DREDGING CORPORATION OF INDIA LIMITED

CIN No. L29222DL1976PLC008129 GST NO. 37AAACD6021B1ZB
Head Office : "DREDGE HOUSE", HB Colony Main Road, Seethammadhara, Visakhapatnam–530022
Phone : 0891 2523250, Fax : 0891 2560581/ 2565920,
Website: www.dredge-india.com
Regd. Office : Core-2, First Floor, Scope Minar , Laxminagar District Centre, Delhi – 110092

DCI/CS/E.1/2021/ 10/11/21

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 : Long Term Issuer rating issued by the Credit Rating Agency.

The Long term issuer rating issued by the Credit Rating for the Company – M/s India Ratings and Research is enclosed as Annexure – I. The Existing and Revised Long term issuer Rating of the Company is as under:

Sl.No.	Name of the Credit Rating Agency	Existing	Revised
1	M/s. India Ratings & Research	IND A	IND BBB+

2. This may please be treated as information submitted to Stock Exchanges as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You
Yours faithfully

For Dredging Corporation of India Limited

(K.Aswini Sreekanth)
Company Secretary

From: rabin.bihani@indiaratings.co.in
To: sreekanth.dci
Subject: Rating Letter and Rating Rationale –Dredging Corporation of India Limited
Date: 10 November 2021 12:05:11
Attachments: DredgingCorporationofIndiaLimited_RatingLetter-6836.pdf

Hi Sir,

Please find attached link to the published rationale below. Also please find attached rating letter.

https://www.indiaratings.co.in/PressRelease?pressReleaseID=56591

Thanks,
Rabin Bihani

10/11/21
SE's
10/11/21

India Ratings
& Research
A Fitch Group Company

FitchGroup

Recd on 10/11/21
by e-mail.

DREDGING CORPORATION OF INDIA LIMITED

K Aswini Sreekanth
Company Secretary and Compliance Officer
Dredging Corporation of India Limited
Dredge House,
HB Colony Main Road, Seetammadhara,
Visakhapatnam - 530022

November 09, 2021

10/11/21 [illegible] SE's

Dear Sir/Madam,

Re: Rating Letter for BLR of Dredging Corporation of India Limited

India Ratings and Research (Ind-Ra) has downgraded Dredging Corporation of India Limited's (DCI) Long-Term Issuer Rating to 'IND BBB+' from 'IND A'. The Outlook is Negative.

The downgrade and Negative Outlook reflects the weakening of DCI's liquidity position in FY21 due to weak operating performance and a substantial increase in creditors in 2HFY21 and expectations of moderate profitability. During FY21, the company reported operating loss on account of increase in the operating expenses as well as due to a decline in the subcontracting margin, as a result of which the company incurred cash loss. Despite the cash loss, the company reduced its overall debt predominantly on the back of substantial increase in the creditors. Its liquidity has been largely supported by increase in the creditors. Ind-Ra believes liquidity of the company is likely to remain stretched in view of expectations of moderate profitability due to decline in subcontracting margins and substantial debt repayment in FY22-FY23.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Abhishek Bhattacharya
Senior Director