



FAIRCHEM
A FAIRFAX COMPANY

FAIRCHEM ORGANICS LIMITED

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

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

Phone (Board Nos.) : (02717) 687900, 687901, +91 90163 24095

E-mail : cs@fairchem.in

CIN : U24200MH2019PLC323176

Website : www.fairchem.in

Date: June 22, 2021

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.

Ourselves: BSE Code: 543252 and NSE Symbol: 'FAIRCHEMOR'

Ref.: Regulation 24A of SEBI (LODR) Regulations, 2015

Dear Sirs,

Sub: Submission of Compliance Report for F.Y. 2020-2021

Pursuant to Regulation 24A and other applicable regulations of SEBI (LODR) Regulations, 2015 we are uploading herewith a PDF file containing Secretarial Compliance Report dated June 22, 2021 for the year ended March 31, 2021 issued by Shri Uday G. Dave, Partner of M/s. Parikh Dave and Associates, Company Secretaries, Ahmedabad.

Thanking you,

Yours faithfully,

For Fairchem Organics Limited,


Rajen Jhaveri

Chief Financial Officer & Company Secretary

Encl: as above

A PEER REVIEWED FIRM

**PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES**

*5-D, 5th Floor, Vardan Exclusive, Next to Vimal House,
Nr. Stadium Petrol Pump, Navrangpura, Ahmedabad – 380 014.
+91-79-2640 5454, 2640 1122, info@parikhdave.com
www.parikhdave.com*

**SECRETARIAL COMPLIANCE REPORT OF FAIRCHEM ORGANICS LIMITED
FOR THE YEAR ENDED ON MARCH 31, 2021**

**To,
The Board of Directors
FAIRCHEM ORGANICS LIMITED
CIN: U24200MH2019PLC323176
Plot A-71, TTC Industrial Estate,
Nr. Thane Belapur Road,
Kopar Khairane,
Mumbai – 400709, Maharashtra**

We, Parikh Dave & Associates, Practicing Company Secretaries, have examined:

- a) all the documents and records made available to us electronically or otherwise and explanation provided by Fairchem Organics Limited (“the listed entity”),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the period ended on 31st March, 2021 (“Review Period”) (the shares of the Company are listed and available for dealing on Stock Exchange i.e. NSE Limited and BSE Limited w.e.f. 24th December, 2020) in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to the extent applicable;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (**Not Applicable to the Company during the Review Period**);
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (**Not Applicable to the Company during the Review Period**);
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, (**Not Applicable to the Company during the Review Period**);
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013, (**Not Applicable to the Company during the Review Period**);
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable;

//2//

- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, to the extent applicable;
- j) The Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to the extent applicable,

and circulars/ guidelines issued thereunder;

and based on the above examination and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India on account of ongoing Covid -19 pandemic, we, hereby report that, during the audit period under review:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder **except in respect of the matters specified below:**

Sr. No.	Compliance Requirement (Regulations/Circulars / Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary	Management Representations
1.	<p>Regulation 18 (1) (b) of SEBI (LODR) Regulations i.e. composition of Audit Committee of the Board of Directors of the Company.</p> <p>Requirement: Two-thirds of the members of audit committee shall be independent directors.</p> <p>SOP Guidance Note: Fraction shall be rounded off to the higher number while determining Compliance.</p>	<p>Audit committee was constituted with total 5 members with 3 Independent directors and 2 Directors in Promoter Category including Managing Director. This was not complying with the requirement which states that Two-thirds of the members of audit committee shall be independent directors and fraction shall be rounded off to the higher number while determining Compliance in accordance with Regulation 18 (1) (b) of SEBI (LODR) Regulations read with SOP Guidance note.</p>	<p>Considering the requirement of Regulation 18(1) (b) of SEBI (LODR) Regulations and the fact that the Board has only 3 Independent Directors, the Audit Committee should have been formed with only one Director of Promoter Category instead of 2.</p>	<p>The Equity shares of the Company were admitted for dealing on Stock Exchanges w.e.f. 24th December, 2020.</p> <p>Management was under impression that two - third of total 5 members comes to 3.33 members and considering the general understanding of rounding - off to the nearest number 3, it constituted the Audit committee with 3 Independent Directors and 2 Promoter Directors as its members. However, the same was rectified by the Company by re-constituting Audit Committee with 3 Independent Directors and Managing Director who is in Promoter Category with effect from 19th February, 2021.</p>

//3//

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- c) No action has been taken against the listed entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder **except as mentioned below**:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	Stock Exchanges. NSE Limited and BSE Limited	The constitution of the Audit committee was not in compliance of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SOP Guidance note for a total period of 58 days during the year under review.	Fine.	The Company made payment of applicable fine levied on it by NSE Limited and BSE Limited in full.

- d) The listed entity has taken following actions to comply with the observation made by Practicing Company Secretary in the previous report: **Not Applicable**.

Further, the Company has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the Company.

**FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020**

UDAY
GIRISHBHAI
DAVE

Digitally signed by UDAY GIRISHBHAI DAVE
DN: c=IN, o=Personal,
2.5.4.200-32115736d63e998caab5348bc34d
1b379db7fe49551603922dbec0d1b9e12,
postalCode=380054, st=Gujarat,
serialNumber=uak69602b6679eddf32b052e60
f239a575281c821e4f31a0c314c7faff01d,
cn=UDAY GIRISHBHAI DAVE
Date: 2021.06.22 14:41:14 +05'30'

**UDAY G. DAVE
PARTNER**

**FCS No.: 6545 C. P. No.: 7158
UDIN: F006545C000497123**

**Place: Ahmedabad
Date : June 22, 2021**

Note:

Due to restricted movement amid COVID-19 pandemic, we conducted the audit by examining the Secretarial Records including disclosure made to the Stock Exchanges under various Act and Regulations of SEBI on the basis of documents provided to us by way of electronic mode or otherwise could not be verified by us from the original records. The management has confirmed that the records / details submitted to us by electronic mode are true and correct.