





**FAIRCHEM**  
A FAIRFAX COMPANY

## 1st Annual Report

<b>Board of Directors:</b>	Shri Utkarsh Shah	Chairman (w.e.f. August 26, 2020)
	Shri Nahoosh Jariwala	Managing Director
	Shri Sumit Maheshwari	Director (w.e.f. August 26, 2020)
	Shri Venkatraman Srinivasan	Director (w.e.f. August 26, 2020)
	Shri Darius Pandole	Director (w.e.f. August 26, 2020)
	Ms. Sonal Ambani	Director (w.e.f. August 26, 2020)

<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Rajen Jhaveri
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<b>Bankers :</b>	HDFC Bank Limited
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<b>Registered Office</b>	Plot No. A- 71, TTC, Thane Belapur Road Near Kopar Kharaine, Navi Mumbai – 400 709
<b>Works &amp; Office</b>	253/P & 312, Village Chekhala, Sanand - Kadi Highway Tal. Sanand, Dist. Ahmedabad – 382115, Gujarat, India Phone No(s) + 91 90163 24095 and + 91 94099 58550

<b>E Mail Ids</b>	cs@fairchem.in
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<b>Registrar and Share Transfer Agent</b>	Link Intime India Private Limited C- 101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400083
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<b>C.I.N.</b>	U24200MH2019PLC323176
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<b>Website</b>	www.fairchem.in
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## NOTICE

NOTICE is hereby given that the First Annual General Meeting of the Members of **FAIRCHEM ORGANICS LIMITED** will be held through video conferencing (VC) /other Audio visual means (OAVM) on Thursday, **December 31, 2020 at 03.00 p.m.** to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the period ended on March 31, 2020 along with the Directors' Report and Auditors' Report thereon.

**"RESOLVED THAT** the audited financial statements of the Company for the period ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To Appoint a Director in place of Shri Nahoosh Jariwala (DIN 00012412), who retires by rotation and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Nahoosh Jariwala (DIN 00012412), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General meeting and to fix their remuneration. The following resolution is proposed to be passed with or without modification as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP (Firm registration number - 101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix their remuneration and reimbursement of out of actual pocket expenses."

### SPECIAL BUSINESS:

4. Appointment of Shri Nahoosh J. Jariwala (DIN: 00012412) as the Managing Director and to pass the following resolution as a **Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with schedule V of the said Act and the Rules made, thereunder, wherever applicable and subject to other necessary approvals if any as may be required under the provisions of the Act or any other law which may be necessary, consent of the members be and is hereby accorded to appoint Shri Nahoosh J. Jariwala (DIN 00012412) as Managing Director of the Company for a period of three years w.e.f. August 13, 2020, upto August 12, 2023 on the terms and conditions including the remuneration as set out in the explanatory statement annexed to the Notice convening this meeting.

**FURTHER RESOLVED THAT** where in any financial year, during the tenure of Shri Nahoosh Jariwala, the Managing Director, if the Company has no profits or its profits are inadequate, the Company pay the remuneration as mentioned in the explanatory statement as minimum remuneration subject to provisions of Schedule V of the Act and the requisite approvals from relevant authority, if any as may be required.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby severally authorized to alter, amend, vary or modify the scope and quantum of remuneration of Shri Nahoosh Jariwala, Managing Director as it may deem proper from time to time considering the nature and scope of his activities as shall be permissible and in

conformity with applicable provisions of the Companies Act, 2013.”

5. Appointment of Shri Utkarsh Shah (DIN 00101663) as Director and in this regard, pass the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** Shri Utkarsh Shah holding (DIN 00101663) who was appointed as an additional Director of the Company, by the Board of Directors in their meeting held on August 26, 2020 under Section 161(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) and applicable provisions of Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, in the promoter category, liable to retirement by rotation.”

6. To appoint Shri Venkatraman Srinivasan (DIN 00246012), as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Venkatraman Srinivasan (DIN: 00246012), who was appointed as Additional Director - Independent Category pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.”

7. To appoint Shri Darius Pandole (DIN 00727320), as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Darius Pandole (DIN: 00727320), who was appointed as Additional Director - Independent Category pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.”

8. To appoint Ms. Sonal Ambani (DIN 02404841), as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Ms. Sonal Ambani (DIN: 02404841), who was appointed as Additional Woman Director - Independent Category pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent

Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.”

9. Ratification of Cost Auditor’s remuneration for the Financial year ended March 31,2020

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 148 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel and Associates, Cost Accountants, Ahmedabad, (Firm Registration Number: 101163) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the company for the financial year ended on 31st March, 2020 amounting to Rs. 70,000 (Rupees Seventy Thousands) plus applicable tax be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. Ratification of Cost Auditor’s remuneration for the Financial year ending March 31,2021

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 148 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel and Associates, Cost Accountants, Ahmedabad, (Firm Registration Number: 101163) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the company for the financial year ending 31st March, 2021 amounting to Rs. 70,000 (Rupees Seventy Thousands) plus applicable tax be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:**

Plot No. A- 71, TTC, Thane Belapur Road,  
Near Kopar Khairne,  
Navi Mumbai-400709, Maharashtra  
CIN: U24200MH2019PLC323176

**By Order of the Board  
For FAIRCHEM ORGANICSLIMITED**

**Place :** Village Chekhala,  
Sanand-Kadi Highway, Taluka Sanand,  
District Ahmedabad - 382115  
**Date :** November 25, 2020

**Rajen Jhaveri  
Chief Financial Officer &  
Company Secretary  
ACS No.: 6615**

**NOTES :**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“**MCA**”) vide its Circular Nos.14/2020, 17/2020, 20/2020 and 22/2020 dated 08 April, 2020, 13 April, 2020, 05 May, 2020 and June 15, 2020 respectively (collectively referred to as “**MCA Circulars**”) and Securities and Exchange Board of India (“**SEBI**”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 (“**SEBI Circular**”) permitted the holding of Annual General Meeting through Video Conference (“**VC**”)/Other Audio Visual Means (“**OAVM**”) without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 (“**the Act**”), the Annual General Meeting of the Members of the Company is being held through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the 01st AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA/SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a certified true scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at [cs@fairchem.in](mailto:cs@fairchem.in). Institutional investors are encouraged to attend and vote at the meeting through VC.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
5. Registration of email ID:  
 In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/ Depositories, log in details for e-voting are being sent on the registered email address.  
 In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories, the following instructions to be followed:  
 (i) Kindly log in to the website of our RTA, Link Intime India Private Limited (“LI IPL”), [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/ Registration-fill in the details and upload the required documents and submit.  
 OR  
 (ii) In the case of Shares held in Demat mode:  
 The shareholder may please contact the Depository Participant (“DP”) and register the email address in the demat account as per the process followed and advised by the DP.
6. The Notice of the Annual General Meeting along with the Annual Report for the period ended on March 31, 2020 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories/ RTA in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12 May, 2020. Members may note that the Notice of 01st Annual General Meeting and Annual Report for the period ended on March 31, 2020 will also be available on the Company's website at [www.fairchem.in](http://www.fairchem.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). Members are requested to download the Annual Report and Notice of the AGM from the website of the Company and the Exchanges. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Act.
8. **VOTING THROUGH ELECTRONIC MEANS**
  - In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with the facility to exercise their right to vote at the 01st Annual General Meeting by electronic means and the business may be transacted electronically

through the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as provided by LIPL.

- The facility for electronic voting system shall also be made available at the 01st Annual General Meeting. The Members who have not cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

**9. Instructions for Members to attend the Annual General Meeting through Insta Meet (VC/OAVM) are as under:**

- a) Members are entitled to attend the Annual General Meeting through VC/OAVM platform "Insta Meet" provided by the Registrar and Transfer Agent, LIPL by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, KMPs, Chairperson of Audit and Risk Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join at 02:45 P.M. IST i.e. 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

- b) The details of the process to register and attend the AGM are as under:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>.

Select the "Company" and 'Event Date' and register with your following details: -

**A. Demat Account No. or Folio No.:** Enter your 16 digit Demat Account No. or Folio No:

- Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Members holding shares in physical form shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for Insta Meet and your attendance is marked for the meeting).

- c) Instructions for Members to Speak during the Annual General Meeting through Insta Meet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Members will get confirmation on first cum first basis.
3. Members will receive "speaking serial number" once they mark attendance for the meeting.
4. Other Members may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.



- d) Instructions for Members to Vote during the Annual General Meeting through Insta Meet:
- Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, members who have not exercised their vote through the remote e- voting can cast the vote as under:
1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
  2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
  3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
  4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
  5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
  6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- e) Members, who will be present in the Annual General Meeting through Insta Meet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Members who have voted through remote e-voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through Insta Meet. However, they will not be eligible to vote again during the meeting.
- f) Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.
- g) Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- h) Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- i) For a smooth experience of viewing the AGM proceedings on Insta MEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application.
- j) In case shareholders/members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

#### **Remote e-Voting Instructions for shareholders:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

Click on "**Sign Up**" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:** Enter your User ID

- Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Members holding shares in physical form shall provide Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

- C. DOB/DOI:** Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)
- D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.
- Members holding shares in CDSL demat account shall provide either 'C' or 'D', above
  - Members holding shares in NSDL demat account shall provide 'D', above
  - Members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
  - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
  - Click "confirm" (Your password is now generated).

**Note:** If members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and/or voted on an earlier event of any Company then they can use their existing password to login

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour/Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian/Mutual Fund/ Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.

**If members holding shares in demat form or physical form have forgotten the password:**

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case members is having valid email address, Password will be sent to his/her registered e-mail address.
- Members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and InstaVote e-Voting manual available at <https://www.instavote.linkintime.co.in> under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022-4918 6000.

10. Brief profile & other details of the Director proposed to be re-appointed, as required under Regulation 36 of the Listing Regulations and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is enclosed as Annexure-1 to this Notice.
11. The Board of Directors of the Company in their meeting held on November 25, 2020 approved the notice of the 01st Annual General Meeting for item nos. 1 to 10.
12. The relevant Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of Resolution(s) set out in this Notice is appended hereinafter.
13. All the documents referred to in the Notice will be available for electronic inspection without fees by the members from the date of circulation of this Notice up to the date of AGM i.e. December 31, 2020. Members seeking to inspect such documents can send an email to [cs@fairchem.in](mailto:cs@fairchem.in).
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents required by the Act and any other law, will be made available electronically for inspection by Members of the Company at the meeting.
15. Since the AGM will be held through VC/OAVM, the Route Map to reach to the venue of the 01st Annual General Meeting has not been annexed to this Notice.
16. Members seeking any further clarification/information relating to the Annual Financial Statements are requested to write at the Registered/Corporate Office of the Company on or before December 31, 2020 to enable the management to keep the information ready at the Meeting.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate(s) to LIPL, Registrar and Transfer Agent for consolidation into a single folio.
18. Members are requested to register their e-mail address(es) and changes in their particulars like change in address from time to time with LIPL, Registrar and Transfer Agent for shares held in physical form and with the respective Depository Participants for the shares held in dematerialized form.
19. In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions .

#### General Guidelines for shareholders:

1. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call at :- Tel : 022 - 49186000.
2. The remote e-voting period will commence at **9:00 a.m. (IST) on Monday, December 21, 2020 and will end at 5:00 p.m. (IST) on Wednesday, December 30, 2020**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date** i.e. **Friday, December 18, 2020** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
3. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company

as on the cut-off date i.e. Friday, December 18, 2020. The person who is not a member as on the cutoff date should treat this Notice for information purpose only.

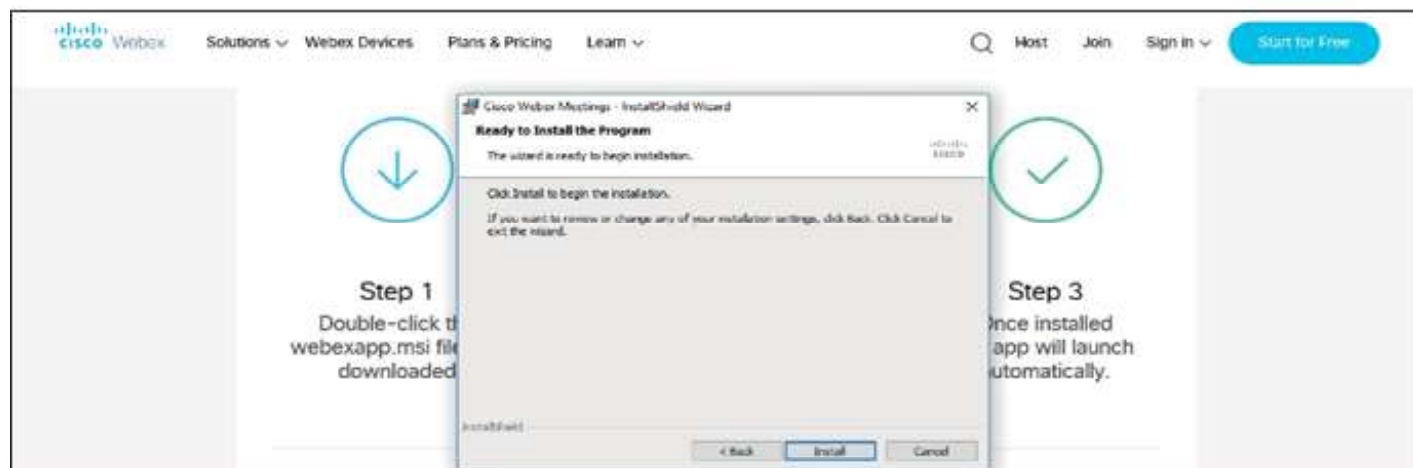
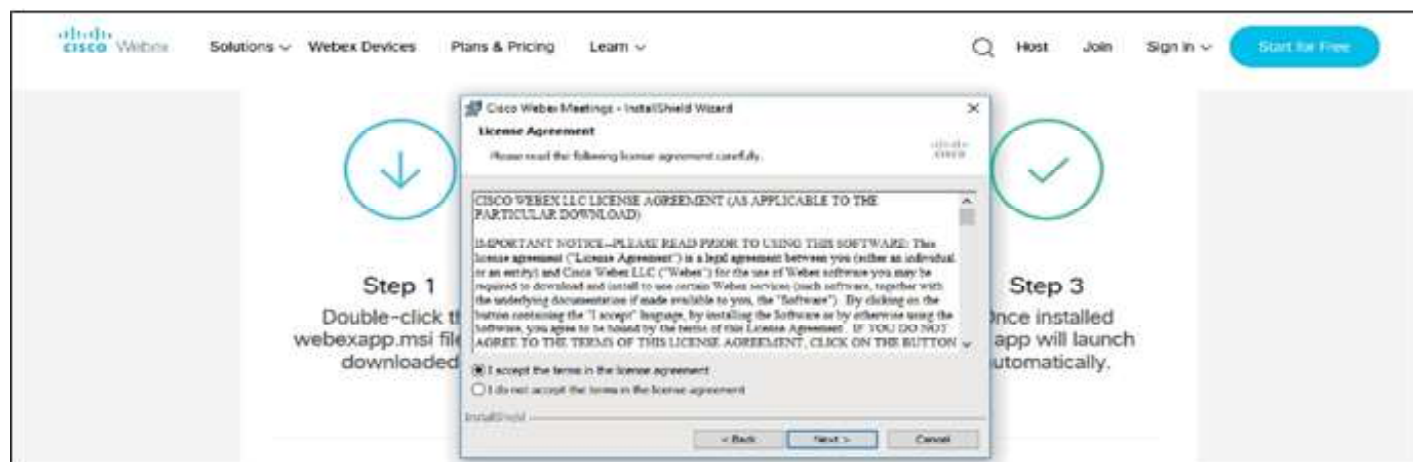
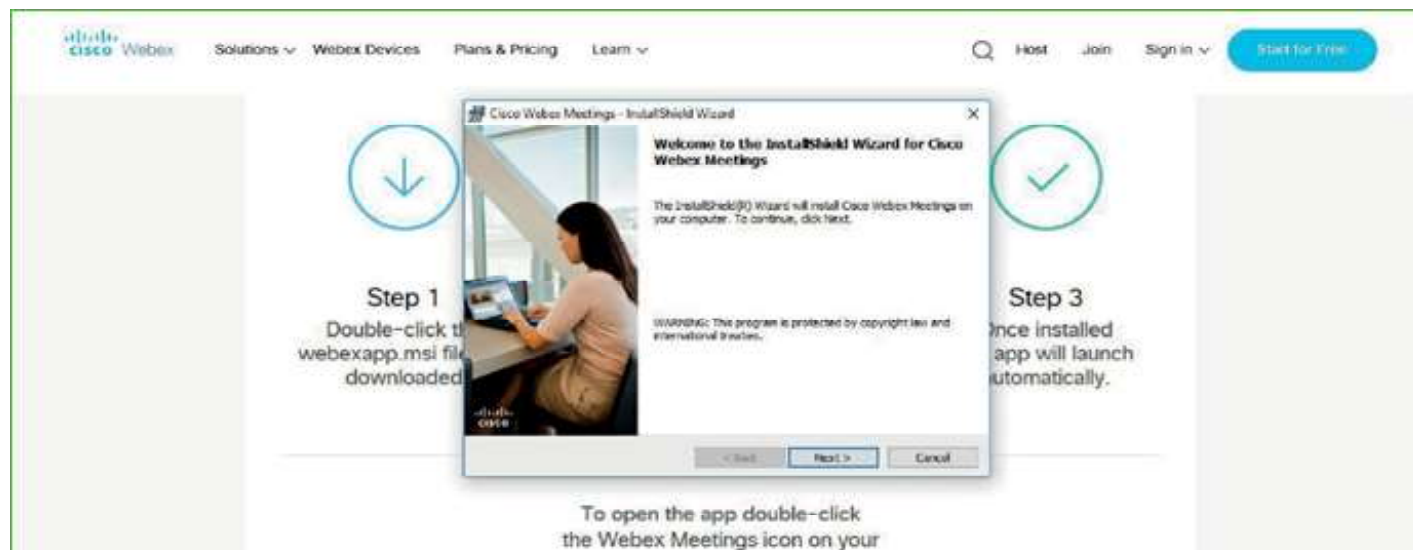
4. Any person, who acquire shares of the Company and become member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. Friday, December 18, 2020, may obtain the user ID and password by sending a request to RTA. However, if you are already registered with LIPL for remote e-voting, then you can use your existing user ID and password for casting your vote.
5. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as evoting at the AGM.
6. The Company has appointed Mr. Uday Dave, Practicing Company Secretary (Membership no. FCS 6545) Partner of M/s. Parikh Dave & Associates, Company Secretaries, Ahmedabad, as the Scrutinizer to scrutinize the remote e-voting process and evoting at the Annual General Meeting in a fair and transparent manner.
7. The Chairman shall, at the AGM, at the discussion on the resolutions on which voting is to be held, allow voting to be cast by use of evoting facility 'InstaMeet' of LIPL for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
8. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The Results of the AGM shall be declared by the Chairman or person authorized or anyone of the director of the Company after the AGM within the prescribed time limits. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
10. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.fairchem.in](http://www.fairchem.in) and on the website of LIPL.

## **Annexure**

### Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u> .  Click on <u>Run a temporary application</u> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

**Registered Office:**

Plot No. A- 71, TTC, Thane Belapur Road,  
Near Kopar Khairne,  
Navi Mumbai-400709, Maharashtra  
CIN: U24200MH2019PLC323176

**By Order of the Board  
For FAIRCHEM ORGANICSLIMITED**

**Place :** Village Chekhala,  
Sanand-Kadi Highway, Taluka Sanand,  
District Ahmedabad - 382115

**Date :** November 25, 2020

**Rajen Jhaveri  
Chief Financial Officer &  
Company Secretary  
ACS No.: 6615**



## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 4

The Board of Directors, at its meeting held on, 12th August, 2020, had recommended, subject to approval of the shareholders, the appointment of Shri Nahoosh Jariwala (DIN 00012412) as the Managing Director w.e.f. August 13, 2020 for a term of three years i.e. up to August 12, 2023.

Shri Nahoosh Jariwala, a Commerce graduate born on August 21, 1961 and he is associated with the group in the capacity of Managing Director since 2010. He has a total experience of over 30 years. He is one of the original founder – promoters of Fairchem Speciality Limited (now known as Privi Speciality Chemicals Limited) whose business of Oleo Chemicals and Nutracuticals is demerged and vested in this company pursuant to order dated June 30, 2020 of Hon'ble N.C.L.T., Mumbai Bench. His association with this business is now for more than 26 years. He has expertise in all crucial areas of this business of the Company viz. selection of right production and utility equipments, process and product development related matters, commercial and financial matters etc.. Main terms and conditions and remuneration and perquisites payable to Managing Director are as under:

#### REMUNERATION:

(A) Salary: Rs 17,00,000/- per month w.e.f. August 13, 2020.

#### PERQUISITES AND ALLOWANCES:

##### Category - A

- (1) Personal Accident Insurance : The Company shall pay / reimburse Personal Accident Insurance Premium upto Rs. 25,000/- for the Managing Director
- (2) Club Fees : The Company shall pay / reimburse annual fees for one club.

The aggregate value of perquisites mentioned at Sr. Nos. (1) to (2), for each year shall be computed as per the Provisions of the Income Tax Act, 1961 and /or Rules made thereunder. In case of benefits for which no specific valuation is provided under the Income Tax Act, the perquisites value of such benefit shall be taken at actual cost.

- (3) Medical Reimbursement :

Medical expenses actually incurred for self and family shall be reimbursed by the Company upto a limit of Rs. 5.00 lakhs p.a.

##### Category - B

- i) Contribution to Provident Fund @ 12 % of basic salary
- ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service
- iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

#### CATEGORY – C

- i) The Company shall provide car with driver at the entire cost to the Company for use in Company's business and the same will not be considered as perquisites.
- ii) The Company shall provide telephone, internet and other communication facilities at the residence of the Managing Director at the entire cost to the Company.

#### Explanation:

Perquisites shall be evaluated as per Income tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at the actual cost.

THE STATEMENT OF DISCLOSURES PURSUANT TO CLAUSE B(iv) of SECTION II OF PART II OF SCHEDULE V OF

THE COMPANIES ACT, 2013 IS AS UNDER :

I. General Information :

1. Nature of Industry : Manufacture of Specialty Oleo Chemicals
2. Date or expected date of commencement of production: The commercial production had already commenced in 1996 when it was under the name of Fairchem Speciality Limited.
3. In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus : Not Applicable.
4. Financial Performance based on given indicators (As per the audited financial statements.) F.Y. 2019-20 is the first financial year of this company. Since this company is now vested with the demerged business as per the sanctioned scheme, the standalone financial performance of Fairchem Speciality Limited (now known as Privi Speciality Chemicals Limited) of 4 financial years ending with F.Y. 2019-20 is given

( Rs. In lakhs)

Particulars	Financial Year			
	2019-20	2018-19	2017-18	2016-17
Sales and other Income	31,308.12	25,4222.25	24,554.12	20,399.51
Profit before Tax	4,488.38	2,922.01	2,581.99	1,484.43
Net Profit after Tax	3,654.97	2,151.76	1,939.69	905.83
Proposed Dividend (in %)	15%	25%	15%	10%

5. Foreign Investments or collaborators, if any: The Company has not made any foreign investment or collaborations.

II. Information about Mr. Nahoosh Jariwala, the appointee

1. Background details :

Shri Nahoosh Jariwala, 59 years, is a Commerce graduate. He has been associated with the Company for almost 28 years and was Executive Director for 17 years and is Managing Director since last more than 10 years.

2. Past Remuneration :

Particulars	F.Y. 2019-20	F.Y. 2017-18
Salary	1,44,00,000/-	1,44,00,000/-
Perquisites /allowances	39,600/-	39,600/-
Commission / Bonus	Nil	Nil
<b>Total</b>	<b>1,44,39,600/-</b>	<b>1,44,39,600/-</b>

3. Recognition or awards: NIL.
4. Job profile and his suitability :

Shri Nahoosh Jariwala has been appointed as Managing Director and he will be in charge of overall management subject to direction, supervision and control of the Board of Directors of the Company. Taking into consideration his experience and his contribution in turnaround of this Company, he is the most suited for the responsibilities assigned to him by the Board of Directors.



5. Remuneration proposed : As stated in the Explanatory Statement for Item No. 4 of the Notice.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. Considering the present size of the Company and Company's growth during last six years, contribution and responsibilities of Shri Nahoosh Jariwala and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the managerial remuneration being paid to similar appointees in other companies.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Shri Nahoosh Jariwala does not have any pecuniary relationship with the Company and its managerial personnel.

### III Other Information

- (1) Reasons of loss or inadequate profits; Not Applicable
- (2) Steps taken or proposed to be taken for improvement; Measures for energy saving and process optimisation are ongoing things at the company.
- (3) Expected Measures in productivity and profits in measurable terms; The Company is working on increasing yield of one of its prime products by experimentation with filters. This should result in increase in profitability.

The Board recommends the resolution relating to appointment of Mr. Nahoosh Jariwala as the Managing Director for the approval of the shareholders of the Company.

Except Shri Nahoosh Jariwala, being an Appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

### Item No. 5

Shri Utkarsh Shah (DIN: 00101663) was appointed as an Additional Director of the Company with effect from 26th August, 2020 by the Board of Directors under Section 161 of the Act and Article 68 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Shri Utkarsh Shah holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director.

As required under Section 160 of the Act, a notice has been received from a member signifying its intention to propose the appointment of Shri Utkarsh Shah as a Director.

Shri Utkarsh Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act. The terms and conditions for appointment of Shri Utkarsh Shah as an Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Brief resume and other details of Shri Utkarsh Shah are provided in annexure to the Notice pursuant to the provision of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the said resolution for your approval. Except Shri Utkarsh Shah, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

### Item No. 6 :

Shri Venkatraman Srinivasan (DIN: 00246012) was appointed as an Additional Director of the Company with effect from 26th August, 2020 by the Board of Directors under Section 161 of the Act and Article 68 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Shri Venkatraman Srinivasan holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director.

As required under Section 160 of the Act, a notice has been received from a member signifying its intention to propose the appointment of Shri Venkatraman Srinivasan as a Director and the Board has recommended appointment of Shri Venkatraman Srinivasan as Independent Directors for a term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company

shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms

Shri Venkatraman Srinivasan is not disqualified from being appointed as Director in terms of Section 164 of the Act. The terms and conditions for appointment of Shri Venkatraman Srinivasan as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day. Brief resume and other details of Shri Venkatraman Srinivasan are provided in annexure to the Notice pursuant to the provision of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the said resolution for your approval. Except Shri Venkatraman Srinivasan, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

**Item No. 7 :**

Shri Darius Pandole (DIN: 00727320) was appointed as an Additional Director of the Company with effect from 26th August, 2020 by the Board of Directors under Section 161 of the Act and Article 68 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Shri Darius Pandole holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director.

As required under Section 160 of the Act, a notice has been received from a member signifying its intention to propose the appointment of Shri Darius Pandole as a Director and the Board has recommended appointment of Shri Darius Pandole as Independent Directors for a term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms

Shri Darius Pandole is not disqualified from being appointed as Director in terms of Section 164 of the Act. The terms and conditions for appointment of Shri Darius Pandole as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day. Brief resume and other details of Shri Darius Pandole are provided in annexure to the Notice pursuant to the provision of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the said resolution for your approval. Except Shri Darius Pandole, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

**Item No. 8 :**

Ms. Sonal Ambani (DIN: 02404841) was appointed as an Additional Director of the Company with effect from 26th August, 2020 by the Board of Directors under Section 161 of the Act and Article 68 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Ms. Sonal Ambani holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director.

As required under Section 160 of the Act, a notice has been received from a member signifying its intention to propose the appointment of Ms. Sonal Ambani as a Director and the Board has recommended appointment of Ms. Sonal Ambani as Independent Directors for a term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms

Ms. Sonal Ambani is not disqualified from being appointed as Director in terms of Section 164 of the Act. The terms and conditions for appointment of Ms. Sonal Ambani as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day. Brief resume and other details of Ms. Sonal Ambani are provided in annexure to the Notice pursuant to the provision of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board of Directors recommends the said resolution for your approval. Except Ms. Sonal Ambani, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

**Item No. 9:**

The Audit Committee and Board of Directors thought it fit to appoint Cost Auditors specifically for this Company for previous financial year ended on March 31, 2020. Before NCLT approval, the business of demerged undertaking which is vested in this Company was done in the name of Fairchem Speciality Limited and requisite approvals for cost audit of records of F.Y. 2019-20 was already in place in the C.I.N. of the said Company. However, since the Appointed Date under the Sanctioned Scheme is closing of business hours of March 31, 2019, it was deemed fit to undergo the said process for this Company to ensure there is no mismatch in C.I.N. while uploading required forms on MCA portal using relevant SRN

The Board, there fore, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records maintained by the Company for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) - Non-regulated Sectors for the financial year ended 31st March, 2020. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2020. The Board recommends the passing of Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

**Item No. 10:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records maintained by the Company for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) - Non-regulated Sectors for the financial year ending 31st March, 2021. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021. The Board recommends the passing of Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS**

Name of Director	Shri Jariwala (DIN: 00012412)	Shri Nahoosh (DIN: 00101663)	Shri Venkatraman Srinivasan (DIN: 00246012)	Shri Darius Pandole (DIN: 00727320)	Ms. Sonal Ambani (DIN: 02404841)
Date of Birth	21.08.1961	30.12.1960	09.03.1959	27.04.1966	19.04.1959
Age	59 Years	60 Years	61 Years	54 Years	61 Years
Date of Appointment on	27.03.2019	26.08.2020	26.08.2020	26.08.2020	26.08.2020
Expertise In specific functional areas, Qualification and Experience	<p>He holds a bachelor's degree in commerce from Gujarat University. He has work experience of more than 25 years in the chemical industry. He was director of Privi Speciality Chemicals Limited (formerly known as Fairchem Speciality Limited) since November 03, 1992 and designated as Managing Director since April 01, 2010. Presently, he is the Managing Director of Fairchem Organics Limited.</p>	<p>He is a science graduate with Chemistry as a principal subject. Over a period of last more than 38 years and apart from spreading the existing coal business, he diversified into textile dyes, speciality chemicals, auxiliaries, n t e r m e d i a t e s, polyester fibre &amp; Real Estate Development. He acquired partial equity stake of Fairchem Organics Limited in the year 2010. He is heading various charitable initiatives in rural development, senior citizen, education &amp; health. He is past president of Gujarat</p>	<p>He holds a bachelor's degree in commerce from University of Bombay and is a fellow member of Institute of Chartered Accountants of India since 1981. He is a partner in M/s. V. Sankar Aiyar &amp; Co., C h a r t e r e d Accountants, since 1984. He is engaged in audit and assurance practice and direct tax and corporate advisory services since 1984, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and in advisory in the areas of direct tax,</p>	<p>He holds a bachelor's degree in economics from Harvard University and a master's degree in business administration in management from the University of Chicago. He is presently the managing director and chief executive officer – private equity and equity AIF, JM Financial Limited. He has over 27 years of experience in private equity. Prior to this, he was a partner at New Silk Route Advisors, a private equity advisory firm primarily focused on India. He was also an executive director with IDFC Asset M a n a g e m e n t</p>	<p>She holds a bachelor's degree in chemistry, a master's degree in business administration in marketing and finance and a doctorate in business management. She has worked as an Assistant Vice President in Morgan Stanley Dean Witter. She is involved in charity and non-profit initiatives. She also holds two patents granted in the US, namely, 'Systems and Method for Providing Financial Services to Children and Teenagers' and 'P u r c h a s e Management System</p>

<b>Name of Director</b>	<b>Shri Jariwala</b> <b>00012412)</b>	<b>Shri Nahoosh</b> <b>(DIN: 00012412)</b>	<b>Shri Utkarsh Shah</b> <b>(DIN: 00101663)</b>	<b>Shri Venkatraman Srinivasan</b> <b>(DIN: 00246012)</b>	<b>Shri Darius Pandole</b> <b>(DIN: 00727320)</b>	<b>Ms. Sonal Ambani</b> <b>(DIN: 02404841)</b>
			Chamber of Commerce & Industry. In the past, he also held the position of president of Jain International Trade Organisation, an international organization of businessmen, industrialist, professionals and knowledge stake holders.	company law, competition law, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters. He has a work experience of 35 years. He is a special invitee on the Accounting Standards Board of the Institute of Chartered Accountants of India (ICAI) for the F. Y. 2020-21 and was a special invitee on the Ind AS Transition Facilitation Group Committee of the ICAI for the F. Y. 2019-20. He participated in the case study based governance program on "Audit Committees in this New Era of Governance" at the Harvard Business School.	Company Limited that managed the India Development Fund, an infrastructure focused private equity fund.	and Electronic Receipts'.

Name of Director	Shri Jariwala (DIN: 00012412)	Shri Nahoosh (DIN: 00012412)	Shri Utkarsh Shah (DIN: 00101663)	Shri Venkatraman Srinivasan (DIN: 00246012)	Shri Darius Pandole (DIN: 00727320)	Ms. Sonal Ambani (DIN: 02404841)
Terms and conditions of Appointment/Re-appointment	Liable to Retirement by rotation Eligible for re-appointment	Liable to Retirement by rotation Eligible for re-appointment	Liable to Retirement by rotation Eligible for re-appointment	Being appointed for 5 years. Eligible for re-appointment	Being appointed for 5 years. Eligible for re-appointment	Being appointed for 5 years. Eligible for re-appointment
Details of Remuneration last drawn	NIL	NIL	NA	NA	NA	NA
Relationship between Directors and KMP	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder	No relationship as defined under the Companies Act, 2013 and / or Rules made thereunder
Directorship held in other Public Listed Companies as on March 31, 2020.	Fairchem Speciality Limited (Now known as Privi Speciality Chemicals Limited)	Fairchem Speciality Limited (Now known as Privi Speciality Chemicals Limited)	NA	NA	NA	NA
Membership / Chairmanship of Committees in other Public Listed Companies as on March 31, 2020	Audit Committee-Member CSR Committee-Chairman SRC Committee-Member	Audit Committee-Member CSR Committee-Chairman SRC Committee-Member	NA	NA	NA	NA
No. of Board Meetings attended during Financial Year 2019-2020	5 (Five)	5 (Five)	NA	NA	NA	NA
Relationship with other Directors and KMPs	None	None	None	None	None	None
Details of shares held in the Company	Nil	8,333*	8,333*	Nil	Nil	Nil

\*Issued/Allotted on August 26, 2020 pursuant to the Scheme.



## DIRECTORS' REPORT

To,

The Members,

Your Directors present the maiden Annual Report along with Audited financial statements of the Company for the first financial year ended March 31, 2020, comprising of the period from March 27, 2019 (date of incorporation) to March 31, 2020. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under The Companies Act, 2013.

### FINANCIAL RESULTS:

	(Amounts in Rupees)
	For the period ended on March 31, 2020
[1] Total Income	Nil
[2] Loss before income-tax	(10,900)
[3] Less : Provision for income-tax	Nil
[4] Loss after income-tax	(10,900)
[5] Other Comprehensive income for the period, net of tax	Nil
[6] Total Comprehensive income for the period	(10,900)

### OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

During the period under review, no business activity was carried out by the Company. The loss of Rs. 10,900/- represent the statutory expenses only.

There is no change in the nature of business of the Company since incorporation.

### DIVIDEND:

In view of loss, the Company did not recommend any dividend on its share capital which is held entirely by Fairchem Speciality Limited (the holding company) and its 6 nominees.

### RESERVE :

In view of absence of any profit, the question of transfer of any amount to the Reserve for the year under review does not arise.

### MATERIAL CHANGES AND COMMITMENTS :

There have been no material changes and commitments which have occurred between the end of the financial year to which the financial statements relate and the date of this Report, affecting the financial position of the company.

### CAPITAL STRUCTURE :

Since incorporation of the Company, no further change in the Capital structure i.e. Authorised, Issued and paid up Equity Share Capital of the Company took place during the peirod. The Company is having only one class of shares.

### Impact of COVID-19 Pandemic

COVID-19 Pandemic has created health scare and resulted in economic disruption in India. The manufacturing operations at the Oleo Chemicals plant of the Company at Chekhala were stopped to comply with the directions of Central Govt. vide notification dated March 24, 2020. The Company continued to monitor the business situation and decided to defer re-starting of the said plant to May 21, 2020. Since the beginning of June, 2020, the business visibility has improved. The Company, however, remains cautious considering the fact that covid-19 cases continue to rise and partial lockdown is

continuing in Maharashtra State which is commercially quite important. To ensure adequate liquidity and timely availability of funds, the Company has already availed the benefit of moratorium of 3 EMIs on term loans and has applied for availment of further 3 EMIs announced by RBI subsequently.

#### **MEETINGS OF THE BOARD:**

During the period from March 27, 2020 to March 31, 2020, 5 (five) meetings of the Board of Directors took place.

Meetings were held on April 25, 2019, May 22, 2019, August 08, 2019, November 14, 2019 and February 10, 2020.

#### **PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS:**

The Company has not given any loan, made investment, given any guarantee or provided any security – covered u/s. 186 of The Companies Act, 2013 – to anyone during the period under review.

#### **FIXED DEPOSITS:**

During the period under review, Company has not accepted any Fixed Deposits.

#### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The provisions of the Companies Act, 2013 pertaining to IEPF read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") are not applicable to the Company.

#### **TECHNICAL ACHIEVEMENT:**

As no business operations were carried out during the period under review, no information under Technical Achievement is warranted.

#### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

#### **BOARD EVALUATION:**

Based on the criteria for evaluation of Independent Directors and the Board as recommended by the Nomination and Remuneration Committee and as adopted by the Board, Board carried out evaluation of its own performance and that of the individual Directors.

The Directors expressed their satisfaction with the evaluation process.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm:

- (i) that in the preparation of the financial statements for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act have been followed and there are no material departures from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. March 31, 2020 and of the loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a 'Going Concern' basis;
- (v) that the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



**PARTICULARS OF EMPLOYEES:**

Details of Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**A. Names of the employees employed throughout the year and were in receipt of remuneration of not less than Rs. 102.00 Lakhs during the year OR employed for part of the year and were in receipt of remuneration of not less than Rs. 8.50 Lakhs per month**

Details of Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020

Details of Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020							
Sr. No.	Name & Age	Designation/ nature of Duties	Remune- ration (In Rs.)	Qualification & experience	Date of Commencement of employment	Last employment, Name of employer, post held and period (years)	% of equity shares held with spouse & dependent children
N I L							

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions with related parties entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with related party transactions.

**INTERNAL CONTROL AND ITS ADEQUACY :**

The Company has in place Internal Control System, commensurate with its size and resultant requirement.

**Internal Financial Controls**

The Directors have laid down policies and procedures which are adopted by the company 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;

**FRAUD :**

No fraud is reported by the Auditors of the Company

**CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of The Companies Act, 2013 pertaining to Corporate Social Responsibility were not applicable to the Company during the period under review.

**RISK MANAGEMENT POLICY**

The Management regularly reviews the risk and is taking appropriate steps to mitigate the risk. The Company has in place the Risk Management policy. The Risk Management policy is designed to safeguard the organisation from various risks

through adequate and timely actions. It is designed to mitigate the risk in order to minimise the impact of the risk on the business.

In the opinion of the Board there has been no identification of an element of risk that may threaten the existence of the Company.

#### **AUDITORS:**

Your Directors would like to inform you that M/s. Price Waterhouse & Co Chartered Accountants LLP, (Firm Registration Number:304026E/E-300009) were the first Auditors of the Company who shall hold office till the ensuing Annual General meeting. The Shareholders are requested to appoint Statutory Auditors at the ensuing First Annual General Meeting

#### **SECRETARIAL AUDIT REPORT:**

The provisions of Section 204 of The Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to the Company during the period under review.

#### **CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:**

The Board of Directors of the Company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs during the financial year under review.

#### **VIGIL MECHANISM :**

The provisions of Section 177 of The Companies Act, 2013 were not applicable to the Company during the period under review.

#### **Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder and has complied with the provision relating to the constitution of Internal Complaints Committee. During the year, no complaint of sexual harassment was received by the Company.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The Company did not have any business operations during the period under review.

#### **Extract of Annual Return:**

The details forming part of the extract of Annual Return in Form MGT-9 is annexed herewith as Annexure to this Report.

#### **ACKNOWLEDGMENTS:**

Your Board of Directors wishes to place on record its appreciation to the contribution made by the employees of the company. The company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. The Directors also wish to thank the Government authorities, bank and shareholders for their cooperation and assistance extended to the company.

**For and on behalf of the Board of Directors,**

Place : Chekhala, Taluka SANAND, Dist. Ahmedabad  
Date : June 23, 2020

**Nahoosh Jariwala**  
Chairman  
DIN – 00012412

## ADDENDUM TO DIRECTORS' REPORT

TO

THE MEMBERS

'This 'Addendum to the Directors' Report' is being attached to the Directors' Report for the first financial year ended March 31, 2020 to share with the members additional details which need to be disclosed in view of developments between the period of June 23, 2020, the date of original Directors' Report and November 25, 2020 when the notice convening first annual general meeting is approved by the Board.

### COMMITTEES OF THE BOARD OF DIRECTORS

The Constitution of below Committees of the Board of Directors were formed in the Meeting of the Board of Directors held on August 26, 2020 with following Directors as the Members.

#### A. Audit Committee

- [1] Shri Venkatraman Srinivasan, Independent Director
- [2] Shri Darius Pandole, Independent Director
- [3] Ms. Sonal Ambani, Independent Director
- [4] Shri Sumit Maheshwari, Nominee Director, Promoter Category
- [5] Shri Nahoosh Jariwala, Managing Director, Promoter Category

#### B. Nomination & Remuneration Committee

- [1] Shri Sumit Maheshwari, Nominee Director, Promoter Category
- [2] Shri Venkatraman Srinivasan, Independent Director
- [3] Shri Darius Pandole, Independent Director

#### C. Stakeholder's Relationship Committee

- [1] Shri Utkarsh Shah, Non-Executive Director, Promoter Category
- [2] Shri Nahoosh Jariwala, Managing Director, Promoter Category
- [3] Shri Darius Pandole, Independent Director

#### D. Corporate Social Responsibility Committee

- [1] Shri Nahoosh Jariwala, Managing Director, Promoter Category
- [2] Shri Sumit Maheshwari, Nominee Director, Promoter Category
- [3] Ms. Sonal Ambani, Independent Director

### DIRECTORS:

At the ensuing first Annual General Meeting of the Members

- Shri Nahoosh Jariwala (DIN 00012412) shall retire at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.
- Appointment of Shri Nahoosh J. Jariwala (DIN 00012412) as Managing Director of the Company for a period of three years w.e.f. August 13, 2020, upto August 12, 2023
- Appointment of Shri Utkarsh Shah (DIN 00101663) as Director who was appointed as an Additional Director of the Company, by the Board of Directors in their meeting held on August 26, 2020, liable to retirement by rotation.
- Appointment of Shri Venkatraman Srinivasan (DIN 00246012), as an Independent Director who was appointed as Additional Director - Independent Category of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.
- Appointment of Shri Darius Pandole (DIN 00727320), as an Independent Director who was appointed as Additional Director - Independent Category of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.

- Appointment of Ms. Sonal Ambani (DIN 02404841), as an Independent Director who was appointed as Additional Director - Independent Woman Category of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years.

#### **RISK MANAGEMENT POLICY:**

The Management is regularly reviewing the risk and is taking appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Risk management Policy is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to mitigate the risk in order to minimize the impact of the risk on the Business.

In the opinion of the Board there has been no identification of element of Risk that may threaten the existence of the Company.

#### **CHANGE IN STATUTORY AUDITORS**

The Company proposes to appoint M/s. B S R & Co. LLP as the Statutory Auditors of the Company at the ensuing Annual general meeting for a period of five consecutive years.

#### **COST AUDITOR:**

As per the Companies (Cost Records and Audit) Rules, 2014 as amended by Companies (Cost Records and Audit) Amendment Rules, 2014, issued by the Central Government, the Company is required to get its cost records maintained by it for the products covered under Chapters 2917 and 3823 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor. Accordingly, the Board of Directors, as per the recommendation of the Audit Committee, have appointed M/s. Rajendra Patel & Associates, Cost Accountants as Cost Auditors for the financial year 2019-20.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

There are no Subsidiaries or Joint Venture of the Company.

#### **THE DETAILS OF REGISTRAR AND TRANSFER AGENT OF THE COMPANY ARE AS FOLLOWS:**

Link Intime India Private Limited  
C- 101, 247 Park, L.B.S. Marg  
Vikhroli (West) Mumbai - 400083  
Phone Nos (022) 4918 6000/ 4918 6270

**For and on behalf of the Board of Directors,**

Place : Chekhala, Taluka SANAND, Dist. Ahmedabad  
Date : November 25, 2020

**Nahoosh Jariwala**  
Managing Director  
DIN – 00012412

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

**as on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	U24200MH2019PLC323176
ii	Registration Date	27.03.2019
iii	Name of the Company	FAIRCHEM ORGANICS LIMITED
iv	Category/Sub-category of the Company	Public Company/Limited by Shares/Non Government Company
v	Address of the Registered office	Plot No. A 71, TTC, Thane Belapur Road, Near Kopar Khairance, Navim Mumbai - 400 709
	Contact details	<b>Works and Office :</b> 253/P and 312, Village Chekhala, Sanand – Kadi Highway, Taluka SANAND, Dist. AHMEDABAD – 382 115. Phone (Board Nos.) : + 91 90163 24095 / 94099 58550 E-mail : cs@fairchem.in
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
	Not Applicable		

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address Of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Fairchem Speciality Limited (now know as Privi Speciality Chemicals Limited)	L15140MH1985PLC286828	Holding Company	100%	2(87)(ii)

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoter Group</b>									
(1) Indian		10,000	10,000	100		10,000	10,000	100	0
a) Individual/HUF	-	6	6	0.06%	-	6	6	0.06%	0.00%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	9,994	9,994	99.94%	-	9,994	9,994	99.94%	0.00%
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>0.00%</b>
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter &amp; Promoter Group (s)</b>									
<b>A= A(1)+A(2)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1):</b>	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-	-	-	-	-	-	-	-
c) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
d) Others (Non Residents)	-	-	-	-	-	-	-	-	-
e) Other (Clearing Members)	-	-	-	-	-	-	-	-	-
f) Investor Education and Protection Fund (IEPF) Authority	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding B= B(1)+B(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	10,000	10,000	100%	-	10,000	10,000	100%	0.00%

**(ii) Shareholding of Promoters/Promoters Group**

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Fairchem Speciality Limited	9,994	99.94%	Nil	9,994	99.94%	Nil	Nil
2	Venkateshwaran Anantharaman	1	0.01%	Nil	1	0.01%	Nil	Nil
3	Ajit Prabhashanker Vyas	1	0.01%	Nil	1	0.01%	Nil	Nil
4	Deepak Damodar Parida	1	0.01%	Nil	1	0.01%	Nil	Nil
5	Soham Harshadbhai Parmar	1	0.01%	Nil	1	0.01%	Nil	Nil
6	Rajen N. Jhaveri	1	0.01%	Nil	1	0.01%	Nil	Nil
7	Kaushik Gajendraprasad Bhatt	1	0.01%	Nil	1	0.01%	Nil	Nil
	<b>Total</b>	<b>10,000</b>	<b>100.00%</b>	<b>-</b>	<b>10,000</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (Specify if there is No Change)**

No Change

**iv) Shareholding Pattern of top ten Shareholders**

**(Other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of shares)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	Fairchem Speciality Limited (now known as Privi Speciality Chemicals Limited)	9,994	99.94%	9,994		9,994	99.94%
2	Venkateshwaran Anantharaman	1	0.01%	1		1	0.01%
3	Ajit Prabhashanker Vyas	1	0.01%	1		1	0.01%
4	Deepak Damodar Parida	1	0.01%	1		1	0.01%
5	Soham Harshadbhai Parmar	1	0.01%	1		1	0.01%
6	Rajen N. Jhaveri	1	0.01%	1		1	0.01%
7	Kaushik Gajendraprasad Bhatt	1	0.01%	1		1	0.01%

Note: Top ten shareholders of the Company as on March 31, 2020 has been considered for the above disclosure.



**(v) Shareholding of Directors & KMP**

Sl. No.	Name of Shareholder(s)	Shareholding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Rajen Jhaveri	1	0.01%					
2	Kaushik Bhatt	1	0.01%					

**V Indebtedness : NIL**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole time director and/or Manager:**

The company did not have any Managing Director/Wholetime Director and / or any other KMP during the period covered in this report

**B. Remuneration to other directors:**

No remuneration was paid to any of the Directors during the period covered in this report

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

There was no Key Managerial Personnel other than MD/WTD/ Manager during the period covered in this report

**VII Penalties/ Punishment/ Compounding of Offences : NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Fairchem Organics Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Fairchem Organics Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the period from March 27, 2019 (date of incorporation) to March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period from March 27, 2019 to March 31, 2020.

#### Basis for opinion

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

#### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's 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 Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period from March 27, 2019 to March 31, 2020.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
12. 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.

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

Arunkumar Ramdas  
Partner

Place : Mumbai  
Date : June 23, 2020

Membership Number: 112433  
UDIN: 20112433AAAAGI7668

## 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 Organics Limited on the financial statements for the period from March 27, 2019 (date of incorporation) to March 31, 2020

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Fairchem Organics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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  
Firm Registration Number: 304026E/ E-300009

Arunkumar Ramdas  
Partner

Place : Mumbai  
Date : June 23, 2020

Membership Number: 112433  
UDIN: 20112433AAAAGI7668

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Fairchem Organics Limited on the financial statements as of March 31, 2020 and for the period from March 27, 2019 (date of incorporation) to March 31, 2020

- i. Matters specified in clauses (i),(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (xii), (xiv), (xv) and (xvi) of paragraph 3 of CARO, 2016 do not apply to the company.
- ii. 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.
- iii. 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. Also refer paragraph 13 of our main audit report.
- iv. The Company has entered into transactions with related parties in compliance with the provisions of Section 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. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

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

Arunkumar Ramdas  
Partner

Place : Mumbai  
Date : June 23, 2020

Membership Number: 112433  
UDIN: 20112433AAAAGI7668

## BALANCE SHEET AS AT MARCH 31, 2020

Amounts in Rupees, unless otherwise stated

	Notes	As at March 31, 2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Financial Assets		
Cash and cash equivalents	3	99,100
<b>TOTAL</b>		<b>99,100</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	4	1,00,000
Other Equity	5	(10,900)
		89,100
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial Liabilities		
Trade Payables	6	
(a) Total outstanding dues of micro enterprises and small enterprises		-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,000
<b>TOTAL</b>		<b>99,100</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

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

Firm Registration No.:  
304026E/ E-300009

**Arunkumar Ramdas**  
Partner  
Membership No. 112433

**For and on behalf of the Board**

**Nahoosh Jariwala**  
Director  
DIN: 00012412

**Rajen Jhaveri**  
Director  
DIN: 07546302

Place: Mumbai  
Date: June 23, 2020

Place: Ahmedabad  
Date: June 23, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

Amounts in Rupees, unless otherwise stated

	Notes	For the period March 27, 2019 to March 31, 2020
<b>Expenses</b>		
Other expenses	7	10,900
		10,900
<b>Loss Before Tax</b>		(10,900)
Tax Expense		-
<b>Loss After Tax</b>		<b>(10,900)</b>
<b>Other comprehensive income for the period, net of tax</b>		-
<b>Total comprehensive income for the period</b>		<b>(10,900)</b>
<b>Earnings Per Share</b>		
Basic / Diluted earnings per share (in Rupees)	8	(1.09)
Nominal value per equity share (in Rupees)		10.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

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

Firm Registration No.:  
304026E/ E-300009

**Arunkumar Ramdas**  
Partner  
Membership No. 112433

**For and on behalf of the Board**

**Nahoosh Jariwala**  
Director  
DIN: 00012412

**Rajen Jhaveri**  
Director  
DIN: 07546302

Place: Mumbai  
Date: June 23, 2020

Place: Ahmedabad  
Date: June 23, 2020



## STATEMENT OF CASH FLOWS FOR PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

Amounts in Rupees, unless otherwise stated

	Notes	For the period March 27, 2019 to March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Loss Before Taxation		(10,900)
Adjustments For Changes In Working Capital:		
Increase / (Decrease) In Trade and Other Payables		10,000
<b>Cash Generated From Operations</b>		<b>(900)</b>
Direct Taxes Refund / (Paid) (Net)		-
<b>Net Cash Generated used in Operating Activities</b>		<b>(900)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net Proceeds from issue of share capital	4	1,00,000
<b>Net Cash from Financing Activities</b>		<b>1,00,000</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>99,100</b>
Cash and Cash Equivalents as at March 27, 2019		-
Cash and Cash Equivalents as at the end of the period		<b>99,100</b>
<b>Reconciliation of cash and cash equivalent as per the statement of cash flows</b>		<b>As at March 31, 2020</b>
<b>Cash and Cash Equivalents :</b>		
Bank Balances :		
- In Current Accounts		99,100
		<b>99,100</b>

**Note :**

The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows"

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Price Waterhouse & Co**  
**Chartered Accountants LLP**  
 Firm Registration No.: 304026E/ E-300009

**Arunkumar Ramdas**  
 Partner  
 Membership No. 112433

Place: Mumbai  
 Date: June 23, 2020

**For and on behalf of the Board**

**Nahoosh Jariwala**  
 Director  
 DIN: 00012412

**Rajen Jhaveri**  
 Director  
 DIN: 07546302

Place: Ahmedabad  
 Date: June 23, 2020

## STATEMENT OF CHANGES IN EQUITY FOR PERIOD MARCH 27, 2019 (DATE OF INCORPORATION) TO MARCH 31, 2020

Amounts in Rupees, unless otherwise stated

A. Equity Share Capital	Notes	
<b>Balance as at March 27, 2019</b>	4	-
Changes in Equity Share Capital during the period		1,00,000
<b>Balance as at March 31, 2020</b>	4	<b>1,00,000</b>
<b>B. Other Equity</b>		
		<b>Reserves and Surplus Retained Earnings</b>
<b>Balance as at March 27, 2019</b>		-
Loss for the period		(10,900)
Other Comprehensive Income		-
<b>Total Comprehensive Income for the period</b>		<b>(10,900)</b>
		<b>Balance as at March 31, 2020</b>
		<b>(10,900)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For Price Waterhouse & Co**  
**Chartered Accountants LLP**  
Firm Registration No.: 304026E/ E-300009

**Arunkumar Ramdas**  
Partner  
Membership No. 112433

Place: Mumbai  
Date: June 23, 2020

**For and on behalf of the Board**

**Nahoosh Jariwala**  
Director  
DIN: 00012412

**Rajen Jhaveri**  
Director  
DIN: 07546302

Place: Ahmedabad  
Date: June 23, 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Background of the Company

Fairchem Organics Limited (the Company) was incorporated on March 27, 2019. The financial statements of the Company have been prepared for the period from March 27, 2019 (date of incorporation) to March 31, 2020. Refer note 12.

### 2 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

##### i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

##### ii) New standards or interpretations adopted by the Company

The Company has applied the following amendment for the first time for its annual reporting period from April 1, 2019:-

##### Ind AS 116 – Leases

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards), 2019 on March 30, 2019 which includes Ind AS - 116 "Leases". The Company has applied Ind AS 116, Leases for the first time from April 01, 2019.

##### Other amendments:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

- i) Ind AS - 12 "Income taxes", Appendix C - Uncertainty over income tax treatments
- ii) Amendment to Ind AS - 12 "Income taxes"
- iii) Ind AS – 19 "Employee benefits", Plan amendment, curtailment or settlement
- iv) Ind AS - 23 "Borrowing costs"
- v) Ind AS 28, "Investments in associates and Joint-Ventures", Long-term interests in Associates and Joint-ventures
- vi) Ind AS 109 "Financial Instruments", Prepayment Features with Negative Compensation
- vii) Ind AS 103, "Business Combination"
- viii) Ind AS 111, "Joint Arrangements"

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### iii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis.

##### iv) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, all other liabilities are classified as non-current.

## b) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## c) **Financial assets**

### 1. **Classification**

The Company classifies its financial assets in the following measurement categories:

- at fair value (either through other comprehensive income, or through profit or loss), and
- at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### 2. **Initial Recognition and Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

### 3. **Subsequent Measurement**

**Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss or gains arising from impairment, if any is recognised in the Statement of Profit and Loss.

**Measured at fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to "Profit or Loss" in the Statement of Profit and Loss.

**Measured at fair value through profit or loss (FVTPL):** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### 4. **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions

that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

## **5. Derecognition**

A financial asset is de-recognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or,
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## **6. Income recognition**

Interest income from debt instruments is recognised using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### **d) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

### **e) Provisions and Contingencies**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### **f) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are identified as the chief operating decision makers. The managing directors assess the financial performance and position of the company, and make strategic decisions.

### **g) Earnings per share**

#### **i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## NOTES TO THE FINANCIAL STATEMENTS

Amounts in Rupees, unless otherwise stated

	As at March 31, 2020								
<b>3 Cash and cash equivalents</b>									
Balances with banks:									
- In Current Accounts	99,100								
	<b>99,100</b>								
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.									
<b>4 Equity Share Capital</b>									
<b>Authorised:</b>									
10,000 Equity Shares of Rs. 10 each	1,00,000								
	<b>1,00,000</b>								
<b>Issued, Subscribed and Paid-up:</b>									
10,000 Equity Shares of Rs. 10 each, fully paid-up	1,00,000								
	<b>1,00,000</b>								
<b>4.1 Movement in Equity Share Capital</b>									
Balance as at March 27, 2019	-								
Add: Issued during the period	10,000								
Balance as at the end of the period	<b>10,000</b>								
<b>4.2 Rights, preferences and restrictions attached to shares</b>									
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.									
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.									
<b>4.3 Shares held by Holding Company</b>									
	<table> <tr> <th colspan="2">As at March 31, 2020</th></tr> <tr> <th>Nos</th><th>Amount</th></tr> <tr> <td>Fairchem Speciality Limited</td><td>10,000</td></tr> <tr> <td></td><td>1,00,000</td></tr> </table>	As at March 31, 2020		Nos	Amount	Fairchem Speciality Limited	10,000		1,00,000
As at March 31, 2020									
Nos	Amount								
Fairchem Speciality Limited	10,000								
	1,00,000								
<b>4.4 Details of Shareholders holding more than 5% of the aggregate shares in the company:</b>									
	<table> <tr> <th colspan="2">As at March 31, 2020</th></tr> <tr> <th>Nos</th><th>(%)</th></tr> <tr> <td>Fairchem Speciality Limited</td><td>10,000</td></tr> <tr> <td></td><td>100.00%</td></tr> </table>	As at March 31, 2020		Nos	(%)	Fairchem Speciality Limited	10,000		100.00%
As at March 31, 2020									
Nos	(%)								
Fairchem Speciality Limited	10,000								
	100.00%								

## NOTES TO THE FINANCIAL STATEMENTS

Amounts in Rupees, unless otherwise stated

	<b>As at March 31, 2020</b>
<b>5 Other Equity</b>	
Retained Earnings	(10,900)
	<b>(10,900)</b>
<b><u>Retained Earnings</u></b>	
Balance as at March 27, 2019	-
Loss for the period	(10,900)
Other Comprehensive Income	-
Balance as at the end of the period	<b>(10,900)</b>
<b>6 Trade Payables</b>	
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,000
	<b>10,000</b>
<b>Total outstanding dues of Micro and Small Enterprises</b>	
a) Principal Amount due to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and remaining unpaid as at the year end.	-
b) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the year end.	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-

## NOTES TO THE FINANCIAL STATEMENTS

Amounts in Rupees, unless otherwise stated

	For the period March 27, 2019 to March 31, 2020
<b>7 Other Expenses</b>	
Remuneration to Auditors for:	
Statutory Audit	10,000
Legal and Professional Expenses	900
	<b>10,900</b>
<b>8 Earnings per Share (EPS)</b>	
(Loss) after Taxation	(10,900)
Number of Equity Shares	10,000
Nominal value per Equity Share (Rs.)	10.00
(Loss) per share [Basic and Diluted] (Rs.)	<b>(1.09)</b>

### 9 Fair value measurements

#### Financial instruments by category

##### Financial assets

(Measured at amortised cost)

Cash and cash equivalents

##### Total financial assets

##### Financial liabilities

(Measured at amortised cost)

Trade payables

As at March 31, 2020	
Carrying Value	Fair Value
99,100	99,100
<b>99,100</b>	<b>99,100</b>
10,000	10,000
<b>10,000</b>	<b>10,000</b>

All financial instruments have been measured at amortised cost. Financial instruments have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). All financial instruments referred above have been classified as Level 3.

The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

#### Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Directors.

#### Fair value of financial assets measured at amortised cost

The carrying amounts of cash and cash equivalents are considered same as their fair values, due to their current nature.



## NOTES TO THE FINANCIAL STATEMENTS

Amounts in Rupees, unless otherwise stated

### 10 Capital management

The Company considers the following components of its Balance Sheet as managed capital:

Total equity as shown in the balance sheet includes share capital and retained earnings.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to provide return to shareholders by continuing to distribute dividends in future periods.

### 11 Related party disclosures

#### (a) Relationships

##### Promoter Group

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)

FIH Private Investments Limited, Mauritius

(FMIL is wholly owned and controlled by Fairfax India Holdings Corporation, Canada)

##### Holding Company

Fairchem Speciality Limited

##### Key Management Personnel

Mr. Nahoosh Jariwala Director

Mr. Rajen Jhaveri Director

Mr. Kaushik Bhatt Director

**The nature and volume of transactions carried out and balances with related parties in the ordinary course of business are as follows:**

##### Transactions

Name of the related party and nature of the relationship

For the period March 27, 2019  
to March 31, 2020

##### Holding Company

##### **Issue of Share Capital**

Fairchem Speciality Limited

1,00,000

##### **Reimbursement of Expenses**

Fairchem Speciality Limited

900

##### Terms and Conditions

- 1) Transactions with related parties are at normal commercial terms.
- 2) All outstanding balances are unsecured and payable in cash.

## NOTES TO THE FINANCIAL STATEMENTS

### 12 Scheme of Arrangement and COVID 19 Impact

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), the Company and Privi Organics India Limited (POIL) and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL and Amalgamation of POIL, manufacturers of aroma chemicals, into and with FSL, under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. FSL has obtained approval of the said scheme from the stock exchanges. Pursuant to the directions of National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated January 22, 2020, FSL obtained the requisite approval of the Shareholders by convening and holding (physical) meeting of the equity shareholders on Tuesday, February 25, 2020. FSL has filed petition for approval of the Scheme with NCLT through electronic mode (e filing) on May 31, 2020 and is now awaiting its admission and subsequent hearing.

As mentioned above, the Company is awaiting approvals from NCLT for demerger of the speciality oleo chemicals and nutraceuticals business from its parent and vesting into it. It currently has no operations. Accordingly, there is no impact of COVID19 on financial position of Fairchem Organics Limited.

### 13 Previous Period Figures

The Company was incorporated on 27th March, 2019. The Statement of Profit and Loss has therefore been prepared for the period from 27th March, 2019 to 31st March, 2020. These being first financial statements of the company, prior period figures are not applicable.

### 14 Subsequent Event

The Company evaluated subsequent events through June 23, 2020, the date the financial statements were available for issuance, and determined that there were no additional material subsequent events requiring disclosure.

### 15 Segment Reporting

The Company does not have any revenue from operations in the current year. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company business and hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

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

Firm Registration No.: 304026E/ E-300009

**Arunkumar Ramdas**

Partner

Membership No. 112433

Place: Mumbai

Date: June 23, 2020

**For and on behalf of the Board**

**Nahoosh Jariwala**

Director

DIN: 00012412

**Rajen Jhaveri**

Director

DIN: 07546302

Place: Ahmedabad

Date: June 23, 2020

