



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/

07.11.2023



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,

Sub: Un-Audited financial results for the quarter ended 30/09/2023 – Reg.

As per the Regulation 29 (1) (a) of the SEBI (LODR) Regulations, 2015, the Stock Exchanges were informed on 25/10/2023 that a meeting of the Board of Directors would be held on 07/11/2023 inter-alia to consider the Standalone Un-Audited Financial results of the Company for the quarter ended 30/09/2023.

2. We have to inform you that the Board in the said meeting considered and approved the Standalone Un-Audited Financial results for the quarter ended 30/09/2023 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 Un-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.

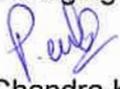
4. Pursuant to Regulation 33 (3) of the Listing Regulations, as amended, we inform you that the Auditors have given an qualified opinion on the Un-Audited financial results of the Company and the replies to the same are included in the Notes of the financial results for the quarter ended 30/09/2023.

5. This may be treated as intimation as per Regulation 47 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. The Board meeting commenced on 07/11/2023 at 14:00 Hrs. and ended at 18: 20 Hrs.

Thanking You.

Yours' faithfully,
For Dredging Corporation of India Limited


(P. Chandra Kalabhinetri)
Company Secretary

DREDGING CORPORATION OF INDIA LIMITED

CIN no : L29222DL 1976PLC008129

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 Main Road, Visakhapatnam-530022

Unaudited Standalone financial Results for the Quarter/ Half year ended 30th Sep, 2023

(Rs. In lakhs)

| Particulars | Quarter Ended Sep 30, 2023 | Quarter Ended June 30, 2023 | Quarter Ended Sep 30, 2022 | HY Ended Sep 30, 2023 | HY Ended Sep 30, 2022 | Year ended 31-03-2023 |
|--------------------------------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Un-Audited) | (Audited) |
| I Revenue from operations | 19777.39 | 20441.98 | 23872.88 | 40219.37 | 45626.09 | 116479.79 |
| II Other Income | 81.32 | 76.68 | 87.29 | 157.99 | 170.84 | 323.11 |
| III Total Income (I + II) | 19858.71 | 20518.65 | 23960.16 | 40377.36 | 45796.92 | 116802.90 |
| IV Expenses | | | | | | |
| (a) Employee benefit expense | 2560.36 | 2316.75 | 2263.10 | 4877.12 | 4555.97 | 9599.51 |
| (b) Finance costs | 650.83 | 654.31 | 591.19 | 1305.14 | 946.12 | 2856.14 |
| (c) Depreciation and amortization expense | 3320.35 | 3465.33 | 2785.96 | 6785.68 | 6587.31 | 13584.92 |
| (d) Sub Contract Expenses | 738.86 | 2485.86 | 1324.04 | 3224.72 | 5049.72 | 32194.49 |
| (e) Other expenses | 10761.96 | 10030.76 | 14104.88 | 20792.72 | 27313.24 | 57184.46 |
| Total expenses (IV) | 18032.37 | 18953.01 | 21069.17 | 36985.38 | 44452.36 | 115419.52 |
| V Profit before exceptional items and tax (III - IV) | 1826.34 | 1565.64 | 2890.99 | 3391.99 | 1344.56 | 1383.38 |
| VI Exceptional Items | 79.42 | 0.00 | 0.00 | 79.42 | 0.00 | 0.00 |
| VII Profit before tax (V-VI) | 1746.93 | 1565.64 | 2890.99 | 3312.57 | 1344.56 | 1383.38 |
| VIII Tax Expense: | | | | | | |
| Current tax | 69.48 | 50.50 | 29.61 | 119.98 | 54.33 | 127.59 |
| | 69.48 | 50.50 | 29.61 | 119.98 | 54.33 | 127.59 |
| IX Profit/(Loss) for the period (VII - VIII) | 1677.44 | 1515.14 | 2861.38 | 3192.59 | 1290.23 | 1255.79 |
| X Other comprehensive income | | | | | | |
| Items that will not be reclassified to profit and loss | | | | | | |
| Remeasurements of the defined benefit plans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 262.78 |
| Total other comprehensive income (X) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 262.78 |
| XI Total comprehensive income for the period (I | 1677.44 | 1515.14 | 2861.38 | 3192.59 | 1290.23 | 1518.57 |
| Paid up Equity Share capital (face value Rs.10 | 2800.00 | 2800.00 | 2800.00 | 2800.00 | 2800.00 | 2800.00 |
| XII Earnings per equity share | | | | | | |
| (1 Basic (in Rs.) | 5.99 | 5.41 | 10.22 | 11.40 | 4.61 | 5.42 |
| (2 Diluted (in Rs.) | 5.99 | 5.41 | 10.22 | 11.40 | 4.61 | 5.42 |

[Handwritten Signature]
07/11/23

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

[Handwritten Signature]

CSV Diwakar
प्र.नि.प्र.नि. व. मुख्य व. अधिकारी (अ.भा.)
MD AND CHIEF EXECUTIVE OFFICER (A/C)
ड्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED
विशाखपट्टणम-VISAKHAPATNAM

**Unaudited standalone Assets and liabilities
as at September 30,2023**

| | | Rs.in lakhs, | |
|--------------------------------------|-------------------------------------|-----------------------|-------------------------|
| ASSETS | | As at Sep 30, 2023 | As at March 31, 2023 |
| Non-current assets | | | |
| (a) | Property, plant and equipment | 1,43,058.98 | 1,52,623.65 |
| (b) | Capital work-in-progress | 5,547.83 | 470.99 |
| (c) | Financial Assets | | |
| (i) | Other financial assets | 2,151.32 | 51.26 |
| (d) | Other Non Current Assets | 23,731.84 | 11,545.47 |
| Total non-current assets | | 1,74,489.97 | 1,64,691.37 |
| Current assets | | | |
| (a) | Inventories | 12,923.88 | 13,562.67 |
| (b) | Financial Assets | | |
| (i) | Trade receivables | 24,439.91 | 33,950.42 |
| (ii) | Cash and cash equivalents | 4,134.34 | 3,097.13 |
| (iii) | Bank balances other than (ii) above | 49.46 | 49.46 |
| (iv) | Other financial assets | 10,211.60 | 14,458.84 |
| (c) | Current tax assets (Net) | 8,488.53 | 7,805.10 |
| (d) | Other current assets | 3,307.21 | 3,189.05 |
| (e) | Assets Classified as held for sale | 31.90 | 31.90 |
| Total current assets | | 63,586.84 | 76,144.57 |
| Total assets | | 2,38,076.81 | 2,40,835.94 |
| | | | |
| EQUITY AND LIABILITIES | | As at Sep 30, 2023 | As at March 31, 2023 |
| Equity | | | |
| (a) | Equity Share Capital | 2,800.00 | 2,800.00 |
| (b) | Other Equity | 1,42,362.06 | 1,39,455.99 |
| Total equity | | 1,45,162.06 | 1,42,255.99 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) | Financial Liabilities | | |
| (i) | Long Term Borrowings | 23,180.76 | 11,272.73 |
| (b) | Provisions | 647.07 | 842.45 |
| (c) | Other non-current liabilities | 1,928.18 | 1,884.30 |
| Total non-current liabilities | | 25,756.01 | 13,999.48 |
| Current liabilities | | | |
| (a) | Financial Liabilities | | |
| (i) | Trade Payables | 27,612.67 | 41,261.38 |
| (ii) | Other financial liabilities | 10,007.53 | 10,102.62 |
| (iii) | Short Term Borrowings | 16,474.89 | 16,783.44 |
| (b) | Provisions | 232.53 | 348.71 |
| (c) | Other current liabilities | 12,831.13 | 16,084.33 |
| Total current liabilities | | 67,158.75 | 84,580.48 |
| Total Liabilities | | 92,914.75 | 98,579.96 |
| Total Equity And Liabilities | | 2,38,076.81 | 2,40,835.94 |

Handwritten signature and date: 07/09/23

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

Handwritten signature and date: 07/09/23

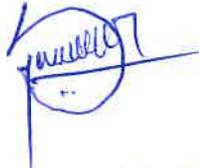
कप्तान एस. दिवाकर-Capt. S. Divakar
प्र.नि. व मुख्य कार्यपालक अधिकारी (अ.भा.)
MD & CHIEF EXECUTIVE OFFICER (A/C)
ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED
विशाखपट्टणम-VISAKHAPATNAM

Notes

- The Company is engaged in the business of dredging and therefore, has only one reportable segment in accordance with IND AS 108 "Operating Segments".
- The financial results for the quarter and half year ended 30-09-2023 have been reviewed by the Limited review Auditors as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- Un Audited Standalone Cash Flow statement for the Half year ended 30/09/2023:

| Particulars | HY 30-09-2023 | 2022-23 |
|-------------------------------------------------------------------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit for the year | 3,192.59 | 1,255.79 |
| | 3,192.59 | 1,255.79 |
| ADJUSTMENT FOR: | | |
| Income tax expenses recognised in P&L | 119.98 | 127.59 |
| Depreciation and amortisation of non current assets | 6,785.68 | 13,584.92 |
| Finance cost recognised in P&L | 1,305.14 | 2,124.13 |
| Other non operating income | (73.22) | (354.69) |
| Exchange(gain)/Loss | - | 731.91 |
| Provisons for bad debts | - | 449.45 |
| Operating Profit before changes in WC | 11,330.17 | 17,919.10 |
| Working Capital Changes: | | |
| (Increase) / Decrease in inventory | 611.73 | 2,437.63 |
| (Increase) / Decrease in Trade Receivables | 9,578.08 | (12,681.73) |
| (Increase) / Decrease in other current Assets | 2,053.50 | (972.06) |
| Increase / (Decrease)in Trade Payables&other liabilities | (18,005.76) | 9,667.24 |
| Cash generated from operations | 5,567.72 | 16,370.18 |
| Income Taxes Refund/(Paid) | (803.40) | (1,594.06) |
| Exceptional income/(Expenses) | (79.42) | - |
| Excess Provision no longer written back | - | (464.43) |
| Net Cash from operating activities (A) | 4,684.90 | 14,311.70 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchase) of Property Plant and Equipment | (14,484.23) | (17,048.69) |
| Sale Proceeds of Property Plant and Equipment | - | - |
| Interest Received | 431.86 | 224.24 |
| Net Cash from investing activities (B) | (14,052.36) | (16,824.45) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Repayment of)Long term Borrowings | (4,925.56) | (14,229.31) |
| Proceeds from Long term Borrowings | 16,669.80 | 12,596.01 |
| Intrest paid | (1,339.56) | (2,121.87) |
| Net Cash from Financing Activities (C) | 10,404.68 | (3,755.18) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | 1,037.22 | (6,267.92) |
| Cash & Equivalentents as at beginning of the year | 3,146.59 | 9,414.51 |
| Cash & Equivalentents as at end of the year | 4,183.80 | 3,146.59 |


 कलगर्ल राजेश-KALAGARLA RAJESH
 मुख्य वित्तीय अधिकारी
 CHIEF FINANCIAL OFFICER
 ड्रेजिंग कार्पोरेशन 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)
 ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
 DREDGING CORPORATION OF INDIA LIMITED
 विशाखपट्टणम-VISAKHAPATNAM

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

| S.No | Ratios | Half year ended 30/09/23 | Year Ended 31/03/23 |
|------|---------------------------------------------------------------|-----------------------------|---------------------|
| a) | Debt-equity ratio | 0.27:1 | 0.20:1 |
| b) | Debt Service Coverage ratio | 1.92:1 | 0.90:1 |
| c) | Interest Coverage ratio | 9.49:1 | 8.47:1 |
| d) | Outstanding redeemable preference shares | 0 | 0 |
| e) | Debenture redemption reserve (Rs.lakhs) | 0 | 0 |
| f) | Net worth (Rs.Lakhs) | 145162.06 | 142255.99 |
| g) | Net profit after tax (Rs.lakhs) | 3192.59 | 1255.80 |
| h) | Outstanding redeemable preference shares (Quantity and value) | - | - |
| i) | Capital Redemption Reserve | - | - |
| i) | Current ratio | 1.00:1 | 0.90:1 |
| j) | Long term debt to working capital | 6.56:1 | (16.06):1 |
| k) | Bad debts to Account receivable ratio | 0.22:1 | 0.22:1 |
| l) | Current liability ratio | 0.68:1 | 0.78:1 |
| m) | Total debt to total assets | 0.62:1 | 0.32:1 |
| n) | Debtors turnover (Annualised) | 2.76:1 | 4.24:1 |
| o) | Inventory Turnover Ratio (Annualised) | 6.07:1 | 7.89:1:1 |
| p) | Operating Profit Margin(%) | 0.29% | 0.15% |
| q) | Net Profit Margin (%) | 0.08% | 0.01% |
| r) | Sector specific equilant ratios | - | - |

5. 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.

6. 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. 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. The next date of hearing of insolvency petition 17.12.2023.

7. Arbitral Award of Rs.70.76Cr 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



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

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

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.70.76 Cr has been considered by the Company as Contingent Liability. Informatively, an amount of Rs.21.00Cr deposited with court on account of MLL case.

8. 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 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.
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 31/03/2023 an amount of Rs.34.98 Cr (Excluding GST) has been recovered by JNPT Company views this amount as disputed trade receivables, but considered good.
10. 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.
11. As regards Receivables from Ports:
 - 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. 1.85Crores (approx...). However, an amount of Rs.2.42Cr withheld in the current year by NMPT. Company is anticipating waiver of the said LD and hence no provision on this account is considered necessary.
 - Liquidated damages were levied by M/s.New Mangalore Port Authority for an amount of Rs.0.86Cr 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. Further, CSL has also been requested to re-imburse the LD amount of Rs.85.88 lakhs as


02/04/23

कलगरल 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
मुख्य कार्यपालक अधिकारी (अ.भा.)
MD & CHIEF EXECUTIVE OFFICER (A/C)
ड्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LIMITED
विशाखपट्टणम-VISAKHAPATNAM

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.

- Paradip Port Authority (PPA): Company has carried out and completed maintenance dredging work for Paradip Port Authority for the period 2021-24 in accordance with terms of new and old agreements. From out of the invoices that the company had submitted to PPA towards work executed in the current and previous years an amount to the tune of Rs. 11.11Cr 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.
12. During the quarter and half year ended an amount of Rs.2.86Cr were adjusted to retained earnings in respect of prior period error for the year 2022-23 and the same were not restated in the comparative figures of previous year in the un-audited results for the quarter ended 30/09/2023.
 13. 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 in the financial statements is not determinable.
 14. The above financial results were reviewed by the Audit Committee at its meeting held on 06/11/2023 and have taken on record by the Board of Directors at its meeting held on 07/11/2023.
 15. Figures of the previous years /quarter have been regrouped / reclassified where ever necessary.

By Order of the Board
For Dredging Corporation of India Ltd

(Capt. S. Divakar)

Managing Director & CEO (A/C)

Place: Visakhapatnam,

Date: 07/11/2023.

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
DREDGING CORPORATION OF INDIA LIMITED
विशाखपट्टणम-VISAKHAPATNAM

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



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM STANDALONE FINANCIAL RESULTS

To the Board of Directors
Dredging Corporation of India Limited.

1. We have reviewed the accompanying statement of unaudited financial results (the "Statement") of Dredging Corporation of India Limited (the "Company") for the Quarter and six months ended September 30, 2023 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
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 results 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 on 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. We have not performed an audit and accordingly, we do not express an audit opinion.
4. As stated in Note No. 7 to the accompanying statement 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 and same has been duly honored by the company. High court has further directed to deposit two trenches of ₹ 8.00 crores each before November 30, 2023. The amount disputed is to the tune of ₹ 45.70 Crores totaling to an amount of approximately ₹ 70.76 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. This has resulted in overstatement of profits by ₹2.05 Crores, Retained Earnings by ₹68.71 Crores, and understatement of trade payables by ₹70.76 Crores.

5. As stated in Note No. 11 to the Statement, 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 ₹ 13.82 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. This has resulted in overstatement of profits by ₹ 6.88 Crores, Retained Earnings by ₹ 6.94 Crores and receivables by ₹13.82 Crores.

6. 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 exist, 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 Statement.
7. As stated in Note No. 5 to the Statement 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. This has resulted in overstatement of retained earnings and receivables to the tune of ₹65.84 Crores.
8. As stated in Note No. 6 to the Statement, 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. This resulted in understatement of trade payables by ₹ 25.50 crores, understatement of PPE by ₹ 12.80 Crores (approx.), overstatement of Retained Earnings by ₹ 12.20 Crores (approx.) and profit by ₹ 0.50 Crores (approx.).
9. As stated in Note No. 8 to the Statement, 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. This resulted in overstatement of retained earnings and understatement of other provisions by ₹ 5.59 Crores.
10. As described in Note No. 10 to the Statement which states that Outstanding balances under Trade Payables, Other Payables, Trade Receivables, TDS receivable, GST & 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 Statement.





11. 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 interest is to be paid in respect of invoices pending payment beyond 180 days. In several cases ITC had not been reversed. Further, in cases where ITC has been reversed, interest which is payable under GST law has 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 Statement.
12. As described in Note No. 13 to the Statement, 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 Statement.
13. **Qualified Conclusion**
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 to 12 above, nothing has come to our attention that causes us to believe that the accompanying Statement 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.
14. **Emphasis of Matter**
We draw attention to;
- Note No. 9 to the Statement regarding amounts receivable from M/s Jawaharlal Nehru Port Trust on account of a disputed recovery made by them.
 - Note No. 12 to the Statement regarding the accounting treatment of Prior Period Items to the tune of ₹ 2.87 crores and the disclosure thereof in the Current and Previous reporting periods.

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. 23214919BGWTF7418



Place: Visakhapatnam
Date: 07 November 2023

ANNEXURE- 3

CEO / CFO CERTIFICATION

We, Shri.K.Rajesh 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 2nd quarter ended 30thSep, 2023 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.


(K.Rajesh)

Chief Financial officer
कलगले राजेश-KALAGALE RAJESH
मुख्य वित्तीय अधिकारी
CHIEF FINANCIAL OFFICER
ड्रेजिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
DREDGING CORPORATION OF INDIA LTD.
विशाखपट्टणम-VISAKHAPATNAM


(S.Divakar)

Managing Director& CEO(A/c)

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

Place: Visakhpatnam

Date: 07/11/2023.

ANNEXURE-I

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

Figures in Rs. Lakhs

| Statement on Impact of Audit Qualifications for the quarter/half year ended 30-09-2023 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------|-----------------------------------------------------------------------|
| I. | | Un-Audited | Adjusted Figures (audited figures after adjusting for qualifications) |
| Sl. No. | Particulars | Figures (as reported) | |
| 1 | Turnover/ Total income | 40,377.36 | 40,377.36 |
| 2 | Total Expenditure | 37,184.78 | 38,127.78 |
| 3 | Net Profit/ (Loss) | 3,192.58 | 2,249.58 |
| 4 | Earnings Per Share (in Rs.) | 11.40 | 8.03 |
| 5 | Total Assets | 2,38,076.81 | 2,31,390.81 |
| 6 | Total Liabilities | 92,914.75 | 1,03,099.75 |
| 7 | Net Worth | 1,45,162.06 | 1,28,291.06 |
| 8 | Any other financial item(s) | | |

II. Audit Qualification (each audit qualification separately):

Details of Audit Qualification:

- As stated in Note No. 7 to the accompanying statement 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 and same has been duly honored by the company. High court has further directed to deposit two tranches of ₹ 8.00 crores each before November 30, 2023. The amount disputed is to the tune of ₹ 45.70 Crores totaling to an amount of approximately ₹ 70.76 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. This has resulted in overstatement of profits by ₹ 2.05 Crores, Retained Earnings by ₹ 68.71 Crores, and understatement of trade payables by ₹ 70.76 Crores.
- As stated in Note No. 11 to the Statement, 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 ₹ 13.82 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. This has resulted in overstatement of profits by ₹ 6.88 Crores, Retained Earnings by ₹ 6.94 Crores and receivables by ₹ 13.82 Crores.
- As per the information submitted to the Board of Directors in its meeting dated 06th August 2022, there are indications of impairment in the case of DCI Dredge XVIII. As per Para 36 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 exist, 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 Statement.
- As stated in Note no 5 to the accompanying financial results the trade receivables include a sum of ₹ 65.34 Crores due from M/s Sethusamudram Corporation Ltd (SCL), towards works executed during financial years 2005-06 to 2009-10 as has been recommended by a committee chaired by Additional Secretary and Financial Advisor (ASSFA 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 in doubt. 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.
- As stated in Note No. 6 to the Statement, 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. This resulted in understatement of trade payables by ₹ 25.50 crores, understatement of PPE by ₹ 12.80 Crores (approx), overstatement of Retained Earnings by ₹ 12.20 Crores (approx) and profit by ₹ 0.50 Crores (approx).
- As stated in Note no. 8 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 ₹ 5.58 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.

Handwritten signature and date: 02/11/23

7. As called in Note No. 10 to the Statement which states that Outstanding balances and Trade Payables, Other Payables, Trade Receivables, GST & C&T ITC and Advances to Suppliers are subject to reconciliation and conditions thereof. The Company is 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 thereon. For the amounts recorded in the Statement

8. Company has availed ITC of GST on vendor's bills/invoices in respect of which ITC is payable pending for more than 180 days. As per the provisions of GST the same is to be reversed and interest is to be paid in respect of invoices pending payment beyond 180 days. In several cases ITC had not been reported. Further, in cases where ITC has been reported, interest which is payable under GST law has not been paid. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the impact thereon on the amounts reported in the Statement.

9. As described in Note No. 13 to the Statement, 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 thereon on the amounts reported in the Statement.

Type of Audit Qualification: Qualified (page 3)

Frequency of qualification: Repetitive (qualifications 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th)

For Audit Qualification(s) where the impact is quantified by the Auditor/Management's Views: 1st Qualification

Audit Qualification impact is quantified
1st Qualification: As stated in Note No. 7 to the accompanying statement 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 through multiple legal forums, MLL had filed an Enforcement 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 and same has been duly honored by the company. High Court has further directed to deposit two tranches of ₹ 8.00 crores each before November 30, 2023. The amount disputed is to the tune of ₹ 45.70 Crores totalling to an amount of approximately ₹ 70.76 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. This has resulted in

2nd Qualification: As stated in Note No. 11 to the Statement 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 reluctant to do the same, as per the terms of agreement that company had entered into with respective customers totalling to the tune of ₹ 13.2 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. This has resulted in overstatement of profits by ₹ 6.88 Crores Retained Earnings by ₹ 6.84 Crores and receivables by ₹ 13.82 Crores

4th Qualification: Trade receivables include a sum of Rs. 89.73 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 due to the company.

5th Qualification: 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. 30.35 Crs (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.

Handwritten signature and date: 02/04/23

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>6th Qualification: 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 ₹ 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.</p> |
| <p>e</p> | <p>For Audit Qualification(s) where:</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>i. 1st, 2nd, 4th, 5th and 6th Qualification: Audit Qualification impact is quantified.</p> <p>ii. 3rd, 7th, 8th and 9th: impact of Audit qualification can't be estimated by the Management.</p> <p>3rd Qualifications: 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, citing 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. Informative Expression of interest received from the parties and tender will finalized in due course.</p> <p>7th Qualifications: 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.</p> <p>8th Qualifications: 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."</p> <p>9th Qualifications: 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.</p> | |
| <p>iii. Auditors Comment on i or ii above.</p> <p>NIL</p> | |
| <p>iii</p> | <p>Signatories:</p> <ul style="list-style-type: none"> • CFO  • CEO/Managing Director  • Statutory Auditor  <p style="text-align: right;">Place: Visakhapatnam, Date: 07-11-2023</p> |