

Mr. Dinesh Shah
Vice President (Finance & Accounts),
Meghmani Organics Limited,
"Meghmani House"
Shree Nivas Society, Paldi,
Ahmedabad - 380 007.

CERTIFIED TRUE COPY
For MEGHMANI ORGANICS LIMITED

(K. D. MEHTA)
COMPANY SECRETARY

December 26, 2011

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue of Rs.100 crore

On a review of recent developments including operational and financial performance of Meghmani Organics Ltd. (MOL) for FY11 and H1FY12, our Rating Committee has revised the rating of the Non-Convertible Debenture (NCD) issue of MOL from 'CARE A+' [Single A Plus] to 'CARE A' [Single A] for an outstanding amount of Rs.100 crore. The NCDs are repayable in two equal installments of Rs.50 crore each on October 12, 2014 and October 12, 2015. The issue details are given in **Annexure I**.

2. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
3. Our rating symbols for various medium and long term instruments (including NCDs) are placed as **Annexure II**. The rationale for the rating will be communicated to you separately.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish



such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.

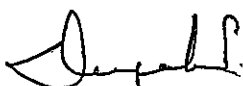
6. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Hardik Shah]
Dy. Manager


[Deepak Prajapati]
Asst. General Manager

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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Annexure I

Issue Details

Particulars	Existing Instrument
Type of Instrument	Non-Convertible Debentures (NCD)
Size of the issue	Rs.100.00 crore
Rate of Interest	10.40%
Redemption	1 st Redemption – 50 % on October 12, 2014 2 nd Redemption – 50% on October 12, 2015
Interest payment	Quarterly
Purpose	General corporate purposes.
Security	1 st Pari-passu Charge on Fixed Assets
Mode of Issue	Listed on Wholesale Debt Market segment of BSE.
Investors	Allahabad Bank, Tata Capital Ltd., PNB, OBC, Central Bank, Vijaya Bank, LIC MPS Trustee
Amount o/s as on Nov. 30, 2011	Rs.100.00 crore

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Annexure II

Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

JS