



DREDGING CORPORATION OF INDIA LIMITED

- CIN No. L29222DL1976PLC008129 GST NO. 37AAACD6021B1ZB
Head Office : "DREDGE HOUSE", Port Area, 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.1/2021

29/06/2021

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 Krla Complex, Bandra (E) Mumbai – 400051 Symbol : DREDGECORP
Listing Compliance The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata – 700001 Scrip Code : 14050

Dear Madam/ Sir,

Subject: Financial Results, Unmodified opinion and Dividend

As per the Regulation 29 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stock Exchanges were informed that on 23/06/2021 that a meeting of the Board of directors would be held on 29/06/2021 inter-alia to consider the Standalone Audited financial results for the year ended 31/03/2021.

2. We have to inform you that the Board in the said meeting considered and approved the financial results for the year ended 31/03/2021 and the same are attached along with the limited review report given by the Statutory Auditor for the same.

3. We have taken steps to publish the Annual 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. We have to further inform you that the Board of Directors in its above meeting held on 29/6/2021 have not recommended any dividend for the year 2020-21.

5. Pursuant to Regulation 33 (3) of the Listing Regulations, we inform you that the Auditors have given an unmodified opinion on the Annual Audited Financial Results of the Company for the Financial year 2018-19.

6. This may please be treated as intimation to Stock Exchanges as per Regulation 33, Regulation 47 and regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. The Board meeting commenced on 29/06/2021 at 1500 Hrs and ended at 1850 Hrs.

Thanking you

Yours faithfully
For Dredging Corporation of India Limited

(K.Aswini Sreekanth)
Company Secretary

DREDGING CORPORATION OF INDIA LIMITED

CIN: L29222DL1976PLC008129

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 Road, Seethammadhara, Visakhapatnam-530022

Standalone Financial Results for the Quarter and Year ended 31st March, 2021

Rs.in lakhs

S.No	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter Ended March 31, 2021	Quarter Ended December 31, 2020	Quarter Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Revenue from operations	21,188.09	25,904.00	22,761.85	76,376.40	74,968.93
2	Other Income	100.20	55.21	60.35	316.02	560.34
3	Total Income (1+2)	21,288.29	25,959.22	22,822.20	76,692.42	75,529.27
4	Expenses					
	a) Employee benefit expense	2,903.32	2,357.28	2,722.92	10,097.98	9,398.51
	b) Finance costs	687.25	471.43	181.34	1,992.13	1,390.87
	c) Depreciation and amortization expense	2,858.09	3,022.23	3,030.19	11,946.20	11,713.16
	d) Other expenses	25,847.14	22,645.11	16,618.15	69,715.14	51,685.17
	Total expenses (4)	32,295.80	28,496.05	22,552.60	93,751.45	74,187.71
5	Profit before exceptional items and tax (3-4)	-11007.51	-2,536.84	269.60	-17059.04	1,341.55
6	Exceptional Items	-	-	-	-	-
7	Profit before tax (5-6)	-11007.51	-2,536.84	269.60	-17059.04	1,341.55
8	Tax Expense:					
	Current tax	73.48	23.85	707.81	182.36	790.24
		73.48	23.85	707.81	182.36	790.24
9	Profit for the year (7-8)	-11081.00	-2,560.69	-438.21	-17241.40	551.31
10	Other comprehensive income	428.55	-	-	428.55	-
11	Total comprehensive income for the period (9+10)	-10,652.45	-2,560.69	-438.21	-16,812.85	551.31
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	Paid up debt capital/Outstanding Debt	-	-	-	40,900.55	55,210.00
14	Earnings per equity share					
	(1) Basic (in Rs.)	(38.04)	(9.15)	(1.56)	(60.05)	1.97
	(2) Diluted (in Rs.)	(38.04)	(9.15)	(1.56)	(60.05)	1.97
15	Reserve excluding Revaluation Reserve	-	-	-	1,37,411.54	1,54,224.39
16	Debenture/Bonds Reserve	-	-	-	3000.00	3,000.00
17	Debt Equity ratio	-	-	-	0.21:1	0.35:1
18	Debt Service coverage Ratio	-	-	-	0.99	0.98
19	Interest Service coverage ratio	-	-	-	2.36	2.01
20	Net Worth	-	-	-	1,40,211.54	1,57,024.39

Prof. Dr. G.Y.V. VICTOR
 Managing Director & CEO
 Dredging Corporation of India Limited
 VISAKHAPATNAM

Statement of Assets and Liabilities		
ASSETS	As at March 31, 2021	As at March 31, 2020
Non-current assets		
(a) Property, plant and equipment	1,60,895.82	1,65,429.39
(b) Capital work-in-progress	1,218.62	827.97
(c) Financial Assets		
(i) Investments	-	-
(ii) Other financial assets	50.61	46.92
Total non-current assets	1,62,165.04	1,66,304.28
Current assets		
(a) Inventories	17,837.47	20,816.53
(b) Financial Assets		
(i) Trade receivables	20,173.71	25,142.95
(ii) Cash and cash equivalents	4,807.38	6,963.85
(iii) Bank balances other than (ii) above	51.60	54.07
(iv) Other financial assets	14,538.07	16,843.62
(c) Current tax assets (Net)	5,600.57	5,191.53
(d) Other current assets	3,750.15	5,486.83
Total current assets	66,758.95	80,499.39
Total Assets	2,28,924.00	2,46,803.67
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	2,800.00	2,800.00
(b) Other Equity	1,37,411.54	154,224.39
Total equity	1,40,211.54	1,57,024.39
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
Borrowings	29,389.76	41,169.51
(b) Provisions	1,159.98	1,408.03
(c) Other non-current liabilities	1,466.15	345.10
Total non-current liabilities	32,015.90	42,922.64
Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables	29,140.58	13,030.15
(ii) Other financial liabilities	14,302.02	18,248.41
(b) Provisions	334.49	407.00
(c) Other current liabilities	12,919.49	15,171.09
Total current liabilities	56,696.57	46,856.65
Total Liabilities	88,712.47	89,779.28
Total Equity and Liabilities	2,28,924.00	2,46,803.67

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. As per the minutes of the meeting of AS&FA committee held on 25.02.2019 with respect to outstanding dues from M/s Sethusamudram Corporation Ltd (SCL), it was recommended to release an amount of Rs. 136.72 Crores to DCI. Out of the said amount, an amount of Rs. 50.88 Crores already released till date. AS&FA directed SCL to move a Note seeking approval of Cabinet for seeking Government budgetary resources to release balance dues to DCI.
3. 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




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 Managing Director & CEO
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an amount of Rs. 58.87 Crores 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.

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

	Particulars	DCI Tax free Bonds 2012-13	Remarks
a)	Credit Rating	1.CARE: A+ Stable 2.Brickwork: BWR AA+ (SO)	-
b)	Previous interest due date	28/03/2021	Interest paid and bonds are not due for redemption
c)	Interest paid on	28/03/2021	
d)	Next Interest due date	28/03/2022	Bonds are not due for redemption
e)	Asset Cover	100%	As on 31/03/2021
f)	Net Worth	Rs.1402.12 Crore	As on 31/03/2021

5. The details of foreign exchange loss / (gain) for the year are Rs. 1.26 Crores are included under finance cost.
6. Construction of administrative office building was completed in all respects during the year and capitalized the entire cost incurred under "Buildings" since the relevant break up data into various Components is under finalization by the Central Public Works Department of Government of India. However, On receipt of finalization of final Bill of Quantities, the company will account for componentizations specified in Ind AS and provide depreciation at applicable rates. The impact of consequential change in Depreciation will not be material.
7. Reconciliation of outstanding balance of trade payables, other payables and advances to suppliers are subject to reconciliation and the same is under process.
8. DCI placed the order in October 2005 for Cutter Suction Dredger (CSD) on Mazagon Dock Limited (MDL) at a cost of Rs. 269.58 Crores and final landed cost of CSD was Rs. 273.74 Crores. 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 encashed the Performance Bank Guarantee of Rs.27.32 Crores 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.30.35 Crores (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 Crores. However, DCI challenged the award before AMRDC and the matter is still pending there till date.
9. 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 Tribunal passed an award in favor of the yard for Euros of 1,016,756 amounting to around Rs. 10.80 Crores. DCI filed appeal on the said award before High Court of Andhra Pradesh in 2018 and the same is pending there. None of the appearances made on behalf of the Yard till date.

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Managing Director & CEO
Dredging Corporation of India Limited
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10. DCI subcontracted Part of the dredging works at Sethusamudram to M/s Mercator Lines Limited (MLL). Due to some contractual issues it was referred to Arbitration. The Arbitration Tribunal passed the award in favor of MLL for an amount of Rs.60.47 Crores. DCI has filed appeal on the said awards before the London court and High Court of Delhi and the same was dismissed. Subsequently, MLL has filed Execution petition before the High Court of Delhi. DCI has filed its objections under Section 48 of the Arbitration and Conciliation Act, 1996 contesting award 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. This case is posted for hearing on 7/9/2020. The same did not happened due to COVID-19 and next date of hearing yet to be notified DCI obtained Opinion from senior counsels stating that DCI has fair chances of getting the execution petition of MLL dismissed / set aside.
11. Company carried out physical stock verification during the year and could not carry out physical stock verification during the financial year 2019-20 due to COVID Pandemic. Accordingly, company charged an amount of Rs.36.91 Crores to profit and loss account on account of stock difference.
12. Company's normal operations have been impacted in a number of ways as Lockdown impeded conducting surveys. Lockdown imposed across the country, regimented deployment of manpower leading to shortages at the work sites and yards, inordinate delays in import of emergency Spares which are required to carry out the scheduled dry-docks, closure of workshops, lack of OEM support, logistic constraints and risk of virus infection in FY 2019-20 as well as 2020-21. It also imposed unusual delays in both Dry-docking / running repairs in yards, impeded conducting surveys and resulted in postponement of securing new work orders. Some of the vessels became either non-operational or operating at suboptimal efficiencies in FY 2019-20 as well as 2020-21. Notwithstanding constraint, management has taken a number of measures in the last three months and will continue to take best possible steps to keep the operations. A definitive assessment of the impact on business is highly dependent upon the circumstances as they evolve. The management is monitoring the situation closely.
13. The audited accounts are subject to review by C&AG U/s 143(6) of The Companies Act, 2013.
14. The figures of the last quarter ending 31/03/2021 are the balancing figures in respect of figures for full financial year 2020-21 and the figures published up to third quarter of FY 2020-21.
15. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29-06-2021.
16. The figures of the previous year/period have been regrouped/ rearranged/restated wherever necessary/practicable to conform to current year/period transactions.

By Order of the Board
For Dredging Corporation of India Ltd


(Dr. G.Y.V. Victor)
Managing Director & CEO

Place: Visakhapatnam
Date : 29/06/2021

Prof. Dr. G.Y.V. VICTOR
Managing Director & CEO
Dredging Corporation of India Limited
VISAKHAPATNAM



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Independent Auditors' Report on Annual Financial Results of Dredging Corporation of India Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of
Dredging Corporation of India Limited

Report on the Audit of the Financial Results

Opinion

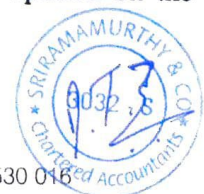
We have audited the accompanying "Statement of financial results for the Quarter and Year ended March 31, 2021" ("the Statement") of Dredging Corporation of India Limited ("the Company") for the year ended 31st March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

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

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued there under, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion on the Audited Standalone Financial Results for the Year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the statement.



Emphasis of Matter

We draw attention to the following matters in notes to the statement:

- a) Note No 2 to the financial results which states that Trade Receivables include a sum of Rs. 8584 lakhs due from M/s Sethusamudram Corporation Limited (SCL) towards works executed during 2005-06 to 2008-09 as has been settled by a committee chaired by Additional Secretary & Financial Advisor, Ministry of Shipping, Government of India (AS & FA Committee). The Committee stated that a Note seeking approval of the Cabinet needs to be moved for seeking Government Budgetary resources for SCL to make payment of balance outstanding dues to the Company.
- b) Note No 6 to the financial results which states that, the construction of Administrative Office Building was completed in all respects during the year. The Company capitalised the entire cost incurred under "Buildings" without bifurcating the respective cost incurred for "Furniture, Fittings and Equipment" since relevant break up data is under finalisation by the Contractor. The Company will make necessary changes under "Buildings" account on receipt of final Bill of Quantities from the Contractor. In this respect, the provisions of Ind AS 16 have not been followed. Depreciation has been provided at the rate applicable to "Buildings" resulting in consequential difference in amount of depreciation, the impact of which as per the Management is not material and we have relied on the same.
- c) Note No 7 to the financial results which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables and Advance to Suppliers are subject to reconciliation and confirmations, the impact of which is not ascertainable.
- d) Note No 10 to the financial results regarding Arbitral Award of Rs. 60.47 Crores in favour of M/s Mercator Lines Limited (MLL). The Company has challenged the Arbitral Award before the High Court of 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 shown as Contingent Liability. We have relied upon the legal opinions obtained by the Company from Senior Counsels.
- e) Note No 11 to the financial results which states that Company carried out physical stock verification during the year and could not carry out physical stock verification during Financial Year 2019-20 due to COVID pandemic. The difference between physical stock and book stock amounting to Rs. 36.91 Crores has been charged to the profit and loss account.

Our opinion is not modified in respect of these matters.



Management's and Board of Directors' Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with applicable Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors is 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue 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 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:

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal 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 on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- d. Conclude on the appropriateness of 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 financial statements 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.
- f. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the annual financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the annual financial results.

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 control 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 Matters

We did not audit the financial statements of branch at Bangladesh included in the annual financial results of the Company which reflect total assets of Rs. 209 lakhs as at 31st March, 2021 and total revenue of Rs. NIL for the year ended on that date, as considered in the financial statements. The financial statements of this branch have not been audited and have been incorporated based on management certified accounts. Our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the financial statements certified by the Management. Our opinion is not modified in respect of this matter.



The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulation.

For Sriramamurthy & Co
Chartered Accountants
FRN 003032S



CA. D. TEJA SAGAR
Partner
Memb No: 227878

Place: Visakhapatnam
Date: 29th June 2021

UDIN: 21227878AAAAEV8258

