

Dr. H. B. Patel
Chief Finance Officer
Gujarat Alkalies and Chemicals Ltd
P.O. Petrochemicals
Dist. Vadodara - 391 346

January 18, 2012

Confidential

Dear Sir

Credit rating for Commercial paper / Short term debt issue of Rs.100.00 crore

On a review of recent developments including operational and financial performance of your company for FY11 and H1FY12, our Rating Committee has reaffirmed the rating of 'CARE A1+' [A One Plus] assigned to the Commercial Paper (CP) /Short Term Debt (STD) issue of the company, aggregating to Rs.100.00 crore, for a maturity not exceeding one year. The CP/STD issue is not carved out of the sanctioned fund based limits of the company:

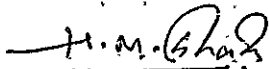
2. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various ratings for short term instruments and explanatory notes thereon are annexed as Annexure I. The rationale for the rating will be communicated to you separately.
3. Please arrange to get the rating revalidated, in case the issue is not made within two months from the date of this letter.
4. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
5. 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.
6. 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 and 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 any reference to you.

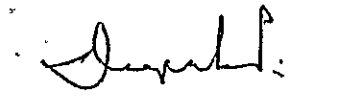
7. CARE ratings are not recommendations to buy, sell, or hold any securities.

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

A. Rating Symbols and Definitions for Short Term Debt Instruments

Symbols	Rating Definition
CARE A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
CARE A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
CARE A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
CARE A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
CARE D	Instruments with this rating are in default or expected to be in default on maturity.

Modifier "+" (plus) can be used with the rating symbols for the categories CARE A1 to CARE A4. The modifier reflects the comparative standing within the category.

