



**FAIRCHEM**

A FAIRFAX COMPANY

June 23, 2020

# FAIRCHEM SPECIALITY LIMITED

Works & Office : 253/P & 312, Village Chekhala, Sanand - Kadi Highway,

Taluka : Sanand, Dist.: Ahmedabad 382 115. INDIA.

Phone (Board Nos.) : +91 90163 24095 / +91 94099 58550

E-mail : info@fairchem.in, comm@fairchem.in

CIN : L15140MH1985PLC286828

Website : www.fairchem.in

To,

**National Stock Exchange of India Ltd.**

Exchange Plaza,

Plot no. C/1, G Block

Bandra-kurla Complex

Bandra (E)

Mumbai – 400 051.

To,

**Department of Corporate Services,**

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001.

**Ref: : BSE Code: 530117 & NSE Symbol: 'FAIRCHEM'**

Sirs,

**Sub: Regulation 30 - Outcome of Meeting of Board of Directors held on 23-06-2020**

This is to bring to your kind notice that a meeting of the Board of Directors was held today i.e., June 23, 2020 through audio – visual means. As required under Regulation 30 (Schedule III Part – A (4)) of SEBI (LODR) Regulations, 2015. We give below the main outcome of the said Board Meeting:

1. Taking on record standalone and consolidated Audited Financial statements prepared under Ind-AS for the financial year ended on March 31, 2020.
2. Declaration by Company Secretary regarding unmodified opinions on Audited standalone and consolidated Financial Statements by the Statutory Auditors.
3. Recommendation of Dividend @15% i.e., Rs. 1.50 per equity share (on par value of Rs. 10/), subject to approval of the shareholders in the ensuing AGM.

Please take the above on your record.

Thanking You,

Yours faithfully,

For Fairchem Speciality Limited,

Rajen Jhaveri

Chief Financial Officer & Company Secretary

Encl: as above


**FAIRCHEM SPECIALITY LIMITED**
**Regd. Office: Plot No. A-71, TTC, Thane-Belapur Road, Near Kopar Khairane, NAVI MUMBAI-400 709**
**Works & Office : 253/P & 312, Village Chekhala, Sanand - Kadi Highway, Taluka Sanand, Dist. Ahmedabad - 382 115, Gujarat, INDIA**
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**CIN: L15140MH1985PLC286828**
**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

		(Rs. In Lakhs)				
		Quarter ended			Year ended	
		31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		(Refer note 3)		(Refer note 3)		
I	<b>Income</b>					
	Revenue from Operations	8,930.89	8,026.91	5,906.51	30,649.26	24,987.09
II	Other Income (Refer Note 5)	9.49	13.27	0.97	658.86	435.16
III	<b>Total Income (I + II)</b>	<b>8,940.38</b>	<b>8,040.18</b>	<b>5,907.48</b>	<b>31,308.12</b>	<b>25,422.25</b>
IV	<b>Expenses</b>					
	Cost of materials consumed	5,394.17	5,699.07	4,440.75	19,832.24	17,381.47
	Purchase of Stock-in-Trade	-	-	15.08	-	15.08
	Changes in Inventories of Finished Goods and Work-in-Progress	346.26	(284.87)	(592.13)	634.00	(868.92)
	Employee benefits expense	384.10	387.35	381.46	1,550.16	1,517.38
	Finance costs	211.61	170.99	141.03	657.90	573.49
	Power and Fuel	477.51	561.05	432.74	1,883.98	1,744.07
	Depreciation and Amortisation expenses	127.79	160.49	142.86	595.95	544.59
	Other Expenses	445.54	393.34	481.87	1,665.51	1,593.08
	<b>Total expenses</b>	<b>7,386.98</b>	<b>7,087.42</b>	<b>5,443.66</b>	<b>26,819.74</b>	<b>22,500.24</b>
V	<b>Profit Before Tax (III - IV)</b>	<b>1,553.40</b>	<b>952.76</b>	<b>463.82</b>	<b>4,488.38</b>	<b>2,922.01</b>
VI	<b>Tax expense (Refer Note 8)</b>					
	Current Tax	291.89	226.00	68.65	878.89	586.93
	Short provision of income tax of earlier years (net)	4.11	-	-	4.11	-
	Deferred Tax	39.66	7.16	79.42	(49.59)	183.32
	<b>Total Tax expense</b>	<b>335.66</b>	<b>233.16</b>	<b>148.07</b>	<b>833.41</b>	<b>770.25</b>
VII	<b>Profit for the period after tax (V - VI)</b>	<b>1,217.74</b>	<b>719.60</b>	<b>315.75</b>	<b>3,654.97</b>	<b>2,151.76</b>
VIII	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss:					
	- Remeasurement (losses) / gains on post employment defined benefit plans	(5.99)	(0.63)	(9.85)	(12.90)	(29.52)
	- Income tax effect	1.51	0.16	2.87	3.25	8.60
	<b>Other comprehensive income for the year / period, net of tax</b>	<b>(4.48)</b>	<b>(0.47)</b>	<b>(6.98)</b>	<b>(9.65)</b>	<b>(20.92)</b>
IX	<b>Total Comprehensive Income (VII + VIII)</b>	<b>1,213.26</b>	<b>719.13</b>	<b>308.77</b>	<b>3,645.32</b>	<b>2,130.84</b>
X	Paid -up Equity Share Capital (Face Value of Rs. 10/- each)	3,906.27	3,906.27	3,906.27	3,906.27	3,906.27
XI	Earning Per Share (EPS) of Rs. 10/- each (Not annualised) (In Rs.)					
	Basic	3.12	1.84	0.81	9.36	5.51
	Diluted	3.12	1.84	0.81	9.36	5.51



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CIN: L15140MH1985PLC286828

## STATEMENT OF STANDALONE AUDITED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020

		(Rs. in Lakhs)	
		As At	
		31-Mar-2020	31-Mar-2019
		(Audited)	(Audited)
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Non-Current Assets</b>		
(a)	Property, Plant and Equipment	12,626.66	11,524.25
(b)	Capital work-in-progress	942.85	87.91
(c)	Intangible Assets	7.46	-
(d)	Financial Assets		
(i)	Investments	2.00	2.00
(ii)	Loans	0.53	1.51
(iii)	Other Financial Assets	27.69	13.78
(e)	Non-Current Tax Assets (Net)	79.63	59.55
(f)	Other Non-Current Assets	653.88	125.67
		<b>14,340.70</b>	<b>11,814.67</b>
<b>2</b>	<b>Current Assets</b>		
(a)	Inventories	3,771.10	3,400.62
(b)	Financial Assets		
(i)	Trade Receivables	3,787.90	3,213.13
(ii)	Cash and cash equivalents	2.09	1.64
(iii)	Bank balances other than (ii) above	17.87	16.53
(iv)	Loans	1.22	0.74
(v)	Other Financial Assets	1.24	1.24
(c)	Other Current Assets	149.47	324.49
		<b>7,730.89</b>	<b>6,958.39</b>
	<b>Total Assets</b>	<b>22,071.59</b>	<b>18,773.06</b>
<b>B</b>	<b>Equity And Liabilities</b>		
	<b>Equity</b>		
(a)	Equity Share Capital	3,906.27	3,906.27
(b)	Other Equity	8,951.81	6,355.32
		<b>12,858.08</b>	<b>10,261.59</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non- Current Liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	1,633.16	829.14
(b)	Provisions	114.33	89.54
(c)	Deferred Tax Liabilities (Net)	1,162.90	1,215.74
		<b>2,910.39</b>	<b>2,134.42</b>
<b>2</b>	<b>Current Liabilities</b>		
(a)	Financial Liabilities		
(i)	Borrowings	4,437.37	4,049.00
(ii)	Trade Payables		
(a)	Total outstanding dues of micro enterprises and small enterprises	41.29	57.74
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	599.31	942.23
(iii)	Other financial liabilities	1,005.84	1,123.80
(b)	Other current liabilities	87.77	83.19
(c)	Provisions	33.76	57.50
(d)	Current Tax Liabilities (Net)	97.78	63.59
		<b>6,303.12</b>	<b>6,377.05</b>
	<b>Total Equity and Liabilities</b>	<b>22,071.59</b>	<b>18,773.06</b>



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**STATEMENT OF STANDALONE AUDITED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

	<b>Year ended on March 31, 2020</b>	<b>(Rs. In Lakhs) Year ended on March 31, 2019</b>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Taxation</b>	<b>4,488.38</b>	<b>2,922.01</b>
<u>Adjustments for:</u>		
Depreciation and Amortisation	595.95	544.59
Finance Cost	657.90	573.49
Interest Income	(12.54)	(9.34)
Dividend Income	(625.00)	(375.00)
Unrealised Foreign Exchange Loss / (Gain)	(4.02)	2.97
Credit Impairment Loss Reversal on Receivables	(7.06)	-
Doubtful debts written off	-	6.00
Allowance for doubtful advances	-	8.42
Credit Impairment Loss on Receivables	-	37.06
Loss on assets sold / discarded (Net)	31.28	41.48
<b>Operating Profit Before Working Capital Changes</b>	<b>5,124.89</b>	<b>3,751.68</b>
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(370.48)	(357.90)
Decrease In Non Current Loans	0.98	20.34
(Increase) In Other Non Current Financial Assets	(13.91)	(0.64)
(Increase) In Trade receivables	(563.69)	(57.25)
(Increase) In Current Loans	(0.48)	(0.27)
Decrease In Other current assets	175.02	192.84
Decrease In Other Non current assets	-	1.78
Increase / (Decrease) In Trade and Other Payables	(359.37)	260.75
Increase In Non Current Liabilities - Provisions	24.79	27.59
Increase / (Decrease) In Current Liabilities - Provisions	(36.64)	2.72
Increase / (Decrease) In Other Current Financial Liabilities	0.81	32.97
Increase In Other Current Liabilities	4.58	9.65
<b>Cash Generated From Operations</b>	<b>3,986.50</b>	<b>3,884.26</b>
Direct Taxes Refund / (Paid) (Net)	(868.89)	(464.24)
<b>A. Net Cash Generated From Operating Activities</b>	<b>3,117.61</b>	<b>3,420.02</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipments	(3,032.93)	(1,764.91)
Proceeds from Sale of Property, Plant and Equipments	5.07	14.92
Purchase of Investments	-	(1.00)
Interest Income	12.54	8.25
Dividend Income	625.00	375.00
<b>B. Net Cash Used In Investing Activities</b>	<b>(2,390.32)</b>	<b>(1,367.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings (net)	1,499.57	-
Repayment of Long Term Borrowings (net)	(909.97)	(1,041.92)
Net Proceeds from Short Term Borrowings (net)	388.37	171.53
Dividend Paid (including tax on dividend)	(1,048.83)	(603.03)
Interest Paid	(655.98)	(579.23)
<b>C. Net Cash Used In Financing Activities</b>	<b>(726.84)</b>	<b>(2,052.65)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>0.45</b>	<b>(0.37)</b>
Cash and Cash Equivalents as at the beginning of the year	1.64	2.01
Cash and Cash Equivalents as at the end of the year	2.09	1.64
<b>Note :</b>		
1 The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows"		

**Notes:**

1. The above standalone financial results, as reviewed by Audit Committee, are subsequently approved by the Board of Directors at their meeting held on June 23, 2020. The Statutory Auditors have performed audit of Company's standalone financial results for the year ended March 31, 2020.
2. The Company has adopted Ind AS 116 'Leases' w.e.f. April 1, 2019. The adoption of this standard does not have any significant impact on the standalone financial results for the quarter and year ended March 31, 2020.
3. The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full period of twelve months ending as at March 31, 2020 and the unaudited published year to date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year.
4. The Board of Directors has recommended dividend on equity shares @ Rs. 1.50 per share i.e. 15 % for the year ended March 31, 2020.
5. Other Income for the year ended March 31, 2020 and March 31, 2019 includes dividend on equity shares received from Privi Organics India Ltd., a wholly owned subsidiary of the company, of Rs. 625.00 Lakhs and Rs. 375.00 lakhs respectively.
6. The Company is engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Nutraceuticals. As such the company's business falls within a single business segment of Speciality Chemicals, in context of Ind AS 108 - Operating Segments.
7. The Board of Directors of the Company, in its meeting held on May 22, 2019, had approved a Composite Scheme of arrangement and amalgamation ('the Scheme') amongst Fairchem Speciality Limited (FSL), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL), two wholly owned subsidiaries of the Company and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL and Amalgamation of POIL, manufacturers of aroma chemicals, into and with FSL, under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. The Company has obtained approval of the said scheme from the stock exchanges. Pursuant to the directions of National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated January 22, 2020, the Company obtained the requisite approval of the Shareholders of the Company by convening and holding (physical) meeting of the equity shareholders of the Company on Tuesday, February 25, 2020. The Company has filed petition for approval of the Scheme with NCLT through electronic mode (e-filing) on May 31, 2020 which was admitted by NCLT on June 12, 2020 and the final hearing is scheduled on June 30, 2020.
8. The Company has elected to exercise the option under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. This has resulted in reversal of deferred tax expenses of Rs. 164.99 Lakhs for the year.
9. The COVID-19 pandemic has disrupted many business operations globally due to lockdown and other directives imposed by the governments. The sole manufacturing plant of the Company closed its operations from March 25, 2020. The Company has resumed production with effect from May 21, 2020 and is expected to achieve normal business operations from June, 2020. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's assessment of current indicators and economic conditions there is no material impact on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions.
10. The figures for the previous period have been regrouped/ recast, wherever necessary, to make them comparable with the figures for the current period.
11. Investors can view the unaudited / audited financial results of the company for the quarter and year ended March 31, 2020 on the company's website [www.fairchem.in](http://www.fairchem.in) or on the website of the BSE [www.bseindia.com](http://www.bseindia.com) or on the website of NSE [www.nseindia.com](http://www.nseindia.com).

**For and on behalf of the Board of Directors,  
For Fairchem Speciality Limited,**

JARIWALA  
NAHOOSH  
JAYVADAN  
Digitally signed by  
JARIWALA  
NAHOOSH  
JAYVADAN  
Date: 2020.06.23  
18:11:38 +05'30'

**Nahoosh Jariwala**  
**Managing Director**  
(DIN: 00012412)  
Place: Ahmedabad  
Date: June 23, 2020

Mahesh  
Purshottam  
Babani  
Digitally signed by  
Mahesh  
Purshottam Babani  
Date: 2020.06.23  
18:20:39 +05'30'

**Mahesh Babani**  
**Managing Director**  
(DIN: 00051162)  
Place: Mumbai  
Date: June 23, 2020

# **Price Waterhouse & Co Chartered Accountants LLP**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Fairchem Speciality Limited**

### **Report on the Audit of Standalone Financial Results**

#### **Opinion**

1. We have audited the standalone annual financial results of Fairchem Speciality Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

.....  
*Price Waterhouse & Co Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S  
G Highway, Ahmedabad - 380 051, Gujarat, India*

*T: +91(79) 3091 7000, F: +91 (79) 3091 7082*

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC 4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)



# **Price Waterhouse & Co Chartered Accountants LLP**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Fairchem Speciality Limited

Report on the Standalone Financial Results

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### **Board of Directors' Responsibilities for the Standalone Financial Results**

4. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
5. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

7. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fairchem Speciality Limited

Report on the Standalone Financial Results

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8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 11 below)
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fairchem Speciality Limited

Report on the Standalone Financial Results

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### Other Matters

10. The standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subjected to limited review nor audited by us.
11. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated June 23, 2020.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E-300009

**ARUNKUMAR** Digitally signed by  
**R RAMDAS** ARUNKUMAR RAMDAS  
Date: 2020.06.23  
18:35:24 +05'30'

Arunkumar Ramdas

Partner

Membership Number: 112433

UDIN: 20112433AAAAGG2320

Place : Mumbai

Date : June 23, 2020


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**Ph.: +91 90163 24095, +91 94099 58550, Email Id: cs@fairchem.in; info@fairchem.in; Website: www.fairchem.in**
**CIN: L15140MH1985PLC286828**
**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

		(Rs. In Lakhs)				
		Quarter ended			Year ended	
		31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		(Refer note 3)		(Refer note 3)		
I	<b>Income</b>					
	Revenue from Operations	39,841.84	39,012.52	44,154.96	1,63,060.56	1,34,104.13
II	Other Income	513.91	535.00	430.47	2,669.76	570.08
III	<b>Total Income (I + II)</b>	<b>40,355.75</b>	<b>39,547.52</b>	<b>44,585.43</b>	<b>1,65,730.32</b>	<b>1,34,674.21</b>
IV	<b>Expenses</b>					
	Cost of materials consumed	22,321.82	21,948.70	26,606.19	1,01,751.22	92,468.34
	Purchase of Stock-in-Trade	24.12	105.39	15.08	270.37	15.08
	Changes in Inventories of Finished Goods and Work-in-Progress	1,481.31	1,258.97	(1,866.88)	(1,242.31)	(9,795.16)
	Employee benefits expense	2,229.14	1,891.11	2,214.72	8,053.59	7,127.04
	Finance costs	1,379.23	1,047.52	1,016.57	4,068.81	2,901.46
	Power and Fuel	1,875.26	1,925.50	1,946.10	8,023.05	7,058.47
	Depreciation and Amortisation expenses	1,755.65	1,661.54	1,203.42	6,273.11	4,685.40
	Other Expenses	4,616.87	4,481.85	6,408.91	19,405.92	15,962.38
	<b>Total expenses</b>	<b>35,683.40</b>	<b>34,320.58</b>	<b>37,544.11</b>	<b>1,46,603.76</b>	<b>1,20,423.01</b>
V	<b>Profit Before Exceptional Item and Tax (III - IV)</b>	<b>4,672.35</b>	<b>5,226.94</b>	<b>7,041.32</b>	<b>19,126.56</b>	<b>14,251.20</b>
VI	<b>Exceptional income (Refer note 7)</b>	1,500.00	-	1,958.91	4,000.00	904.78
VII	<b>Profit Before Tax (V - VI)</b>	<b>6,172.35</b>	<b>5,226.94</b>	<b>9,000.23</b>	<b>23,126.56</b>	<b>15,155.98</b>
VIII	<b>Tax expense (Refer Note 9)</b>					
	Current Tax	1,465.99	1,286.94	3,230.03	5,831.16	5,029.49
	Short / (Excess) provision of income tax of earlier years (net)	(10.04)	-	2.92	(10.04)	16.13
	Deferred Tax	(5.20)	72.65	485.28	(327.36)	685.99
	<b>Total Tax expense</b>	<b>1,450.75</b>	<b>1,359.59</b>	<b>3,718.23</b>	<b>5,493.76</b>	<b>5,731.61</b>
IX	<b>Profit for the period after tax (VII - VIII)</b>	<b>4,721.60</b>	<b>3,867.35</b>	<b>5,282.00</b>	<b>17,632.80</b>	<b>9,424.37</b>
X	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss:					
	- Remeasurement (losses) / gains on post employment defined benefit plans	(53.89)	(9.68)	(7.70)	(105.23)	(90.21)
	- Income tax effect	13.67	2.43	2.83	26.59	29.81
	Items that will be reclassified to profit or loss:					
	- Exchange differences in translating financial statements of foreign operations	87.09	13.45	(15.06)	132.06	44.38
	<b>Other comprehensive income for the year / period, net of tax</b>	<b>46.87</b>	<b>6.20</b>	<b>(19.93)</b>	<b>53.42</b>	<b>(16.02)</b>
XI	<b>Total Comprehensive Income (IX + X)</b>	<b>4,768.47</b>	<b>3,873.55</b>	<b>5,262.07</b>	<b>17,686.22</b>	<b>9,408.35</b>
XII	Paid -up Equity Share Capital (Face Value of Rs. 10/- each)	3,907.27	3,907.27	3,907.27	3,907.27	3,907.27
XIII	Earning Per Share (EPS) of Rs. 10/- each (Not annualised) (In Rs.)					
	Basic	12.09	9.90	13.52	45.14	24.13
	Diluted	12.09	9.90	13.52	45.14	24.13



**FAIRCHEM SPECIALITY LIMITED**

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**CIN: L15140MH1985PLC286828**

**STATEMENT OF CONSOLIDATED AUDITED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2020**

		(Rs. in Lakhs)	
		As At	
		31-Mar-2020	31-Mar-2019
		(Audited)	(Audited)
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	70,654.37	48,897.83
	(b) Capital work-in-progress	3,969.84	9,465.72
	(c) Intangible Assets	729.17	869.50
	(d) Right of use Assets	1,087.59	-
	(e) Financial Assets		
	(i) Loans	817.87	807.62
	(ii) Other Financial Assets	162.83	339.80
	(f) Non-Current Tax Assets (Net)	1,239.55	1,216.31
	(g) Other Non-Current Assets	1,277.42	867.28
		<b>79,938.64</b>	<b>62,464.06</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	36,642.51	36,423.72
	(b) Financial Assets		
	(i) Investment	105.11	-
	(ii) Trade Receivables	26,677.96	33,069.46
	(iii) Cash and cash equivalents	8,474.89	1,626.20
	(iv) Bank balances other than (iii) above	377.63	687.11
	(v) Loans	9.12	58.26
	(vi) Other Financial Assets	1.24	1.24
	(c) Other Current Assets	8,211.92	8,238.66
		<b>80,500.38</b>	<b>80,104.65</b>
	<b>Total Assets</b>	<b>1,60,439.02</b>	<b>1,42,568.71</b>
<b>B</b>	<b>Equity And Liabilities</b>		
	<b>Equity</b>		
	(a) Equity Share Capital	3,906.27	3,906.27
	(b) Other Equity	70,155.59	53,659.59
		<b>74,061.86</b>	<b>57,565.86</b>
	<b>Liabilities</b>		
<b>1</b>	<b>Non- Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	24,204.92	18,083.20
	(ii) Lease Liabilities	619.43	-
	(b) Provisions	1,405.88	1,049.18
	(c) Deferred Tax Liabilities (Net)	2,506.35	2,867.25
		<b>28,736.58</b>	<b>21,999.63</b>
<b>2</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	29,976.23	28,047.84
	(ii) Trade Payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	41.29	57.74
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15,571.81	21,397.83
	(iii) Other financial liabilities	10,580.78	10,215.38
	(b) Other current liabilities	494.19	612.08
	(c) Provisions	135.33	151.79
	(d) Current Tax Liabilities (Net)	840.95	2,520.56
		<b>57,640.58</b>	<b>63,003.22</b>
	<b>Total Equity and Liabilities</b>	<b>1,60,439.02</b>	<b>1,42,568.71</b>



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**STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

	<b>(Rs. In Lakhs)</b>	
	<b>Year ended on March 31, 2020</b>	<b>Year ended on March 31, 2019</b>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Taxation After Exceptional Items</b>	<b>23,126.56</b>	<b>15,155.98</b>
<u>Adjustments for:</u>		
Loss on property, plant and equipment by fire	-	(273.56)
Depreciation and Amortisation	6,026.40	4,685.40
Amortisation of right of use assets	246.71	-
Gain on write-back of financial liabilities	(7.78)	(42.16)
Sundry balances written off	29.53	25.38
Fair value (gain) on Investments	(0.08)	-
Finance Cost	4,068.81	2,901.46
Interest Income	(89.55)	(78.63)
Unrealised Foreign Exchange Loss / (Gain)	(1,328.75)	(29.12)
Loss on intangible assets written off	-	138.92
Share Issue expenses	-	3.34
Credit Impairment Loss Reversal on Receivables	(7.06)	-
Doubtful debts written off	-	6.00
Credit Impairment Loss on Receivables	15.58	37.06
Provision for doubtful advances	160.00	8.42
Loss on assets sold / discarded (Net)	31.28	594.01
<b>Operating Profit Before Working Capital Changes</b>	<b>32,271.65</b>	<b>23,132.50</b>
<u>Adjustments For Changes In Working Capital:</u>		
(Increase) In Inventories	(218.79)	(13,031.99)
(Increase) / Decrease In Trade receivables	7,497.63	(9,834.30)
Decrease / (Increase) in other assets	56.11	(3,620.81)
(Decrease) / Increase in Trade and Other Payables	(5,446.15)	6,764.80
(Decrease) / Increase in other current liabilities and provisions	(1,913.18)	1,675.41
<b>Cash Generated From Operations</b>	<b>32,247.27</b>	<b>5,085.61</b>
Direct Taxes Refund / (Paid) (Net)	(7,523.97)	(2,989.82)
<b>A. Net Cash Generated From Operating Activities</b>	<b>24,723.30</b>	<b>2,095.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipments	(21,065.61)	(16,913.81)
Proceeds of Loss of Property, Plant and Equipments due to fire	-	2,500.00
Proceeds from Sale of Property, Plant and Equipments	5.07	14.92
(Purchase) / sale of Investments	(105.03)	304.04
Realisation of fixed deposits	501.70	163.08
Interest Income	91.81	77.54
<b>B. Net Cash Used In Investing Activities</b>	<b>(20,572.06)</b>	<b>(13,854.23)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings (net)	9,129.10	13,454.62
Repayment of Long Term Borrowings (net)	(3,024.97)	(3,962.65)
Net Proceeds from Short Term Borrowings (net)	2,028.07	6,676.38
Repayment of lease liabilities	(220.25)	-
Dividend Paid (including tax on dividend)	(1,177.30)	(680.11)
Interest Paid	(4,037.20)	(3,312.66)
Share Issue expenses	-	(3.34)
<b>C. Net Cash Generated From Financing Activities</b>	<b>2,697.45</b>	<b>12,172.24</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>6,848.69</b>	<b>413.80</b>
Cash and Cash Equivalents as at the beginning of the year	1,626.20	1,212.40
Cash and Cash Equivalents as at the end of the year	8,474.89	1,626.20
<b>Note :</b>		
1 The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows"		



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**CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

		(Rs. In Lakhs)				
		Quarter ended			Year ended	
		31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>I</b>	<b>Segment Revenue</b>					
	Oleo Chemicals and Intermediate Neutraceuticals	8,930.89	8,026.91	5,906.51	30,649.26	24,987.09
	Aroma Chemical	30,910.95	30,985.61	38,248.45	1,32,411.30	1,09,117.04
	<b>Total Segment Revenue</b>	<b>39,841.84</b>	<b>39,012.52</b>	<b>44,154.96</b>	<b>1,63,060.56</b>	<b>1,34,104.13</b>
<b>II</b>	<b>Segment Results</b>					
	Oleo Chemicals and Intermediate Neutraceuticals	1,755.42	1,110.48	603.88	4,487.31	3,060.34
	Aroma Chemical	3,782.25	4,628.98	7,023.54	16,038.30	13,472.24
	Total Segment Results	5,537.67	5,739.46	7,627.42	20,525.61	16,532.58
	Less: Finance Cost	(1,379.23)	(1,047.52)	(1,016.57)	(4,068.81)	(2,901.46)
	Add/ (Less) Exceptional Item	1,500.00	-	1,958.91	4,000.00	904.78
	Unallocable Income / Expenses	513.91	535.00	430.47	2,669.76	620.08
	<b>Profit Before Tax</b>	<b>6,172.35</b>	<b>5,226.94</b>	<b>9,000.23</b>	<b>23,126.56</b>	<b>15,155.98</b>
		<b>As at</b>				
		<b>31-Mar-2020</b>	<b>31-Dec-2019</b>	<b>31-Mar-2019</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
		<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>III</b>	<b>Segment Assets</b>					
	Oleo Chemicals and Intermediate Neutraceuticals	21,990.95	21,246.09	18,712.51	21,990.95	18,712.51
	Aroma Chemical	1,37,208.52	1,23,645.19	1,22,639.89	1,37,208.52	1,22,639.89
	Unallocable	1,239.55	1,199.42	1,216.31	1,239.55	1,216.31
	<b>Total Assets</b>	<b>1,60,439.02</b>	<b>1,46,090.70</b>	<b>1,42,568.71</b>	<b>1,60,439.02</b>	<b>1,42,568.71</b>
<b>IV</b>	<b>Segment Liabilities</b>					
	Oleo Chemicals and Intermediate Neutraceuticals	7,952.93	8,314.95	7,232.14	7,952.93	7,232.14
	Aroma Chemical	75,076.93	64,862.80	72,382.90	75,076.93	72,382.90
	Unallocable	3,347.30	3,616.78	5,387.81	3,347.30	5,387.81
	<b>Total Liabilities</b>	<b>86,377.16</b>	<b>76,794.53</b>	<b>85,002.85</b>	<b>86,377.16</b>	<b>85,002.85</b>

**Notes:**

1. The above Consolidated financial results comprise the results of Fairchem Speciality Limited (the Holding Company), Privi Organics India Limited (POIL) (Wholly owned Subsidiary Company), Privi Biotechnologies Private Limited (Wholly owned Subsidiary of POIL), Privi Organics USA Corporation (Wholly owned Subsidiary of POIL) and Fairchem Organics Limited (Wholly owned Subsidiary Company w.e.f. March 27, 2019).
2. During current financial year, in line with the changes in the structure for reporting financial information to the entity's chief operating decision maker (CODM) and Scheme of Arrangement (refer note 8 below) the Company and its subsidiaries has changed its Segment disclosures in the consolidated financial results as per Ind AS 108 "Operating Segments", from previously reported segment being speciality chemicals to revised segments being (i) Oleo Chemicals and Intermediate Nutraceuticals and (ii) Aroma chemicals.  
Oleo Chemicals and Intermediate Nutraceuticals includes business of Fairchem Speciality Limited and Fairchem Organics Limited and Aroma chemicals business includes business of Privi Organics India Limited and its subsidiaries.
3. The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full period of twelve months ended on March 31, 2020 and the unaudited published year to date figures up to December 31, 2019, being the date of the end of the third quarter of the financial year.
4. The above consolidated unaudited financial results as reviewed by Audit Committee are subsequently approved by the Board of Directors at their meetings held on June 23, 2020. The Statutory Auditors have performed audit of Company's consolidated financial results for the year ended March 31, 2020.
5. The Company and its subsidiaries have adopted Ind AS 116 'Leases' w.e.f. April 1, 2019 using the modified retrospective approach. The Company and its subsidiaries have applied the standard to its leases with the cumulative impact recognised on the date of initial application i.e., April 1, 2019. Accordingly previous period information has not been restated. This has resulted, in case of POIL, in recognizing a right-of-use assets of Rs. 893.41 Lakhs and a corresponding lease liability of Rs. 913.28 Lakhs. The difference of Rs. 12.92 Lakhs (net of deferred tax asset created for Rs. 6.95 Lakhs) has been adjusted to retained earnings as at April 1, 2019. In the statement of profit and loss for the quarter and year ended March 31, 2020, operating lease expenses which were recognized as other expenses in previous periods are now recognized as depreciation expense for the right-of-use asset and finance cost for interest on lease liability. The adoption of this standard does not have any significant impact on the consolidated Profit before tax for the quarter and year ended March 31, 2020.
6. The figures for the previous period have been regrouped/ recast, wherever necessary, to make them comparable with the figures for the current period.
7. On April 26, 2018 a major fire broke out at Privi Organics India Limited's (POIL) Unit 2 Plant located at MIDC Mahad. There has been loss to assets comprising of Inventories, Buildings, Plant and Machinery and other Fixed Assets etc. which were adequately insured including coverage towards loss of profit and replacement cost of fixed assets. As per POIL Management's best estimate, the book value of the assets lost due to fire including incidental cost and other expenses was Rs. 7,282.27 Lakhs for the year ended March 31, 2019, which was debited to the statement of profit and loss and disclosed as an exceptional item and netted off with insurance claim of Rs. 8,187.05 lakhs received from the insurance company, which has been recognised as per the requirement of the accounting standards. POIL further received Rs. 1,500 lakhs and Rs. 4,000 lakhs during current quarter and year ended March 31, 2020 from the Insurance Company. The final settlement is still pending with the insurance company.
8. The Board of Directors of the Company, in its meeting held on May 22, 2019, had approved a Composite Scheme of arrangement and amalgamation ('the Scheme') amongst Fairchem Speciality Limited (FSL), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL), two wholly owned subsidiaries of the Company and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL and Amalgamation of POIL, manufacturers of aroma chemicals, into and with FSL, under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. The Company has obtained approval of the said scheme from the stock exchanges. Pursuant to the directions of National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated January 22, 2020, the Company obtained the requisite approval of the Shareholders of the Company by convening and holding (physical) meeting of the equity shareholders of the Company on Tuesday, February 25, 2020. The Company has filed petition for approval of the Scheme with NCLT through electronic mode (e-filing) on May 31, 2020 which was admitted by NCLT on June 12, 2020 and the final hearing is scheduled on June 30, 2020.
9. The Company and its subsidiaries have elected to exercise the option under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. This has resulted in reversal of deferred tax expenses of Rs. 694.48 Lakhs for the year.
10. The COVID-19 pandemic has disrupted many business operations globally due to lockdown and other directives imposed by the governments. The sole manufacturing plant of the Company closed its operations from March 25, 2020. The Company has resumed production with effect from May 21, 2020 and is expected to achieve normal business operations from June, 2020. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's assessment of current indicators and economic conditions there is no material impact on its financial results as at March 31, 2020. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions.
11. Due to the lockdown, POIL shutdown few of its plants at Mahad & Jhagadia factories (except those involved in manufacture of chemicals used in essential goods) from March 24, 2020 which continued till April 7, 2020. Although sales were partially affected during the period of shutdown, however, impact is not significant. POIL does not foresee significant impact on net realizable value of its current assets. The production and sales is not currently impacted due to supply chain issues. However, given the uncertainty due to Covid 19, POIL would continue to monitor any material changes to future economic conditions and the consequential impact on the financial results.

12. Summary of key **standalone** financial results are as follows.

Particulars	Quarter ended			Year ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue from Operations	8,930.89	8,026.91	5,906.51	30,649.26	24,987.09
Profit before Tax	1,553.40	952.76	463.82	4,488.38	2,922.01
Profit after tax	1,217.74	719.60	315.75	3,654.97	2,151.76

13. Investors can view the consolidated financial results of the company for the quarter and year ended March 31, 2020 on the company's website [www.fairchem.in](http://www.fairchem.in) or on the website of the BSE [www.bseindia.com](http://www.bseindia.com) or on the website of NSE [www.nseindia.com](http://www.nseindia.com).

**For and on behalf of the Board of Directors,  
For Fairchem Speciality Limited,**

JARIWALA  
NAHOOSH  
JAYVADAN

Digitally signed by  
JARIWALA  
NAHOOSH  
JAYVADAN  
Date: 2020.06.23  
18:13:16 +05'30'

Mahesh  
Purshotta  
m Babani

Digitally signed by  
Mahesh  
Purshottam Babani  
Date: 2020.06.23  
18:21:37 +05'30'

**Nahoosh Jariwala**  
**Managing Director**  
(DIN: 00012412)  
Place: Ahmedabad  
Date: June 23, 2020

**Mahesh Babani**  
**Managing Director**  
(DIN: 00051162)  
Place: Mumbai  
Date: June 23, 2020



# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Fairchem Speciality Limited

### Report on the Audit of Consolidated Financial Results

#### Opinion

1. We have audited the consolidated annual financial results of Fairchem Speciality Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (Refer note 1 to the consolidated annual financial results) for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial results of the subsidiaries, the aforesaid consolidated financial results:
  - i) include the annual financial results of the following entities (Privi Organics India Limited, Fairchem Organics Limited, Privi Biotechnologies Private Ltd and Privi Organics USA Corporation) (Also refer note 1 to the consolidated annual financial results)
  - ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC 4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

# **Price Waterhouse & Co Chartered Accountants LLP**

## **INDEPENDENT AUDITOR'S REPORT**

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### **Board of Directors' Responsibilities for the Consolidated Financial Results**

4. These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
5. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

# Price Waterhouse & Co Chartered Accountants LLP

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To the Board of Directors of Fairchem Speciality Limited

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8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 13 below)
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# Price Waterhouse & Co Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fairchem Speciality Limited

Report on the Consolidated Financial Results

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10. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

11. We did not audit the financial results of one subsidiary and two step down subsidiaries included in the consolidated financial results, whose financial results reflect total assets of Rs. 138,368.44 lakhs and net assets of Rs. 61,204.89 lakhs as at March 31, 2020, total revenues of Rs. 132,411.30 lakhs, total net profit after tax of Rs. 14,602.94 lakhs, and total comprehensive income of Rs. 14,666.01 lakhs for the year ended March 31, 2020, and cash flows (net) of Rs. 6,848.25 lakhs for the year ended March 31, 2020, as considered in the consolidated financial results. These financial results have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.

Our opinion on the consolidated Financial Results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

12. The consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subjected to limited review nor audited by us.
13. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with Stock Exchanges. These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2020 on which we have issued an unmodified audit opinion vide our report dated June 23, 2020.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E-300009

**ARUNKUMAR RAMDAS**  
Digitally signed by  
ARUNKUMAR RAMDAS  
Date: 2020.06.23 18:36:22  
+05'30'

Arunkumar Ramdas

Partner

Membership Number: 112433

UDIN: 20112433AAAAGH1941

Place : Mumbai

Date : June 23, 2020

June 23, 2020

To,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block  
Bandra-kurla Complex  
Bandra (E)  
Mumbai – 400 051.

To,  
**Department of Corporate Services,  
BSE Limited.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Ref: BSE Code: 530117 & NSE Symbol: 'FAIRCHEM'**

Dear Sirs,


**Sub: Declaration pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

In compliance with the provisions of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended till date, we, hereby, declare that Statutory Auditors of the Company, M/s. Price Waterhouse & Co Chartered Accountants LLP Chartered Accountants, (Reg. No. 304026E/E 300009) have issued an Audit Report dated June 23, 2020 with unmodified opinion on standalone and consolidated Audited financial Statements of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.

Kindly take the above on your record.

Yours faithfully,

For Fairchem Speciality Limited,



Rajen Jhaveri  
Chief Financial Officer & Company Secretary