

EXPLANATORY STATEMENT

Notice Item No.5(i)

Mr. A.B.Khare, (DIN 07416463) representing M/s Madras Fertilizers Ltd. (MFL), who was appointed as a Director in casual vacancy by the Board of Directors at its meeting held on 28.3.2016. As per Section 161(4) of the Companies Act, 2013 a person who has been appointed as Director in casual vacancy holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated. Consequently, Mr. A.B.Khare holds office up to the date of this Annual General Meeting, the date till which the original Director Dr. I. Vijay Kumar, would have held the office. Against this resultant vacancy, M/s Madras Fertilizers Ltd. have proposed the candidature of Mr. A.B.Khare as a candidate to the office of Director of FAI.

None of the Directors except Mr. A.B.Khare himself is concerned or interested in the resolution.

Notice Item No.5(ii)

Mr. A.K.Jain, (DIN 01731920) representing M/s Kanpur Fertilizers & Cement Limited (KFCL), who was appointed as a Director in casual vacancy by the Board of Directors at its meeting held on 26.6.2015. As per Section 161(4) of the Companies Act, 2013 a person who has been appointed as Director in casual vacancy holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated. Consequently, Mr. A.K.Jain holds office up to the date of this Annual General Meeting, the date till which the original Director Mr. V.K.Sharma, would have held the office. Against this resultant vacancy, M/s Kanpur Fertilizers & Cement Limited have proposed the candidature of Mr. A.K.Jain as a candidate to the office of Director of FAI.

None of the Directors except Mr. A.K.Jain himself is concerned or interested in the resolution.

Notice Item No.5(iii)

Mr. Suresh Warior, (DIN: 06920261) representing M/s Rashtriya Chemicals and Fertilizers Ltd. (RCF), who was appointed as a Director in casual vacancy by the Board of Directors at its meeting held on 18.08.2017. As per Section 161(4) of the Companies Act, 2013 a person who has been appointed as Director in casual

vacancy holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated. Consequently, Mr. Suresh Warior holds office up to the date of this Annual General Meeting, the date till which the original Director Mr. R.G.Rajan, would have held the office. Against this resultant vacancy, M/s Rashtriya Chemicals and Fertilizers Ltd. have proposed the candidature of Mr. Suresh Warior as a candidate to the office of Director of FAI.

None of the Directors except Mr. Suresh Warior himself is concerned or interested in the resolution.

Notice Item No.5(iv)

Mr. Sameer Goel, (DIN: 07298938) representing M/s Coromandel International Limited, who was appointed as a Director in casual vacancy by the Board of Directors at its meeting held on 2.12.2015. As per Section 161(4) of the Companies Act, 2013 a person who has been appointed as Director in casual vacancy holds office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated. Consequently, Mr. Sameer Goel holds office up to the date of this Annual General Meeting, the date till which the original Director Mr. V. Ravichandran, would have held the office. Against this resultant vacancy, M/s Coromandel International Limited have proposed the candidature of Mr. Sameer Goel as a candidate to the office of Director of FAI.

None of the Directors except Mr. Sameer Goel himself is concerned or interested in the resolution.

Notice Item 5(v)

Mr. K.S. Raju, representing M/s Nagarjuna Fertilizers and Chemicals Limited (NFCL), was appointed as an Additional Director on the Board of FAI on 18th August, 2017. His term as Additional Director is expiring at 62nd AGM. M/s Nagarjuna Fertilizers and Chemicals Limited (NFCL), Active Member of FAI, has proposed the candidature of Mr. K.S. Raju, (DIN: 00008177), as a Director on the Board of FAI against the existing vacancy as per the requirements under Section 160 of the Companies Act, 2013.

None of the Directors except Mr. K.S. Raju himself is concerned or interested in the resolution.

Notice Item 6(i)

M/s Smartchem Technologies Limited (A fully owned subsidiary of DFPCL) an Active Member of FAI, has proposed the candidature of Mr. S.C.Mehta (DIN: 00128204) as a Director on the Board of FAI against the existing vacancy as per the requirements under Section 160 of the Companies Act, 2013.

None of the Directors except Mr. S.C.Mehta himself is concerned or interested in the resolution.

Notice Item 6(ii)

M/s Jubilant Agri and Consumer Products Limited, an Active Member of FAI, has proposed the candidature of Mr. Videh Kumar Jaipurjar, (DIN:03097753) as a Director on the Board of FAI against the existing vacancy as per the requirements under Section 160 of the Companies Act, 2013.

None of the Directors except Mr. Videh Kumar Jaipurjar himself is concerned or interested in the resolution.

Notice Item 6(iii)

M/s Paradeep Phosphates Limited, an Active Member of FAI, has proposed the candidature of Mr. Sunil Sethy, (DIN: 00244104) as a Director on the Board of FAI against the existing vacancy as per the requirements under Section 160 of the Companies Act, 2013.

None of the Directors except Mr. Sunil Sethy himself is concerned or interested in the resolution.

Notice Item No.7 Appointment of Director General (DG)

The tenure of Shri. Satish Chander (DIN: 00276346), Director General of the Association ended on 10th June, 2017. The Board of Directors in its meeting held on 12th May, 2017 decided to extend his tenure for a further period of one year with effect from 11th June, 2017 on the existing terms and conditions and as per applicable provisions of the Companies Act.

Since the appointment and remuneration payable to Director General requires approval of the members of the Association in General Meeting, the resolution as set out in this item is recommended for the approval of the members.

None of the Directors except Shri. Satish Chander is interested in the resolution.

Notice Item No.8 Amendment of Articles of Association of FAI

The present Articles of Association of FAI were adopted in the year 1956 and amended from time to time. They are based on the Companies Act 1956 as amended from time to time.

Consequent upon the enforcement of majority of provisions of the Companies Act, 2013(the "Act") w.e.f April 1st, 2014 and notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, exempting the section 8 companies from some provisions of the Act, the need has arisen to alter the provisions of the articles of association to bring the same in conformity with the aforesaid provisions.

The Directors of Association decided that it is desirable that the articles of association of the company be revised so that they not only fully reflect new Companies Act and rules and regulations made thereunder but must also be in conformity with the modern secretarial practices. Since the proposed alterations, deletions insertions etc. to the present articles of association are numerous it is more convenient to adopt an altogether new set of articles of association incorporating all the provisions of the new act.

Accordingly, the Articles of Association of FAI are amended in accordance with the provisions of Companies Act, 2013. The Board of FAI in their meeting held on 24th March 2017 approved the amended Articles of Association to substitute the existing Articles of Association subject to approval of members in the Annual General Meeting and previous approval of the Central Government, Registrar of Companies.

Your Directors recommend the proposed resolution for your consideration and adoption of the new set of Articles of Association of FAI.

None of the Directors is interested in the proposed resolution.

Notice Item No.9

(a) The assessment dues for Associate, Overseas Associate and Technical and Professional Associate Members have to be determined by the Board and approved at the AGM under Article 17 of the Articles of Association of FAI. The proposed rates of membership subscription for the year 2018-19 have been approved by the Board on 18th August, 2017 and the same are given in the Agenda.

(b) The Budget for the year 2018-19 is placed before the General Body for ratification after approval of the Board of Directors in accordance with clause 16 of the Articles of Association. The proposed Budget has been approved by the Board in its meeting held on the 18th August, 2017.