. In absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Results.





3. As stated in Note No. 14 to the accompanying financial results an Arbitral Award for disputed payables, was passed in favour of M/s Mercator Limited (Formerly Mercator Lines Limited) (MLL). As the company's challenge of Award was dismissed in multiple legal forums, MLL had filed an Execution petition before the High Court of Delhi seeking enforcement of Arbitral Award in the year 2019. The management of the company had approached the High Court seeking time for settlement of decretal dues with Mercator Limited (Represented by the Resolution Professional) which did not fructify.

The learned High Court had directed the company to deposit an amount of ₹5.00 crores before January 31, 2023 and a further amount of ₹8.00 crores by May 10, 2023 in view of the Company's repeated violations of the directions to place a proposal for deposit of the amount awarded into court. The amount disputed is to the tune of ₹45.70 Crores totaling to an amount of approximately ₹68.71 Crores including interest and other related costs. The management of the company has concluded that no provision against the same, was required at this stage and treated the same as contingent liability.

4. As stated in Note no. 11 to the accompanying financial results the trade receivables include a sum of ₹65.84 Crores due from M/s. Sethusamudram Corporation Ltd. (SCL), towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (AS&FA committee) Government of India. The committee stated that a note seeking approval of the cabinet needs to be moved by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company. There is a significant delay in realization of the said amount and the document evidencing the relevant budget allocation by the Government of India is also not available yet. In view of the same the realisability of the said amount is remote. The management has concluded that no provision against the same, was required at this stage as the same is treated as receivable considered good though unsecured.
5. As per the information submitted to the Board of Directors in its meeting dated 08th August 2022, there are indications of impairment in the case of DCI Dredge XVIII. As per Para 9 of Indian Accounting Standard (Ind AS) 36 on Impairment of Assets, the Company needs to assess at the end of each reporting period whether there is any indication that an asset may be impaired, and if any such indications exists, company shall estimate the recoverable amount of the asset. However, Company has not estimated the recoverable amount for DCI Dredge XVIII. In the absence of adequate information, we are unable to comment on the impact thereof on the amounts reported in the financial results.
6. As stated in Note no. 15 to the accompanying financial results, an Arbitral award issued by the Joint Arbitrator of PMA against the company in favour of M/s Mazagon Dock Limited (MDL) on 12-06-2018 for an amount of ₹15 Crores. The company has challenged the said award before AMRDC and the matter is still pending. During the financial year 2019-20 MDL approached NCLT with a claim of ₹25.50 Crores and invoked CIRP against the Company. NCLT admitted the case on October 24, 2019, and the CIRP proceedings are pending before NCLT. The management of the company has concluded that no provision against the same was required at this stage and treated the same as contingent liability.
7. As stated in Note no. 9 to the accompanying financial results, owing to a dispute Cochin Port Trust had forfeited the security deposit made by the company to the tune of ₹5.59 Crores in the financial year 2020-21. The company had accepted the conciliator's recommendations and issued an





- undertaking for full and final settlement. The company, however, continues to account for the said amount as receivable from Cochin Port Trust. As on the date of this report, company had not recovered the said security deposit nor did it receive any positive confirmation of its release from Cochin Port Trust. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good.
8. As stated in Note No. 8 during the year, under various dredging works carried out by the company, customers have either recovered Liquidated damages on several accounts or withheld amounts towards LD or are entitled to do the same, as per the terms of agreement that company had entered into with respective customers totaling to the tune of ₹ 15.34 Crores. As on the date of this report, neither the said amounts were released nor a positive confirmation from its customers is received regarding waiver of LD. The management has concluded that no provision against the same, was required at this stage and the same is treated as receivable considered good.
9. Company had availed ITC of GST on vendor bills/invoices in respect of which payment is pending for more than 180 days. As per the provisions of GST, the same is to be reversed and applicable interest is to be paid in respect of GST ITC availed on invoices pending payment beyond 180 days. We noticed instances where GST ITC had not been reversed. Further, we also noticed instances where GST ITC though reversed, interest thereon had not been paid. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereof on the amounts reported in the Financial Results.
10. Out of Inventory of ₹ 135.62 Crores physical verification for items valuing ₹ 10.28 Crores at 11 number of locations, had not been conducted by the Company during the year. The impact of the same on amounts stated in Financial Results is not determinable. Further, shortages identified and reported in the physical verification to the tune of ₹ 3.55 Crores had not been adjusted in the books of account. Even in respect of reported shortages reconciliation for entries of regular consumptions vis-à-vis physical verification shortages is pending, in as much we are unable to conclude that the shortages have been adequately adjusted in the books of account.

Emphasis of Matter

We draw attention to;

- a. Note No. 13 to the financial statements regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.
- b. Note No. 6 to the financial statements regarding the accounting treatment of Prior Period Items and the disclosure thereof in the Current and Previous reporting periods.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of standalone annual financial results. The Company's Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting





principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial results on whether the Company has adequate internal financial controls with reference to standalone financial results in place and the operating effectiveness of such controls.





Rao & Kumar Chartered Accountants

10-50-19/1, Soudamini, Siripuram Jn, Visakhapatnam 530 009.
Somajiguda, Hyderabad | Ram Murthy Nagar, Nellore.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

Attention is drawn to the fact that the figures for the quarter ended March 31, 2023 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

For Rao & Kumar
Chartered Accountants
FRN 03089S

CA Guru Prasad K. Ch.S

M.No. 215652

UDIN No. 23215652BGRPDS7611



Place: Visakhapatnam
Date: 25/05/2023