

MCFL/SE/2016

January 6, 2016

The Asst. Vice President,  
National Stock Exchange of India  
Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
**MUMBAI - 400 051**  
Fax :No. 022 – 26598237 / 8

Department of Corporate Services -  
CRD  
BSE Limited,  
Floor 25, PhirozeJeejeebhoy Towers,  
Dalal Street  
**MUMBAI - 400 001**  
Fax No. 022 – 22723121

Dear Sir

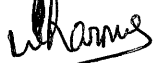
**Sub: Intimation of Revision in Rating**

Pursuant to the provisions of Regulation 30 and Sub Para 3 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that CRISIL has revised the Long Term Rating to CRISIL BB/Stable from CRISIL BBB/Negative and Short Term Rating to CRISIL A4+ (pronounced as CRISIL A Four Plus) from CRISIL A3+ (pronounced as CRISIL A Three Plus). The rationale given by CRISIL, which was not accepted by the Company, is given below.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**for Mangalore Chemicals and Fertilizers Limited**



**Vijayamahantesh V. Khannur**  
Company Secretary

**Rationale given by CRISIL:**

The rating action reflects CRISIL's belief that MCFL's operating performance and debt protection metrics will remain weak over the medium term; the company reported negative net cash accruals in first half of 2015-16 (refers to financial year, April 1 to March 31) with interest cover of less than 1 time. The operating performance has weakened in 2015-16 on account of deficient monsoon in its key target market – Karnataka and tightening of energy consumption norms at its urea plant.