



DREDGING CORPORATION OF INDIA LIMITED

CIN No. L29222DL1976PLC008129 GST NO. 37AAACD6021B1ZB
Head Office : "DREDGE HOUSE", HB Colony Main Road, Seethammadhara,
Visakhapatnam-530022

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/AA.1/2023/

10/02/2023

**The Manager,
Listing Department
The Stock Exchange, Mumbai
25th Floor, New Trading Ring,
Rotunda Building, Phiroze, Jeejeebhoy Towers
Dalal Street, Fort, Mumbai –400001**

Dear Sir,

Sub : Half yearly communication for dissemination to debenture holders (In Compliance with Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

With reference to the above, we submit herewith the information and documents as per the provisions of Uniform Listing Agreement entered into with the Stock Exchanges where Debt Securities of the Company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for dissemination to the debenture holders as mentioned below:

- Audited financial results for the year ended 31/12/2022 as have been approved by the Board of directors in its Meeting held on 10/02/2023 along with the Auditors Report thereon –**Enclosure – I**.
- Following issues of Non-Convertible Debentures have been listed with your Stock Exchange:

Details of listed NCDs:

Series / Tranche	Date of Allotment	Date of Listing	No. of NCDs	Face value (Rs. in cr.)	Amt. of Issue (Rs. in cr.)	Latest credit rating
I	28/03/2013	04/03/2013	588780	Rs. 1000	58.87	1.CARE- BBB+ (Negative) 2.BRICKWORK – BWR A+/ Negative

The latest Credit Rating in respect of the said issues is mentioned in the above statement.



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- c) The asset cover is 104.76% as on 31/12/2022 and is adequate as per the terms of issue. The Asset Cover Certificate is attached – **Annexure – A.**
- d) The Debt Equity Ratio as on 31/12/2022 is 0.27:1
- e) Previous due date for the payment of interest / repayment of principal of non-convertible debt securities and whether the same has been paid or not for the half year ending 31/12/2022- **Annexure B.**
- f) Next due date for the payment of interest principal along with the amount of interest and redemption amount on said NCDS during next half year i.e. 01.04.2022 to 31.12.2022 are as under - **Annexure C.**
- g) The Debt Service Coverage Ratio as on 31/12/2022 is 1.57
- h) The Interest Service Coverage Ratio is 11.47
- i) Debenture redemption reserve - **Annexure D.**
- j) Net worth of the Company as on 31/12/2022– Rs.142708.85 Lakhs
- k) Net Profit/(Loss) after tax of the Company as on 31/12/2022 – Rs.2673.83 Lakhs
- l) Earnings Per Share as on 31/12/2022 – Rs 4.94
- m) The name, designation and contact details of "Compliance Officer" of this corporation are as under:

Name of Compliance Officer: P.Chandra Kalabhinetri
Designation : Company Secretary
Correspondence Address : Dredging Corporation of India Limited,
Dredge House, HB Colony Main Road
Seethammadhara,,
Visakhapatnam – 530022.
Phone, Fax No. : 0891-2566537; 0891-2871298
Email ID : kalabhinetri@dcil.co.in



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The said NCDs are secured by Dredger - DCI DREDGE BH1, having registration number M-7704, registered with Mercantile Marine Department, Mumbai, Government of India.

We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you and that we are aware that above information is expected to be placed on the website of your Stock Exchange and that of Debenture Trustees.

Thanking you,

Yours sincerely,

Name: P.Chandra Kalabhinetri
**Company Secretary &
Authorized Signatory**



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ANNEXURE B

Details of redemption & payment of interest during last half year ending 31/12/2022:

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
I	Interest	28/03/2022	41391207	25/03/2022

ANNEXURE C

Details of redemption & interest due in the next half-year i.e. 01.10.2022 to 31/03/2023:

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
I	Principal & Interest	28/03/2023	-

ANNEXURE D

Details of Debenture Redemption Reserve (If applicable):

Series / Tranche	Amount of issue Rs. (In Cr.)	DRR required to be created Rs. (In Cr.)	DRR created upto 31.12.2022 Rs. (In Cr.)	Funds invested for debentures maturing during the year
I	58.88	0	0	No debentures are maturing during the year

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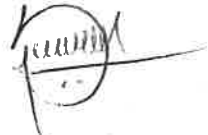
Registered Office: Core-2, 1st Floor, "SCOPE Minar", Plot No 2A & 2B, Laxmi Nagar District Centre, DELHI-110 091.


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

Standalone Un-audited Financial Results for the Quarter and Nine Months ended 31-12-2022

Annexure-1

Particulars	Quarter Ended			Nine Months Ended		YEAR ENDED
	31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
	(UN-AUDITED)	(UN-AUDITED)	(UN-AUDITED)	(UN-AUDITED)	(UN-AUDITED)	(AUDITED)
I Revenue from operations	37,131.51	23,872.88	24,004.10	82,757.59	51,000.08	79909.10
II Other Income	98.67	87.29	82.12	269.51	195.24	244.57
III Total Income (I + II)	37,230.18	23,960.16	24,086.22	83,027.10	51,195.32	80,153.67
IV Expenses						
(a) Employee benefit expense	2,399.18	2,263.10	2,272.74	6,955.15	6,507.90	9476.91
(b) Finance costs	1,293.18	591.19	300.86	2,239.30	846.20	1193.37
(c) Depreciation and amortization expense	3,493.82	2,785.96	2,938.59	10,081.13	8,732.41	12019.96
(d) Other expenses	28,623.80	15,428.93	17,298.68	60,986.76	36,459.48	58670.05
Total expenses (IV)	35,809.98	21,069.18	22,810.87	80,262.34	52,545.99	81,360.29
V Profit before exceptional items and tax (III - IV)	1,420.20	2,890.98	1,275.35	2,764.77	(1,350.67)	(1,206.62)
VI Exceptional Items	-	-	1,686.00	-	1,686.00	1668.75
VII Profit before tax (V-VI)	1,420.20	2,890.98	2,961.35	2,764.77	335.33	462.13
VIII Tax Expense:						
Current tax	36.61	29.61	55.50	90.94	99.49	0.16
	36.61	29.61	55.50	90.94	99.49	120.16
IX Profit for the year (VII - VIII)	1,383.59	2,861.37	2,905.85	2,673.83	235.84	341.97
X Other comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurements of the defined benefit plans	-	-	-	-	-	174.37
Total other comprehensive income (X)	-	-	-	-	-	174.37
XI Total comprehensive income for the period (IX + X)	1,383.59	2,861.37	2,905.85	2,673.83	235.84	516.34
Paid up Equity Share capital (face value ` .10 each)	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00
Reserves excl. Revaluation Reserve as per Balance sheet.						
Earnings per equity share						
(1 Basic (in `))	4.94	10.22	10.38	9.55	0.84	1.84
(2 Diluted (in `))	4.94	10.22	10.38	9.55	0.84	1.84


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 मुख्य वित्तीय अधिकारी
 CHIEF FINANCIAL OFFICER
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Notes to Accounts for quarter /Nine months ended 31st December, 2022.


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. The details of foreign exchange loss/gain for the period is as under:

Period	Rs.lakhs	
	Capitalized to cost of Vessels	Included in Finance Cost
For the quarter ended 31-12-2022	1000(loss)	694(loss)
For the quarter ended 31-12-2021	465(loss)	7(Gain)
For the Nine months ended 31-12-2022	132(gain)	623(loss)
For the Nine months ended 31-12-2021	56 (loss)	74(loss)

3. The financial results for the quarter and Nine months ended 31st December, 2022 have been reviewed by the Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
4. 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. The Bonds are secured by way of first charge on the Back Hoe Dredger DCI BH-1 and as on date hundred percent asset cover is maintained.
5. 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+/-Stable	-
b)	Previous interest due date	28/03/2022	Interest paid and bonds are not due for redemption
c)	Interest paid on	28/03/2022	
d)	Next Interest due date	28/03/2023	Bonds are due for redemption on 28-03-2023
e)	Asset Cover	100%	As on 31/12/2022
f)	Net Worth	Rs.1427.09Cr	As on 31/12/2022


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6. Additional line items (Ratios) disclosure pursuant to Regulation 52 (4) of SEBI (LODR):

S.No	Ratios	Nine Months Ended 31/12/22	Year Ended 31/03/22
a)	Debt-equity ratio	0.27:1	0.20:1
b)	Debt Service Coverage ratio	1.57:1	0.73:1
c)	Interest Coverage ratio	11.47:1	11.28:1
d)	Outstanding redeemable preference shares	0	0
e)	Debenture redemption reserve (Rs.lakhs)	3000	3000
f)	Net worth (Rs.Lakhs)	142708.85	140035.02
g)	Net profit after tax (Rs.lakhs)	2673.83	516.34
h)	Outstanding redeemable preference shares (Quantity and value)	-	-
i)	Capital Redemption Reserve	-	-
i)	Current ratio	1.02:1	0.87:1
j)	Long term debt to working capital	0.21:1	0.21:1
k)	Bad debts to Account receivable ratio	0.30:1	0.32
l)	Current liability ratio	0.83:1	0.88:1
m)	Total debt to total assets	0.44:1	0.54:1
n)	Debtors turnover (Annualised)	6.09:1	3.88:1
o)	Inventory Turnover Ratio (Annualised)	3.64:1	5.00:1
p)	Operating Profit Margin(%)	18%	15%
q)	Net Profit Margin (%)	3.20%	0.64%
r)	Sector specific equilant ratios	-	-

7. 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.66.97 Cr (Including Interest) has been considered by the Company as Contingent Liability. This case is posted for hearing on 03/02/2023.

8. 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

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by SCL for seeking government budgetary resources for SCL to make payment of balance outstanding dues to the company.

9. 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 31-12-2022 an amount of Rs.31.39 has been recovered by JNPT Company views this amount as disputed trade receivables, but considered good.
10. 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 21/12/2022. Now the matter has been referred to Conciliation & Settlement Committee under MoPSW.
11. Confirmations/Reconciliation of outstanding balance of trade payables, other payables and advances to suppliers are subject to confirmation/reconciliation and the same is under process.
12. The financial results for the quarter and Nine Months ended 31st December, 2022 have been reviewed by the Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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13. The above financial results were reviewed by the Audit Committee at its meeting held on 09/02/2023 and taken on record by the Board of Directors at its meeting held on 10/02/2023.
14. Figures of the previous year/period have been regrouped / rearranged where ever necessary.

By Order of the Board
For Dredging Corporation of India Ltd

Place: Visakhapatnam
Date: 10/02/2023

Capt.S.Divakar
Managing Director & CEO (Addl. Charge)



डी.सुब्बाराव-D.SUBBARAO
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ANNEXURE- 3

CEO / CFO CERTIFICATION

We, Shri.D.Subbarao in the capacity of CFO and Shri. S.Divakar in the capacity of CEO& Managing Director of Dredging Corporation of India Limited, certify that the financial results for the 3rd quarter ended 31st December, 2022 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.



(D.Subbarao)

Chief Financial officer

डी.सुब्बाराव- D.SUBBARAO
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Place: Visakhpatnam

Date: 10/02/2023.



(S.Divakar)

Managing Director& CEO(A/c)

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Limited Review Report – Standalone Financial Results

To
The Board of Directors of Dredging Corporation of India Limited

1. We have reviewed the accompanying statements of unaudited standalone financial results (the "Statements") of Dredging Corporation of India Limited (the "Company") for the quarter and nine months ended December 31, 2022, submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulation") and SEBI Circulars as amended (the "Circular").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been compiled from the related financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) (as amended), prescribed under Section 133 of the Companies Act, 2013 read together with relevant applicable rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a conclusion on the Statements based on our review of such standalone financial statements.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' specified under Section 143(10) of the Companies Act, 2013. 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 provide less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards or Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As stated in Note no. 7 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 MLL (Represented by the Resolution Professional) but had failed to arrive at a settlement within the period permitted by the High Court. Consequently, the Court had on 17th November 2022, required the company to deposit an amount of ₹ 5 Crores as *bona fides* and resubmit a better proposal along with financial and other documents asked by the court before 15th February 2023.

The amount disputed is to the tune of ₹ 45.70 Crores totaling to an amount of approximately ₹ 66.97





Crores including interest and other related costs. However, 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.

5. As stated in Note no. 8 to the accompanying financial results the trade receivables include a sum of Rs. 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.

Prolonged delay in realization of the said amount and the absence of any document on record evidencing the relevant budgetary resource allocation by the Government of India, casts significant doubt on realisability thereof. However, 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.

6. The Board Board of Directors in its meeting dated 08th August 2022, had resolved to dispose of/sale DCI Dredge-XVIII on 'as is where is basis' through MSTC, citing issues of performance and commercially not viable for further operation. Currently, the dredger and the dry dock expenditure is being reflected under Property Plant and Equipment (PPE) for a sum of ₹ 135.11 Crores and depreciation had also been charged on the same for the period up to 31st December 2022. As per Para 6 of Ind AS 105 on Non-current Assets Held for Sale and Discontinued Operations, the dredger should be derecognized from PPE and classified as Asset held for sale/disposal. Further, as per Para 15 the same shall be measured at lower of it's carrying amount and fair value less costs to sell.

In respect of the disposal of DR-XVIII, the company had received a valuation report in a sealed cover and did not open the sealed cover as per the procedure in vogue. The management has concluded that since the report is in a sealed cover, the company is not aware of the market value of DR-XVIII and accordingly will act at a later stage.

Qualified Conclusion

7. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of the possible effects of matters described in the paragraphs 4, 5 & 6 above, nothing has come to our attention that causes us to believe that the accompanying unaudited financial results prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.





Emphasis

8. We draw your attention to:

- a. Note no. 9 to the accompanying financial results regarding disputed recovery made by M/s Jawaharlal Nehru Port Trust.
- b. Note no. 10 to the accompanying financial results regarding Arbitral award issued against the company in favour of M/s Mazagon Dock Limited (MDL) and consequent NCLT proceedings.
- c. Note no. 11 to the accompanying financial results which states that outstanding balances under trade payables, other payables, trade receivables and advances to suppliers are subject to confirmation and reconciliation.

Our conclusion on the statement is not modified in respect of the above matters.

For Rao & Kumar
Chartered Accountants
FRN 03089S

CA Anirban Pal
Partner
M.No. 214919

UDIN No. 23214919B9WTR7325



Place: Visakhapatnam

Date: 10-02-2023




DREDGING CORPORATION OF INDIA LIMITED
VISAKHPATNAM



ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Quarterly Un-audited Financial Results – (Stand alone)

Figures in Rs. Lakhs

Statement on Impact of Audit Qualifications for the Quarter and Nine Months ended 31-12-2022 [See Regulation 33/52 of the SEBI (LODR)(Amendment)Regulations,2016]			
	Sl. No.	Particulars	Audited Figures (as Adjusted Figures (audited figures after adjusting for qualifications))
I.	1	Turnover/ Total income	83,027.10 83,027.10
	2	Total Expenditure	80,262.34 93,543.34
	3	Net Profit/ (Loss)	2,673.83 -10,516.24
	4	Earnings Per Share (in Rs.)	9.55 -37.56
	5	Total Assets	2,45,370.96 2,45,370.96
	6	Total Liabilities	1,02,662.09 1,15,943.09
	7	Net Worth	1,42,708.87 1,29,427.87
	8	Any other financial item(s)	
II.	Audit Qualification (each audit qualification separately):		
	a	Details of Audit Qualification:	
		<p>1. As stated in Note No. 7 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). The High Court in its latest hearing on 06th September 2022 had given the company, a period of six weeks for arriving at a settlement or submission of schedule/ process for deposit of awarded amount. However, the company failed to arrive at a settlement with MLL within the permitted period. The amount disputed is to the tune of ₹ 45.70 Crores totaling to an amount of approximately ₹ 66.97 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.</p> <p>2. The Board of Directors in its meeting dated 08th August 2022, had resolved to dispose off/sale DCI Dredge-XVIII on 'as is where is basis' through MSTC, citing issues of performance and commercially not viable for further operation. Currently, the dredger and the dry dock expenditure is being reflected under PPE to the tune of ₹ 135.11Crores and depreciation had also been charged on the same for the current half year period. As per Para 6 of Ind AS 105 on Non-current Assets Held for Sale and Discontinued Operations, the dredger should be derecognized from PPE and classified as Asset held for sale/disposal. Further, as per Para 15 the same shall be measured at the lower of it's carrying amount and fair value less costs to sell. In respect of the disposal of DR-XVIII, the company had received a valuation report in a sealed cover and did not open the sealed cover as per the procedure in vogue. The management has concluded that since the report is in sealed cover, the company is not aware of the market value of DR-XVIII and accordingly will act at a later stage.</p> <p>3. As stated in Note no.8 to the accompanying financial results the trade receivables include a sum of Rs. 65.84 Crores due from M/s. Sethusamudram Corporati Ltd. (SCL), towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary a 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. Prolonged delay in realization of the said amount and the absence of any document on record evidencing the relevant budgetary resource allocation by the Government of India, casts significant doubt on realisability thereof. However, the management has concluded that no provision against the same, was required at this stage as the same is treated as receivable</p>	
	b	Type of Audit Qualification:	Qualified Opinion
c	Frequency of qualification:	Qualications 1 and 2 are Second time.3rd Qualification is 1st time.	
d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p>1st and 3rd Qualifications: Audit Qualification impact is quantified. 1st Qualification: Arbitral Award of Rs.45.70 Cr 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. 66.97 Cr (Including Interest) has been considered by the Company as Contingent Liability. This case is posted for hearing on 17/11/2022.</p>	

		<p>3rd Qualification: As stated in Note no.8 to the accompanying financial results the trade receivables include a sum of Rs. 65.84 Crores due from M/s. Sethusamudram Corporati Ltd. (SCL), towards works executed during financial years 2005-06 to 2008-09 as has been recommended by a committee chaired by Additional Secretary a 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.</p> <p>Prolonged delay in realization of the said amount and the absence of any document on record evidencing the relevant budgetary resource allocation by the Government of India, casts significant doubt on realisability thereof. However, the management has concluded that no provision against the same, was required at this stage as the same is treated as receivable</p>
e	<p>For Audit Qualification(s)</p> <p>i. Management's estimation on the impact of audit qualification:</p> <p>ii. If management is unable to estimate the impact, reasons for the same:</p> <p>iii. Auditors Comment on I or ii above.</p>	<p>i.1st and 3rd Qualification: Audit Qualification impact is quantified.</p> <p>ii. 2nd Qualification : impact of Audit qualification can't be estimated by the Management.</p> <p>With regard to Board of Directors decision for Sale of DR XVIII , Tender was called for valuation of cited Dredger and Valuation report was received in sealed cover did not open the sealed cover as per the procedure in vogue .Hence, Value of Dr XVIII can't be estimated at this stage.</p> <p>1st Qualification: As the company's challenge of Award was dismissed in multiple legal forums, time allotted by court for reaching settlement had expired and only the Execution petition before the High Court of Delhi seeking enforcement of Arbitral Award since 2019 is pending, the liability in our opinion has cristallised and needs to be accounted for.</p> <p>3rd Qualification: The absence of any document on record evidencing the relevant budgetary resource allocation by the Government of India and prolonged delay in realization, casts significant doubt on realisability and hence adequate provision needs to be setup.</p> <p>2nd Qualification: Delay due to procedural aspects has resulted in non-accounting for impact of valuation difference with the carrying amount of the Asset.</p>
III	<p>Signatories:</p> <ul style="list-style-type: none"> • CFO  • CEO/Managing Director  •  Statutory Auditor <p style="text-align: right;">Place: Visakhapatnam, Date: 10-02-2023</p>	

 (f)




ASSET COVER REPORT

To,
The Board of Directors,
Dredging Corporation of India Ltd,
Visakhapatnam.

Dear Sir/Madam

SUB. : CERTIFICATE OF ASSET COVER IN RESPECT OF LISTED DEBT SECURITIES OF DREDGING CORPORATION OF INDIA LIMITED.

We M/s Rao & Kumar, Chartered Accountants, have been appointed by Comptroller and Auditor General of India as Statutory Auditors of Dredging Corporation of India Limited ("Company / Issuer") for the financial year 2022-23. This certificate is issued in accordance with the terms of our engagement letter dated 20.02.2023.

The attached certificate is issued pursuant to the requirement of Regulation 56(1)(d) to certify asset coverage for listed non-convertible debt securities issued by Dredging Corporation of India Limited (herein after referred to as "Company").

Managements' Responsibility:

The attached certificate is issued basing on the statement and information provided by the management. The preparation of the Statement is the responsibility of the Management of the company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Responsibility:

Pursuant to the requirements of Regulation 56(1)(d), it is our responsibility to certify that the outstanding balance as on 31.12.2022 of Total borrowing through issue of Secured Debt Securities have been correctly extracted from the unaudited books of accounts of the current financial year ended 31-03-2023 and value of Total assets available for secured Debt Securities on the same date have been accurately extracted from the relevant Valuation Reports.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.





Rao & Kumar
Chartered Accountants

10-50-19/4, Soudamini, Siripuram Jn, **Visakhapatnam** 530 003.
Domalguda, **Hyderabad** | Ram Murthy Nagar, **Nellore**.

Restriction on use:

The attached certificate is addressed to Bombay Stock Exchange Limited, Floor 1, Phiroze Jeejeebhoy Towers, Fort, Mumbai -400001 and provided to the Company solely for the purpose to enable compliance with requirement of Regulation 56(1)(d) of LODR Regulations and to submit this certificate to SEBI and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For RAO & KUMAR
Chartered Accountants
FRN 03089S



CA Anirban Pal
Partner
MNo. 214919

Place: Visakhapatnam

Date: 28/02/2023

UDIN - 23214919B6WTTU3715



Certificate referred in our report.

Annexure A

ASSET COVER CERTIFICATE

To,

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina,,
Santacruz (East), Mumbai – 400 098

Dear Sir/Madam

SUB. : CERTIFICATE OF ASSET COVER IN RESPECT OF LISTED DEBT SECURITIES OF DREDGING CORPORATION OF INDIA LIMITED.

We M/s Rao & Kumar, Chartered Accountants, Statutory Auditors of Dredging Corporation of India Limited (“Company / Issuer”) for 2022-23 appointed by Comptroller and Auditor General of India, based on examination of books of accounts and other relevant records/documents obtained and submitted to us, hereby certify that

a) The listed entity has vide its Board Resolution and information memorandum / offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:

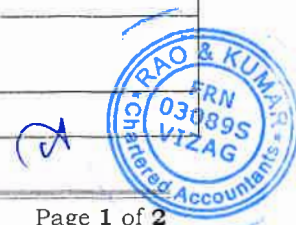
ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount
INE506A07015	Public Issue	Secured	Rs. 5887.80 Lakhs

b) Asset Cover for listed debt securities:

- i. The financial information as on 31-12-2022 has been extracted from the books of accounts for the year ended 31-12-2022 and other relevant records of the listed entity;
- ii. The assets of the listed entity provide coverage of times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset cover ratio for the Secured debt securities - table – I).
- iii. The total assets of the listed entity provide coverage of times of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities - table – II) (as per requirement of Regulation 54 read with Regulation 56(1)(d) of LODR Regulations) – Not Applicable

Table – I:

Sr.No.	Particulars		Amount (Rs. In lakhs)
i.	Total assets available for secured Debt Securities’ – (secured by either paripassu or exclusive charge on assets) (mention the share of Debt Securities’ charge holders)	A	6500.00
	• Property Plant & Equipment (Fixed assets) - movable/immovable property etc – Movable – (As per the Valuation Report dated 26 th November 2021)		6500.00
	• Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc		
	• Receivables including interest accrued on Term loan/ Debt Securities etc		





Rao & Kumar Chartered Accountants

10-50-19/4, Soudamini, Siripuram Jn, Visakhapatnam 530 003.
Domalguda, Hyderabad | Ram Murthy Nagar, Nellore.

Sr.No.	Particulars		Amount (Rs. In lakhs)
	• Investment(s)		--
	• Cash and cash equivalents and other current/ Non-current assets		--
ii.	Total borrowing through issue of secured Debt Securities (secured by either paripassu or exclusive charge on assets)	B	6204.54
	• Debt Securities (Provide details as per table below)		5887.80
	• IND - AS adjustment for effective Interest rate on secured Debt Securities		--
	• Interest accrued/payable on secured Debt Securities		316.74
iii.	Asset Coverage Ratio	A/B	104.76%

ISIN wise detail

S.No.	ISIN	Facility	Type of charge	Sanctioned Amount	Outstanding Amount As on 31-12-2022	Cover Required	Assets Required
1.	INE506A07015	Non-convertible Debt Securities	First Charge paripassu	Rs.5887.80 Lakhs	Rs.6204.54 Lakhs	100%	Rs.6204.54 Lakhs

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been compiled by the listed entity except as stated below: -

NIL

For RAO & KUMAR
Chartered Accountants
FRN 03089S



CA Anirban Pal
Partner
MNo. 214919

Place: Visakhapatnam

Date: 28/02/2023

UDIN - 23214919BGWTTU3715