

DREDGING CORPORATION OF INDIA LIMITED
VISAKHAPATNAM

MINUTES OF 37th ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DREDGING CORPORATION OF INDIA LIMITED HELD ON THURSDAY, 26TH SEPTEMBER, 2013 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. Dr. S. Narasimha Rao : Director
5. Shri A.K.Singh : Representative of the President of India.
6. Shri G R Kumar : Partner, M/s. G R Kumar & Co.,
Chartered Accountants,
Visakhapatnam, Statutory
Auditors.
7. 2908 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 37th 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 37th 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 21.08.2013 convening the 37th AGM on 26-09-2013 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 and second of the three state of the art Trailer Suction Hopper Dredgers of 5500 Cu.M Hopper Capacity each ordered have been delivered and joined the fleet in December, 2012 and July, 2013 respectively. He added that the third dredger is expected to join the fleet by February, 2014. The addition of these dredgers will help the Company to augment its capacity, improve its efficiency as well as meet the dredging commitments at various ports in an unhindered way.
- 5.2 Chairman stated that during the year the Company has issued tax-free, secured, redeemable, non convertible bonds in March 2013 to an extent of ₹50000 lakhs for financing the capital acquisition plans and the Company mobilized an amount of ₹5887.80 lakhs. The amount raised has been utilised for part payment of the third dredger – DCI Dr. XXI. The tenure of the bonds is 10 years. The coupon rate is 6.97% p.a. and additional coupon rate of 0.5% for original allottees of retail individual investors category. The Bonds are fully secured by way of charge of movable property in terms of the approval of the Ministry of Corporate Affairs, Government of India.
- 5.3 He also added 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.
- 5.4 Chairman further stated that the total income for the year is ₹63801.98 lakh as compared to ₹49761.49 lakh for the previous year. He stated that the operational income for the year increase by 31% as compared to that of the previous year. The Profit after tax also rose by 56% to ₹2050.90 lakh as compared to ₹1318.10 lakh for the previous year. The Company's earnings per share for 2012-2013 is ₹7.32 as compared to ₹4.71 for the previous year.
- 5.5 Chairman stated that in order meet the loan repayment obligations in foreign currency which have been taken to part finance the acquisition of dredgers, the Company is in the process of chartering out dredgers and formation of international JV so as to cover the forex risks involved.
- 5.6 Chairman further added that after taking into account the requirements for capital expenditure your Directors recommend payment of dividend @20% on the paid up capital of the Company. The dividend is being paid after a gap of two years.

- 5.7 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.
- 5.8 Chairman further informed that the Company has executed dredging contracts for Kolkata Port, Visakhapatnam Port, Gangavaram Port, Cochin Port, Kandla Port and Chettinadu Coal Terminal at Ennore and Capital Dredging Contracts were executed at Paradip Port, Ennore Port, Cochin Port and Kandla Port. The long term pending dredging works at the ICTT of Cochin Port Trust was successfully completed and the container terminal was fully commissioned.
- 5.9 Chairman stated that the Company has also taken steps for Company has also taken steps for fulfilling its responsibility towards the Society by implementing the CSR initiatives. This year the Company is undertaking CSR activity in the form of giving scholarships to SC/ST/ Backward Caste students studying in IMU and other reputed maritime institutions. The CSR initiatives will be widened and taken on full swing once the operations of the Company reach expected levels.
- 5.10 Chairman informed that the present dredging fleet of the Company consists of 11 Trailer Suction Dredgers and 3 Cutter Suction Dredgers and one Back-hoe dredger.
- 5.11 Chairman stated that the Company signed Memorandum of Understanding (MOU) with Government of India for the year 2013-14 and the MOU rating for 2012-13 is expected to be "Very Good".
- 5.12 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.
- 5.13 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".

5.14 Chairman commended for consideration and adoption of Balance Sheet, statement of Profit & Loss for the year 2012-13, 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 2012-2013 to the members. Company Secretary also read out the Managements reply to the qualification by statutory Auditor in their Report.

CAG'S COMMENTS

8. Company Secretary read out the Nil Comments from CAG on the accounts of the Company for the year 2012-2013 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 Smt. Shoba Bhambri proposed and Shri Jatinder Kumar Bhambri seconded the following resolution for approval of the Annual Accounts for 2012-13, Director's Report, Auditor's Report, Final Accounts for the year 2012-13 etc.

"RESOLVED THAT Balance Sheet as on 31-3-2013, Statement of Profit and Loss for the year ended 31-3-2013, Directors' Report and Auditor's Report there on and comments of CAG on the audited accounts of the company for the year 2012-2013 be and are hereby received, considered and adopted."

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

DECLARATION OF DIVIDEND

11.1 CMD informed that the Board of Directors recommended a dividend of 20% for the financial year 2012-13. He further informed that dividend of 20% i.e., 2.00 per equity share of ₹10/- each of the paid up capital of the Company would be payable now. Smt. Prabhawati Singh, member proposed and Shri Peeyush Kumar Singh seconded the following resolution for payment of dividend for the year 2012-13:

“RESOLVED THAT dividend of 20% (declared by the Board in its 276th meeting held on 28th May, 2013) on equity shares of ₹10/- each in the paid up capital of the company out of the profits for the year 2012-2013 as recommended by the Board be and is hereby declared.

THAT the final dividend of 20% i.e. ₹2.00/- per equity share of ₹10/- each be distributed to the shareholders whose names appear:

- a) as beneficial owners at the end of the business hours on 13th September, 2013 as per the list furnished by the Depositories in respect of the shares held in electronic form and
- b) as members in the Registered of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 13th September, 2013.

11.2 CMD put up the resolution for voting. It was passed unanimously.

RETIREMENT AND RE-APPOINTMENT OF DIRECTORS BY ROTATION

12.1 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 B. Poiyaamozhi and Dr. S. Narasimha Rao retire at this meeting and are eligible for re-appointment.

- (i) Smt. Usha Vohra proposed and Shri Surindernath Vohra seconded the following resolution for reappointment of Shri B. Poiyaamozhi

“RESOLVED THAT Shri B. Poiyaamozhi 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. “

- (ii) Ms. Priyanka Malik proposed and Shri Puneet Goyal seconded the following resolution for reappointment of Dr. S. Narasimha Rao

"RESOLVED THAT Dr. S. Narasimha Rao 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 2012-2013

13.1 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 2012-13. 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 2012-13 for the approval of members at this Annual General Meeting.

13.2 Shri Om Prakash Chand proposed and Shri Dhiraj Kapoor 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 2012-2013."

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 37th AGM was closed.

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