

To
The Board of Directors
Nagarjuna Fertilizers and Chemicals Limited

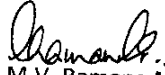
Review Report

1. We have reviewed the accompanying statement of "Unaudited Financial Results for the Quarter / Half year ended September 30, 2011" ('the Statement') of Nagarjuna Fertilizers and Chemicals Limited ("the Company"). This statement, approved by the Board of Directors on November 8, 2011, has been prepared for the purpose of publication of financial results for the said period for the benefit of all stakeholders of the Company (but not under clause 41 of the listing agreement) and is the responsibility of the Company's Management. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an opinion.
3. We draw attention to the following:
 - a) Note no 1 and 3 to the Statement regarding the Statement having been prepared on the basis of Accounts of the Company as on and for the period ended September 30, 2011 which has been drawn-up incorporating necessary adjustments as envisaged in the Composite Scheme of Arrangement and Amalgamation (Scheme) of 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, approved by the jurisdictional High Courts in Bombay at Mumbai and Andhra Pradesh at Hyderabad on June 17, 2011 and June 27, 2011 respectively and in compliance with AS 14 (Accounting for Amalgamations).
 - b) Note no.3(e), 12 and 13 regarding furnishing of particulars of basic earnings per share, particulars of Public shareholding and promoter and promoter group share holding are furnished taking into consideration the allotment of equity shares on October 1, 2011 and consequent cancellation of paid up capital of KFL as on September 30, 2011.
4. Based on our review and read with the matters at para '3' above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, contains any material misstatement.

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5. We also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered in respect of the aggregate amount of promoter and promoter group (as defined in Clause 35 of the Listing Agreement with Stock Exchanges) from the details furnished by the Management.
6. We further report that the particulars relating to the investor complaints have been traced from the details furnished by the management.
7. This report is issued for limited use by the Company for its publication of financial results for the quarter / half year ended September 30, 2011 and is not intended to be used for any other purpose.

for M. Bhaskara Rao & Co.
Chartered Accountants
Registration No.000459S


M.V. Ramana Murthy
Partner

Membership No. 206439

Hyderabad, November 8, 2011