



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Fertilizernagar – 391 750. Vadodara, Gujarat, INDIA.

BY FAX/REGISTERED POST A.D.

NO.SEC/QTR./2016

14th March, 2016

The Corporate Relationship Department BSE Limited 1st Floor, New Trading Ring Rotunda Bldg., P.J.Towers, Dalal Street Fort, MUMBAI - 400 001	The Manager, Listing Department National Stock Exchange of India Ltd. 'Exchange Plaza', C/1, Block G Bandra-Kurla Complex Bandra (East), MUMBAI - 400 051
--	---

SCRIP CODE: **500690**

SYMBOLS: **GSFC**

Dear Sir/Madam,

Sub. : In-principle agreement with KRN to facilitate debt financing.

We hereby inform that with a view to enable M/s Karnalyte Resources Inc, Canada (KRN) achieve the financial closure for its Wynyard Potash Project Phase-1, GSFC, as the largest shareholder of KRN, has entered into an in-principle agreement with KRN to facilitate debt financing by procuring Standby Letter of Credit (SBLC) from Indian banks and backstop the untied equity/mezzanine financing subject to the required Indian regulatory approvals.

M/s Karnalyte is engaged in the business of exploration and development of high quality potash and magnesium products and in the first phase would produce 625,000 tonnes of potash per year, increasing to 2.125 million tonnes of potash per year on completion of all the three phases. Karnalyte owns a 100% interest in Subsurface Permit KP 360A and Subsurface Mineral Lease KLSA-010 located near Wynyard, Saskatchewan, comprising a total of 85,126 acres. Further, currently GSFC holds 19.98% stake in KRN acquired in 2013 with an investment of CAD 45 Mn along with an offtake agreement for getting 3,50,000 MTPA Muriate of Potash (MOP) from Phase-1 production and further 2,50,000 from Phase-2 production.

This intimation is being sent as an abundant precaution and the actual financial scheme and the exposure of GSFC to backstop the deficit funding under the financial scheme would only get firmed up after due negotiations, discussions and approvals likely to be completed by September 2016.

This is for your information please.

Thanking you,

Yours faithfully,

For Gujarat State Fertilizers & Chemicals Ltd.,

V.V. Vachhrajani
CS V.V.Vachhrajani
Company Secretary &
Vice President (Legal)



Ph. : (0) +91-265-2242451, 2242651, 2242751, 2242641 • Fax : +91-265-2240966 - 2240119

Website : www.gsfclimited.com

/ ho@gsfcld.com

ISO 9001, ISO 14001, OHSAS 18001 & EN 16001 Certified Company