



FAIRCHEM SPECIALITY LIMITED

(Formerly Known as ADI FINECHEM LIMITED)

Corporate Office : 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road,
Off S.G. Road, Ahmedabad - 380 059. INDIA.

Phone : (079) 29701675 / 48911675 E-mail : info@fairchem.in
CIN : L15140MH1985PLC286828 Website : www.fairchem.in

May 09, 2018

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 09-05-2018

This is to bring to your kind notice that a meeting of the Board of Directors was held today i.e., May 09, 2018 at Mumbai. 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, 2018.
2. Declaration by Company Secretary regarding unmodified opinion on Audited Financial Results 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.
4. Re-appointment of Shri Nahoosh Jariwala as Managing Director of the Company and fixation of his remuneration for a further period of 3 years w.e.f. April 01, 2019, subject to approval of the shareholders in the ensuing AGM.
5. Re-appointment of Shri P. R. Barpande as an Independent Director who was appointed to fill in the casual vacancy, for a term 5 years w.e.f. April 01, 2019,
6. Re-appointment of Shri Hemang Gandhi as an Independent Director who was appointed to fill in the casual vacancy, for a term of 5 years w.e.f. April 01, 2019.
7. Re-appointment of Shri Rajesh Budhrani as an Independent Director who was appointed to fill in the casual vacancy, for a term of 5 years w.e.f. April 01, 2019.
8. Re-appointment of Shri Darius Pandole as an Independent Director who was appointed to fill in the casual vacancy, for a term of 5 years w.e.f. April 1, 2019.



FAIRCHEM SPECIALITY LIMITED

(Formerly Known as **ADI FINECHEM LIMITED**)

Continuous Sheet No.

9. Re-appointment of Shri Viren Joshi as an Independent Director who was appointed to fill in the casual vacancy, for a term of 5 years w.e.f. April 1, 2019.
10. To consider increasing the Authorised Share Capital and consequent alteration of the Capital Clause in the Memorandum of Association of the Company.

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

Thanking You

Yours faithfully
For Fairchem Speciality Limited,


Rajen Jhaveri
Chief Financial Officer & Company Secretary



FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)

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Ph.: 079-29701675, 48911675, Email Id: cs@fairchem.in; Website: www.fairchem.in

CIN: L15140MH1985PLC286828

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

		(Rs. In Lakhs)				
		Quarter ended			Year ended	
		31-Mar-2018	31-Dec-2017	31-Mar-2017	31-Mar-2018	31-Mar-2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
		(Refer note 6)		(Refer note 6)		
I	Income					
	Revenue from Operations	6,011.45	5,848.93	5,968.75	24,283.77	20,390.17
II	Other Income	18.84	0.48	(1.35)	270.35	9.34
III	Total Revenue (I + II)	6,030.29	5,849.41	5,967.40	24,554.12	20,399.51
IV	Expenses					
	Cost of materials consumed	3,932.61	4,036.95	3,497.54	15,857.14	12,457.24
	Changes in Inventories of Finished Goods and Work-in-Progress	56.59	(140.28)	130.99	6.94	(78.16)
	Excise Duty	-	-	533.85	650.87	1,847.11
	Employee benefits expense	326.01	328.51	301.50	1,297.05	1,107.74
	Finance costs	162.71	129.19	142.83	575.57	469.31
	Power and Fuel	386.38	388.25	357.20	1,605.31	1,206.66
	Depreciation and Amortisation expenses	144.29	119.64	103.26	494.91	422.09
	Other Expenses	450.99	316.41	623.47	1,484.34	1,483.09
	Total expenses	5,459.58	5,178.67	5,690.64	21,972.13	18,915.08
V	Profit Before Tax (III - IV)	570.71	670.74	276.76	2,581.99	1,484.43
VI	Tax expense					
	Current Tax	83.68	194.09	21.96	573.23	353.11
	Deferred Tax	(72.29)	62.35	136.63	69.07	218.43
	Excess Provision of Income Tax in respect of earlier years (Net)	-	-	-	-	7.06
VII	Profit for the period after tax (V - VI)	559.32	414.30	118.16	1,939.69	905.83
VIII	Other Comprehensive Income (OCI)	37.08	(12.55)	(29.73)	(0.58)	(34.91)
IX	Total Comprehensive Income (VII + VIII)	596.40	401.75	88.43	1,939.11	870.92
X	Paid -up Equity Share Capital (Face Value of Rs. 10/- each)	3,760.98	3,760.98	3,760.98	3,760.98	3,760.98
XI	Earning Per Share (EPS) of Rs. 10/- each (Not annualised) (In Rs.)					
	Basic	1.43	1.06	0.39	4.97	2.96
	Diluted	1.43	1.06	0.39	4.97	2.96

For Fairchem Speciality Limited


Mahesh Babani
 Managing Director

For Fairchem Speciality Limited


Nahoosh Jariwala
 Managing Director



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STATEMENT OF STANDALONE AUDITED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

		(Rs. in Lakhs)	
		As At	
		31-Mar-2018 (Audited)	31-Mar-2017 (Audited)
A	Assets		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	10,154.68	9,350.87
	(b) Capital work-in-progress	338.13	320.68
	(c) Financial Assets		
	(i) Investments	1.00	1.00
	(ii) Other Financial Assets	34.99	18.75
	(d) Non-Current Tax Assets (Net)	157.23	157.23
	(e) Other Non-Current Assets	147.87	53.67
		10,833.90	9,902.20
2	Current Assets		
	(a) Inventories	3,042.72	2,315.16
	(b) Financial Assets		
	(i) Trade Receivables	3,202.63	2,539.36
	(ii) Cash and Bank Balances	2.01	33.73
	(iii) Bank balances other than (ii) above	38.00	13.56
	(iv) Loans	0.22	0.17
	(v) Other Financial Assets	276.41	198.73
	(c) Other Current Assets	249.74	375.21
		6,811.73	5,475.92
	Total Assets	17,645.63	15,378.12
B	Equity And Liabilities		
	Equity		
	(a) Equity Share Capital	3,760.98	3,760.98
	(b) Instruments entirely equity in nature	145.29	145.29
	(c) Other Equity	4,827.51	3,290.17
		8,733.78	7,196.44
	Liabilities		
1	Non- Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,635.06	1,876.06
	(b) Provisions	61.95	65.82
	(c) Deferred Tax Liabilities (Net)	1,041.02	972.26
		2,738.03	2,914.14
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,877.47	3,152.67
	(ii) Trade Payables	739.94	603.03
	(iii) Other financial liabilities	1,419.03	1,283.17
	(b) Other current liabilities	73.54	200.88
	(c) Provisions	25.26	27.79
	(d) Current Tax Liabilities (Net)	38.58	-
		6,173.82	5,267.54
	Total Equity and Liabilities	17,645.63	15,378.12

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

Nahoosh Jariwala
Managing Director

Mahesh Babani
Managing Director

Place : Mumbai
Date : May 09, 2018

Notes:

- The standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 05, 2016. The Company has for the first time adopted Ind AS for the financial year commencing from April 01, 2017 with a transition date of April 01, 2016.
- The Board of Directors has recommended dividend on equity shares @ Rs. 1.50 per share i.e. 15 % for the year ended March 31, 2018.
- The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:

(Rs. In Lakhs)			
No.	Particulars	3 Months ended 31-Mar-2017	Year ended 31-Mar-2017
1	Net Profit for the period as per Indian GAAP	63.53	846.01
2	Add/(Less) : Adjustment for Ind AS		
(a)	Reclassification of actuarial gains or loss on defined benefit plans	45.46	53.38
(b)	Rent equalization	17.76	17.76
(c)	Adjustment of borrowings at amortised cost using effective interest rate method	10.91	10.91
(b)	Tax on above adjustments	(19.50)	(22.23)
	Total	54.63	59.82
3	Net Profit for the period as per Ind AS	118.16	905.83
4	Other Comprehensive Income/(Expenses) :		
	Items that will not be reclassified to profit or loss (Net of Tax)	(29.73)	(34.91)
5	Total Comprehensive Income	88.43	870.92

- The Company has opted to publish Standalone as well as Consolidated Financial Results. The above standalone unaudited financial results as reviewed by Audit Committee were taken on record by the Board of Directors at their meeting held on 9th May, 2018. The Statutory Auditors have performed audit of Company's standalone financial results for the year ended March 31, 2018.
- The Company is engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Neutraceuticals. As such the company's business falls within a single business segment of Speciality Chemicals, in context of Ind AS 108 - Operating Segments.
- The figures of the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full period of twelve months ending as at March 31, 2018 and the unaudited published year to date figures up to December 31, 2017, being the date of the end of the third quarter of the financial year.
- During previous year ended March 31, 2017, in accordance with the order dated February 22, 2017, by Hon'ble National Company Law Tribunal, Mumbai Bench, filed with Registrar of Companies on March 14, 2017 the Company has allotted 12,634,353 equity shares of Rs. 10 each and 12,634,353 compulsorily convertible preference shares of Rs. 10 each to the shareholders of Privi Organics Limited as on March 8, 2017, the record date, by corresponding debit to general reserves and balance in the profit and loss account as per the treatment prescribed in aforesaid scheme.
- In accordance with the requirements of Ind AS, revenue from operations for the quarter ended March 31, 2018 and December 31, 2017 is net of Goods and Service Tax (GST) and revenue for the quarter and year ended March 31, 2017 is inclusive of Excise Duty. GST which is effective from July 1, 2017 has replaced excise duty and certain other indirect taxes. Accordingly, the adjusted revenue from operations (i.e net of GST and excise duty, as applicable) for comparable purposes is as under :

Particulars	3 Months ended			Year ended	
	31-Mar-2018	30-Dec-2017	31-Mar-2017	31-Mar-2018	31-Mar-2017
Revenue from Operations (Net of GST and Excise Duty, as applicable)	6,011.45	5,848.93	5,434.90	23,632.90	18,543.06

- The figures for the corresponding and comparative previous period have been regrouped/ rearranged, wherever necessary, to conform to the classification of the current period.
- Investors can view the unaudited financial results of the company for the quarter and year ended 31st March, 2018 on the company's website www.fairchem.in or on the website of the BSE www.bseindia.com or on the website of NSE www.nseindia.com.

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

Place: Mumbai
Date: May09, 2018

Nahoosh Jariwala
Managing Director

Mahesh Babani
Managing Director

For Fairchem Speciality Limited

For Fairchem Speciality Limited


Nahoosh Jariwala
Managing Director


Mahesh Babani
Managing Director

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAIRCHEM SPECIALITY LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Fairchem Speciality Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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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-4382) 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)



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5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw your attention to the Note no. 49 to the standalone financial statements regarding accounting for issue of equity shares and compulsorily convertible preference shares with a corresponding debit to general reserve and surplus in the profit and loss, in accordance with a Scheme of arrangement between the Company, Privi Organics Limited and Privi Organics India Limited (formerly known as Adi Aromatic Limited), approved by National Company Law Tribunal, Mumbai Bench.

Our opinion is not qualified in respect of this matter.



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Other Matter

10. The comparative financial information of the Company for the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which was audited by the predecessor auditor who expressed an unmodified opinion vide report dated April 29, 2016. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
11. The comparative financial information of the Company for the year ended March 31, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 11, 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors



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is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 42.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co. Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 304026E/ E-300009



Priyanshu Gundana
Partner
Membership Number: 109553



Place: Mumbai
Date: May 9, 2018

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited on the standalone financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Fairchem Speciality Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co. Chartered Accountants
LLP
Chartered Accountants
Firm Registration Number: 304026E/ E-300009



Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 9, 2018

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited on the standalone financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the standalone financial statements, are held in the erstwhile name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

Price Waterhouse & Co Chartered Accountants LLP, 252, Veer Savarkar Marg, Shriyaji Park, Dadar (West) Mumbai - 400 028

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

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Demand in respect of Excise duty and Cenvat	22.79	Year 2012 – 13	The Commissioner (Appeals - II) Central Excise, Ahmedabad
Service Tax The Finance Act, 1994	Demand in respect of Cenvat credit reversal	3.85	February 2013 to November 2014	The Commissioner (Appeal) Central Excise, Ahmedabad
		2.44	December 2014 to August 2015	The Commissioner (Appeal) Central Excise, Ahmedabad
Central Sales Tax Act, 1956 and The Gujarat Value added tax 2003	Demand in respect of Input Tax Credit	4.71	Year 2011 – 12	Dy. Commissioner of Commercial Tax - Appeal, Ahmedabad
		8.22	Year 2012 – 13	Dy. Commissioner of Commercial Tax - Appeal, Ahmedabad
Customs Act, 1962	Demand in respect of custom duty on imports	5.20	Year 2007-08	Office of Commissioner of Customs, Nhava Sheva

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The term loans were applied for the purposes for which those were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co. Chartered Accountants
LLP
Firm Registration Number: 304026E/ E-300009
Chartered Accountants



Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 9, 2018

**FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)**

Regd. Office: 324, Dr. D.N. Road, Fort, Mumbai - 400001

Corporate Office : 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off. S.G. Road, Ahmedabad - 380 059, Gujarat, INDIA

Ph.: 079-29701675, 48911675, Email Id: cs@fairchem.in; Website: www.fairchem.in

CIN: L15140MH1985PLC286828

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

		(Rs. In Lakhs)				
		Quarter ended			Year ended	
		31-Mar-2018	31-Dec-2017	31-Mar-2017	31-Mar-2018	31-Mar-2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
I	Income					
	Revenue from Operations	31,542.60	27,221.22	23,856.80	1,03,950.78	63,619.42
II	Other Income	404.65	469.49	673.46	1,600.46	1,034.29
III	Total Revenue (I + II)	31,947.25	27,690.71	24,530.26	1,05,551.24	64,653.71
IV	Expenses					
	Cost of materials consumed	17,951.79	14,937.79	13,675.71	63,323.71	39,785.72
	Changes in Inventories of Finished Goods and Work-in-Progress	1,636.97	3,393.63	1,320.04	2,934.15	(678.04)
	Excise Duty	-	-	1,473.15	1,520.70	3,889.57
	Employee benefits expense	1,552.36	1,460.39	1,409.65	5,680.87	3,494.92
	Finance costs	596.96	552.57	783.64	2,393.99	1,697.57
	Power and Fuel	1,878.82	1,829.86	1,517.34	6,964.38	3,878.85
	Depreciation and Amortisation expenses	1,201.63	1,045.84	937.29	4,330.90	2,682.54
	Other Expenses	3,370.50	2,749.02	2,533.54	10,506.93	6,346.72
	Total expenses	28,189.03	25,969.10	23,650.36	97,655.63	61,097.85
V	Profit Before Tax (III - IV)	3,758.22	1,721.61	879.90	7,895.61	3,555.86
VI	Tax expense					
	Current Tax	820.33	400.00	261.84	1,907.04	877.22
	Deferred Tax	264.03	247.76	(225.67)	654.81	(40.83)
	Excess Provision of Income Tax in respect of earlier years (Net)	-	-	-	-	7.06
VII	Profit for the period after tax (V - VI)	2,673.86	1,073.85	843.72	5,333.76	2,712.41
VIII	Other Comprehensive Income (OCI)	45.06	(2.59)	(36.73)	3.74	(55.89)
IX	Total Comprehensive Income (VII + VIII)	2,718.92	1,071.26	806.99	5,337.50	2,656.52
X	Paid -up Equity Share Capital (Face Value of Rs. 10/- each)	3,760.98	3,760.98	3,760.98	3,760.98	3,760.98
XI	Earning Per Share (EPS) of Rs. 10/- each (Not annualised) (In Rs.)					
	Basic	6.85	2.75	2.76	13.65	8.86
	Diluted	6.85	2.75	2.76	13.65	8.86

For Fairchem Speciality Limited

Nahoosh Jariwala
Managing Director

For Fairchem Speciality Limited

Mahesh Babani
Managing Director

**FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)**

Regd. Office: 324, Dr. D.N. Road, Fort, Mumbai - 400001

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CIN: L15140MH1985PLC286828

STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES AS AT 31ST MARCH, 2018

		(Rs. in Lakhs)	
		As At	
		31-Mar-2018 (Audited)	31-Mar-2017 (Audited)
A	Assets		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	43,045.98	38,638.24
	(b) Capital work-in-progress	4,915.49	2,168.75
	(c) Intangible assets	444.27	123.76
	(d) Intangible Assets Under Development	220.14	220.14
	(d) Financial Assets	-	-
	(i) Investments	-	19.57
	(ii) Other Financial Assets	506.11	1,052.41
	(e) Non-Current Tax Assets (Net)	1,367.74	1,337.98
	(f) Other Non-Current Assets	713.07	1,867.91
		51,212.80	45,428.76
2	Current Assets		
	(a) Inventories	23,391.73	24,614.47
	(b) Financial Assets		
	(i) Investments	300.17	54.03
	(ii) Trade Receivables	23,040.70	17,388.94
	(iii) Cash and cash equivalents	1,212.40	683.31
	(iv) Bank balances other than (ii) above	1,197.68	2,387.40
	(v) Loans	0.22	0.17
	(vi) Other Financial Assets	1,261.09	963.02
	(c) Other Current Assets	3,674.43	2,380.13
		54,078.42	48,471.47
	Total Assets	1,05,291.22	93,900.23
B	Equity And Liabilities		
	Equity		
	(a) Equity Share Capital	3,760.98	3,760.98
	(b) Instruments entirely equity in nature	145.29	145.29
	(c) Other Equity	45,389.63	40,504.79
		49,295.90	44,411.06
	Liabilities		
1	Non- Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	7,679.35	6,599.25
	(b) Provisions	855.10	741.37
	(c) Deferred Tax Liabilities (Net)	2,455.79	1,803.02
		10,990.24	9,143.64
2	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	21,536.56	21,586.84
	(ii) Trade Payables	15,013.69	12,032.00
	(iii) Other financial liabilities	7,503.05	5,640.95
	(b) Other current liabilities	274.99	507.68
	(c) Provisions	81.81	72.72
	(d) Current Tax Liabilities (Net)	594.98	505.34
		45,005.08	40,345.53
		55,995.32	49,489.17
	Total Equity and Liabilities	1,05,291.22	93,900.23

For Fairchem Speciality Limited

Nahoosh Jariwala
Managing DirectorFor and on behalf of the Board of Directors,
For, Fairchem Speciality Limited,

For Fairchem Speciality Limited

Mahesh Babani
Managing DirectorMahesh Babani
Managing DirectorPlace : Mumbai
Date : May 09, 2018

Notes:

- The consolidated financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 05, 2016. The Company has for the first time adopted Ind AS for the financial year commencing from April 01, 2017 with a transition date of April 01, 2016.
- The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below;

(Rs. In Lakhs)

No.	Particulars	Quarter ended	Year ended
		31-Mar-2017	31-Mar-2017
1	Net Profit for the period as per Indian GAAP	447.35	2,135.73
2	Add/(Less) : Adjustment for Ind AS		
(a)	Reclassification of actuarial gains or loss on defined benefit plans	53.31	84.80
(b)	Rent Equalization	17.76	17.76
(c)	Investment recognised at Fair value through Profit and Loss	96.00	52.81
(d)	Deferred tax on unrealised profit elimination	131.98	123.82
(e)	Depreciation impact on account of revaluation reserve reversed	(389.57)	(11.78)
(f)	Adjustment of borrowings at ammortised cost using effective interest rate method	162.74	36.84
(g)	Deferred tax on above adjustments	20.90	(30.81)
(h)	Current Tax	303.25	303.25
	Total	396.37	576.69
3	Net Profit for the period as per Ind AS	843.72	2,712.42
4	Other Comprehensive Income/(Expenses) :		
	Items that will not be reclassified to profit or loss (Net of Tax)	(34.87)	(55.46)
	Items that will be reclassified to profit or loss	(1.86)	(0.44)
5	Total Comprehensive Income	806.99	2,656.52

- The Company has opted to publish Standalone as well as Consolidated Financial Results. 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 Inc (Wholly owned Subsidiary of POIL) and Minar Organics Private Limited (Associate of POIL up to March 21, 2018).
- The Company and its subsidiaries are engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Neutraceuticals and Aroma chemicals. As such the company and its subsidiaries business falls within a single business segment of Speciality Chemicals, in context of Ind AS 108 - Operating Segments.
- The figures of the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full period of twelve months ending as at March 31, 2018 and the unaudited published year to date figures up to December 31, 2017, being the date of the end of the third quarter of the financial year.
- During previous year ended March 31, 2017, in accordance with the order dated February 22, 2017, by Hon'ble National Company Law Tribunal, Mumbai Bench, filed with Registrar of Companies on March 14, 2017 (effective date) the Company has allotted 12,634,353 equity shares of Rs. 10 each and 12,634,353 compulsorily convertible preference shares of Rs. 10 each to the shareholders of Privi Organics Limited (POL) as on March 8, 2017, the record date, by corresponding debit to general reserves and balance in the profit and loss account as per the treatment prescribed in aforesaid scheme;

Pursuant to the scheme, the assets and liabilities of POL have been divested into the subsidiary company at the same values as appearing in the books of POL on August 1, 2016, being the appointed date and the excess of values of assets over the value of liabilities aggregating to Rs.20,811.87 lakhs is treated as General Reserve in the books of subsidiary company;

Pursuant to the Scheme, money raised in POL prior to the effective date towards shares subscribed by an existing shareholder, post the appointed date, of Rs. 14,528.22 lakhs (net of expenses incurred of Rs 471.78 lakhs) has been transferred to the Resulting Company with a credit to the general reserve. Accordingly, Rs. 35,340.09 lakhs has been transferred to general reserves (in the aggregate)

- The above consolidated unaudited financial results as reviewed by Audit Committee were taken on record by the Board of Directors at their meeting held on 9th May, 2018. The Statutory Auditors have performed audit of Company's consolidated unaudited financial results for the year ended March 31, 2018;
- The Corresponding previous period figures are not comparable since the subsidiary company was incorporated on July 8, 2016.
- In accordance with the requirements of Ind AS, revenue from operations for the quarter ended March 31, 2018 and December 31, 2017 is net of Goods and Service Tax (GST) and revenue for the quarter and year ended March 31, 2017 is inclusive of Excise Duty. GST which is effective from July 1, 2017 has replaced excise duty and certain other indirect taxes. Accordingly, the adjusted revenue from operations (i.e net of GST and excise duty, as applicable) for comparable purposes is as under :

(Rs. In Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-2017	31-Dec-2017	31-Mar-2017	31-Mar-2018	31-Mar-2017
Revenue from Operations (Net of GST and Excise Duty, as applicable)	31,542.60	27,221.22	22,383.65	102,430.08	59,729.85

- The figures for the corresponding and comparative previous period have been regrouped/ rearranged, wherever necessary, to conform to the classification of the current period.

11. 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 & Machinery and other Fixed Assets. The Company (POIL) is not able to make a reliable estimate of the exact amount of loss, which would be estimated once the surveyors have completed their assessment. The Company (POIL) is adequately insured and post the assessment, the Company (POIL) will file a claim for reimbursement of loss with the Insurance Company. Since this is a non-adjusting subsequent event, no adjustment has been made in the financial statements for the year ended 31st March, 2018.
12. Investors can view the unaudited financial results of the company for the quarter and year ended 31st March, 2018 on the company's website www.fairchem.in or on the website of the BSE www.bseindia.com or on the website of NSE www.nseindia.com.

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

**Place: Mumbai
Date: May 09, 2018**

**Nahoosh Jariwala
Managing Director**

**Mahesh Babani
Managing Director**

For Fairchem Speciality Limited



**Nahoosh Jariwala
Managing Director**

For Fairchem Speciality Limited



**Mahesh Babani
Managing Director**

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Speciality Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Fairchem Speciality Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 2 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 the assets of the Group respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.



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Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.



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Emphasis of Matter

8. a) We draw your attention to the Note 50 to the consolidated financial statements regarding accounting for issue of equity shares and compulsorily convertible preference shares with a corresponding debit to general reserve and surplus in the profit and loss, by the Holding Company, in accordance with a Scheme of arrangement between the Holding Company, Privi Organics Limited and Privi Organics India Limited (formerly known as Adi Aromatic Limited), approved by National Company Law Tribunal, Mumbai Bench.

b) We draw your attention to the following Emphasis of Matter paragraph included in the Audit report of Privi Organics India Limited, a wholly-owned subsidiary of the Company, issued by an independent firm of Chartered Accountants vide its report dated May 08, 2018 :

"We draw attention to Note 40 to the financial statements. During the period ended 31 March 2017, as per the accounting treatment prescribed in the Scheme approved by the National Company Law Tribunal (NCLT) Order, the Company has credited Rs 35,573.76 lakhs, being the excess of book value of assets over the book value of liabilities and consideration for equity shares issued, vested under the Scheme, to the general reserve. Had such accounting treatment not been specified under the NCLT Order, under the Indian Accounting Standards (Ind AS) adopted by the Company with effect from 1 April 2017, restated for the previous period's figures under Ind AS, the assets and liabilities would need to be fair valued and the excess of fair value of consideration directly discharged by the parent company (to be recognized as contribution from the parent directly in equity) over the fair value of net assets acquired (i.e fair value of assets acquired less fair value of liabilities (including consideration for equity shares issued)) would be recognised as goodwill and in reverse case would be recognised in equity as capital reserve."

Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 87,646.59 lakhs and net assets of Rs. 40,563.11 lakhs as at March 31, 2018, total revenue of Rs. 79,667.01 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 3,648.38 lakhs and net cash in flows amounting to Rs. 560.81 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



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Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

10. The comparative financial information of the Group for the year ended March 31, 2017 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 11, 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the



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Group companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group,— Refer Note 44 to the consolidated Ind AS financial statements.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2018 – Refer Note 25 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse & Co. Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 304026E/ E-300009


Priyanshu Gundana
Partner
Membership Number: 109553

Place: Mumbai
Date: May 9, 2018

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Fairchem Speciality Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

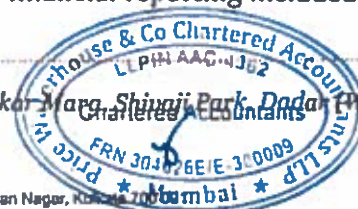
Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included

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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

obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Price Waterhouse & Co Chartered Accountants LLP

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants
LLP
Chartered Accountants
Firm Registration Number: 304026E/ E-300009



Priyanshu Guhdana
Partner

Membership Number: 109553

Place: Mumbai
Date: May 9, 2018



FAIRCHEM SPECIALITY LIMITED

(Formerly Known as **ADI FINECHEM LIMITED**)

Corporate Office : 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road,
Off S.G. Road, Ahmedabad - 380 059. INDIA.

Phone : (079) 29701675 / 48911675 E-mail : info@fairchem.in
CIN : L15140MH1985PLC286828 Website : www.fairchem.in

May 09, 2018

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 May 09, 2018 with unmodified opinion on standalone and consolidated Audited financial results of the Company for the quarter and year ended 31st March, 2018.

Kindly take the above on your record.

Yours faithfully

For Fairchem Speciality Limited,

Rajen Jhaveri
Chief Financial Officer & Company Secretary