

DREDGING CORPORATION OF INDIA LIMITED
VISAKHAPATNAM

MINUTES OF 36th ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF DREDGING CORPORATION OF INDIA LIMITED HELD ON FRIDAY,
28th SEPTEMBER, 2012 AT 1000 HOURS IN SIRI FORT AUDITORIUM
NO. 1, SIRI FORT CULTURAL COMPLEX, AUGUST KRANTI MARG,
NEW DELHI - 110049.

PRESENT

1. Capt. D.K. Mohanty : Chairman and Managing Director
2. Shri P.V.Ramana Murthy: Director (Finance)
3. Shri P. Jayapal : Director (Ops & Tech.)
4. Shri S. Balachandran : Director
5. Shri Vinai Kumar Agarwal: Director
6. Shri A.K.Singh : Representative of the President of India.
7. Shri P. Vikram : Partner, M/s. G R Kumar & Co.,
Chartered Accountants,
Visakhapatnam, Statutory
Auditors.
8. 1722 Shareholders and Proxy holders as per attendance slips.

ALSO PRESENT

1. Shri P.P. Govindachari : General Manager (F)
2. Shri K.Aswini Sreekanth : Company Secretary

PROCEEDINGS

CHAIRMAN OF THE MEETING

Pursuant to Article 15 (a) of Articles of Association, Capt.D.K.Mohanty, C.M.D. presided over as Chairman of the 36th AGM.

QUORUM

2. Pursuant to Article 14 of Articles of Association, 5 members personally present shall be the quorum for the meeting. After ascertaining from the Company Secretary that quorum was present, Chairman called the meeting to order.

3. Chairman welcomed all the Members, Directors and Statutory Auditors to the 36th AGM. He introduced the Directors, Statutory Auditors, Representative of President of India and Sr. Officers of the Company, present in the meeting to the shareholders.

NOTICE OF THE MEETING

4. The Notice of the Meeting dated 31.08.2012 convening the 36th AGM on 28-09-2012 was taken as read with the permission of the members.

CHAIRMAN'S SPEECH

5.1 Written speech of the Chairman, both Hindi and English versions, was circulated in the meeting. Chairman stated that the first of the three state of the art Trailer Suction Hopper dredgers of 5500 Cu.M Hopper Capacity each ordered is scheduled to join the fleet towards the end of this year in December 2012. The remaining two dredgers will join the fleet in July 2013 and February 2014 respectively. The addition of these dredgers will help the Company to augment its capacity as well as meet the dredging commitments at various ports in an unhindered way. This would enable the Company to take up refurbishment of the existing aged dredgers so as to enhance their life as well as their efficiency. He further informed that the financial closure for the first two dredgers has been completed during the year. The Company is exploring structured products for financing the third dredger including issue of Tax Free Infrastructure Bonds subject to the approval of Government of India. He stated that in continuation of the steps taken for capacity augmentation, the Company proposes to procure two 9000 Cu.M Hopper capacity TSHDs during the current 12th Plan period 2012-2017. Chairman stated that the Company is sure that with the capacity augmentation the performance will continuously improve over the years to come.

5.2 Chairman stated that the total income for the year is ₹50458.29 lakh as compared to ₹52272.48 lakh for the previous year. Profit after tax is ₹1318.10 lakh as compared to ₹3951.47 lakh for the previous year. The Company's earnings per share for 2011-2012 is ₹4.71 as compared to ₹14.11 for the previous year. Chairman stated that the fall in performance of the Company is mainly attributable to the ageing of the dredgers. Chairman further stated that considering the massive capital commitments underway towards procurement of dredgers and in the interest of the future growth of the company and considering the cash flow requirements, no dividend is recommended for the year 2011-12.

5.3. Chairman stated that once the new dredgers join the fleet, the operations of the Company will be smooth and DCI will once again drive in the path of growth trajectory.

5.4 Chairman informed that the Company is catering to the dredging requirements of the Haldia/Kolkata Port almost for the past thirty years. The Company also caters to the maintenance dredging requirements to other major ports, Indian Navy etc. The Company is taking up capital dredging assignments

depending on the availability of the vessels and other logistic requirements.

5.5 Chairman further informed that the Company has executed dredging contracts for Kolkata Port, Karwar Port, Mormugao Port, new sand trap and its approaches for Visakhapatnam Port Trust, Naval Channel at Ernakulam, channels and basins at Cochin Port. The Capital dredging work is being executed at Ennore Port

5.6 Chairman informed that the present dredging fleet of the Company consists of 10 Trailer Suction Dredgers and 3 Cutter Suction Dredgers and one Back-hoe dredger.

5.7 Chairman stated that the Company signed Memorandum of Understanding (MOU) with Government of India for the year 2012-13.

5.8 Chairman stated that the Company has also taken steps for fulfilling its responsibility towards the Society by implementing the CSR initiatives. He stated that the Company would be providing infrastructural facilities to a Government School, provide state of art instruments to an Eye Hospital and also provide free cataract operations to the needy in BPL families in fishermen community in and around Visakhapatnam. He stated that these initiatives will be taken on full swing once the operations of the Company reach expected levels.

5.9 Chairman stated that the greatest strength of the Company has always been its employees and the Company is fully aware of its commitment towards development of its employees.

5.10 Chairman expressed gratitude to the Hon'ble Minister for Shipping, for the keen interest taken in the progress of the Company and the Secretary, Department of Shipping for his guidance and advice. He thanked all the officials in the Ministry for their help and Comptroller and Auditor General of India and his staff and the Statutory Auditors for their co-operation. He expressed gratitude for the continued patronage of the customers. He conveyed his sincere thanks to his colleagues on the Board for their support and valuable guidance and appreciation for the dedicated services of the employees. He wished the members present in the meeting "Happy Dussehra and Diwali".

5.11 Chairman commended for consideration and adoption of Balance Sheet, statement of Profit & Loss for the year 2011-12, etc., to the shareholders.

DIRECTOR'S REPORT

6. Directors Report to the members was taken as read with the permission of members.

AUDITOR'S REPORT

7. Company Secretary read out the Auditor's Report for the year 2011-2012 to the members.

CAG'S COMMENTS

8. Company Secretary read out the Nil Comments from CAG on the accounts of the Company for the year 2011-2012 to the members.

BUSINESS OF AGM AS PER NOTICE

9. Chairman took up the business listed in the notice of the meeting in seriatim.

ADOPTION OF ACCOUNTS ETC.

10.1 Chairman invited the shareholders present to ask any queries regarding the accounts etc., in the query slips being distributed or speak from the podium provided for the purpose. Some of the shareholders sought information on the performance of the Company etc which were responded by Chairman.

10.2 Shri Chanchal Bala proposed and Ms. Sakshi Bhatia, seconded the following resolution for approval of the Annual Accounts for 2011-12, Director's Report, Auditor's Report, Final Accounts for the year 2011-12 etc.

"RESOLVED THAT Balance Sheet as on 31-3-2012, Statement of Profit and Loss for the year ended 31-3-2012, Directors' Report and Auditor's Report there on and comments of CAG on the audited accounts of the company for the year 2011-2012 be and are hereby received, considered and adopted."

10.3 Chairman put up the resolution to voting and the resolution was passed unanimously.

RETIREMENT AND RE-APPOINTMENT OF DIRECTORS BY ROTATION

11.1 Chairman informed that pursuant to provisions of Section 255 and 256 of the Companies Act, 1956 relating to retirement of Directors by rotation and re-appointment, Shri M.C. Jauhari, Shri Vinai Kumar Agarwal, Shri S. Balachandran and Shri P. V. Ramana Murthy retire at this meeting and are eligible for re-appointment.

- (i) Ms.Divya Patwal proposed and Shri Surjit Singh Alag seconded the following resolution for reappointment of Shri M.C. Jauhari

"RESOLVED THAT Shri M.C. Jauhari who retires from the Board at this Meeting in accordance with Section 256 of the Companies' Act 1956 be and is hereby re-appointed as Director of the Company. "

Chairman put up the resolution for voting. It was passed unanimously.

- (ii) Ms.Raj Kumari Bhatia proposed and Shri Joginder Kumar Bhatia seconded the following resolution for reappointment of Shri S.Balachandran

"RESOLVED THAT Shri S.Balachandran who retires from the Board at this Meeting in accordance with Section 256 of the Companies' Act 1956 be and is hereby re-appointed as Director of the Company.

- (iii) Shri Rattan Kumar Jain proposed and Shri Manish Kapoort seconded the following resolution for reappointment of Shri Vinai Kumar Agarwal

"RESOLVED THAT Shri Vinai Kumar Agarwal who retires from the Board at this Meeting in accordance with Section 256 of the Companies' Act 1956 be and is hereby re-appointed as Director of the Company.

- (iv) Shri Manjit Singh proposed and Shri Kulvinder Singh seconded the following resolution for reappointment of Shri P.V. Ramana Murthy

"RESOLVED THAT Shri P.V. Ramana Murthy who retires from the Board at this Meeting in accordance with Section 256 of the Companies' Act 1956 be and is hereby re-appointed as Director of the Company.

Chairman put up the resolution for voting. It was passed unanimously.

FIXATION OF REMUNERATION TO STATUTORY AUDITORS FOR THE YEAR 2011-2012

12.1 Chairman informed that the Comptroller and Auditor General of India, Pursuant to Section 619 of the Companies Act, 1956 appointed M/s GR Kumar & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for the year 2011-12. Pursuant to Clause (aa) of sub-section 8 of Section 224

of the said Act, the remuneration of the Auditors shall be fixed by the Company in general meeting. The Board of Directors recommended remuneration of ₹2,50,000/- to the Statutory Auditors for the year 2011-12 for the approval of members at this Annual General Meeting.

12.2 Shri Devendra Singh, proposed and Shri Bansi Lal seconded the following resolution:

"RESOLVED THAT pursuant of clause (aa) of Sub-section (8) of Section 224 of the Companies Act, 1956, the remuneration of the Statutory Auditors of the company, M/s GR Kumar & Co., Chartered Accountants, Hyderabad appointed by Comptroller and Auditor General of India be and is hereby fixed at ₹2,50,000/- (rupees two lakhs and fifty thousand only) plus service tax as applicable for the year 2011-2012."

Chairman put up the resolution for voting. It was passed unanimously.

SPECIAL BUSINESS : INCREASE OF BORROWING POWERS OF THE BOARD TO ₹2500 Cr.

13.1 CMD informed that the Company has placed orders for design, construction and delivery of three Trailer Suction Hopper dredgers of 5500 Cu.M hopper capacity each. Further in the twelfth plan for 2012-17, the Company proposes to procure two more higher capacity trailer suction hopper dredgers of 9000 Cu.M hopper capacity each. The aggregate requirement for borrowings including the existing borrowings for the two trailer suction hopper dredgers of 5500 Cu.M hopper capacity each and proposed borrowings for the third trailer suction hopper dredgers of 5500 Cu.M hopper capacity and two trailer suction hopper dredgers of 9000 Cu.M hopper capacity each would be around ₹2500 Cr. As of 31/3/2012, the paid up capital is ₹28.00 Cr. and free reserves is ₹1197 Cr. aggregating to ₹1225 Cr.

13.2 Chairman stated that in view of the above, the existing borrowing powers of the Board which is aggregate of paid-up share capital and free reserves as per the Companies Act will not be adequate to cover the financing requirements for the three dredgers of 5500 Cu.M hopper capacity each orders for which order have already been placed and for the proposed two 9000 Cu.M. hopper capacity each.

13.3 It is therefore, necessary to enhance the powers of the Board. The Board of Directors of the Company have recommended for approval of the Members for enhancement in the borrowing powers to ₹2,500 Cr. (Rupees two thousand five

hundred Crores only) at its Meeting held on 13/08/2012. Chairman requested the shareholders to accord approval to the proposal for increasing the borrowing powers of the Board to ₹2500 Cr.

13.4 Shri Prem Chand Chachra, proposed and Shri Manish Kapur seconded the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of Companies Act, 1956 or any amendment or modifications thereof, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company, to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, on such terms and conditions as to repayment, interest or otherwise, as the Board thinks fit, subject to the proviso that such borrowing together with the moneys already borrowed shall not exceed ₹2500 Cr. (Rupees Two thousand and five hundred crores) and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things including to create charge / provide security for the sums borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as it may in its absolute discretion consider necessary, proper or desirable. "

Chairman put up the resolution for voting. It was passed unanimously.

VOTE OF THANKS

14. After responding suitably to the Vote of Thanks to Chair, the Chairman declared that the 36th AGM was closed.

(CAPT. D. K. MOHANTY)
CHAIRMAN AND MANAGING DIRECTOR

