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Synopsis of the Composite Scheme of Arrangement and Amalgamation between iKisan Limited and Kakinada Fertilizers Limited and Nagarjuna Fertilizers and Chemicals Limited and Nagarjuna Oil Refinery Limited and their respective shareholders and creditors

1. Pursuant to the approval of the Board of Directors of the Company at their meeting held on January 10, 2011, the Composite Scheme of Arrangement and Amalgamation (Scheme) between Ikisan Limited (ikisan) and Kakinada Fertilizers Limited (KFL) and Nagarjuna Fertilizers and Chemicals Limited (NFCL) and Nagarjuna Oil Refinery Limited (NORL) and their respective shareholders and creditors ('the Scheme') as per the provisions of Sections 391 – 394 and other relevant provisions of the Companies Act, 1956, the Jurisdictional High Court of Bombay in Mumbai and the Andhra Pradesh High Court, Hyderabad have approved the Scheme on June 17, 2011 and June 27, 2011, respectively. .
2. The Scheme, inter alia, provides for demerger of the Oil Business Undertaking of NFCL into NORL and merger of residual NFCL and Ikisan into KFL with effect from the Effective Date but shall be operative from the Appointed Date, i.e. April 1, 2011.
3. Consequent to the Approval of the Jurisdictional High Courts the Effective Date of the Scheme is July 30, 2011.
4. Pursuant to Scheme, shares shall be allotted on the following basis:
For demerger of Oil Business Undertaking:
 - 1 (one) Equity Share of Re. 1 each fully paid up of NORL for every 1 (one) Equity Share of Rs. 10 each fully paid up, held by the shareholders in NFCL.

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- 1 (one) Preference Share of Rs. 10 each fully paid up of NORL for every 1 (one) Preference Share of Rs. 100 (Rupees One Hundred Only) each held in NFCL.

For merger of residual NFCL into KFL

- 11 (eleven) Equity Shares of Re. 1 each fully paid up of KFL for every 10 (ten) Equity Shares of Rs. 10 each fully paid up, held by the shareholders in NFCL;
- 1 (one) fully paid up Preference Share of Rs.90 (Rupees Ninety Only) each of KFL shall be issued and allotted for every 1 (one) Preference Share of Rs. 100 (Rupees One Hundred Only) each held in NFCL.

For merger of iKisan into KFL

- 43(forty three) Equity Shares of Re. 1 each fully paid up of KFL for every 10 (ten) Equity Shares of Rs. 10 each fully paid up, held by the shareholders in iKisan.

5. a) As per the scheme every shareholder holdings shares shall be entitled to receive KFL Equity shares and NORL Equity shares in the ratio as mentioned above.

b) Accordingly, shareholders eligible to receive shares in KFL and NORL shall be allotted shares in the multiples of one share and fractions arising out of such entitlement less than one share shall be consolidated and shares shall be allotted to a Director or such other authorized representative as the Board of Directors of respective companies shall appoint in this behalf.

6. Such person shall hold the shares, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to KFL / NORL, the net sale proceeds

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thereof, whereupon KFL / NORL shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements.

7. The Board of Directors of KFL / NORL, if deem necessary, in the interest of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

8. Relevant Clauses in the Scheme:

The relevant clauses in the scheme with regard to fractional entitlements by NORL and KFL are Clauses 5.4 and 14.5 respectively as reproduced below:

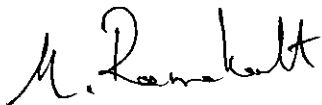
Clause 5.4

In respect of fractional entitlements, if any, by NORL, to the equity shareholders of NFCL at the time of issue and allotment of NORL Equity Shares under Clause 5.1, the Board of Directors of NORL shall consolidate all fractional entitlements, and allot NORL Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of NORL shall appoint in this behalf, who shall hold the NORL Equity Shares issued in NORL, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to NORL, the net sale proceeds thereof, whereupon NORL shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of NORL, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.



Clause 14.5

In respect of fractional entitlements, if any, by KFL, to the equity shareholders of Transferor Companies at the time of issue and allotment of KFL Equity Shares under Clause 14.1, the Board of Directors of KFL shall consolidate all fractional entitlements, and allot KFL Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of KFL shall appoint in this behalf, who shall hold the KFL Equity Shares issued in KFL, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to KFL, the net sale proceeds thereof, whereupon KFL shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of KFL, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.



M Ramakanth
Vice President – Legal & Secretary