



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.) : +91 90163 24095 / +91 94099 58550
E-mail : info@fairchem.in, comm@fairchem.in
CIN : U24200MH2019PLC323176 Website : www.fairchem.in

Date: February 08, 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.

BSE Code: 543252 and NSE Symbol: 'FAIRCHEMOR'

Dear Sirs,

Sub.: Outcome of the meeting of the Board of Directors held on February 08, 2021 pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

With reference to above, we wish to inform you that we have placed on BSE Listing Centre (for BSE) and NEAPS (for NSE), the following as required under Regulation 30 and 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Statement in prescribed format (Annexure I) containing Unaudited Financial Results for the quarter & nine months ended December 31, 2020,
2. Report dated February 08, 2021 of M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors of the Company on Limited Review of Financial Results for the Quarter ended December 31, 2020.

These results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their Meetings held today.

Please find the above in order and take the same on your record.

Thanking you,

Yours faithfully,
For Fairchem Organics Limited,


Rajen Jhaveri
Chief Financial Officer & Company Secretary
Encl: as above

FAIRCHEM ORGANICS 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

Ph.: +91 90163 24095, +91 94099 58550, Email Id: cs@fairchem.in, Website: www.fairchem.in

CIN: U24200MH2019PLC323176

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

	(Rs. In Lakhs)					
	Quarter ended			Nine Months ended		Year ended
	31-Dec-2020	30-Sep-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019	31-Mar-2020
	Unaudited	Unaudited	Unaudited (restated as per note 3)	Unaudited	Unaudited (restated as per note 3)	Audited (restated as per note 3)
I Income						
(a) Revenue from operations	10,682.93	9,485.55	8,013.59	23,669.66	21,662.73	30,579.09
(b) Other operating revenue	35.08	13.36	13.32	54.46	55.64	70.17
II Other income	0.73	1.07	13.66	2.31	649.37	658.86
III Total income (I + II)	10,718.74	9,499.98	8,040.57	23,726.43	22,367.74	31,308.12
IV Expenses						
Cost of materials consumed	7,040.00	6,173.85	5,795.06	15,646.96	14,561.90	20,086.93
Changes in inventories of finished goods and work-in-progress	125.07	(197.73)	(293.46)	(279.41)	280.54	625.80
Employee benefits expense	379.80	455.52	348.90	1,181.98	1,055.16	1,401.35
Finance costs	160.87	156.23	170.99	467.82	446.29	657.90
Power and fuel	533.38	613.68	561.05	1,388.45	1,406.47	1,883.98
Depreciation and amortisation expenses	166.25	165.43	160.49	494.27	468.16	595.95
Other expenses	512.94	911.25	432.18	1,671.66	1,330.88	1,814.43
Total expenses	8,918.31	8,278.23	7,175.21	20,571.73	19,549.40	27,066.34
V Profit before tax (III - IV)	1,800.43	1,221.75	865.36	3,154.70	2,818.34	4,241.78
VI Tax expense						
Current tax	456.91	321.73	207.00	803.09	563.00	816.85
Short / (excess) provision of income tax of earlier years (net)	-	-	-	(19.80)	-	4.11
Deferred tax	3.22	(5.73)	5.16	5.93	(92.25)	(49.59)
Total tax expense	460.13	316.00	212.16	789.22	470.75	771.37
VII Profit for the period after tax (V - VI)	1,340.30	905.75	653.20	2,365.48	2,347.59	3,470.41
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss:						
- Remeasurement (losses) / gains on post employment defined benefit plans	(3.50)	7.42	(0.63)	(9.44)	(6.91)	(12.90)
- Income tax effect	0.89	(1.87)	0.16	2.38	1.74	3.25
Other comprehensive income for the year / period, net of tax	(2.61)	5.55	(0.47)	(7.06)	(5.17)	(9.65)
IX Total comprehensive income (VII + VIII)	1,337.69	911.30	652.73	2,358.42	2,342.42	3,460.76
X Paid - up Equity Share Capital (Face Value of Rs. 10/- each)	1,302.09	1,302.09	1,302.09	1,302.09	1,302.09	1,302.09
XI Earnings Per Share (EPS) of Rs. 10/- each (Not annualised) (In Rs.)						
Basic	10.29	6.96	5.02	18.17	18.03	26.65
Diluted	10.29	6.96	5.02	18.17	18.03	26.65

Notes:

1. The above unaudited financial results, as reviewed by Audit Committee, are subsequently approved by the Board of Directors at their meeting held on February 08, 2021. The Statutory Auditors have performed limited review of Company's unaudited financial results for the quarter and nine months ended December 31, 2020.
2. The Company is engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Nutraceuticals. Considering the nature of Company's business, as well as based on review of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable business segment in accordance with the requirements of IND AS 108 – "Operating Segments". As almost all the revenue of the Company is from domestic sales no separate geographical segment is disclosed.
3. 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) (now known as Privi Speciality Chemicals Limited), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL) and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and intermediate nutraceuticals business and vesting the same into FOL at book value 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. National Company Law Tribunal (NCLT), Mumbai sanctioned the scheme on June 30, 2020. The Scheme with the appointed date as the closing of business hours of March 31, 2019 has been approved by NCLT vide its order dated June 30, 2020. The said order was adopted by the Board of Directors of FSL, FOL and POIL in their meetings held on August 12, 2020. Further, all the three Companies filed form INC 28 with Registrar of Companies on August 12, 2020. As a consequence, the scheme became effective from August 12, 2020.

FSL then fixed the Record Date for ascertaining eligibility of its shareholders to receive equity shares of FOL in the ratio as provided in the Scheme. FOL issued / allotted 1,30,20,902 equity shares of Rs. 10/- each in dematerialized form at its Board Meeting held on August 26, 2020.

As per the requirement of Appendix – C to Indian Accounting Standard Ind AS 103 - "Business Combination", since this demerger is a common control business combination, the financial results for the quarter and nine months ended December 31, 2019 and year ended March 31, 2020 have been restated to give impact of the Scheme resulting in an increase as below –

Particulars	(Rs. In Lakhs)		
	Quarter ended 31-Dec-2019	Nine months ended 31-Dec-2019	Year ended 31-Mar-2020
Total Income	8,040.57	22,367.74	31,308.12
Total Expenses	7,175.21	19,549.39	27,066.23
Profit before tax	865.36	2,818.35	4,241.89
Profit after tax	653.20	2,347.60	3,470.52
Net worth as at period / year end	11,555.20	11,555.20	12,672.18

4. Pursuant to final listing / trading approvals granted by BSE Limited and National Stock Exchange of India Limited vide their letters dated December 22, 2020, the trading in the above stated equity shares started from December 24, 2020 and SEBI (LODR) Regulations for the purpose of quarterly financials became applicable from the quarter ended December 31, 2020. The figures relating to the preceding quarter ended 30 September 2020 and those relating to the quarter ended 30 June 2020, both forming part of the year to date figures for the period 1 April 2020 to 31 December 2020, included in the financial results are as approved by the Board of Directors of the Company and have not been subjected to audit or review. Similarly, the corresponding figures of quarter ended 31 December 2019 and nine months ended 31 December 2019, included in the financial results, are as approved by the Board of Directors of the Company and have not been subjected to audit or review.
5. Other Income for the year ended March 31, 2020 and nine months ended December 31, 2019 includes dividend on equity shares received from Privi Organics India Ltd., a wholly owned subsidiary of FSL, of Rs. 625.00 Lakhs.
6. With effect from the financial year 2019-20, 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.

7. 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 had resumed production with effect from May 21, 2020 and achieved normal business operations from June, 2020 onwards. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on the management's assessment of current indicators and economic conditions there is no material impact on its financial results as at December 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.
8. The Company has changed its method of valuing inventory of raw materials, work-in-progress and finished goods to Weighted Average Cost method (WAC) as against First- In –First-Out method (FIFO) w.e.f. April 1, 2020. The Company believes that WAC method of inventory valuation is preferable because (1) it results in the financial statements providing a more relevant and meaningful presentation of the entity's financial performance and (2) the change is in line with the prevailing best practices in the industry. In accordance with the Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the comparative financial results have been adjusted to apply the new method retrospectively. The impact of the change in accounting policy is summarized below:

Statement of Profit and Loss –

(Rs. In Lakhs)

Particulars	Quarter ended 31-Dec-2019	Nine Months ended 31-Dec-2019	Year ended 31-Mar-2020
(Increase) in Cost of materials consumed	(95.99)	(123.83)	(254.69)
Decrease in Changes in inventories of finished goods and work-in-progress	8.59	7.20	8.20
(Decrease) in Profit before tax	(87.40)	(116.63)	(246.49)
Decrease in Tax expenses	21.00	27.00	62.04
(Decrease) in Profit for the period	(66.40)	(89.63)	(184.45)

9. The Indian Parliament has approved the Code on Social Securities, 2020 ('Code') which may likely impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the corresponding rules are notified and will give appropriate impact in the financial results in the period in which the Code becomes effective and the related rules are notified.
10. Investors can view the unaudited financial results of the company for the quarter and nine months ended December 31, 2020 on the company's website www.fairchem.in, on the website of the BSE www.bseindia.com and on the website of NSE www.nseindia.com.

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

Digitally signed by JARIWALA
NAHOOSH JAYVADAN
Date: 2021.02.08 17:13:12 +05'30'

Place: Chekhala, Taluka Sanand, Dist. AHMEDABAD
Date: February 08, 2021

Nahoosh Jariwala
Managing Director
(DIN: 00012412)

B S R & Co. LLP

Chartered Accountants

903 Commerce House V,
Near Vodafone House,
Prahaldnagar, Corporate Road,
Ahmedabad - 380 051 - India

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Limited review report (unmodified) on unaudited quarterly financial results and year-to-date results of Fairchem Organics Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Fairchem Organics Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Fairchem Organics Limited for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (“the Statement”), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing and Obligation Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”). Attention is drawn to the fact that the figures relating to the preceding quarter ended 30 September 2020 and those relating to the quarter ended 30 June 2020, both forming part of the year to date figures for the period 1 April 2020 to 31 December 2020, included in the Statement are as approved by the Board of Directors of the Company and have not been subjected to audit or review. Similarly, the corresponding figures of quarter ended 31 December 2019 and nine months ended 31 December 2019, included in the Statement, are as approved by the Board of Directors of the Company and have not been subjected to audit or review.
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. 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 misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

We draw attention to Note 3 of the Statement which describes the accounting for the Composite Scheme of arrangement and amalgamation (‘Scheme’) of between the Company, Fairchem Speciality Limited (now known as Privi Speciality Limited) and Privi Organics India Limited. The Scheme with the appointed date as the closing of business hours of 31 March 2019 has been approved by the National Company Law Tribunal (‘NCLT’) vide its order dated 30 June 2020 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on 12 August 2020. As per the requirements of Appendix C to Ind AS 103 “Business Combination”, the combination has been

B S R & Co. LLP

Limited review report (unmodified) on unaudited quarterly financial results and year-to-date results of Fairchem Organics Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

accounted for as if it had occurred from the beginning of the preceding period in the Statement.

Accordingly, the amounts for the year ended 31 March 2020 include the impact of the business combination for the entire year and the corresponding amounts for the previous quarter and nine months ended 31 December 2019 have been restated by the Company after recognising the effect of the business combination as above. The aforesaid note (Note 3) also describes in detail the impact of the business combination on the financial statements.

Our conclusion is not modified in respect of this matter.

6. Other Matter

The financial results of the Company for the year ended 31 March 2020, included in this Statement, had been audited by another firm of Chartered Accountants, who had expressed an unmodified opinion thereon as per their report dated 23 June 2020 which has been furnished to us by the management and has been relied upon us for the purpose of our review of the Statement.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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Rupen Shah
Partner

Membership No. 116240
UDIN 21116240AAAAAD6265

Place: Ahmedabad
Date : 8 February 2021