



ड्रेजिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड  
(भारत सरकार का उपक्रम)

**DREDGING CORPORATION OF INDIA LIMITED**

(A Government of India Undertaking)

प्रधान कार्यालय : "निकर्षण सदन", पत्तन क्षेत्र, विशाखपट्टणम-530 035

HEAD OFFICE : "Dredge House", Port Area, Visakhapatnam-530 035

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



website : www.dredge-india.com  
www.dredge.gov.in  
E-mail : hodci@dcil.gov.in

DCI/CS/AA.1/2016/

30/05/16

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

Dear Sir,

**Re : 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 31/3/16 as have been approved by the Board of directors in its Meeting held on 30/5/16 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- AA 2.BRICKWORK – BWR AA+ (SO)

The latest Credit Rating in respect of the said issues is mentioned in the above statement and we confirm that credit rating is not downgraded in respect of any of the above issues, since the respective dates of the said NCDs issues.

- c) The asset cover is 2.52 as on 31/3/16 and is adequate as per the terms of issue. The Asset Cover Certificate is attached – Annexure – A.
- d) The Debt Equity Ratio as on 31.03.2016 is 0.66:1.
- 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 31/03/2016 –**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. 01.04.2016 to 30.09.2016 are as under - **Annexure C**.
- g) The Debt Service Coverage Ratio is 1.32.
- h) The Interest Service Coverage Ratio is 5.62.
- i) Debenture redemption reserve - **Annexure D**.
- j) Net worth of the Company as on 31.03.2016– Rs. 1,55,399 Lakhs
- k) Net Profit after tax of the Company as on 31.03.2016 – Rs. 7966.80 Lakhs
- l) Earnings Per Share as on 31.03.2016 –Rs. 28.45
- m) The name, designation and contact details of “Compliance Officer” of this corporation are as under:
  - (A) Name of Compliance Officer: K. AswiniSreekanth
  - (B) Designation : Company Secretary
  - (C) Correspondence Address : Dredging Corporation of India Limited,  
Dredge House,Port Area,  
Visakhapatnam – 530035.
  - (D) Phone, Fax No. : 0891-2566537; 0891-2529846
  - (E) Email ID : [sreekanth@dci.gov.in](mailto:sreekanth@dci.gov.in)

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: K. Aswini Sreekanth  
**Company Secretary &  
Authorized Signatory**

**DREDGING CORPORATION OF INDIA LIMITED**  
(A Government of India Undertaking)  
VISAKHAPATNAM

**Annual Standalone Audited Financial Results for the Quarter and Year ended 31st March, 2016**

## PART I

(₹ in lakhs)

1	Particulars	Quarter ended			Year ended	
		3 Months ended 31-03-2016	Preceding 3 months ended 31-12-2015	Corresponding 3 Months figures for the previous year ended 31-03-2015	31-03-2016	31-03-2015
		Audited	Unaudited	Audited	Audited	Audited
	2	3	4	5	6	
1	Income from Operations					
	(a) Net Income from Operations	17479	16147	19376	66366	72552
	(b) Other Operating Income	193	-7	(231)	220	944
	<b>Total Income from Operations ( Net)</b>	<b>17672</b>	<b>16140</b>	<b>19145</b>	<b>66586</b>	<b>73496</b>
2	Expenses:					
	a) Cost of materials consumed	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>
	b) Purchases of Stock-in-Trade	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>	N.A <sup>1</sup>
	d) Employee benefits expense	4173	2722	3057	11756	9737
	e) Depreciation and amortization expense	2390	2393	2363	9820	9214
	f) Repairs and Maintenance	958	1207	5	4401	5933
	g) Fuel and Lubricants	5374	5613	5704	22133	28708
	h) Spares and Stores	1608	1397	2309	4617	5111
	i) Other expenses	178	1708	1401	5672	6688
	<b>Total expenses</b>	<b>14681</b>	<b>15040</b>	<b>14839</b>	<b>58399</b>	<b>65390</b>
3	Profit /Loss from Operations before other income , finance costs and exceptional items (1-2)	2991	1100	4306	8187	8106
4	Other Income	240	256	427	1036	883
5	Profit /Loss from ordinary activities before finance costs and exceptional items (3 + 4)	3231	1356	4733	9223	8989
6	Finance costs	486	497	478	2043	2566
7	Profit /Loss from ordinary activities after finance costs and exceptional items (5 -6)	2745	859	4255	7180	6423
8	Exceptional Items	1110	0		1110	114
9	<b>Profit(+)/ Loss(-) from Ordinary Activities before tax (7-8)</b>	<b>3855</b>	<b>859</b>	<b>4255</b>	<b>8290</b>	<b>6637</b>
10	Tax Expense	85	62	180	323	296
11	<b>Net Profit(+)/ Loss(-) from Ordinary Activities after tax (9-10)</b>	<b>3770</b>	<b>797</b>	<b>4075</b>	<b>7967</b>	<b>6241</b>
12	Extraordinary Items(net of tax expense ( ₹Nil))	0	0	0	0	0
13	<b>Net Profit(+)/ Loss(-) for the period (11-12)</b>	<b>3770</b>	<b>797</b>	<b>4075</b>	<b>7967</b>	<b>6241</b>
14	Share of profit/loss of associates	0	0	0	0	0
15	Minority interest	0	0	0	0	0
16	<b>Net profit/ loss after taxes, minority interest and share of profit /loss of associates</b>	<b>3770</b>	<b>797</b>	<b>4075</b>	<b>7967</b>	<b>6241</b>
17	Paid-up equity share capital (Face Value of the share: ( ₹10 )	2800	2800	2800	2800	2800
18	Reserves excluding Revaluation Reserves as per Balance sheet of Previous Accounting Year	-	-	-	-	144632
19.i	Earnings per Share ( before extraordinary items) (of ₹ 10 each ) Not to be annualised					
	(a) Basic	Rs. 13.46	Rs. 2.85	Rs. 14.56	Rs. 28.45	Rs. 22.29
	(b) diluted	Rs. 13.46	Rs. 2.85	Rs. 14.56	Rs. 28.45	Rs. 22.29
19.ii	Earnings per Share ( after extraordinary items) (of ₹ 10 each ) Not to be annualised					
	(a) Basic	Rs. 13.46	Rs. 2.85	Rs. 14.56	Rs. 28.45	Rs. 22.29
	(b) diluted	Rs. 13.46	Rs. 2.85	Rs. 14.56	Rs. 28.45	Rs. 22.29

## Part II

A	Particulars of share holding					
1	Public Shareholding: No. of shares	74,02,300	74,02,300	60,02,300	74,02,300	60,02,300
	Percentage of shareholding	26.44%	26.44%	21.44%	26.44%	21.44%
2	Promoters and Promoter group shareholding (In the name of President of India)					
	<b>a) Pledged/Encumbered</b>					
	- No. of Shares	-	-	-	-	-
	- Percentage of shares (as a percentage of total shareholding of promoter & promoter group)	-	-	-	-	-
	- Percentage of shares (as a percentage of total share capital of the Company)	-	-	-	-	-
	<b>b) Non-encumbered</b>					
	- No. of Shares	20597700	20597700	21997700	20597700	21997700
	- Percentage of shares (as a percentage of total shareholding of promoter & promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a percentage of total share capital of the Company)	73.56%	73.56%	78.56%	73.56%	78.56%

<b>B</b>	<b>Number of investor complaints</b>	
	i) Pending at the beginning of the quarter ended 31st Mar., 2016 :	0
	ii) Received during the quarter ended 31st Mar., 2016:	6
	iii) Disposed off during the quarter ended 31st Mar., 2016:	6
	iv) Lying unresolved as on 31st Mar., 2016:	0

<b>Consolidated Statement of Assets and Liabilities</b>		
<b>Particulars</b>	<b>As at 31-03-2016</b>	<b>As at 31-03-2015</b>
<b>I. EQUITY AND LIABILITIES</b>		
(1) <b>Shareholders' funds</b>		
( a ) Share capital	2800	2800
( b ) Reserves and surplus	151588	144632
( c ) Money received against share warrants	-	-
(2) <b>Share application money pending allotment</b>	-	-
(4) <b>Non-current liabilities</b>		
( a ) Long-term borrowings	88921	92310
( b ) Deferred tax liabilities (Net)	-	-
( c ) Other Long term liabilities	191	184
( d ) Long-term provisions	246	533
(4) <b>Current liabilities</b>		
( a ) Short-term borrowings	1034	129
( b ) Trade payables	6738	6116
( c ) Other current liabilities	35110	29273
( d ) Short-term provisions	1847	1502
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>288475</b>	<b>277480</b>
<b>II. ASSETS</b>		
(1) <b>Non-current assets</b>		
( a ) Fixed assets	193182	187134
( i ) Capital Work in progress	3598	101
(b) Non-current investments	3000	3000
( c ) Deferred tax assets (net)	-	-
( d ) Long-term loans and advances	4169	3557
<b>2)Current assets</b>		
( a ) Inventories	13321	10794
( b ) Trade receivables	34216	37305
( c ) Cash and cash equivalents	13169	11784
( d ) Short-term loans and advances	6027	5992
( e ) Other current assets	17793	17813
<b>TOTAL - ASSETS</b>	<b>288475</b>	<b>277480</b>

## Notes

1. N.A. = Not applicable since DCI is not a Manufacturing Company
2. Segmental Reporting as per AS-17 issued by the ICAI is not applicable since the company has only one segment income i.e., dredging.
3. As per the requirement of Schedule II to the Companies Act,2013, where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately for depreciation purpose. Pursuant to this, the company changed its accounting policy during the QE 30/06/2015 broadly categorizing the component parts of dredgers into three items i.e., 1.Keel and Hull (60% of vessel's cost), 2.Plant and Machinery in salt and sea water environment (35% of vessel's cost), 3.Electrical /Electronic Equipment (5% of vessel's cost).However , this was only a broad categorization but could not be componetized.After careful examination , the company is of the view that none of the component part of the fixed asset is considered to be significant as compared to total cost of the asset . Consequently, the Charging of depreciation for component parts was not required. Accordingly restored the last year's accounting policy for charging depreciation for FY 2015-16 in the last quarter ending 31/03/2016.
4. CESTAT, Kolkata dismissed the stay petition filed by the department in favor of the Company in respect of the refund of customs duty in respect of Dr Aquarius. In view of this, an amount of Rs 1110 lakhs is considered as an exceptional item in the profit and loss account and reduced the residual value by Rs 22.66 lakhs.
5. Pursuant to the Company claims vide its letter dated 06-06-2012 for the works executed in Sethusamudram project, the company is of the view that the actual expenditure incurred on this project will be reimbursed by GOI to DCI and the same is under active consideration by the Ministry. In view of this, provision for doubtful debts has not been made in respect of receivables in this regard.
6. As regards the equity investment made in Sethusamudram Corporation Ltd amounting Rs.3000 lakhs the management does not consider any diminution for the value of investment and the same has been carried at cost during the current quarter. The Company's review petition filed before SEBI vide Lr No. DCI/CS/E.1/2015. SEBI vide its dated 05/11/2015 has decided that the instant qualification has been addressed by the Company in the subsequent financial years and ensured that it is free from such qualification and accordingly it will be treated as adequate compliance with the requirement of SEBI's directions in their dated 26/12/2014.
7. The audited accounts are subject to review by C&AG U/s 143(6) of The Companies Act, 2013.
8. The figures of the last quarter ending 31/03/2016 are the balancing figures in respect of figures for full financial year 2015-16 and the figures published up to third quarter of FY 2015-16.
9. The above financial results were reviewed by the Audit Committee at its meeting held 30-05-2016 and have taken record by the Board of Directors at its meeting held on 30-05-2016.

10. Pursuant to SEBI Circular No.CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016 it is stated that the Statutory Auditors of the Company have not given any modified/disclaimer/adverse opinion on the financial results of the Company for FY 2015-16.
11. Board Directors of the Company have declared dividend of 30% equivalent to Rs.3/- (Rupees three only) per equity share of Rs.10/- each for the financial year 2015-16 subject to approval of Members at the 40<sup>th</sup> Annual General Meeting and in compliance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.
12. Figures of the previous years have been regrouped / reclassified where ever necessary.

By Order of the Board  
For Dredging Corporation of India Ltd

Place: New Delhi  
Date: 30/05/2016.

  
(Rajesh Tripathi)  
Chairman and Managing Director.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
DREDGING CORPORATION OF INDIA LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **DREDGING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

**Emphasis Of Matters:**

We draw attention to the following matters in the Notes to the financial statements:

**a) Componentization: (Refer note No. V of the financial statements)**

As per note 4 of Schedule II to the Companies Act, 2013 - "Useful life specified in Part C of the Schedule is for whole of the asset. Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately."

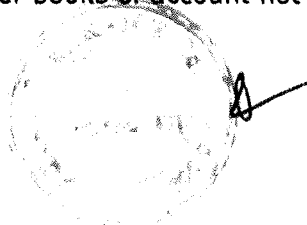
The above requirement is commonly known as 'component accounting'. Companies are required to identify and depreciate significant components with different useful lives separately.

***However management is of the view that no component is having more than 10% value of total cost of the dredger hence component accounting is not applicable.***

- b) We draw attention to the *Note No VI* of the financial statements, where in the Company has made investments in Equity shares amounting to Rs.3,000 lakhs in Sethusamudram Corporation Limited(SCL), a Special Purpose Vehicle was incorporated on 06.1.2004 for developing the Sethusamudram Channel Project. The dredging work at Palk Strait was suspended from 16-07-2009.

Since the Balance sheet as on 31<sup>st</sup> March 2015 of Sethusamudram Corporation Limited (SCL) is showing positive net worth, Management does not consider any diminution in the value of the investment.

- c) Trade Receivables includes, Rs.11,433.18 lakhs receivable from M/s Sethusamudram Corporation Ltd.(SCL) which is pending for more than 3 years. Out of the above, Company has provided for doubtful debts to the extent of Rs.3019.27 lakhs. The company is of the view that an amount of Rs. 30897.00 lakhs will be reimbursed by GOI (at whose behest the contract with SCL was entered) to DCI to compensate the actual expenditure incurred on this project. In view of this, a provision for doubtful debts is not made in respect of receivables in this regard amounting to Rs. 8413.91 lakhs.
- d) The balances of sundry debtors, creditors, loans and advances, other receivable and other payables being subject to confirmation and reconciliation resulting in the balances as per books of account not verified by us.



**TUKARAM & CO.**CHARTERED ACCOUNTANTS  
Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

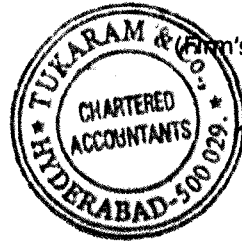
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note **XVI 5b-5e** to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

✓

**TUKARAM & CO.**  
CHARTERED ACCOUNTANTS

Continuation Sheet

2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. Directions under section 143(5) of the Companies Act, 2013 are form part of this report.



**For Tukaram & Co**  
Chartered Accountants  
(Firm's Registration No. 004436S)  
*P. Murali*  
**P. Murali**  
Partner  
(Membership No.221625)

Place : Hyderabad  
Date : 30.05.2016

# TUKARAM & CO.

CHARTERED ACCOUNTANTS

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **DREDGING CORPORATION OF INDIA LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

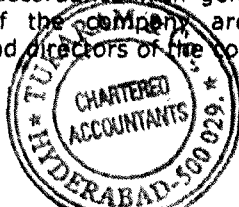
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding



**TUKARAM & CO.**  
CHARTERED ACCOUNTANTS

Continuation Sheet

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

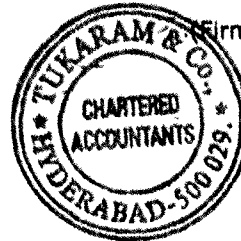
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Tukaram & Co**  
Chartered Accountants  
(Firm's Registration No. 004436S)



*P. Murali*  
**P Murali**  
Partner  
(Membership No. 221625)

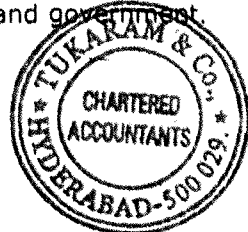
Place : Hyderabad

Date : 30/5/16

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. As per the information provided by the management all the titled deeds of immovable properties are held in the name of the company.
- ii. ***According to the explanation, the Company has carried out physical verification of spares on board dredgers only in respect of eight dredgers as against its fleet strength of sixteen(Ref Note to accounts No. X), as such we are unable to comment on the physical verification of Spares and stores.***
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the nature of business carried on by the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, sales tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
  - c. There are no dues in respect of Income Tax, Service Tax, Customs Duty and Value Added Tax as on 31 March, 2016 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and government.



**TUKARAM & CO.**

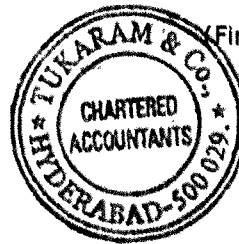
Continuation Sheet

**CHARTERED ACCOUNTANTS**  
 During the year the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Managerial remuneration paid during the year is within the limits prescribed under the provisions of section 197 of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. All the transactions with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-1 of the Reserve Bank of India Act, 1934.

For **Tukaram & Co**  
 Chartered Accountants

(Firm Registration No. 0044365)



*P. Murali*  
**P Murali**  
 Partner  
 (Membership No. 221625)

Place : Hyderabad

Date : 30/5/16



**c n raja associates**  
**CHARTERED ACCOUNTANTS**

**CERTIFICATE**

This is to certify that Dredging Corporation of India Limited, Visakhapatnam (the Company), has maintained hundred percent Asset cover in respect of listed non-convertible debt securities (Tax Free, Secured, Redeemable Non-Convertible Bonds) issued on 28/03/2013 for Rs. 5887.80 Lakhs (Rupees Fifty Eight Crores, Eighty Seven Lakhs and Eighty Thousands only) during the half year ended 31.03.2016 as per Regulation 56 (1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**C N RAJA ASSOCIATES**  
**Chartered Accountants,**



**(c n raja)**

Partner - Membership Number 019637

Place: Visakhapatnam

Date: 27<sup>th</sup> May 2016



## **ANNEXURE B**

**Details of redemption & payment of interest during last half year ending 31.03.2016:**

<b>Series / Tranche</b>	<b>Type (Principal / Interest)</b>	<b>Due date of payment</b>	<b>Amount (Rs.)</b>	<b>Actual date of payment</b>
I	Interest	28/3/16	41433091	28/3/16

## **ANNEXURE C**

**Details of redemption & interest due in the next half-year i.e. 01.04.2016 to 30.09.2016:**

<b>Series / Tranche</b>	<b>Type (Principal / Interest)</b>	<b>Due date of payment</b>	<b>Amount (Rs.)</b>
Nil	Nil	Nil	Nil

## **ANNEXURE D**

**Details of Debenture Redemption Reserve (If applicable):**

<b>Series / Tranche</b>	<b>Amount of issue Rs. (In Cr.)</b>	<b>DRR required to be created Rs. (In Cr.)</b>	<b>DRR created upto 31.03.2016 Rs. (In Cr.)</b>	<b>Funds invested for debentures maturing during the year</b>
I	58.88	6.00	18.00	No debentures are maturing during the year



**GDA Trustee**

*Believe in yourself... Trust us!*



**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

**[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, GDA Trusteeship Limited ("Debenture Trustee") hereby confirm that we have received and noted the information, as specified under Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), provided to us by "Dredging Corporation of India Limited" (the Company) for the Half year ending on March 31, 2016.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For GDA Trusteeship Limited

*[Handwritten Signature]*

Authorised Signatory

Date: May 30, 2016

**GDA Trusteeship Ltd.**

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Tel: +91-20-25200091 • Fax: +91-20-25200275 • Email : dt@gdatrustee.com • Web : www.gdatrustee.com

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