



FAIRCHEM

A FAIRFAX COMPANY

**6th ANNUAL
REPORT
2024-25**

FAIRCHEM ORGANICS LIMITED

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6th Annual Report

Board of Directors:	Shri Nahoosh Jariwala	Chairman & Managing Director
	Shri Sumit Maheshwari	Nominee Director
	Shri Venkatraman Srinivasan	Independent Director
	Shri Darius Pandole	Independent Director
	Ms. Sonal Ambani	Independent Director
	Shri Sudhin Choksey	Independent Director

**Chief Financial Officer &
Company Secretary:**

Mr. Rajen Jhaveri

Auditors :

M/s. B S R & Co. LLP,
Chartered Accountants, Ahmedabad.

Bankers :

HDFC Bank Limited

**Registered Office :
& Works**

253/P & 312, Village Chekhala, Sanand-Kadi Highway,
Taluka Sanand, District Ahmedabad - 382115, Gujarat, INDIA.
Phone : 02717-687900/901

E-Mail Id :

cs@fairchem.in

CIN :

L24200GJ2019PLC129759

Website :

www.fairchem.in

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of **FAIRCHEM ORGANICS LIMITED** will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on **Monday, August 11, 2025 at 03.30 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2025 along with the Directors' Report and Auditors' Report thereon.
2. To declare Final Dividend of Rs. 7.50 (75%) per Equity Share for the financial year ended March 31, 2025.
3. To re-appoint Shri Nahoosh Jariwala (DIN: 00012412), who retires by rotation as Director and being eligible, offers himself for re- appointment.
4. To appoint M/s B S R and Co., (Firm Registration Number - 128510W), Chartered Accountants, as Statutory Auditors of the Company.

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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable rules, if any, M/s B S R and Co., Chartered Accountants, Ahmedabad (a member entity of BSR & Affiliates) having Firm Registration No. 128510W, who have confirmed their eligibility to be appointed as Statutory auditors, be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of the 6th AGM till the conclusion of the 11th AGM, to be held in the year 2030, to be treated as second term, for B S R & Affiliates, at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. **To re-appoint Shri Venkatraman Srinivasan (DIN: 00246012) as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any 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) read with Schedule IV of the Companies Act, 2013 and Regulations 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri Venkatraman Srinivasan (DIN: 00246012) as an Independent Director of the Company, to hold office for the Second Term for a period of 5 (five) consecutive years with effect from August 26, 2025.

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

6. **To re-appoint Shri Darius Pandole (DIN: 00727320) as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any 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) read with Schedule IV of the Companies Act, 2013 and Regulations 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Shri Darius Pandole (DIN: 00727320) as an Independent Director of the Company, to hold office for the Second Term

for a period of 5 (five) consecutive years with effect from August 26, 2025.

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

7. To re-appoint Ms. Sonal Ambani (DIN: 02404841) as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any 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) read with Schedule IV of the Companies Act, 2013 and Regulations 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company, be and is hereby accorded for the re-appointment of Ms. Sonal Ambani (DIN:02404841) as an Independent Director of the Company, to hold office for the Second Term for a period of 5 (five) consecutive years with effect from August 26, 2025.

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

8. To appoint Secretarial Auditor for a term of five consecutive years.

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 Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Parikh Dave & Associates, Company Secretaries, Ahmedabad, be and are hereby appointed as the Secretarial Auditors of the Company for 5 financial years from F.Y. 2025-26 to F.Y. 2029-30, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof)."

9. To ratify remuneration of Cost Auditors for the Financial year ending March 31, 2026.

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 Section 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, 2026 amounting to Rs. 75,000/- (Rupees Seventy-Five Thousands only) plus applicable tax be and is hereby ratified and confirmed.

FURTHER RESOLVED 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:

253/P & 312, Village Chekhala,
Sanand-Kadi Highway, Tal. Sanand
Dist. Ahmedabad-382115, Gujarat
CIN: L24200GJ2019PLC129759

**By Order of the Board
For FAIRCHEM ORGANICS LIMITED,**

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

Date : May 27, 2025

NOTES :

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 20/2020 dated May 5, 2020 and 09/2024 dated September 19, 2024 [in continuation of all earlier General Circulars in regard to holding General Meetings through Video Conferencing (VC) / Other Audio Visual Means (OAVM)] (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 (“SEBI Circulars”) permitted the holding of General Meeting through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”) without the physical presence of Members at a common venue and has also provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 (“the Act”), the Annual General Meeting (“AGM”) 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 this 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 this 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. 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. The Company has fixed Monday, August 4, 2025 as the “Record Date” for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM.
6. The Notice of the Annual General Meeting along with the Annual Report for the year ended on March 31, 2025 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 Circular dated September 25, 2023 and circular issued by SEBI dated October 7, 2023. Members may note that the Notice of 6th Annual General Meeting and Annual Report for the year ended on March 31, 2025 will also be available on the Company’s website at www.fairchem.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of LIPL at <https://instavote.linkintime.co.in>. Member 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 6th 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 6th Annual General Meeting. The

Members who have not casted their votes through remote e-voting shall be able to exercise their voting rights at the AGM. The Members who have already casted 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 served 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 served basis. Members can log in and join at 03:15 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.in.mpms.mufg.com>. 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 come 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 Insta Meet 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@in.mpms.mufig.com or contact on: - Tel: 022-4918 6000 / 6175.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS POST CHANGE IN THE LOGIN MECHANISM FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE, PURSUANT TO SEBI CIRCULAR DATED JULY 11, 2023:

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode/physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nSDL.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, MUGF INTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & e-voting service provider is MUFG INTIME.	<ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> • Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> A. User ID: Shareholders/ 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. <ul style="list-style-type: none"> • Shareholders/ 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). 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). <p>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.</p>

Institutional shareholders:

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on “**Sign Up**” under “Custodian / Corporate Body/ Mutual Fund”
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
 - A. ‘Investor ID’ –
 - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID *i.e., IN00000012345678*
 - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
 - B. ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - C. ‘Investor PAN’ - Enter your 10-digit PAN.
 - D. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.
**File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.*
 - E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “**Votes Entry**” tab under the Menu section.
- c) Enter the “**Event No.**” for which you want to cast vote.
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter “**16-digit Demat Account No.**” for which you want to cast vote.
- e) 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).
- f) 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.

OR

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the “Notification for e-voting”.

- c) Select “**View**” icon for “**Company’s Name / Event number**”.
 - d) E-voting page will appear.
 - e) Download sample vote file from “**Download Sample Vote File**” tab.
 - f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under “**Upload Vote File**” option.
 - g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.
- (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Individual Shareholders holding securities in Physical mode who 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 shareholder / member is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ 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.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.
 - 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 resolution contained in this 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”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 2255 33

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINK INTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@in.mpms.mufg.com or contact on: - Tel: 022 –4918 6000.

10. Brief profile & other details of the Directors 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 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.
12. 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. August 11, 2025. Members seeking to inspect such documents can send an email to cs@fairchem.in.
13. 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.
14. Since the AGM will be held through VC/OAVM, the Route Map to reach to the venue of the 6th Annual General Meeting has not been annexed to this Notice.
15. Members seeking any further clarification/information relating to the Annual Financial Statements are requested to write at the Registered & Works Office of the Company on or before August 6, 2025 to enable the management to keep the information ready at the Meeting.
16. 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.
17. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the LIPL website at <https://instameet.linkintime.co.in>. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
18. The payment of Dividend on Equity shares, if declared at Annual General Meeting, payment of such dividend will be made to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on close of business hours of August 4, 2025.
19. Pursuant to the provisions of Section 125 of the Companies Act, 2013 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund, set up by the Government of India.

Kindly note that once unclaimed and unpaid dividends are transferred to the Investor Education and Protection Fund, Members will have to approach to IEPF for such dividend. The details of unpaid dividend are uploaded on the website of the Company at <https://fairchem.in/investor/>
20. **Process for those members whose PAN, Bank details, signatures, mobile number, email ID and postal address are not registered or updated**

The Members are requested to register / update their PAN, Bank details, signatures, mobile number, email ID and Postal Address with their DPs or RTA, as the case may be, to enable the Company to send communications including Notices, Annual Reports, Circulars, etc. through electronic mode. The Members are requested to register the same by following the below process: -

Physical Holding:

Kindly submit duly filled up Form ISR-1 for registering of PAN, registering / updation of KYC details including Postal Address with PIN, Mobile Number, Email Address, Bank Account details. Kindly submit duly filled up Form ISR-2 for updation of your signatures. The downloadable and fillable Forms and the instruction for filling up the forms and requisite enclosures are given on the website of the Company and of RTA. Please refer and follow the instructions given in the SEBI circular dated March 16, 2023 for updation of records. Please submit the forms to RTA of the Company at MUFG Intime India Private Limited, 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C.G. Road, Navrangpura, Ahmedabad 380 009.

Demat Holding:

For registration of PAN and registration / updation of KYC, details including Postal address with PIN, Mobile Number, Email Address, Bank Account details, the Member may contact their respective DPs and update the same with their respective DPs and the same would be effective across all their shareholdings

21. Pursuant to the Finance Act, 2020, the dividend income will be taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from the dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof and SEPARATE EMAILS BEING SENT BY THE COMPANY TO THE MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE DEPOSITORY PARTICIPANTS/RTA/ COMPANY.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

- Members having valid PAN- 10% or as notified by the Government of India
- Members not having PAN / valid PAN- 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2025-26 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- (1) Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- (2) Copy of Tax Residency Certificate (TRC) for the FY 2024-25 obtained from the revenue authorities of the

country of tax residence, duly attested by member

- (3) Self declaration in Form 10F
- (4) Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty, and
- (5) Self-declaration of beneficial ownership by the non-resident shareholder. Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess). The aforementioned documents are required to be submitted at cs@fairchem.in by the shareholders on or before the record date i.e. August 4, 2025.

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@in.mpms.mufg.com or Call at :- Tel : 022 - 49186000.
2. The remote e-voting period will commence at **01:00 p.m. (IST) on Wednesday, August 6, 2025 and will end at 5:00 p.m. (IST) on Sunday, August 10, 2025**. During this period members of the Company, holding shares in dematerialized form, as on the **cut-off date i.e. Monday, August 4, 2025** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by MIIPL 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. **Monday, August 4, 2025**. The person who is not a member as on the cut-off date should treat this Notice for information purpose only.
4. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. **Monday, August 4, 2025**, may obtain the user ID and password by sending a request to RTA. However, if you are already registered with LIIPL 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. Umesh Parikh, Practicing Company Secretary (Membership No. FCS 4152) and failing him, Mr. Uday Dave, Practicing Company Secretary (Membership no. FCS 6545) – both the Partners 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 MIIPL 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, within 2 working days 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

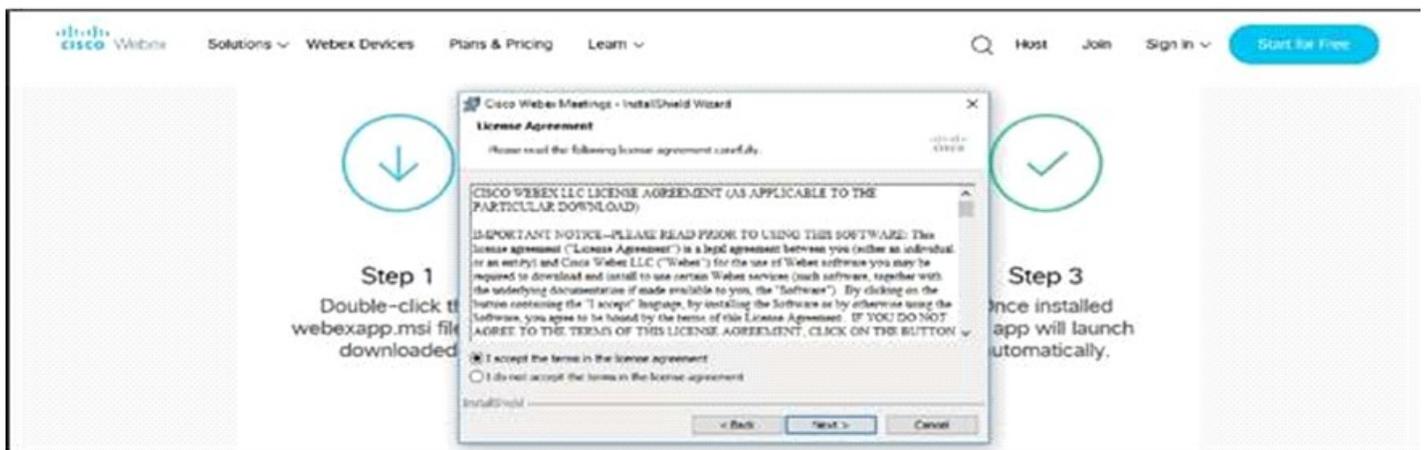
in writing, who shall countersign the same and declare the result of the voting forthwith.

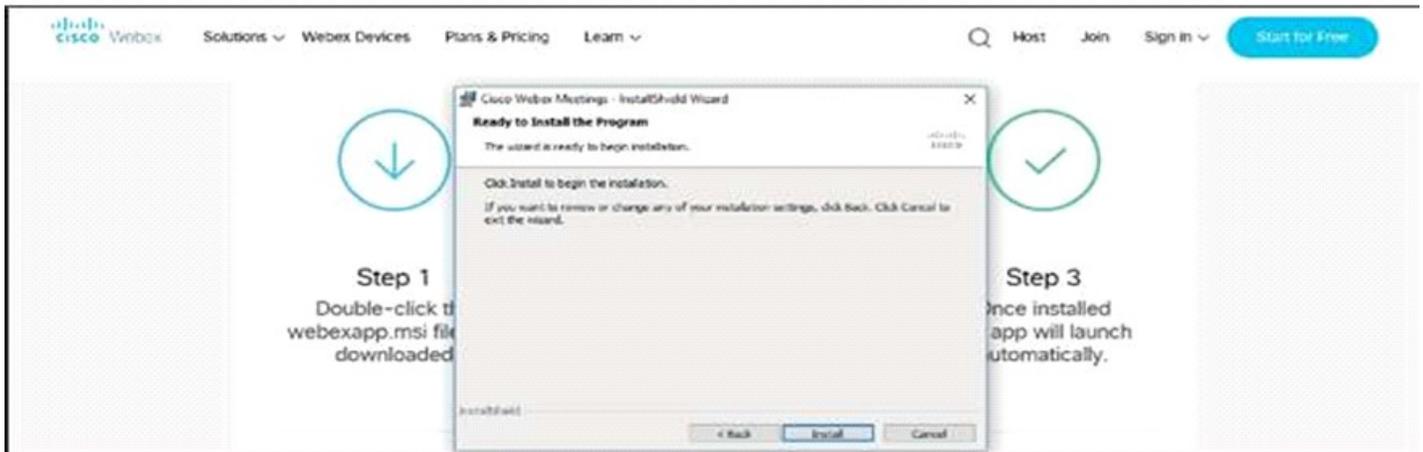
9. The Results of the AGM shall be declared by the Chairman or person authorized or anyone of the director of the Company after the AGM within the prescribed time limits. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
10. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.fairchem.in and on the website of MIPL.

Guidelines to attend the AGM proceedings of MUFG Intime India Pvt. Ltd.: Insta Meet

For a smooth experience of viewing the AGM proceedings of MUFG Intime India Pvt. Ltd. Insta Meet, 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 JoinNow
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:

253/P & 312, Village Chekhala,
Sanand-Kadi Highway, Tal. Sanand
Dist. Ahmedabad-382115, Gujarat
CIN: L24200GJ2019PLC129759

**By Order of the Board
For FAIRCHEM ORGANICS LIMITED,**

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

Date : May 27, 2025

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

Item No. 4

M/s B S R & Co. LLP, Chartered Accountants, were appointed as the Independent Auditors of the Company for a period of 5 (five) years from the conclusion of 1st Annual General Meeting till the conclusion of 6th (i.e. this) Annual General Meeting of the Company in the Board Meeting held on November 25, 2020 and subsequently, approved by the shareholders in the 1st Annual General Meeting held on December 31, 2020. Accordingly, the 1st term of the appointment of M/s B S R & Co. LLP, Chartered Accountants, is ending with the conclusion of this 6th Annual General Meeting. In view of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s B S R & Co. LLP, Chartered Accountants, is eligible to be re-appointed for a 2nd term of five consecutive years.

However, due to the internal restructuring within BSR & Affiliates network firms read with Explanation I to Rule 6(3)(ii) of the Companies (Audit and Auditors) Rules, 2014, the appointment (and not reappointment or change in auditor) of M/s B S R and Co., Chartered Accountants (Firm Registration Number: 128510W) as the Statutory Auditors of the Company for a period of 5 consecutive years to hold office from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in year 2030, on remuneration as may be determined by the Board of Directors of the Company (including its committees thereof), subject to the approval of the Shareholders at the ensuing 6th Annual General Meeting of the Company shall be considered.

M/s B S R and Co., Chartered Accountants, Ahmedabad, have given their consent for their appointment and have issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder. They have further confirmed that they are eligible for the proposed appointment under the Companies Act, 2013, The Chartered Accountants Act, 1949 and the rules or regulations made thereunder, M/s B S R and Co., have conveyed their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India and the ethical requirements relevant to audit.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s B S R and Co., Chartered Accountants, Ahmedabad, having Firm Registration Number 128510W, as the Statutory Auditors of the Company for the second term of five consecutive years to hold office from the conclusion of this 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2030, on remuneration as may be determined by the Board of Directors of the Company.

The Board of Directors recommends the resolution at item no. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 5

At the Annual General Meeting held on December 31, 2020, the Members of the Company had approved the appointment of Shri Venkatraman Srinivasan (DIN: 00246012) as an Independent Director of the Company, to hold office up to August 25, 2025.

The Nomination & Remuneration Committee of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended the re-appointment of Shri Venkatraman Srinivasan as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company, with effect from August 26, 2025.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given his professional background and experience and contribution made by him during his tenure, his continuance as an Independent Director would be beneficial to the Company. Accordingly, it is proposed to re-appoint Shri Venkatraman Srinivasan as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years on the Board of the Company, with effect from August 26, 2025.

As required under Section 160 of the Act, a notice has been received from a member signifying his intention to propose the re-appointment of Shri Venkatraman Srinivasan as an Independent Director of the Company. Shri Venkatraman Srinivasan is qualified to be appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The

Company has also received declaration from Shri Venkatraman Srinivasan that he meets the criteria of independence as prescribed, both under, Section 149(6) of the Act and the SEBI (LODR) Regulations, 2015 and that he is not debarred from holding the office of Director by virtue of any order from the Securities and Exchange Board of India or any other authority.

The terms and conditions for re-appointment of Shri Venkatraman Srinivasan as an Independent Director of the Company shall be available for inspection, by the Members, electronically. Members seeking to inspect the same can send an email to cs@fairchem.in

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the SEBI (LODR) Regulations, 2015, re-appointment of Shri Venkatraman Srinivasan as an Independent Director requires approval of the members of the Company by passing a Special Resolution. Accordingly, the approval of members is sought for re-appointment of Shri Venkatraman Srinivasan as an Independent Director.

Brief resume and other details of Shri Venkatraman Srinivasan are provided in Annexure to the Notice pursuant to the provisions of the Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of the Company Secretaries of India.

The Board recommends the Special Resolution relating to the re-appointment of Shri Venkatraman Srinivasan as an Independent Director of the Company, for the second term for a period of 5 (five) consecutive years effective August 26, 2025.

Except Shri Venkatraman Srinivasan, being a re-appointee, none of the other Directors, Key Managerial Personnel or the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

Item No. 6

At the Annual General Meeting held on December 31, 2020, the Members of the Company had approved the appointment of Shri Darius Pandole (DIN: 00727320) as an Independent Director of the Company, to hold office up to August 25, 2025.

The Nomination & Remuneration Committee of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended the re-appointment of Shri Darius Pandole as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company, with effect from August 26, 2025.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given his professional background and experience and contribution made by him during his tenure, his continuance as an Independent Director would be beneficial to the Company. Accordingly, it is proposed to re-appoint Shri Darius Pandole as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years on the Board of the Company, with effect from August 26, 2025.

As required under Section 160 of the Act, a notice has been received from a member signifying his intention to propose the re-appointment of Shri Darius Pandole as an Independent Director of the Company. Shri Darius Pandole is qualified to be appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Shri Darius Pandole that he meets the criteria of independence as prescribed, both under, Section 149(6) of the Act and the SEBI (LODR) Regulations, 2015 and that he is not debarred from holding the office of Director by virtue of any order from the Securities and Exchange Board of India or any other authority.

The terms and conditions for re-appointment of Shri Darius Pandole as an Independent Director of the Company shall be available for inspection, by the Members, electronically. Members seeking to inspect the same can send an email to cs@fairchem.in

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the SEBI (LODR) Regulations, 2015, re-appointment of Shri Darius Pandole as an Independent Director requires approval of the members of the Company by passing a Special Resolution. Accordingly, the approval of members is sought for re-appointment of Shri Darius Pandole as an Independent Director.

Brief resume and other details of Shri Darius Pandole are provided in Annexure to the Notice pursuant to the provisions of the Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of the Company Secretaries of India.

The Board recommends the Special Resolution relating to the re-appointment of Shri Darius Pandole as an Independent Director of the Company, for the second term for a period of 5 (five) consecutive years effective August 26, 2025.

Except Shri Darius Pandole, being a re-appointee, none of the other Directors, Key Managerial Personnel or the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

Item No. 7

At the Annual General Meeting held on December 31, 2020, the Members of the Company had approved the appointment of Ms. Sonal Ambani (DIN: 02404841) as an Independent Director of the Company, to hold office up to August 25, 2025.

The Nomination & Remuneration Committee of the Board of Directors of the Company, on the basis of the report of performance evaluation, has recommended the re-appointment of Ms. Sonal Ambani as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company, with effect from August 26, 2025.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given her professional background and experience and contribution made by her during her tenure, her continuance as an Independent Director would be beneficial to the Company. Accordingly, it is proposed to re-appoint Ms. Sonal Ambani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years on the Board of the Company, with effect from August 26, 2025.

As required under Section 160 of the Act, a notice has been received from a member signifying his intention to propose the re-appointment of Ms. Sonal Ambani as an Independent Director of the Company. Ms. Sonal Ambani is qualified to be appointed as Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has also received declaration from Ms. Sonal Ambani that she meets the criteria of independence as prescribed, both under, Section 149(6) of the Act and the SEBI (LODR) Regulations, 2015 and that she is not debarred from holding the office of Director by virtue of any order from the Securities and Exchange Board of India or any other authority.

The terms and conditions for re-appointment of Ms. Sonal Ambani as an Independent Director of the Company shall be available for inspection, by the Members, electronically. Members seeking to inspect the same can send an email to cs@fairchem.in

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the SEBI (LODR) Regulations, 2015, re-appointment of Ms. Sonal Ambani as an Independent Director requires approval of the members of the Company by passing a Special Resolution. Accordingly, the approval of members is sought for re-appointment of Ms. Sonal Ambani as an Independent Director.

Brief resume and other details of Ms. Sonal Ambani are provided in Annexure to the Notice pursuant to the provisions of the Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of the Company Secretaries of India.

The Board recommends the Special Resolution relating to the re-appointment of Ms. Sonal Ambani as an Independent Director of the Company, for the second term for a period of 5 (five) consecutive years effective August 26, 2025.

Except Ms. Sonal Ambani, being a re-appointee, none of the other Directors, Key Managerial Personnel or the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

Item No. 8

The Securities and Exchange Board of India ("SEBI") vide their Notification No. SEBI/LAD-NRO/GN/2024/218 dated December 12, 2024 had amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to appoint, with effect from April 1, 2025, based on the recommendation of the Board of Directors, Secretarial Auditor (who shall be a Peer Reviewed Company Secretary) for the term of five consecutive years, for not more than one term of five years in case of an individual and for not more than 2 terms of five consecutive years in case of Secretarial Audit Firm, with the approval of its shareholders in the Annual General Meeting.

The amended 1st proviso to Regulation 24A(1C) clarifies that any association of the individual or the firm as the Secretarial Auditor of the Company before March 31, 2025 shall not be considered for the purpose of calculating the tenure of five years as aforesaid.

Accordingly, M/s Parikh Dave & Associates, Company Secretaries, Ahmedabad, have given their consent for their appointment.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s Parikh Dave & Associates, Company Secretaries, Ahmedabad, as the Secretarial Auditors of the Company for the term of five consecutive years from F.Y. 2025-26 to F.Y. 2029-30, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

The Board of Directors recommends the resolution at item no. 8 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 9

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 2915, 2917, 3823 & 3824 of Sr. No. 18 of table mentioned under Rule 3 (B) - Non-regulated Sectors for the financial year ending March 31, 2026. 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 ending March 31, 2026. 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 proposed resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO LISTING REGULATIONS)

Name of Director	Shri Nahoosh Jariwala – Chairman and Managing Director	Shri Venkatraman Srinivasan – Independent Director	Shri Darius Pandole – Independent Director
DIN	00012412	00246012	00727320
Date of Birth	August 21, 1961	March 9, 1959	April 27, 1966
Age	63 Years	66 Years	59 Years
Date of First Appointment on Board	March 27, 2019	August 26, 2020	August 26, 2020
Qualifications	He holds a Bachelor's degree in Commerce from Gujarat University.	He holds a Bachelor's degree in Commerce from University of Bombay and is a Chartered Accountant.	He is Bachelor in Economics from Harvard University and M.B.A. from University of Chicago
Brief Resume and nature of expertise in functional areas	He is a businessman par excellence having experience of more than 31 years in the chemical industry. He took charge as Managing Director in April, 2010 and under his leadership, top line jumped nearly 18 times in first 12 years only. He has acquired / developed skills and expertise in Speciality Oleo Chemicals (including manufacturing, marketing, deciphering global markets, product development, process optimization, commercial and management)	He was a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, for almost 40 years. He was engaged in audit and assurance practice and direct tax and corporate advisory services, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and in advisory in the areas of direct tax, 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 40 years. He was 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.	He very recently retired as the Managing Director and Chief Executive Officer – Private Equity and Equity AIF's, JM Financial Limited. He has over 30 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 Management Company Limited that managed the India Development Fund, an infrastructure focused private equity fund.

Name of Director	Shri Nahoosh Jariwala – Chairman and Managing Director	Shri Venkatraman Srinivasan – Independent Director	Shri Darius Pandole – Independent Director
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
Directorship held in other Public Listed Companies as on March 31, 2025	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Amal Limited • Amal Speciality Limited • Eimco Elecon (India) Limited • HDFC Life Insurance Company Limited 	<ul style="list-style-type: none"> • Mahindra Logistics Limited
Membership / Chairmanship of Committees in other Public Listed Companies as on March 31, 2025	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Amal Limited • Amal Speciality Limited • Eimco Elecon (India) Limited • HDFC Life Insurance Company Limited 	<ul style="list-style-type: none"> • Mahindra Logistics Limited
Details of shares held in the Company	NIL	NIL	NIL
Resignation from listed company(ies) during last 3 years	NA	NA	NA
Terms and conditions of Appointment/Re-appointment	Liable to Retirement by rotation, Eligible for re-appointment.	Being re-appointed for 5 years	Being re-appointed for 5 years
Details of Remuneration last drawn	Rs. 294.85 lakhs in the year 2024-25.	Rs. 4.75 lakhs as sitting fees	Rs. 4.75 lakhs as sitting fees
No. of Board Meetings attended during Financial Year 2024-2025	4 (Four)	4 (Four)	4 (Four)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO LISTING REGULATIONS)

Name of Director	Ms. Sonal Ambani – Independent Director
DIN	02404841
Date of Birth	April 19, 1959
Age	66 Years
Date of First Appointment on Board	August 26, 2020
Qualifications	She is Bachelor in Chemistry, M.B.A. and Doctorate in Business Management.
Brief Resume and nature of expertise in functional areas	She has worked as an Assistant Vice President in Morgan Stanley Dean Witter. She is a renowned sculptor having exhibited in prominent exhibitions around the world including Venice. 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 'Purchase Management System and Electronic Receipts.
Relationship between Directors and KMP	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, 2025	<ul style="list-style-type: none"> • Carysil Limited • Elecon Engineering Company Limited
Membership / Chairmanship of Committees in other Public Listed Companies as on March 31, 2025	<ul style="list-style-type: none"> • Carysil Limited • Elecon Engineering Company Limited
Details of shares held in the Company	NIL
Resignation from listed company(ies) during last 3 years	NA
Terms and conditions of Appointment/Re-appointment	Being re-appointed for 5 years
Details of Remuneration last drawn	Rs. 4.50 lakhs as sitting fees
No. of Board Meetings attended during Financial Year 2024-2025	4 (Four)

Registered Office:

253/P & 312, Village Chekhala,
Sanand-Kadi Highway, Tal. Sanand
Dist. Ahmedabad-382115, Gujarat
CIN: L24200GJ2019PLC129759

Date : May 27, 2025

By Order of the Board

For FAIRCHEM ORGANICS LIMITED,

Rajen Jhaveri

Chief Financial Officer &

Company Secretary

ACS No.: 6615

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OLEO CHEMICALS AND INTERMEDIATE NUTRACEUTICALS:

The Industry Structure and Developments:

OLEO CHEMICALS:

Oleo Chemicals are preferred since they are produced from biological fats or oils i.e. natural sources. The demand for biodegradable chemicals is supporting oleo chemicals market. Fatty Acids, methyl esters and fatty alcohols are major oleo chemicals manufactured in India. The Company is mainly in the business of Fatty Acids which is one of the largest segments in Oleo Chemicals. Dimer Acid, Linoleic Acid / Soya Fatty Acid, Isostearic Acid, other Distilled Fatty Acids are the main products of the Company in Oleo Chemicals segment.

Dimer Acid: No organized data pertaining to demand / consumption of Dimer Acid in India is available. However, since the Company is in the business of this product now for more than two decades, it is largely aware of the industrial users of the same. The Company also tracks the import data from China as Chinese suppliers are the main competitors for the Company. Based on Company's analysis, the Company continues to maintain its leadership position in Indian market by virtue of its pricing strategy, timely service, quick supply and fair terms of payment and quality product. Dimer Acid is a prime product of the Company which is made by processing blend of different raw materials. About 4 years back, the Company had internally developed a process which gives it optimum yield from processing of such blend. During the financial year under review, the Company was able to maintain its share in the domestic market of Dimer Acid and hopes to maintain the same in coming year. The Company has also been able to develop export market and that too in U.S.A. for its Dimer Acid and hope to gradually increase the export during financial year 2025-26.

Dimer Acid is used for making two kinds of polyamides i.e. Non-reactive and Reactive. Non-reactive polyamides are used by manufacturers of printing inks, adhesives, paper coatings etc. Rising demand from industries such as printing inks, adhesives and paper coatings may drive global dimer acid market size for non-reactive polyamide resins. The demand for Reactive polyamide resins application will be driven by increasing surface coatings & adhesives demand in marine and construction.

Linoleic Acid / Soya Fatty Acid:

About 6 years back, the Company had worked on improvement in quality of this product and as a result was able to push the sales of said product. The end use of both - Linoleic Acid and Soya Fatty Acid - is same i.e. for making Alkyd Resins which in turn is used in making paints. Since last couple of years, the Company has been able to sell this product to another Indian customer for altogether different application and again it appears to be long term in nature.

Isostearic Acid:

During the year, the Company introduced an in-house developed high value new product viz. Isostearic Acid mainly used in Lubricants and Cosmetics industry. As per the available data, there are very few, say 3 to 4, manufacturers of this product globally and our Company is the first Indian and perhaps the first Asian company to successfully make it with internationally acceptable quality without importing any technology or taking help of any external specialist / consultant for the same. The Company expects to do good business with quite remunerative prices for this product in markets of Europe and U.S.A. in coming period.

INTERMEDIATE NUTRACEUTICALS:

The word Nutraceutical is derived from two words viz. 'Nutrition' and 'Pharmaceutical'. When used in food, it provides health and nutrition benefits in addition to basic nutrition value present in food items. The consumers are now more health conscious and better informed about such nutritional products. The Company is in the business of (natural) Tocopherols and Sterols – intermediate nutraceuticals and they are exclusively exported. Tocopherols have anti-oxidant properties. Tocopherols, after they are further concentrated by customers, are then used in (a) Pet Food, (b) food as it prevents rancidity. Tocopherols when converted into Natural Vitamin E finds the application in Pharmaceutical, cosmetic etc. Sterols after they are further concentrated, finds its use in making of Cortico Steroids and as food additive.

Due to unremunerative prices of the product exported by the Company, being intermediate in nature vis-à-vis price expectation of Indian suppliers of its specific raw material, the Company did limited business of this stream during the F.Y. 2024-25 also. The Company has decided to continue with this limited business so that in future when there is an opportunity to upgrade the streams of Tocopherols and Sterols, the same can be explored immediately.

Strengths, Opportunities and Threat:

The major strength in Oleo Chemical business is Company's ability to process by-products having no technical specifications and make higher grade fatty acids and intermediate nutraceuticals meeting stringent quality standards. In fatty acids, the Company enjoys leadership position in its area of business. Another advantage in favour of the Company is its strong customer and supplier relationship of more than 28 years.

Ideally, there is a place for one company in this business of Oleo Chemicals and Nutraceuticals in India due to limited availability of the main raw materials within India. The import of the said raw material with applicable basic import duty is not a very viable proposition at current prices of raw materials as well as prime finished products obtained therefrom.

PRODUCT-WISE PERFORMANCE:

The Company is currently having 3 prime material products viz. (A) Dimer Acid, (B) Linoleic Acid and (C) Isostearic Acid. The per cent share of these 3 products in terms of value during the year was 74.29 %. There are few co-products also.

Dimer Acid: The Company is the leading Indian producer competing mainly with Chinese suppliers for Indian market. The end use of this product is in making Polyamides which in turn goes for making adhesives etc.

Linoleic Acid: The Company is the only Indian company for the kind of Linoleic Acid needed for superior grade paints. So, for such use, the Company is the preferred supplier. There are few other companies making near about quality and are competing with the Company for requirement in non-premium grade paints. The end use of this product is in making Alkyd Resin which in turn goes for making paints.

Isostearic Acid: This is the new launch by the company based on in-house product development work in its R & D section. No other Indian Company makes it. Based on the information available, there are only 3-4 companies in the world – in Europe and U.S.A. – making it. The end use of this product is in lubricants and cosmetics. As of now, export is the main market.

HUMAN RESOURCE MANAGEMENT:

Out of all the resources, human capital is of immense importance which may decide overall growth of Oleo Chemicals business. Human capital has the inherent capacity of delivering more than 100 % unlike other resources. During the year, the industrial relations were very cordial. As at March 31, 2025, the Company had 227 employees on the payroll of the Company.

OUTLOOK:

The outlook of Oleo Chemicals business appears to be promising. The Company is continuously working on process optimization and strives to explore the ways to beat the inflation and thereby maintain / reduce per unit processing cost. This is one area where the Company benefits without any corresponding loss to either its customer or supplier of raw material and so this benefit is permanent.

RISKS AND CONCERNS:

The availability of right kinds of raw materials in adequate quantity at fair prices is the main risk / concern for the business of the Company. The raw materials are the by-products of certain vegetable oil refineries processing soft crude vegetable oils. In India, agriculture is a political tool for ruling Govt. and so once in a while it tweaks with import policy etc. India is not self-sufficient in meeting its vegetable oil demand and depends substantially on imports of mainly crude vegetable oils from Indonesia, Malaysia, Brazil, Argentina, Ukraine, Russia etc. Many a times, export policy / restrictions of one or more of these countries and other factors such as war between Russia and Ukraine results in insane raw material prices which always cannot be transferred to finished products pricing.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

There are adequate internal control systems for financial reporting. Internal audit has been done by a firm of Chartered Accountants. The Company is continuously exploring to strengthen its internal control either based on feedback of statutory / internal auditors or based on the need felt from day to day operations. With effect from December, 2018, entire finance dept. is shifted to the office at works and so now all the employees of the Company are at single location. This has its own advantages.

Computation of Ratio and significant changes therein				
No.	Ratios	F.Y. 2024-25	F.Y. 2023-24	Change (%)
1	Debtors Turnover Ratio	8.70	11.98	-27%
2	Inventory Turnover Ratio	5.61	6.75	-17%
3	Interest Coverage Ratio	9.16	13.88	-34%
4	Current Ratio	2.30	5.10	-55%
5	Debt Equity Ratio	0.21	0.03	-727%
6	Operating Profit Margin (%)	7.95%	10.86%	-26%
7	Net Profit Margin (%)	4.10%	6.53%	-37%
8	Return on Net Worth (%)	7.39%	14.73%	-50%

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios:

- a) The fall in Debtor Turnover Ratio (times) is on account of 2 factors: (1) rise in trade receivables at the year-end; and (2) fall in sales during the year.
- b) Though there is a fall in absolute amount of interest, percentage in Interest Coverage Ratio is showing more than 25% fall mainly because of substantial fall in Net Profit Before Tax.
- c) The reason for decrease in Current Ratio is due to rise in Current Borrowings which is the result of higher level of inventories and trade receivables as at March 31, 2025 compared to previous year.
- d) The reason for increase in Debt Equity Ratio is due to relatively higher rise in Current Borrowings vis-à-vis increase in equity. Since the base of last year was very low due to minimal current borrowing, the variance looks substantially higher.
- e) The fall in Operating Profit Margin is due to substantial fall in Net Profit Before Tax.
- f) The reason for fall in Net Profit Ratio is mainly due to fall in overall sales this year compared to last year.
- g) The reason for decrease in Return on Equity Ratio is mainly due to substantial fall in total comprehensive income / net profit after tax.

DIRECTORS' REPORT

To

The Members,

Your Directors are indeed pleased to present the Sixth Annual Report along with Audited financial statements of the Company for the financial year ended March 31, 2025. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as required under The Companies Act, 2013.

FINANCIAL RESULTS:

(Rupees in Lakhs, unless otherwise stated)

	For the year ended on 31-03-2025	For the year ended on 31-03-2024
(1) Total Income	53,923.71	62,260.65
(2) Profit before Interest, Depreciation and Tax	4,412.09	6,811.37
(3) Less : Interest	366.63	423.93
(4) Profit before Depreciation and Tax	4,045.46	6,387.44
(5) Less : Depreciation	1,053.42	927.84
(6) Profit before Tax for the year	2,992.04	5,459.60
(7) Less : Provision for Taxation		
(a) Current Tax	530.31	1,253.11
(b) Deferred tax	264.30	156.46
Sub-total	794.61	1,409.57
(8) Profit after Tax for the year	2,197.43	4,050.03
(9) Add : Other comprehensive income for the year / period, net of tax	(11.08)	(6.19)
(10) Total Comprehensive Income for the year / period	2,186.35	4,043.84
(11) Earnings per share (EPS) of Rs. 10/- each	Rs. 16.88	Rs. 31.10

OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

During the year under review, the revenue from operations were Rs. 53,789.84 lakhs, which is lower by 13.45%. The corresponding fall in sales volume was 16.59%. The Profit before tax stood at Rs. 2,992.04 lakhs, which is lower by 45.20%. The fall in volume was mainly due to (a) slowdown in demand of Linoleic Acid from paints sector and (b) relatively high raw material cost during last two quarters of other raw material from which Dimer Acid, another prime product is made.

CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business per se of the Company during the year. The Company, however, successfully launched its in-house developed high value value-added product viz. Isostearic Acid in the international market and initial response is very encouraging.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 7.50 (i.e. 75%) per equity share for the financial year ended March 31, 2025, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Dividend will be paid to those shareholders whose names appear in the Register of Members as on Book Closure / Record Date to be fixed by the Company.

The Company has formulated Dividend Distribution Policy in compliance with Regulation 43A of SEBI (LODR) Regulations, 2015. The Dividend Distribution policy is placed on the Website of the Company at <https://fairchem.in/investor-relations/Policies/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVE:

Your Directors have decided not to transfer any amount to the Reserve for the year under review.

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.

ISO CERTIFICATIONS:

Bureau Veritas Certification Holding SAS – UK Branch has granted 3 ISO certifications as per details given here below to the Company vide its Certificate dated April 8, 2025 which is valid until April 7, 2028.

- (1) ISO 9001 : 2015 (Quality Management)
- (2) ISO 14001 : 2015 (Environmental Management)
- (3) ISO 45001 : 2018 (Occupational Health and Safety Management)

The above certifications will help the company in export of its products in developed countries, particularly of Europe.

CAPITAL STRUCTURE:

The Company has only one class of Equity Shares having equal voting rights. The present issued, subscribed and paid up share capital of the Company is Rs. 13,02,09,020/- divided into 1,30,20,902 Equity Shares of Rs. 10/- each fully paid up. There is no change in the Capital structure of the Company during the year.

MEETINGS OF THE BOARD:

During the Financial Year 2024-25, 4 (four) meetings of the Board of Directors took place where all the Directors were present throughout all the meetings. In respect of these meetings, proper notices were given, and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. For further details, please refer Report on Corporate Governance.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not given any loan, made investment, given any guarantee or provided any security to the persons covered u/s. 186 of the Companies Act, 2013.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

A Report on the Corporate Governance along with a certificate from a practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with Schedule V of the said regulations and the Management Discussion and Analysis Report are attached as a separate section of this Annual Report.

Pursuant to Regulation 34(2)(f) of the Listing Regulations as amended from time to time, the Business Responsibility and Sustainability Report ('BRSR') and initiatives taken from an environmental, social and governance perspective in the prescribed format is attached as a separate section of this Annual Report.

AUDIT COMMITTEE:

The Audit Committee of the Company is duly constituted in compliance with Regulation 18 of SEBI (LODR) Regulations 2015. The Composition of Audit Committee is given in the Corporate Governance Report forming part of this Report.

DEPOSITS:

The Company has not accepted nor renewed any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

CREDIT RATING:

CARE Ratings Limited carried out annual review of credit facilities of HDFC Bank and vide its letter dated July 1, 2024, has reaffirmed its rating as under:

1. For Long-term Bank facilities: CARE A+; Stable (Single A Plus; Outlook Stable)
2. For Long-term / Short – term Bank facilities: CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)
3. Short Term Bank facilities: CARE A1+ (A One Plus)

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

The Company was incorporated during 2019 and has not completed period of seven years. Hence, the provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) which provides that all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years, are not applicable. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. As this is only the sixth financial year of the Company, this provision is also not applicable to the Company.

TECHNICAL ACHIEVEMENT:

The Company keeps on exploring the possibility of technical improvement and process optimization for better yields / product mix / energy efficiency.

DIRECTORS:

In accordance with the provisions of Section 152 of the Act, Shri Nahoosh Jariwala (DIN: 00012412) shall retire at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Further, the first term of five years of appointment as Independent Director of Shri Venkatraman Srinivasan, Shri Darius Pandole and Ms. Sonal Ambani will be expiring on August 25, 2025. Based on their skills, experience, knowledge, performance, evaluation and recommendation of the Nomination and Remuneration Committee and Board of Directors, it is proposed to re-appoint them for the second term of 5 (Five) consecutive years effective from August 26, 2025, subject to approval of the members at the ensuing Annual General Meeting. Their brief resumes, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Notice of the 6th Annual General Meeting of the Company.

Post demise of Shri Utkarsh Shah on 22.08.2022, 23,333 Equity Shares held in the sole name of Shri Utkarsh Shah were transmitted in favour of Shri Aadarsh Utkarsh Shah (first holder) and Mrs. Radhika Utkarsh Shah (joint holder) on 08.09.2022 and as per SEBI Regulations, they became the promoters of the Company. Based on the application by them, the Company had applied to both the Stock Exchanges for their re-classification to ‘Public’ category which was approved by National Stock Exchange of India Limited and BSE Limited vide their letters dated June 18, 2024.

DECLARATION OF INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the 4 Independent Directors of the Company, inter alia, confirming that they meet the criteria of Independence and that they are not disqualified for continuing as an Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015, as amended, respectively.

COMPANY’S POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR ETC.:

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Regulation 19 of SEBI (LODR) Regulation, 2015, the Board of Directors at their Meeting held on 12.08.2020 approved the Nomination and Remuneration Policy which was reviewed/updated by the Board from time to time. The salient features of the said policy covering the policy on appointment and remuneration and other matters have been explained in the Corporate Governance Report.

Copy of Nomination and Remuneration Policy of the Company can be accessed from the website of the Company <https://fairchem.in/investor-relations/Policies/Nomination-&-Remuneration-Policy.pdf>

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, the individual Directors and the Committees. The evaluation of Independent Directors, as provided in Regulation 17 (10) of Listing Regulations, was done by the Board which included their performance and fulfillment of independence criteria as specified in Listing Regulations and their independence from the management.

The Independent Directors reviewed the performance of (1) Non-Independent Directors and Board as a whole and (2) the Chairman of the Company, considering the views of all Non-executive Directors in their separate meeting held on February 20, 2025. They expressed their satisfaction with the performance of Non-Independent Directors and Board as a whole and also of the Chairman of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- (i) that in the preparation of the financial statements for the year ended March 31, 2025, 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, 2025 and of the profit 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.

LISTING:

The securities of the Company are listed with BSE Limited and National Stock Exchange of India Limited with effect from December 24, 2020. SEBI (LODR) Regulations, 2015 became applicable to the Company from the said date. The Company has paid the listing fees for F.Y. 2025-26 on the paid-up equity share capital to both the Stock Exchanges.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions with related parties entered into by the Company during the financial year 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 as described under the Regulation 23(1) of SEBI (LODR) Regulations 2015.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Copy of Policy on Related Party Transactions can be accessed from the website of the Company

<https://fairchem.in/investor-relations/Policies/Related-Party-Transactions-Policy-FOL.pdf>

INTERNAL CONTROL AND ITS ADEQUACY:

The Company has, commensurate with its size, single operational location and resultant requirement, Internal Control system. A well-known firm of Chartered Accountants carried out internal audit of the said system. Based on the recommendation / report of the said Internal Auditors which are presented to the Audit Committee, required corrective actions were initiated / taken by the Company.

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:

During the year under review, no fraud was reported by the statutory auditors under section 143(12) of the Act.

CORPORATE SOCIAL RESPONSIBILITY:

The Board had approved Corporate Social Responsibility Policy in its meeting held on August 12, 2020. The copy of Corporate Social Responsibility Policy is placed on the website of the Company at

<https://fairchem.in/investor-relations/Policies/Corporate-Social-Responsibility-Policy.pdf>

The Corporate Social Responsibility Committee of the Board is duly constituted in compliance with provisions of Section 135 of Companies Act 2013. The Committee comprises of:

1. Shri Nahoosh Jariwala
2. Shri Sumit Maheshwari
3. Ms. Sonal Ambani, Independent Director

The other details of the CSR activities as required U/s. 135 of The Companies Act, 2013 are given in the CSR Report as Annexure A to Directors' Report.

PARTICULARS OF EMPLOYEES:

Details pertaining to remuneration as required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) and 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under Annexure B to this Directors' Report.

RISK MANAGEMENT POLICY:

The Company has put in place Risk Management Policy and Plan. The Company has identified (i) Business Risk (ii) Technological Risk (iii) Financial Risk (iv) Liquidity Risk (v) Exchange Rate Risk (vi) Country specific Risk (vii) Safety Risk (viii) Information/Cyber Security Risk (ix) Employee Risk and (x) Risk of Natural Calamities which in the opinion of the Board may threaten the existence of the Company.

The team of top 3 officials of the Company under the supervision and guidance of the Managing Director monitor the above mentioned or any other unforeseen / unexpected risks and ensure the smooth and clinical implementation of mitigation measures as outlined in this plan earlier and / or as are in the best interest of the company under the circumstances.

STATUTORY AUDIT REPORT:

The Auditors' report during the year under review does not contain any qualification/ remarks nor any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report. The Board has duly reviewed the Statutory Auditor's Report and the observations and comments, appearing in the report, are self-explanatory and do not call for any further explanation/clarification.

M/s B S R & Co. LLP, Chartered Accountants (Firm Registration Number – 101248W/W-100022), were appointed as the Independent Auditors of the Company for a period of 5 (five) years from F.Y. 2020-21 to F.Y. 2024-25 i.e. from the conclusion of 1st Annual General Meeting till the conclusion of 6th Annual General Meeting of the Company in the Board Meeting held on November 25, 2020 and subsequently, approved by the shareholders in the 1st Annual General Meeting held on December 31, 2020. Accordingly, the 1st term of the appointment of M/s B S R & Co. LLP, Chartered Accountants, will come to an end with the conclusion of the ensuing 6th Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s B S R & Co. LLP, Chartered Accountants, is eligible to be re-appointed for a 2nd term of five consecutive years. However, due to the internal restructuring within BSR & Affiliates network firms, appointment (and not reappointment or change in auditor) of M/s B S R and Co., Chartered Accountants (Firm Registration Number - 128510W) (one of the audit firms under the BSR & Affiliates network firms) as the Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2030 has been approved by the Audit Committee and the Board of Directors of the Company at their respective meetings held on May 27, 2025, subject to the approval of the Shareholders at the ensuing 6th Annual General Meeting of the Company shall be considered.

SECRETARIAL AUDIT REPORT:

As required by Section 204 of The Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Parikh Dave & Associates, Company Secretaries, Ahmedabad, a peer reviewed firm of Company Secretaries in Practice to conduct Secretarial Audit for the Financial Year 2024-25. The Report of the Secretarial Audit for the financial year ended on March 31, 2025 is enclosed as Annexure C to this Directors' Report. Their Report does not contain any qualification/remark.

Further, as required under Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on May 27, 2025, has recommended appointment of M/s Parikh Dave & Associates, Company Secretaries, Ahmedabad, a peer reviewed firm, to conduct Secretarial Audit for five consecutive years i.e. for the F.Y. 2025-26 to F.Y. 2029-30, subject to approval of the Members at the ensuing Annual General Meeting.

CONFIRMATION OF COMPLIANCE OF SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively, issued by The Institute of Company Secretaries of India (ICSI). The Company confirms compliances of applicable secretarial standards.

MAINTENANCE OF COST RECORDS:

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 2915, 2917, 3823 and 3824 of Sr. No. 18 of table mentioned under Rule 3 (B) – Non-regulated Sectors audited by a Cost Auditor.

As specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, the Company has maintained cost accounts and records.

COST AUDITOR:

The Company has appointed M/s. Rajendra Patel and Associates, Cost Accountants, Ahmedabad, as Cost Auditors for financial year 2024-25. The Board of Directors has approved their appointment as Cost Auditor for F.Y. 2025-26 also and has recommended remuneration of Rs. 75,000/- plus applicable tax. The necessary resolution for ratification of their remuneration by members has been put in the notice convening the 6th Annual General Meeting.

VIGIL MECHANISM:

As required under Companies Act and SEBI (LODR) Regulations, the Company has put in place Vigil Mechanism / Whistle Blower Policy for Directors and Employees so that the Directors and employees can report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct Policy and SEBI Insider Trading Regulations. Whistle Blower Policy is disclosed on the website: <https://fairchem.in/investor-relations/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act).

Company has framed a policy on Sexual Harassment at workplace which aims to provide protection to women employees at workplace and prevent and redress complaints of sexual harassment and for matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint under the Sexual Harassment of women at Workplace during the financial year under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED:

No significant and material orders were passed during the year under review by regulators or courts, or tribunals impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Initiatives of the Company for Energy conservation, and Technology absorption if any and details of Foreign Exchange earnings and out go).

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy:

Based on an internal / external energy audit which is a regular periodical feature, required measures are taken for optimization of energy.

(ii) the steps taken by the company for utilising alternate sources of energy: **None.**

(iii) the capital investment on energy conservation equipment: **None.**

(B) Technology absorption-

(i) the efforts made towards technology absorption;

Technology absorption is an ongoing process in the Company. The Company keeps on exploring new processes at Laboratory scale and then implements the same at Plant level.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

The Company continuously works on increasing yield of prime products which helps in overall cost reduction.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported: **Nil**

(b) the year of import: **Not Applicable**

(c) whether the technology been fully absorbed: **Not Applicable**

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **Not Applicable**

(iv) the expenditure incurred on Research and Development: – **Rs. 28.62 Lakhs.**

(C) Foreign exchange earnings and Outgo-

Foreign Exchange earning: Rs. 4,401.49 lakhs

Foreign Exchange outgo: Rs. 3,161.97 lakhs

DETAILS OF SUBSIDIARY, JOINT VENTURE, ASSOCIATE COMPANY:

The Company does not have any subsidiary company or associate company. Company has not entered into any joint venture. Hence, no further disclosures are required in this regard.

EXTRACT OF ANNUAL RETURN:

As per the provisions of section 92[3] read with section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 in the prescribed form no. MGT-7 is available on the website of the Company and web link of the same is

<https://fairchem.in/investor/> - Annual Reports.

GENERAL DISCLOSURE

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ instances on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
4. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
5. One-time settlement of loan obtained from the Banks or Financial Institutions.

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 been able to nearly maintain its financial performance due to hard work, co-operation and support of employees at all levels. The Directors also wish to thank the Company's vendors, Stock Exchanges, Government authorities, bank and shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors,

Nahoosh Jariwala

Chairman and Managing Director

(DIN : 00012412)

Place : Chekhala, Tal. Sanand, Dist. Ahmedabad

Date : May 27, 2025

ANNEXURE A

TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1. Brief outline of the Company's CSR policy:

The CSR policy framed pursuant to the provisions of section 135 of The Companies Act, 2013 is available on the Company's website. The web-link of the same is – <https://fairchem.in/investor-relations/Policies/Corporate-Social-Responsibility-Policy.pdf>

The main objectives of Company as outlined in the CSR Policy are:

(i) The CSR Policy encompasses the Company's philosophy of giving back to the society as a responsible corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large specially benefitting the citizens residing around the Company's manufacturing plant thereby improving the quality of life and health of the said citizens and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

(ii) To address critical social, environmental and economic needs of the less privileged section of the society.

(iii) To create goodwill for FOL and establish new bench mark by becoming a responsible corporate entity.

The Company proposes to focus on the following areas for CSR Projects:

(a) Organising / sponsoring need-based programs for Health

(b) Providing financial support to non-profit making entities involved in preventive health care.

(c) Providing direct financial assistance for medical treatment in hospitals / nursing homes.

(d) Providing financial support to campaigns meant for creating public awareness in the area of eradication of diseases.

(e) Initiatives relating to better hygiene and sanitation.

(f) Others as may be decided

2. Composition of the CSR Committee:

Sl. No.	Name of the Director	Designation / Nature of Directorship	No. of meeting of CSR Committee held during the year	No. of meeting of CSR Committee attended during the year
1	Shri Nahoosh Jariwala	Chairman/Chairman & Managing Director	1	1
2	Shri Sumit Maheshwari	Member/Nominee Director	1	1
3	Ms. Sonal Ambani	Member/Independent Director	1	1

During the year, 4 resolution(s) were passed through Circular Resolution.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The CSR policy framed pursuant to the provisions of section 135 of The Companies Act, 2013. Copy of CSR Policy is available on the Company's website and can be accessed through the link:

<https://fairchem.in/investor-relations/Policies/Corporate-Social-Responsibility-Policy.pdf>

The Composition of CSR Committee is placed on the website of the Company at

<https://fairchem.in/investor-relations/Others/Composition-of-Board-Committees.pdf>

The details of CSR Projects approved by the Board and being carried out are available on the Company's website and can be accessed through the link: <https://fairchem.in/csr/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable. The Company did not have CSR obligation of Rs 10 Crore or more in pursuance of Section 135(5) of the Companies Act, 2013 in the three immediately preceding financial years.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the amount required to be set off for the financial year, if any
 Not applicable. The Company has not spent in excess of its CSR obligation during the period covered in sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. Average Net Profit of the Company for the three immediately preceding financial years (i.e. F.Y. 2021-22, F.Y. 2022-23 and F.Y. 2023-24) as per Section 135(5):

Rs. 6,930.39 Lakhs

7(a) Two percent of Average Net Profit of the Company as per Section 135(5): Rs. 1,38,60,771/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the Financial year (7a+7b-7c): Rs. 1,38,60,771/-

8(a) CSR Amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
24,06,291/-	1,14,54,480/-	29-03-2025	Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Chekhla Gram Panchayat	Cleanliness Campaign under "Swachh Bharat Abhiyan"	Yes	Gujarat	Ahmedabad	3,12,000	Yes	-	-

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
2	Payment to Wounded Warrior	Measure for the benefit of armed force veterans	No	-	-	5,00,000	No	Sri Shanmukh-ananda Fine Arts and Sangeetha Sabha	CSR 00001777
3	Chekhla Gram Panchayat	Ensuring environmental sustainability	Yes	Gujarat	Ahmedabad	14,39,291	Yes	-	-
4	Purchase of C3 Surgery Recording system	Promoting health care including preventive health care	Yes	Gujarat	Ahmedabad	1,55,000	No	Amba Charitable Foundation	CSR00006654
	Total					24,06,291			

- (d) Amount spent in administrative overheads: NIL
- (e) Amount spent on impact assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 24,06,291/-
- (g) excess amount for set-off, if any: NIL

- 9 (a) Details of unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset: Not Applicable
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

Place : Chekhala, Tal. Sanand, Dist. Ahmedabad
Date : May 27, 2025

Nahoosh Jariwala
Chairman & Managing Director and
Chairman of CSR Committee
(DIN : 00012412)

ANNEXURE B

[Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Details of the ratio of remuneration of each Director to the median employee's remuneration:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:-			
Sr. No.	Name of the Director	Designation	Ratio of remuneration to the median remuneration of the employees
1	Shri Nahoosh Jariwala*	Chairman & Managing Director	50.21 : 1
2	Shri Sumit Maheshwari	Director – Nominee	NIL
3	Shri Venkatraman Srinivasan	Independent Director	0.81 : 1
4	Shri Darius Pandole	Independent Director	0.81: 1
5	Ms. Sonal Ambani	Woman Independent Director	0.77 : 1
6	Shri Sudhin Choksey	Independent Director	0.81 : 1

* Remuneration of Shri Nahoosh Jariwala does not include amount of Gratuity.

(ii) The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year		
Sr. No.	Name of the Directors / KMP	% Increase over last F.Y.
1	Shri Nahoosh Jariwala	(1.14)*
2	Mr. Rajen Jhaveri	6.00

* Includes Commission @ 1.50 % w.e.f. August 13, 2023 on profit approved by the shareholders in the Annual General Meeting and Extra-Ordinary General Meeting held on August 7, 2023 and March 14, 2024 respectively.

(iii)	The percentage increase in the median remuneration of employees in the financial year.	11.99%
(iv)	The number of permanent employees on the rolls of the Company.	227 as on 31st March 2025
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	10.37% of CTC was given as yearly increment to the employees of the Company. Justification for increase in Managerial Remuneration: 6.00% increment was given to Mr. Rajen Jhaveri as yearly increment. The remuneration of Shri Nahoosh Jariwala had been approved by the Shareholders in the Annual General Meeting and Extra-Ordinary General Meeting held on August 7, 2023 & March 14, 2024 respectively.

B. 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, 2025:

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:							
Sr. No.	Name & (Age)	Designation	Remuneration (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
1	Shri Nahoosh Jariwala (63 Years)	Managing Director	2,94,85,347/- *	B.Com. (43 years)	August 13, 2020	M/s. Fairchem Speciality Limited (Managing Director) (10 years)	Nil

* This includes Commission of Rs. 2,94,85,347/-.

Names of employee's employed for part of the year and were in receipt of remuneration of not less than Rs. 8.50 Lakhs per month							
Sr. No.	Name & (Age)	Designation / nature of Duties	Remuneration (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
Nil							

Place : Chekhala, Tal. Sanand, Dist. Ahmedabad

Date : May 27, 2025

Nahoosh Jariwala
 Chairman and Managing Director
 (DIN : 00012412)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
FAIRCHEM ORGANICS LIMITED
CIN:L24200GJ2019PLC129759
253/P & 312, Village – Chekhala,
Sanand – Kadi Highway,
Taluka – Sanand,
Dist. Ahmedabad – 382 115

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FAIRCHEM ORGANICS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 and made available to us, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable during the year under review;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the year under review;
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable during the year under review;

- (g) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
- (h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the year under review;

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the Audit period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

Having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test - check basis, the Company has generally complied with the material aspects of the following laws specifically applicable to the Company being engaged in the manufacturing activities:

- 1. Factories Act, 1948;
- 2. The Boilers Act, 1923 and the Rules framed thereunder;
- 3. Explosive Act, 1884;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board during the year under review.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors and Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate placed before the Board meeting, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

We further report that:

The compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the audit period under review there were no instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.

- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations

FOR PARIKH DAVE & ASSOCIATES

COMPANY SECRETARIES

UDAY DAVE

PRACTICING COMPANY SECRETARY

PARTNER

ICSI Unique Code No.: P2006GJ009900

Peer review Certificate No.: 6576/2025

FCS No.: 6545 C. P. No.: 7158

UDIN: F006545G000448481

Place: Ahmedabad

Date: 27-05-2025

Notes:

1. This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
FAIRCHEM ORGANICS LIMITED
CIN:L24200GJ2019PLC129759

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR PARIKH DAVE & ASSOCIATES

COMPANY SECRETARIES

UDAY DAVE

PRACTICING COMPANY SECRETARY

PARTNER

ICSI Unique Code No.: P2006GJ009900

Peer review Certificate No.: 6576/2025

FCS No.: 6545 C. P. No.: 7158

UDIN: F006545G000448481

Place: Ahmedabad

Date: 27-05-2025

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Uniform Listing Agreement]

1. Company's Philosophy on the Code of Governance:

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures transparency, responsibility and accountability. The Company believes in upholding highest standard of ethics, integrity, transparency and accountability in conducting the affairs of the Company so as to disseminate the information to the stakeholders in transparent manner. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, [the Listing Regulations]. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

2. Board of Directors:

- Composition of the Board of Directors (Board):**

The composition of the Board of Directors of the Company is in conformity with the requirement of Regulation 17 of the Listing Regulations.

In compliance with the Corporate Governance norms pertaining to constitution of the Board, the Board currently has one Executive Director being Chairperson and Five Non-Executive Directors, out of which four are Independent Directors including one woman Director, representing optimum combination of professionalism, knowledge and experience to ensure the independence of the Board and to separate the Board functions of governance and management, who have considerable experience in their respective fields. Non-Executive and Independent Directors have expert knowledge in the fields of business strategy, global business, risk and financial management, banking and treasury, audit, corporate governance, accountancy, taxation, legal, business management and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

- Board Skills / Expertise / Competencies:**

Fairchem's Board is a skill-based Board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organization and provide vital input for growth of business. The present size of the Board is appropriate for present needs of the business and effective decision making. The mapping of the skills, expertise and competence among the Directors which is identified by the Company are also actually available with the Board and is as given below:

Sr. No.	Name of the Director	Brief Profile
1.	Shri Nahoosh J. Jariwala (Chairman and Managing Director)	He is a businessman par excellence having experience of more than 31 years in the chemical industry. He is the person who nearly single handedly brought this Company to its present position from where it was 15 years back (including the tenure of erstwhile Fairchem Speciality Limited, formerly known as Adi Finechem Limited under which name the business was run up to August 12, 2020 when he took charge as Managing Director.)
2.	Shri Sumit Maheshwari	He is a Chartered Accountant and M.B.A. from Indian School of Business, a very well-known business management institute. A seasoned investment professional with deep experience in both private and public Indian companies. He manages over \$8 billion in Indian investments for Fairfax Financial Holdings and Fairfax India Holdings. He excels in conducting due diligence, managing high governance, and providing strategic direction to portfolio companies. His success is driven by his ability to partner with high-quality business owners, maintain strong governance, and nurture relationships with stakeholders. He is deeply connected within the Indian business community and is an active member of the Young Presidents' Organization (Mumbai Chapter). He is a financial expert and is a great analyst and very prudent decision maker from PE's view point.

Sr. No.	Name of the Director	Brief Profile
3.	Shri Venkatraman Srinivasan	He is a member of the Institute of Chartered Accountants of India since 1981. He is an Independent Director in several other listed companies of India. He was a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, for almost 40 years. He was engaged in audit and assurance practice and direct tax and corporate advisory services, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and in advisory in the areas of direct tax, 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 40 years.
4.	Shri Darius Pandole	He holds a Bachelor's degree in Economics from Harvard University and a Master's degree in Business Management from University of Chicago. He very recently retired as Managing Director and C.E.O. - Private Equity of M/s. J.M. Financial Limited. He has been an Independent Director in various listed companies in India.
5.	Ms. Sonal Ambani	She holds a Bachelor's degree in Chemistry and a Master's degree in Business Administration in Marketing and Finance and Doctorate in Business Management. She has worked as an Assistant Vice President in Morgan Stanley Dean Witter. She is a renowned sculptor having exhibited in prominent exhibitions around the world including Venice. 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 'Purchase Management System and Electronic Receipts'. She is an Independent Director in a couple of other listed companies in India.
6.	Shri Sudhin Choksey	He is a fellow member of the Institute of Chartered Accountants of India and has done his graduation in Commerce (Honours) from the Sydenham College of Commerce & Economics, Bombay University. He has an overall 43 years of professional experience, having worked both in India and Overseas. He was the Managing Director of GRUH Finance Ltd. for more than 20 years. GRUH Finance Limited later merged with Bandhan Bank and as a part of merger, He joined Bandhan Bank as an Executive Director (Designated) in October 2019 and retired in February 2021. He is a Director in several other public listed companies in India. Presently, he is a Chairman of India Shelter Finance Corporation Limited besides being an Independent Director on the boards of few of the listed and unlisted companies.

List of core skills / expertise / competence identified by the Board is as follows:

Sr. No.	Name of the Director	Skills actually available with the Directors
1.	Shri Nahoosh J. Jariwala	Knowledge and expertise in Speciality Oleo Chemicals (including manufacturing, marketing, deciphering global markets, product development, process optimization, commercial and management)
2.	Shri Sumit Maheshwari	Knowledge and expertise in finance, global business, leadership, Business Strategy and Development, accounts, law, business and management
3.	Shri Venkatraman Srinivasan	Knowledge and expertise in finance, audit & accounting, taxation, leadership and governance including legal compliance.
4.	Shri Darius Pandole	Knowledge and expertise in finance, Corporate Governance, leadership, Merger & Acquisitions and law
5.	Ms. Sonal Ambani	Knowledge and expertise in chemistry, marketing, finance and business management
6.	Shri Sudhin Choksey	Experienced hands-on CEO with a track record of success in the lending businesses. Expertise in Risk & Financial Management, Banking & Treasury besides having provided leadership and management at the CEO level requiring prudent decision making and communication

The eligibility of a person to be appointed as a Director of the Company is dependent on possession of the requisite skills, as identified by the Nomination and Remuneration Committee and its recommendation to the Board for appointment.

• **Directors' particulars:**

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of other Directorship(s) and Chairmanship(s) / Membership(s) of Committees of each Director in various Companies

Name of Directors	Category and Position	Attendance at meetings during 2024-25		No. of Directorship(s) in Public Ltd. Company(ies) (including the Company) incorporated in India as on 31-03-2025.#	No. of Membership(s) / Chairmanship(s) of Committees (including in the Company) as on 31-03-2025 *	
		Board Meeting \$	Last AGM \$		Member	Chairman
Shri Nahoosh J. Jariwala (Chairman & Managing Director)	Promoter - Executive	4	Yes	1	2	Nil
Shri Sumit Maheshwari	Nominee - Non- Executive	4	Yes	9	3	Nil
Shri Venkatraman Srinivasan	Independent Non-executive	4	Yes	5	5	2
Shri Darius Pandole	Independent Non-executive	4	Yes	3	4	2
Ms. Sonal Ambani	Independent Non-executive	4	Yes	7	5	Nil
Shri Sudhin Choksey	Independent Non-executive	4	Yes	8	8	4

\$ Video / tele-conferencing facility was offered to facilitate the Directors to participate in the meetings pursuant to MCA / SEBI Circulars.

* In accordance with Regulation 26 of the Listing Regulations, it includes only Audit Committee and Stakeholders' in other Public Limited Companies—whether listed or not.

The number of Directorship(s) include Directorship in Public Limited Companies – whether Listed or unlisted.

The Directorships and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

The following table shows names of the listed entities where the Directors of the Company are Directors and category of their respective Directorship as on 31.03.2025:

Sr. No.	Name of the Directors of the Company	Name of the other listed entities in which the Director of the Company is a Director	Category of Directorship in the listed Companies
1.	Shri Nahoosh J. Jariwala (Managing Director)	Nil	Nil
2.	Shri Sumit Maheshwari	a) Thomas Cook (India) Limited b) CSB Bank Limited c) Chemplast Sanmar Limited	a) Non-executive b) Non-executive c) Non-executive
3.	Shri Venkatraman Srinivasan	a) Amal Limited b) Eimco Elecon (India) Limited c) HDFC Life Insurance Company Limited	a) Independent, Non-executive b) Independent, Non-executive c) Independent, Non-executive
4.	Shri Darius Pandole	a) Mahindra Logistics Limited	a) Independent, Non-executive
5.	Ms. Sonal Ambani	a) Carysil Limited b) Elecon Engineering Company Limited	a) Independent, Non-executive b) Independent, Non-executive

6.	Shri Sudhin Choksey	a) Asahi Songwon Colors Limited b) CSB Bank Limited c) Gujarat Ambuja Exports Limited d) India Shelter Finance Corporation Limited e) Sandesh Limited	a) Independent, Non-executive b) Independent, Non-executive c) Independent, Non-executive d) Nominee, Non-executive e) Independent, Non-executive
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During the year, there have been no materially significant related party transactions, pecuniary relationships or transactions between the Company and its non-executive Directors that may have potential conflict with the interests of the Company at large.

None of the Directors are related to each other.

Shareholding of Non-Executive Directors of the Company as on March 31, 2025 was NIL.

- **Board Meetings and Attendance:**

The Meeting of the Board of Directors is generally scheduled in advance. The Board meets at least once in a quarter, inter alia, to review the performance of the Company and for consideration and approval/adoption of quarterly/annual unaudited / audited financial statements. The Chief Financial Officer and the Company Secretary, in consultation with the Chairman and Managing Director, prepares detailed agenda for the meetings. 4 (four) Board meetings were held in the year 2024-25 and the gap between two Board meetings did not exceed 120 days. The dates on which meetings were held are as follows:

No.	Date of Meeting	No. of Directors Present	No.	Date of Meeting	No. of Directors Present
i.	May 22, 2024	6	iii.	November 12, 2024	6
ii.	August 5, 2024	6	iv.	February 12, 2025	6

- **Appointment of Independent Directors:**

The Nomination and Remuneration Committee identifies, based on Company's policy for such position, suitable person having expert knowledge and skill in his / her profession / area of business and who can effectively participate in Board proceedings and recommends the same to the Board. The Board after evaluating the said Committee's recommendation takes the decision which according to the Board is in the best interest of the Company.

- **Confirmation regarding independence:**

With respect to the declaration given by the Independent Directors of the Company during the year under review, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

- **Resignation of Independent Directors:**

None of the Independent Directors of the Company resigned before the expiry of his / her term.

- **Meeting of Independent Directors:**

The Independent Directors meet at least once in a financial year without the presence of Non-Independent Directors and members of management. During the year, one meeting of Independent Directors was held on February 20, 2025.

In the said meeting, the Independent Directors reviewed the performance of other Non-Independent Directors and of the Board as a whole. They also reviewed the performance of the Chairman of the Board considering views of non-executive Directors and matters as mentioned in Regulation 25(4) (c) of Listing Regulations.

- **Familiarization Programme:**

In order to enable the Independent Directors of the Company to fulfil their role in the Company and to keep them updated, various presentations are made on business models, new initiatives taken by the Company, changes taking place in the Industry scenario etc. The details of the familiarization programme imparted to Independent Directors of the Company are available on the website of the Company at the following link : <https://fairchem.in/investor-relations/Others/Familiarization-Programme.pdf>

3. Audit Committee Composition:

The composition of Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and also complies with Regulation 18 of Listing Regulations. The members of Audit Committee comprise of Managing Director, one Nominee Non-Executive Director and four Independent Directors. Effectively all the six Directors of the Company are members of the Audit Committee.

All the members of the Committee are financially literate and have adequate knowledge of accounting and taxation. The Audit Committee met 4 times during the financial year 2024-25 on May 22, 2024, August 5, 2024, November 12, 2024 and February 12, 2025.

The details of composition of the Committee as at March 31, 2025 and attendance at meetings during the year are as follows:

Name of the Member	Category	No. of Committee Meeting(s) attended
Shri Sudhin Choksey (Chairman)	Non-Executive – Independent	4
Shri Nahoosh Jariwala	Executive – Promoter	4
Shri Sumit Maheshwari	Non-Executive – Nominee	4
Shri Venkatraman Srinivasan	Non-Executive – Independent	4
Shri Darius Pandole	Non-Executive – Independent	4
Ms. Sonal Ambani	Non-Executive – Independent	4

The scope of the Audit Committee includes:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (3) Approval of payment to Statutory Auditors for any other services rendered by the statutory Auditors.
- (4) Reviewing with the management the Annual financial statements and Audit Reports thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub section 3 of Section 134 of the Companies Act 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with Listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Modified opinion(s) in the draft audit report.
- (5) Reviewing with the management, the quarterly financial statements before its submission to the Board for approval.
- (6) Reviewing, with the Management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus, notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- (7) Reviewing and monitoring the statutory auditor's independence and performance and effectiveness of audit process.
- (8) Approval or any subsequent modification of transactions of the Company with related parties.
- (9) Scrutiny of inter-corporate loans and investments.
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (11) Evaluation of Internal financial controls and risk management systems.
- (12) Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.

- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (14) Discussion with internal auditors, any significant findings and follow up thereon.
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (18) To review the functioning of the Whistle Blower mechanism.
- (19) Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary Company exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary whichever is lower including existing loans / advances / investments.
- (22) Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.

In addition to the areas noted above, Audit Committee looks into controls and security of the Company's internal control systems and internal audit reports.

The Audit Committee mandatorily reviews the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Management letters / letter of internal control weaknesses issued by the statutory auditors;
- (3) Internal audit reports relating to internal control weaknesses; and
- (4) The appointment, removal and terms of remuneration of the Internal Auditors.
- (5) Statement of deviations, if applicable as per Regulation 32:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee Meetings were also attended by Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

A certificate from the Managing Director on the financial statements and other matters of the Company for the financial year ended March 31, 2025 is also appended at the end of this Report.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer the shareholders' queries.

4. **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and also complies with Regulation 19 of Listing Regulations. The Nomination and Remuneration Committee met once during the financial year - on February 12, 2025

The details of composition of the Committee as at March 31, 2025 and attendance at meeting during the year are as follows: -

Name of the Member	Category	No. of Committee Meeting(s) attended
Shri Darius Pandole (Chairman)	Non-Executive – Independent	1
Shri Sumit Maheshwari	Non-Executive – Nominee	1
Shri Venkatraman Srinivasan	Non-Executive – Independent	1

Terms of Reference :

- (1) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees.
- (2) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
- (3) To evaluate the balance of skills, knowledge and experience of Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director for every appointment of an Independent Director. The persons recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. Use the services of external agencies, if required.
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
- (4) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- (5) To devise a policy on Diversity of Board of Directors.
- (6) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (7) Recommend to the Board all the remuneration, in whatsoever form, payable to senior management of the Company.

Performance evaluation criteria for Independent Directors:

The performance of the Independent Directors is evaluated based on the criteria such as the knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, his/ her participation in the Board / Committee meetings, etc. The performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Director, the Director who was subject to the evaluation did not participate.

Remuneration Policy:

The Company's Remuneration Policy for Directors and Senior Management personnel is available on the Company's website at <https://fairchem.in/investor-relations/Policies/Nomination-&-Remuneration-Policy.pdf>

The remuneration policy is recommended by the Nomination & Remuneration Committee and approved by the Board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable and is linked to financial performance. For Director in Executive category, it mainly comprises of fixed component. The remuneration policy is placed on the website of the Company <https://fairchem.in/investor/> The remuneration paid to the Directors is in line with the remuneration policy of the Company.

Remuneration to Non-Executive Directors:

The remuneration for non-executive (Independent) Directors consists of sitting fees for attending meetings of the Board of Directors, Audit Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. No other payment is made to the non-executive Directors.

Details of the remuneration paid to and shareholding of Non-executive Directors is provided in MGT-7 which is available on the website of the Company and web link of the same is <https://fairchem.in/investor/>.

Apart from above, there have been no pecuniary relationship/ transactions with the Non-Executive Directors.

Remuneration to Executive Director

The Executive Director of the Company viz. Managing Director has been appointed on a contractual basis, in terms of the resolution passed by the shareholders at the annual general meeting. Elements of the remuneration package comprises of salary, commission and perquisites as approved by the members at the 4th Annual General Meeting held on August 7, 2023 and further amended at the Extra-Ordinary General Meeting held on March 14, 2024. Shri Nahoosh Jariwala, Chairman & Managing Director, was paid remuneration of Rs. 245.28 lakhs during the financial year ended on March 31, 2025. In addition to this, he is also entitled for commission of Rs. 49.57 lakhs, for F.Y. 2024-25 @ 1.50% of the net profits of the Company for F.Y. 2024-25.

Details of the remuneration paid to and shareholding of Executive Director, if any, is provided in MGT-7 which is available on the website of the Company and web link of the same is <https://fairchem.in/investor/>

Details of Remuneration:

The details relating to remuneration of Directors, as required under Regulation 34 of the Listing Regulations are as follows:

Details of remuneration paid to Directors during the financial year 2024-25

(Amounts in Rs.)

Directors	Salary	Perquisites	Commission	Sitting Fees	Total
Shri Nahoosh J. Jariwala (Managing Director)	1,44,00,000	1,01,28,000	49,57,347	Nil	2,94,85,347
Shri Sumit Maheshwari (Non-executive Director)	Nil	Nil	Nil	Nil	Nil
Shri Venkatraman Srinivasan (Independent Director)	Nil	Nil	Nil	4,75,000	4,75,000
Shri Darius Pandole (Independent Director)	Nil	Nil	Nil	4,75,000	4,75,000
Ms. Sonal Ambani (Independent Director)	Nil	Nil	Nil	4,50,000	4,50,000
Shri Sudhin Choksey (Independent Director)	Nil	Nil	Nil	4,75,000	4,75,000

The Company has not granted any stock option to its Directors.

Service contract / Agreement and Notice period: The Company has entered into agreement with Shri Nahoosh Jariwala, Managing Director for his employment for a period of 3 years. Either party to an agreement is entitled to terminate the agreement by giving not less than 3 (Three) months' notice in writing to the other party.

5. Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Act and regulation 20 of the Listing Regulations, the Board has formed a Stakeholders' Relationship Committee. During the year, the Committee met once on November 12, 2024 where all the members were present.

As at March 31, 2025, Stakeholders' Relationship Committee comprised of the following members:

Name of the Member	Chairman / Member	Designation / Category
Shri Darius Pandole	Chairman	Non-Executive – Independent
Shri Nahoosh Jariwala	Member	Executive – Promoter
Shri Venkatraman Srinivasan	Member	Non-Executive – Independent
Shri Sudhin Choksey	Member	Non-Executive – Independent

The role of the Committee shall, inter alia, include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various service being rendered by the Registrar and Share Transfer Agent.

- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

During the year under review, 8 complaints were received from the security holders as per the quarterly certificates of RTA which were attended to. No investor complaint was pending at the beginning or at the end of the year and no complaint remained unresolved to the satisfaction of shareholders.

At present, Mr. Rajen Jhaveri is the Company Secretary and Compliance officer of the Company.

Compliance officer:

Mr. Rajen Jhaveri – Company Secretary and Compliance officer can be contacted at:

Fairchem Organics Limited

Reg. office & works: 253/P and 312, Village Chekhala, Sanand-Kadi Highway, Taluka Sanand,

Dist. Ahmedabad – 382 115, Gujarat. Phone (Board Nos.): (02717) 687 900/901

Mail id: cs@fairchem.in

6. Risk Management Committee:

In compliance with Regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee and all the Directors are the members of the Committee. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks and also identify business opportunities. Business risks evaluation and its management is a continuous process within the organization.

During the year under review, two meetings of Risk Management Committee were held on May 22, 2024 and November 12, 2024

As at March 31, 2025, Risk Management Committee comprised of the following members:

Name of the Member	Chairman / Member	Designation / Category	No. of Committee Meeting(s) attended
Shri Nahoosh Jariwala	Chairman	Executive – Promoter	2
Shri Darius Pandole	Member	Non-Executive – Independent	2
Shri Sumit Maheshwari	Member	Non-Executive - Nominee	2
Shri Venkatraman Srinivasan	Member	Non-Executive – Independent	2
Shri Sudhin Choksey	Member	Non-Executive – Independent	2
Ms. Sonal Ambani	Member	Non-Executive – Independent	1

The role of the Committee shall, inter alia, includes the following:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

7. Senior Management:

Particulars of Senior Management including the changes therein since the close of the previous financial year are as follows: -

Sr. No.	Name of the Senior Management Personnel
1.	Mr. Rajen Jhaveri
2.	Mr. Shashin Desai
3.	Mr. Vijaykumar Patel
4.	Mr. Nikheel Vaidya
5.	Mr. Rajeshkumar Patel
6.	Mr. Chintan Shah
7.	Mr. Apurva Shah

There was no change in the Senior Management during the year under review.

8. Corporate Social Responsibility Committee

Pursuant to the provisions of section 135 of The Companies Act, 2013, Company has formed Corporate Social Responsibility Committee.

During the year under review, one meeting of Corporate Social Responsibility Committee was held on February 12, 2025.

As at March 31, 2025, the Corporate Social Responsibility comprised of the following members: -

Name of the Member	Chairman / Member	Designation / Category	No. of Committee Meeting(s) attended
Shri Nahoosh Jariwala	Chairman	Executive – Promoter	1
Shri Sumit Maheshwari	Member	Non-Executive - Nominee	1
Ms. Sonal Ambani	Member	Non-Executive – Independent	1

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility policy and monitoring from time to time amount of expenditure to be incurred on the activities pertaining to CSR.

The Company has also formulated the C.S.R. Policy and the same is available on the website of the Company at the following link: <https://fairchem.in/investor-relations/Policies/Corporate-Social-Responsibility-Policy.pdf>

9. Disclosures

- (a) Besides the transactions mentioned in the notes forming part of the Annual Report, there were no materially significant related party transactions entered into by the Company which may have the potential conflict with the interest of the Company at large.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with related party transactions and during the year, there were no material transactions with related parties. The policy is also available on the website of the Company <https://fairchem.in/investor-relations/Policies/Related-Party-Transactions-Policy-FOL.pdf>
- (b) There were no penalties / strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.
- (c) The Company has in place the Whistle Blower Policy and the same is available on the website of the Company <http://fairchem.in/investor-relations/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf>. Under said policy, the employees are encouraged to report genuine concerns about suspected misconduct without fear of punishment or unfair treatment. During the year under review, no employee was denied the access to the Audit Committee and / or its Chairman.

- (d) The Company has complied with all mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.
- (e) Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms a part of this Report.
- (f) During the year under review, no Independent Director has resigned from the Company.
- (g) The requisite certification from the CEO & the Chief Financial Officer required to be given under regulation 17(8) read with Part B of Schedule II of the Listing Regulations, was placed before the Board of Directors of the Company.
- (h) The Board of Directors of the Company has accepted the recommendations of the Committees of the Board.
- (i) The Company has availed a certificate from M/s. Parikh Dave & Associates, Company Secretaries in Practice that none of the Directors of the Company have been debarred or disqualified from being appointed or re-appointed or continuing as Directors of the Companies by SEBI, MCA or other regulatory authorities and the same is attached to this Annual Report.
- (j) The Company has in place a policy on Sexual harassment at work place which aims at protecting the women employees at workplace and to redress their complaints. During the year under review, the Company had not received any complaint under Sexual harassment.
- (k) Details of the discretionary requirements adopted:
- The Internal Auditors of the Company reports directly to the Audit Committee.
 - The financial results of the Company do not have any modified opinion by the Auditors.
- (l) During the year under review, total amount of all services, paid by the Company to the Statutory Auditors are as under: -
- | Payment to Statutory Auditors | (Rs. in lakhs) |
|--------------------------------------|----------------|
| Statutory Audit Fees | 33.08 |
| Others | - |
| Out of pocket expenses | 0.79 |
- (m) During the year, there were no loans and advances in the nature of loans were given to firms/companies in which directors are interested.
- (n) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- (o) The Company does not have any material subsidiaries.

10. Details of Demat Suspense Account / Unclaimed Suspense Account:

The Hon'ble National Company Law Tribunal, Mumbai, vide its Order dated June 30, 2020 had sanctioned a Composite Scheme of Arrangement & Amalgamation amongst (i) Fairchem Organics Limited (Transferor No. 1) and (ii) Privi Organics India Limited (Transferor No. 2) and (iii) Privi Speciality Chemicals Limited (erstwhile Fairchem Speciality Limited, being the Transferee Company.)

Pursuant to such Scheme, those shareholders, who were holding shares as on Record Date in the erstwhile Fairchem Speciality Limited (FSL), now Privi Speciality Chemicals Limited, were issued shares in Fairchem Organics Limited (FOL) in the ratio of 1 equity share of FOL for every 3 equity shares of said FSL, which were allotted compulsorily in Demat form as provided in the Scheme.

Hence, those shareholders of erstwhile Fairchem Speciality Limited (FSL) (now known as Privi Speciality Chemicals Limited) who were holding the equity shares in the said FSL in physical form as on record date of August 24, 2020 could not be given credit of shares due to non-availability of their demat accounts details.

Such unclaimed shares are parked in the Demat Account opened in the name of the Company "Fairchem Organics Limited" and such Demat Account is being considered as 'Demat Suspense Account'. Disclosure pursuant to Part F of Schedule V of SEBI (LODR) Regulations 2015 is as under:

Sr. No	Particulars	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached FOL for transfer of shares and number of shareholders to whom shares were transferred from suspense account during the year.		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
		No. of share holders	No. of shares	No. of share holders	No. of shares	No. of share holders	No. of shares*
1	Shareholders of Fairchem Organics Limited who were holding shares in physical form in FSL as stated above.	803	48,655	23	3,892	780	44,763
2	Shareholders of Fairchem Organics Limited who were holding shares in demat form in FSL and who did not get demat credit of shares of FOL due to account closure.	19	1,601	1	3	18	1,598
	Total	822	50,256	24	3,895	798	46,361

* The voting rights on these shares shall remain frozen till the rightful owner/legal heir of such shares claim the same and are duly transferred in their demat account after completion of due process.

11. Code of Conduct

The Company has in place Code of Conduct and Ethics for all the Directors and for all Senior Management Personnel. A copy of the Code has been placed on the Company's website <https://fairchem.in/investor-relations/Policies/Code-of-Conduct.pdf>. The Code has been circulated to all the Directors and Senior Management Personnel and they affirm its compliance every year.

The Company has also in place a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is applicable to all Designated Persons / insiders defined under the Code of Conduct for Prevention of Insider Trading adopted by the Company. The Code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information. The full text of the Regulations of SEBI (Prohibition of Insider Trading) Regulations, 2015 as notified dated January 15, 2015 and further amended from time to time is available at https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-regulations-2015-last-amended-on-march-12-2025-_92672.html

12. Means of Communication

During the year, quarterly unaudited financial results and audited annual financial results of the Company were submitted to the stock exchanges soon after its approval by the Board of Directors at their Meetings. Financial Results were published in Financial Express, English & Gujarati language in Ahmedabad edition. The quarterly unaudited financial results and audited annual financial results are also posted on the Company's website at <https://fairchem.in/investor/> under the heading 'Quarterly Financial Results' and are also available on the respective websites of BSE Limited and National Stock Exchange of India Limited.

News releases, presentations, etc.:

Official news releases are displayed on the website of the Company www.fairchem.in.

The Company's website www.fairchem.in contains a separate dedicated section where the useful information for the Shareholders is available.

13. General Body Meeting:

Location and time, where last three annual general meetings were held:

Meeting	Year	Venue of General Meeting	Date & Time	No. of Special Resolutions
3 rd AGM	2021-2022	Held through Video Conferencing (V/C) / Other Audio Visual Means (OAVM)	August 9, 2022 at 04.30 p.m.	None
4 th AGM	2022-2023	Held through Video Conferencing (V/C) / Other Audio Visual Means (OAVM)	August 07, 2023 at 03.30 p.m.	One
5 th AGM	2023-2024	Held through Video Conferencing (V/C) / Other Audio-Visual Means (OAVM)	August 05, 2024 at 03.30 p.m.	None

Extra Ordinary General Meeting of the Company was held on March 14, 2024 at 3.00 p.m. (during FY 2023-24), through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), in which one Special Resolution was passed.

During the last year, no special resolution was passed through Postal Ballot.

No Special Resolution is proposed to be conducted through Postal Ballot as on date of this Report.

14. General Shareholder Information

Pursuant to the General Circular No. 9/2024 dated September 19, 2024 [in continuation of all earlier General Circulars in regard to holding General Meetings through Video Conferencing (VC) / Other Audio Visual Means (OAVM)] issued by the Ministry of Corporate Affairs, the 6th Annual General Meeting (AGM) for the year ended March 31, 2025 is scheduled to be held on **Monday, August 11, 2025 at 03.30 P.M.** IST onwards through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The Members may attend the 6th AGM scheduled to be held on **Monday, August 11, 2025 at 03.30 P.M.** IST onwards, through VC or watch the live web-cast at <https://instameet.in.mpms.mufg.com>. Detailed instructions for participation are provided in the notice of the 6th AGM. The proceedings of the 6th AGM will be available through VC and live web-cast to the shareholders holding shares as on the cut-off date i.e. Monday, August 4, 2025.

Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2025	On or before August 14, 2025
Financial reporting for the quarter/half year ending September 30, 2025	On or before November 14, 2025
Financial reporting for the quarter ending December 31, 2025	On or before February 14, 2026
Financial reporting for the year ending March 31, 2026	On or before May 30, 2026

Dividend Payment Date : The Dividend for the financial year 2024-25, if approved by the members at the ensuing Annual General Meeting, shall be paid within 30 days of the declaration.

Book Closure Date : August 5, 2025 to August 11, 2025 (both days inclusive)

Listing on Stock Exchanges at:

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051.

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001.

Listing fees for the year 2025-26 have been paid to National Stock Exchange of India Limited and BSE Limited.

The securities of the Company are not suspended from trading.

Registrar to Issue and Share Transfer Agent (RTA):

The Company has appointed M/s MUFG Intime India Private Limited (erstwhile: M/s Link Intime India Private Limited) as its Registrar to Issue and Share Transfer Agent (RTA). Relevant details of RTA of the Company are as under:

Ahmedabad Office:

MUFG Intime India Private Limited
 (erstwhile: Link Intime India Private Limited)
 Unit: Fairchem Organics Limited
 SEBI Reg. No. INR000004058
 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1),
 Beside Gala Business Centre, Off C. G. Road, Navrangpura, Ahmedabad – 380 009
 (Office) 079 – 2646 5186 / 87
 (Email) ahmedabad@in.mpms.mufg.com (Website) www.in.mpms.mufg.com

Share Transfer System

Transfer of shares is processed by Registrar and Share Transfer Agent MUFG Intime India Private Limited (erstwhile M/s. Link Intime (India) Private Limited)

As on 31.03.2025, all the shares of the Company are in dematerialized form.

Shareholders holding shares in electronic form may please note that the instructions regarding change of address, bank details, email address, nomination and power of attorney should be given directly to the Depository Participant (DP).

Reconciliation of Share Capital Audit:

A qualified professional carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

Distribution of Shareholding as on March 31, 2025

Category (shares)	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	29,741	97.77	13,34,368	10.24
501-1,000	368	1.21	2,61,272	2.01
1,001-2,000	158	0.52	2,22,368	1.71
2,001-3,000	46	0.15	1,12,271	0.86
3,001-4,000	22	0.07	77,962	0.60
4,001-5,000	15	0.05	68,440	0.53
5,001-10,000	22	0.07	1,66,583	1.28
Above 10,001	49	0.16	1,07,77,638	82.77
Total	30,421	100.00	1,30,20,902	100.00

Dematerialization of Shares and Liquidity

As on March 31, 2025, 100% equity shares of the Company were held in dematerialized form. The shares are traded on The National Stock Exchange of India Limited and BSE Limited.

Categories of Shareholders, Category-wise Shareholding as on March 31, 2025

Category (shares)	No. of Shares held	% to total shares held
Individual	23,92,135	18.37
Promoters		
- Indian Promoters	7,65,167	5.88
- Foreign Promoter	72,02,656	55.32

Category (shares)	No. of Shares held	% to total shares held
Other Corporate Bodies	3,13,419	2.41
Financial Institutions / Mutual Funds / Banks	7,41,361	5.69
Directors & their relatives	-	-
Foreign Institutional Investors / Overseas Corporate Bodies	12,38,801	9.51
Non-Resident Indians	2,28,615	1.76
Others	1,38,748	1.06
TOTAL	1,30,20,902	100.00

Registered Office & Works/Plant location	253/P and 312, Village Chekhala, Sanand-Kadi Highway, Taluka Sanand, District Ahmedabad - 382 115, Gujarat
Contact Person	Mr. Rajen Jhaveri Chief Financial Officer and Company Secretary
E-mail	cs@fairchem.in
Phone Nos.	+91 (2717) 687900 / 687901

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

Nil

Commodity Price Risk or Foreign Exchange Risk and hedging activities

The main raw materials and one of the prime finished products - all are commodities in nature and prices fluctuate based on market forces. To mitigate the risks arising from this, the Company has formed a core management team comprising of head of operations and senior officials of raw material and sales departments. The team takes guidance from Managing Director and collectively comes to pricing conclusion for purchase and sales. Prior to Covid-19, the price fluctuations were within a very moderate level of 2 % to 3 %. However, post Covid-19 and more particularly post Russia - Ukraine war, prices have become quite volatile.

The Company is predominantly focused on domestic sourcing and domestic sales. The exports and imports constitute small percent of respective values and so there is no direct material foreign exchange risk.

The Company does not do any hedging.

Credit Rating:

CARE Ratings Limited carried out annual review of credit facilities of HDFC Bank and vide its letter dated June 28, 2024 has assigned / reaffirmed its ratings as under;

1. For Long Term Bank Facilities – Care A+, Stable (Single A Plus; Outlook: Stable).
2. For Long Term / Short-term Bank Facilities - Care A+; Stable / Care A1+ (Single A Plus; Outlook: Stable / A One Plus)
3. For Short Term Bank Facilities – Care A1+ (A One Plus)

The Company has not issued any fixed deposit program or for mobilization of funds, during the year under review.

Declaration:

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for Board of Directors, Senior Management & Employees, as applicable to them, for the financial year ended March 31, 2025.

Place : Chekhala, Tal. Sanand, Dist. Ahmedabad
Date : May 27, 2025

For Fairchem Organics Limited,
Nahoosh Jariwala
Chairman and Managing Director
(DIN : 00012412)

ANNEXURE I

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

S.No.	Requirement	Company's Detail
1.	Corporate Identity Number (CIN)	L24200GJ2019PLC129759
2.	Name of the Listed Entity	FAIRCHEM ORGANICS LIMITED ("We" or "Our" or "the Company")
3.	Year of incorporation	2019
4.	Registered office address	253/P & 312 Village Chekhala, Sanand - Kadi Highway, Taluka Sanand, District Ahmedabad - 382 115, Gujarat, INDIA
5.	Corporate address	253/P & 312 Village Chekhala, Sanand - Kadi Highway, Taluka Sanand, District Ahmedabad - 382 115, Gujarat, INDIA
6.	E-mail	cs@fairchem.in
7.	Telephone	+91 2717 687900 / +91 2717 687901
8.	Website	www.fairchem.in
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 1,302.09 Lakhs
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report.	Mr. Rajen Jhaveri, Chief Financial Officer & Company Secretary Address: 253/P & 312 Village Chekhala, Sanand - Kadi Highway, Taluka Sanand, District Ahmedabad - 382115, Gujarat, India. Tel.: +91 2717 687900/687901 • Email: cs@fairchem.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis or on a consolidated basis	The disclosures made in this report are on a standalone basis.*
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

*Fairfax Group is the parent company of Fairchem Organics due to which some of their policies are referred to and linked in this report

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Specialty Oleo chemicals	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Company manufactures following products: <ul style="list-style-type: none"> • Dimer Acid • Linoleic Acid / Soya Fatty Acid • Deodorizer Distillate (Mixed Tocopherol Concentrate) • Monobasic (Monomer) Acid • Isostearic Acid • Palmitic Acid • Stearic Acid • Distilled fatty acid 	20299	94.32%

III. Operations
18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	1*	1
International	-	-	-

*Registered Office is within the plant premises

19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	10

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports was 8.60 % of our total turnover during FY 2024-25.

c. A brief on types of customers

The Company operates in the Business-to-Business model. An overview of the customer base for its key products is outlined below:

- Dimer Acid: The customers include companies / firms engaged in production of epoxy hardener, paint, and printing ink
- Linoleic Acid / Soya Fatty Acid: The customers are companies / firms engaged in production of paint, printing ink, and oil drilling operations
- Mixed Tocopherol Concentrate stream is used mainly for manufacture of natural vitamin E. Its customers include companies in pet food, pharma, cosmetics sectors.
- Isostearic Acid: The customers are companies / firms engaged in making lubricants, cosmetics or companies engaged in trading of this product.
- Customers for other fatty acids such as Palmitic Acid, Stearic Acid, Monobasic Acid, Distilled Fatty Acid are companies engaged in making soaps, animal feed, paints, inks, etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	133	132	99.2%	1	0.8%
2.	Other than Permanent (E)	None	None	None	None	None
3.	Total employees (D + E)	133	132	99.2%	1	0.8%
WORKERS						
4.	Permanent (F)	94	92	97.9%	2	2.1%
5.	Other than Permanent (G)	144	125	86.8%	19	13.2%
6.	Total workers (F + G)	238	217	91.2%	21	8.8%

b. Differently abled Employees and workers*:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)		None			
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)		None			
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

*We currently do not employ any differently abled employees or workers

21. Participation/ Inclusion/ Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	6	1	16.66%
Key Management Personnel**	2	0	0%

Note: *& **Managing Director of the Company is included in the BoD as well as KMP.

22. Turnover rate for permanent employees and workers

Particular	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.01%	-	3.01%	1.54%	-	1.54%	7.81%	-	7.81%
Permanent Workers	12%	-	12%	6.19%	-	6.19%	5.75%	-	5.75%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. Names of Holding / Subsidiary / Associate companies / Joint Ventures

S. No.	Name of the Holding /Subsidiary / Associate companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	FIH Mauritius Investments Limited	Holding	52.83	No

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.)* : 53,789.84 lakhs

(iii) Net worth (in Rs.) : 30,202.90 lakhs

*As per the standalone financial statements under Indian Accounting Standards

CSR provisions are applicable to the Company based on the Net profit criteria.

A detailed report on CSR projects undertaken during FY 2024-25 has been included in the Board's report.

VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 24-25			FY 23-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	None	None	None	1	None	None
Investors (other than shareholders)	Yes	None	None	None	None	None	None
Shareholders	Yes	None	None	None	None	None	None
Employees and workers	Yes	None	None	None	None	None	None
Customers	Yes	None	None	None	None	None	None
Value Chain Partners	Yes	None	None	None	None	None	None

Grievance Redressal Mechanism Overview

- **Investors**

We have established an Investor Grievance Cell to address any concerns or complaints from investors. Detailed instructions on how to report grievances can be found on our website.

- **Customers and Value Chain Partners**

A structured procedure is in place to handle grievances from customers and value chain partners. Contact details for reporting grievances are available on our website.

- **Employees & Workers**

We have implemented a whistle-blower policy and vigil mechanism to provide a grievance redressal system for all employees and workers. Additionally, there is a standalone policy outlining the process for handling complaints and grievances. The whistle-blower policy and vigil mechanism can be accessed.

- **Communities**

Communities can report grievances or complaints through a dedicated Email ID: cs@fairchem.in, managed by the Company. This email is monitored continuously to ensure prompt attention to community issues.

26. Overview of the entity's material responsible business conduct issues:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environment: Sustainable Products & Services	O	Growing demand for products free of 'forever chemicals', driven by consumer awareness and regulatory pressure. This presents a significant opportunity to innovate and capture market share by offering sustainable alternatives.	-	<p>Positive Implications</p> <p>Adopting sustainable practices offers multiple strategic benefits. Introducing eco-friendly products allows us to tap into emerging market segments and boost revenue, as consumer demand for sustainable options continues to rise, often with a willingness to pay a premium. Additionally, implementing sustainable measures—such as using biodegradable materials and minimizing chemical waste—can result in significant cost savings by reducing disposal and compliance expenses. Moreover, strong environmental responsibility enhances our appeal to investors, potentially attracting greater investment and strengthening our financial position.</p> <p>Negative Implications</p> <p>While the shift to sustainable products and practices presents clear long-term benefits, it also involves notable challenges. Significant upfront investments are often</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
					<p>required for research and development, new technologies, and sustainable sourcing, which can affect short-term profitability. Navigating evolving regulatory requirements add further complexity and may demand additional resources to ensure compliance. Furthermore, as the sustainable products' market becomes increasingly competitive, we must continue to innovate and differentiate our offerings to maintain our market position.</p>
2	<p>Environment: GHG emissions and Climate Change</p>	R and O	<p>The rationale for identifying GHG emissions and carbon footprint as both a risk and an opportunity is based on the following factors: Regulatory pressure is increasing at both national and global levels, targeting GHG emissions requiring proactive adaptation to avoid compliance costs and operational disruptions. At the same time, there is rising consumer demand for sustainable and climate resilient products, creating opportunities for innovation and market differentiation. Financially, both the risks and opportunities associated with GHG emissions have direct financial implications, affecting our profitability and market positioning. By investing in renewable energy, climate-resilient</p>	<p>To mitigate the risks associated with GHG emissions and climate change, we are implementing the following strategies:</p> <ol style="list-style-type: none"> Energy Efficiency: Investing in energy-efficient technologies and processes to reduce energy consumption and emissions. Renewable Energy: Transitioning to renewable energy sources such as solar to power our operations. Regulatory Compliance: Staying ahead of regulatory changes by continuously 	<p>Positive Implications: Addressing climate change through proactive measures offers multiple strategic advantages. By offering low-carbon, carbon-neutral, and climate-resilient products, we can appeal to environmentally conscious customers, driving revenue growth and expanding market share. Implementing energy-efficient processes and adopting renewable energy sources can significantly reduce operational costs over time. Strong climate action plans and sustainability practices also enhance our appeal to investors, strengthening financial stability and supporting future growth. Moreover, tackling climate challenges fosters innovation, enabling the development of new products and unlocking opportunities in emerging markets.</p> <p>Negative Implications: While climate action offers long-term benefits, it also presents several short-term challenges. Implementing energy-efficient technologies and transitioning to renewable energy sources involve substantial upfront investments, which may temporarily affect profitability. Compliance with evolving climate regulations can lead</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			infrastructure and energy efficiency, we not only mitigate risks but also strengthen long-term resilience, operational efficiency and competitiveness.	monitoring and adapting to new requirements. 4. Sustainable Sourcing: Sourcing raw materials from suppliers who are committed to sustainable and climate-resilient practices.	to increased costs for reporting and operational adjustments. As more companies embrace sustainable and climate-resilient practices, competition in the eco-friendly market will intensify, necessitating continuous innovation to maintain differentiation. Additionally, building a climate-resilient supply chain may require further resource allocation and operational changes to ensure long-term sustainability.
3	Environment: Water and Waste-water management	R	<p>We consider water and wastewater management a material risk to our business, primarily because we rely entirely on groundwater for our operations. This dependence makes us highly vulnerable to any disruption in water availability or tightening of regulatory norms around water use and discharge.</p> <p>The nature of our specialty chemical manufacturing processes means that the wastewater we generate often contains high levels of Total Dissolved Solids (TDS) and chemical residues. If not treated properly, this can lead to serious environmental consequences, including contamination of soil and nearby water sources. This isn't just an environmental concern—it directly</p>	<p>At Fairchem Organics, we have identified water and wastewater management as a material risk due to our exclusive reliance on groundwater and the nature of our chemical processing activities. To mitigate this risk and ensure environmental compliance, we have implemented the following measures:</p> <p>1. Effluent Treatment Infrastructure</p> <p>We have established an in-house Effluent Treatment Plant (ETP) equipped to handle</p>	<p>Negative Implication:</p> <p>At Fairchem Organics, our commitment to environmental responsibility involves significant investment in wastewater management infrastructure, such as the Effluent Treatment Plant (ETP), High TDS RO systems, and a Zero Liquid Discharge (ZLD) mechanism. These systems require substantial capital expenditure during the setup phase and recurring operational costs including energy, chemical inputs, skilled personnel, and periodic maintenance. The higher cost burden, particularly in the initial years, can impact our cash flows and margins, representing a notable financial risk in the short term.</p> <p>Positive Implication:</p> <p>Despite the upfront costs, these systems yield long-term financial and operational benefits. By achieving ZLD and reducing reliance on groundwater (evident from our controlled water withdrawal at 45,765 KL in FY 2023–24), we have substantially reduced our freshwater consumption. This translates into lower water procurement costs, mitigates exposure to future water-related regulations, and helps us avoid penalties from regulatory</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>affects our license to operate and the trust we've built with local communities and regulators.</p> <p>We also operate in a regulatory environment where compliance with effluent treatment norms is strictly enforced. Any lapse could result in fines, legal actions, all of which could materially impact our business.</p> <p>Additionally, as climate change intensifies and groundwater levels face increasing stress, our reliance on this single source of water becomes a growing operational risk. Any future restrictions on groundwater withdrawal—whether from environmental authorities or local water policies—could affect our production continuity.</p> <p>That's why we've invested in Zero Liquid Discharge (ZLD) systems, including our Effluent Treatment Plant (ETP) and high-TDS RO setup, and we reuse treated water across our plant. We've also implemented rainwater harvesting and paved our factory surfaces to prevent groundwater contamination. These steps are not just about meeting regulations—they are central to how</p>	<p>wastewater generated from our specialty chemical operations. This ensures that all effluent is treated to meet regulatory standards before further processing or reuse.</p> <p>2. High TDS Reverse Osmosis System</p> <p>To manage the complex chemical load in our wastewater, we operate a high TDS RO system that further purifies treated water. This is essential in maintaining the quality of recycled water and avoiding environmental discharge risks.</p> <p>3. Zero Liquid Discharge (ZLD) Mechanism</p> <p>Our adoption of a Zero Liquid Discharge approach ensures that no untreated or treated wastewater is</p>	<p>bodies such as the GPCB. Additionally, our proactive investments in sustainable water practices strengthen our brand equity and help us maintain trust with environmentally conscious customers—ultimately supporting business continuity and growth</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			we safeguard our operations, protect the environment, and uphold stakeholder expectations.	released into the environment. Instead, all treated water is reused within plant operations, which helps conserve groundwater and reinforces our commitment to responsible water stewardship.	
4	Circularity (waste management and sustainable packaging)	R	At Fairchem Organics, we view circularity—particularly in the context of waste management and sustainable packaging—as a critical environmental and operational risk. As a company engaged in the manufacturing of specialty oleochemicals, our processes inherently generate hazardous waste, which, if not handled responsibly, can lead to environmental degradation, regulatory non-compliance, and reputational setbacks. Additionally, although most of our finished products are dispatched in bulk tankers with minimal packaging, we do use plastic packaging for certain imported raw materials.	To mitigate these risks, we have taken a structured and proactive approach. All hazardous waste generated in our operations is sent to Gujarat Pollution Control Board (GPCB) approved processing units, where it is used as fuel in cement kilns, thereby eliminating landfill disposal. We received our EPR registration in October 2023 and submitted a compliant plastic waste	<p>Negative Implications</p> <p>At Fairchem Organics, our commitment to responsible waste management and sustainable packaging leads to certain financial burdens. Setting up systems for the safe handling and disposal of hazardous waste—such as dedicated storage areas, safety equipment, and transportation logistics—requires capital investment. In addition, compliance with environmental regulations, especially under the Extended Producer Responsibility (EPR) framework, involves ongoing costs related to documentation, third-party collaboration, and waste collection logistics. Even though we use minimal packaging in our dispatches, the regulatory requirements around the small portion of plastic packaging we do use still entail cost and administrative effort. These financial outlays, while necessary, impact our margins in the short term and increase our operational overheads.</p> <p>Positive Implications</p> <p>Despite the associated costs, our</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>This brings us under the purview of India's Extended Producer Responsibility (EPR) regulations, adding another layer of compliance obligation.</p>	<p>collection plan to the GPCB, ensuring that we meet our regulatory obligations on packaging waste. More importantly, by design, our products are largely transported in bulk, which minimizes the need for primary packaging and significantly reduces waste at source. We also continuously evaluate ways to reduce and responsibly manage other waste streams, including e-waste and plastic, across our operations. We have built circularity into our value chain by using renewable raw materials—specifically, by-products of vegetable oil refineries. These agro-based inputs not only support sustainability but also align with the</p>	<p>circularity-focused practices generate long-term financial benefits. By responsibly disposing of hazardous waste through GPCB-approved co-processing units, we avoid potential penalties, regulatory scrutiny, and reputational damage—each of which could have significant financial consequences. Our use of agro-based by-products from vegetable oil refineries as raw materials reduces our dependence on virgin raw materials, helping us manage procurement costs effectively and contributing to cost efficiency. Moreover, our proactive compliance with EPR regulations and reduction of packaging waste support our ESG positioning, enhance our brand reputation, and strengthen relationships with environmentally conscious customers and investors. These advantages contribute to long-term business continuity and help us remain competitive in an increasingly sustainability-driven marketplace.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				principles of reuse and resource efficiency. This upstream circularity complements our downstream efforts to eliminate landfill waste and comply with E P R regulations.	
5	Occupational health and safety and employee wellbeing	R	<p>At Fairchem Organics, we recognise Occupational Health and Safety (OHS) as a material risk due to the very nature of our operations, which involve chemical processing, high-temperature reactions, and the use of hazardous materials. Working in such an environment carries inherent risks to the health and safety of our workforce, and we believe it is our responsibility to ensure that every employee returns home safe, every day.</p> <p>In the Indian regulatory context, compliance with laws such as the Factories Act, 1948, the Environmental Protection Act, and state-level pollution control board norms is not just mandatory but critical to our continued operations. Any lapse in safety can lead to severe</p>	<p>To mitigate this risk, we have implemented a comprehensive health and safety management system certified under ISO 45001, ensuring compliance with global standards. We conduct regular safety audits and risk assessments, provide mandatory training for employees and contract workers, and maintain emergency response protocols aligned with statutory requirements.</p> <p>Our investments in</p>	<p>Positive implications:</p> <p>From a financial standpoint, investing in occupational health and safety brings several long-term benefits to Fairchem Organics. By maintaining a robust OHS framework, including our ISO 45001 certification, we are able to significantly reduce costs associated with workplace accidents—such as medical expenses, legal liabilities, compensation claims, and unplanned downtime. A safe and compliant work environment helps us avoid regulatory fines and penalties under Indian laws such as the Factories Act, 1948, while also enhancing our operational efficiency. Furthermore, strong safety practices contribute to employee morale, productivity, and retention, reducing the costs of absenteeism, recruitment, and training. Over time, our proactive approach to safety can also result in lower insurance premiums and build investor confidence in our ESG performance, ultimately supporting long-term financial sustainability.</p> <p>Negative Implications:</p> <p>However, there are also short-term financial implications we must acknowledge. Establishing and</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>consequences—including worker injuries, legal action, loss of operating licenses, and reputational damage—which could significantly affect our business performance.</p> <p>Additionally, with increasing stakeholder focus on ESG performance, especially from investors and customers, strong OHS practices are essential for building trust and credibility. We also understand that safe working conditions directly impact employee morale, productivity, and retention—key factors in a competitive talent market.</p> <p>By prioritising occupational health and safety, we not only mitigate regulatory and operational risks but also reinforce our commitment to responsible manufacturing and sustainable growth in India's chemical sector.</p>	<p>process automation and safety interlocks help reduce human exposure to hazardous operations. We promote a strong internal safety culture through awareness programs, near-miss reporting, and leadership-driven safety initiatives. Regular review of incidents and preventive measures ensure continuous improvement.</p> <p>Through these steps, we are committed to achieving a zero-harm workplace while maintaining operational excellence.</p>	<p>maintaining high safety standards requires upfront investment in infrastructure, training, periodic audits, and compliance systems. These costs can be substantial, especially when upgrading to meet evolving regulatory expectations. Any lapse in safety could result in severe financial consequences, including operational shutdowns, legal action, and significant compensation payouts. Additionally, serious incidents may damage our reputation, affect stakeholder trust, and lead to lost business opportunities. As the regulatory landscape in India continues to evolve, ongoing compliance may demand further capital outlay, increasing our cost base. Balancing these costs while upholding our commitment to a zero-harm workplace remains a critical financial and operational priority for us.</p>
6	Human rights	R and O	<p>Fairchem Organics recognizes the protection of human rights as a critical component of sustainable and responsible business. As a chemical manufacturing company, ensuring the health, safety, and</p>	<p>To mitigate human rights risks, we are undertaking structured human rights training for all employees and contract workers to build awareness and promote a culture of</p>	<p>From a financial perspective, proactively addressing human rights contributes to enhanced stakeholder trust, strengthens our appeal to ESG-conscious investors, and ensures alignment with emerging regulatory requirements—both in India and in key export markets. These factors can translate into improved access to capital, increased customer retention, and long-term value</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>dignity of workers, including contract labour, is essential to maintaining ethical operations. Any lapse may lead to reputational, legal, and operational risks. Due to an increasing focus on human rights and social protections, Fairchem has the opportunity to emerge as an industry leader by implementing human rights protections and due diligence practices in its operations. Therefore becoming a preferred choice for customers.</p>	<p>dignity and respect across our operations. We maintain a zero-tolerance stance on discrimination, harassment, or any form of inhumane treatment, in line with applicable Indian laws and our internal Code of Conduct. A clear and accessible grievance redressal mechanism, including a Vigil Mechanism and an Internal Complaints Committee, ensures that concerns can be raised confidentially and addressed promptly. Additionally, we are working towards integrating responsible sourcing practices by engaging with suppliers on ethical labour conditions and legal compliance, thereby extending our human rights commitment beyond our immediate workforce.</p>	<p>creation. On the other hand, failure to manage human rights risks could lead to reputational damage, regulatory penalties, business disruptions, or even exclusion from global supply chains—particularly as importers and institutional investors raise expectations around ethical sourcing and social responsibility. Therefore, a strong human rights framework is not only a moral imperative but also a driver of financial stability and sustainable growth.</p>

Section B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The Company has developed comprehensive policies covering all NGRBC principles. Some of the policies (e.g. Risk management policy, Anti-corruption policy, Code of conduct, etc.) have been approved by the Board as per relevant statutory requirements. Other functional policies (e.g. CCTV cameras at workplace policy, Policy for email security, Grievance redressal, etc.) are developed and implemented by the functional heads.								
c. Web Link of the Policies, if available	Whistle Blower Policy, Code of Conduct	Investor Relations – FAIR CHEM	Code of Conduct	Corporate Social Responsibility Policy	Code of Conduct, Workplace Policy	Investor Relations – FAIR CHEM	Investor Relations – FAIR CHEM	Investor Relations – FAIR CHEM	Code of Conduct, Cyber Security and Data Privacy Policy
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications / labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000,OHSAS,ISO,BIS) adopted by your entity and mapped to each principle.	No	ISO 9001: 2015 (Quality Management Systems)	ISO 45001:2018 (Occupational Health and Safety Management Systems)	No	No	ISO 14001:2015 (environmental management system)	No	No	ISO 9001: 2015 (Quality Management Systems)
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Zero corruption & bribery	100% sustainable sourcing	Zero Harm to employees & workers	Timely & effective communication with all stakeholders	Zero tolerance to any human rights issues/ complaints	Zero harm to environment	NA	No harm to communities	100% customer satisfaction
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight									
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p>	<p>At Fairchem Organics, we remain deeply committed to upholding the highest standards of Environmental, Social, and Governance (ESG) performance as we pursue our vision of becoming the leading renewable specialty chemical company.</p> <p>Operating in the Specialty Oleo Chemical segment, we strive to adopt and implement environmentally responsible practices. This includes improving energy efficiency, reducing the carbon footprint of our products and operations, and embedding circular economy principles throughout our value chain wherever feasible. We continue to invest in cutting-edge technologies and adopt industry best practices to minimize air pollution and greenhouse gas emissions, and to ensure effective waste and water management.</p> <p>We use organic by-products of agricultural origin, generated during the vegetable oil refining process, to produce specialty chemicals used in printing inks, paints, soaps, epoxy hardeners, and more. The solid waste generated from our processes is sent to co-processing units and then used by cement manufacturers as an energy source. In doing so, we have built a closed-loop system that aligns with the principles of reduce, reuse, and recycle.</p> <p>On the social front, we are proud to foster a workplace that is diverse, inclusive, safe, and engaging. We promote well-being and workforce empowerment through employee engagement initiatives and regular Open House sessions with senior leadership. We offer ongoing training across areas such as health and safety, skill enhancement, functional learning, and human rights. Our commitment to fair and beneficial practices extends not just to our employees, but to the wider communities in which we operate. Through our CSR initiatives and impact-driven projects, we aim to contribute to equitable and inclusive community development.</p> <p>We have established a strong governance framework supported by clear systems, policies, and processes that promote transparency, ethics, and accountability across the organization. We engage in open and honest communication with all our stakeholders — including investors, customers, suppliers, contractors, employees, and neighbouring communities. Our policies span all aspects of Responsible Business conduct and are overseen by dedicated teams and functional committees to ensure the NGRBC Principles are embedded in our everyday business practices.</p> <p>We recognize that sustainability is a continuous journey rather than a destination. As we look ahead, we remain steadfast in our commitment to innovation and continuous improvement, constantly seeking new ways to integrate sustainability into every facet of our business and to enhance our environmental and social impact.</p> <p>As part of our commitment to proactive risk oversight, our Risk Management Committee plays a critical role in identifying and managing risks across the organization. The Committee is also responsible for overseeing sustainability-related risks, with particular attention to ESG aspects. Our comprehensive Risk Management Policy includes:</p> <ul style="list-style-type: none"> • A structured framework for identifying internal and external risks, including financial, operational, sectoral, sustainability (especially ESG-related), information, and cyber security risks. • Risk mitigation strategies along with systems and processes for internal controls over the identified risks. • A Business Continuity Plan to ensure resilience and long-term sustainability of our operations. 								

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).										
Policy	Implementation authority	Oversight authority		Composition of highest authority responsible for oversight						
Code of Conduct, Whistle Blower Policy	Vigilance Officer or Chairman of the Audit Committee	Audit Committee		Refer to the Audit Committee section – Corporate governance report of our recent Annual report FY 24-25						
Corporate Social Responsibility Policy	Managing Director	Corporate Responsibility Committee	Social Responsibility Committee	Refer to the CSR Committee section – Corporate governance report of our recent Annual report FY 24-25						
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		Yes, The Plant Head and Chief Operating Officer (COO) share joint responsibility for decision-making on day-to-day sustainability-related matters, while the Risk Management Committee is entrusted with the oversight of broader sustainability and ESG-related risks. Further details are provided in the Risk Management Committee section of the Corporate Governance Report.								
10. Details of Review of NGRBCs by the Company:										
Subject of the review		Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
Performance against above policies and follow-up action.		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Frequency (Annually/ Half yearly/ Quarterly/ Any other - Please specify)								
Performance against above policies and follow-up action.		All policies are periodically reviewed by the functional heads and / or the Board. The policies are communicated to employees at the time of onboarding and on an ongoing basis in case of any changes/updates to existing policies and when new policies are being introduced.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.		The Managing Director is responsible for oversight of the implementation of the policies. Where relevant, the Board and functional Committees (e.g. Risk Management Committee) also perform an additional oversight role and undertake periodic review of the policies as required. During the review, any new statutory requirement is incorporated into the existing policies to align with industry best practice as well as to avoid any form of non-compliance.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		During FY 2024-25, we have not carried out any independent assessment/ evaluation of the working of our policies/procedures by an external agency.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:		<p style="text-align: center;">Not Applicable.</p> <p style="text-align: center;">We have formulated all policies in accordance with the nine NGRBC principles.</p>								
The entity does not consider the principles material to its business (Yes/No)										
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable



ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Our employees uphold the highest standards of integrity, transparency, ethics, and compliance, in alignment with our core values and Code of Conduct. To further strengthen this culture and ensure our workforce remains aligned with leading industry practices, we provide both formal (online and offline) training programs and informal capacity-building workshops. These initiatives are designed to cover all principles outlined under the National Guidelines on Responsible Business Conduct (NGRBC). The coverage of our training programmes during FY 2024-25 are captured below:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4 Board meetings were held during FY 2024-25	At different Board meetings, the Chairman and MD discussed one or more NGRBC principles and material ESG topics relevant to the Company operations, including any impact and initiatives taken.	100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	EHS – 21 Human Rights – 1 Soft Skills – 29	During FY 2024-25, we conducted training programs for both employees and workers, emphasizing Environmental, Health, and Safety (EHS), Human Rights, and Soft Skills. These initiatives aimed to enhance awareness, reinforce safe work practices, and develop a culture of respect and continuous learning across our workforce. 1. Environmental, Health, and Safety (EHS): Our EHS training covered critical areas such as first aid, personal hygiene, safety awareness, and the use of safety equipment. Specific sessions included safe operation of the hydrogen plant, firefighting drills, work permit systems. Additionally, awareness sessions on maintaining a safe work environment were conducted to align our workforce with regulatory safety standards.	<ul style="list-style-type: none"> EHS - No. of employees attended – 122; Percentage of employees covered – 91.73%* Human Rights - No. of employees attended – 133; Percentage of employees covered – 100%* Soft Skills - No. of employees attended – 108; Percentage of employees covered – 81.20%*
Workers	EHS – 21 Human Rights – 1 Soft Skills – 22	2. Human Rights: We remain committed to promoting human rights within our organization. During the year, 100% of employees and workers received training on human rights issues and the relevant policies. The	<ul style="list-style-type: none"> EHS - No. of workers attended – 94; Percentage of workers covered – 100%** Human Rights - No. of workers attended – 94; Percentage of workers covered – 100%** Soft Skills - No. of workers attended – 55; Percentage of workers covered – 58.51%**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
		sessions emphasized ethical conduct, anti-discrimination policies, and the importance of maintaining a respectful and inclusive workplace. 3. Soft Skills Development: To support personal and professional growth, we conducted soft skills training that included leadership, time management, supervisory skill development, and communication skills. These sessions aimed to equip our workforce with the necessary skills to adapt to evolving business requirements and drive performance excellence.	

Note: The information reported above includes only formal training sessions scheduled during the year where detailed attendance records are maintained.

*During FY 2024-25, Company had 133 permanent employees.**During FY 2024-25, Company had 94 permanent workers.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil*		
Compounding fee					

Non-Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			Nil*		

*Note: During FY 2024-25, no fines / penalties / award / compounding fees / settlement amount was paid in proceedings by the Company or by its Directors / KMPs as per the materiality policy and SEBI Regulations.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we have an Anti-Corruption Policy adopted from the Fairfax Group, which applies to all our Board of Directors, Key Managerial Personnel (KMP), and employees. This policy strictly prohibits the offering, giving, solicitation, or acceptance of any bribes or corrupt inducements—whether directly or indirectly—by any of our employees or representatives.

In addition, we have a Code of Conduct for our senior management and employees that enforces the highest standards of personal and professional integrity, honesty, and business ethics in the discharge of their duties. As per the Code, we expect our employees to demonstrate and promote professional behaviour, and to continually enhance their skills, knowledge, and attitude to improve performance.

We encourage freedom of expression and open communication to foster a respectful, collaborative, and ethical work environment. The Code strictly prohibits the acceptance of any offer, payment, or item of value from customers, vendors, or others that could influence—or appear to influence—business decisions. It also discourages the sharing of any confidential or material information with outsiders that could impact our business or be used for personal gain.

Our Code requires full and timely compliance with all applicable laws, rules, and regulations. It is applicable to all employees and is shared with relevant stakeholders during onboarding. The Code is further supported by our Whistle Blower Policy, which provides a mechanism for reporting any violations of the Code or fraudulent activities.

The Code of Conduct and Whistle Blower Policy are available on our website:

<https://fairchem.in/investor-relations/Policies/Code-of-Conduct.pdf>

<https://fairchem.in/investor-relations/Policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

The Code is applicable to all the employees and is communicated to all the relevant stakeholders at the time of onboarding. The Code is complemented by the Whistle Blower Policy of the Company which provides mechanism to report any breach to the code and fraudulent activities.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2024-25	FY 2023-24
Directors	Nil*	Nil*
KMPs	Nil*	Nil*
Employees	Nil*	Nil*
Workers	Nil*	Nil*

*Note: No disciplinary action has been taken by any law enforcement agency or the charges of bribery/ corruption against any Directors/KMPs/ employees/workers.

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Director	Nil*	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil*	NA	Nil	NA

*During FY 2024-25, no complaints were recorded regarding conflict of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

During FY 2024-25, we have not received any form of fine/ penalties/ punishment/ award/ compounding fees against any of the NGRBC principles.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	6.21	9.12

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24		
Concentration of Purchases	a. Purchases from trading houses as % of total purchases				
	b. Number of trading houses where purchases are made from				
	c. Purchases from top 10 trading houses as % of total purchases from trading houses				
Concentration of Sales	a. Sales to dealers / distributors as % of total sales			-	*
	b. Number of dealers / distributors to whom sales are made				
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors				
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)				
	b. Sales (Sales to related parties / Total Sales)				
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)				
	d. Investments (Investments in related parties / Total Investments made)				

*Note: Given that nearly all our suppliers are vegetable oil refineries, and nearly all our customers are end users (manufacturing units), and that we do not engage with trading houses, dealers, or distributors, the likelihood of related party transactions in our B2B model is limited. Our business model is structured around direct transactions with end users and raw material suppliers, reducing the layers where related party relationships typically arise. However, any related party transactions—if they do occur—are managed with full compliance to applicable laws and are disclosed transparently in line with regulatory requirements.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

We are in the process of developing an approach to begin engaging with key value chain partners on ESG and broader sustainability issues. This approach will be rolled out over the coming financial years. We will provide further details on our progress and initiatives in subsequent disclosures.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have implemented processes to avoid and manage conflicts of interest involving members of our Board. We ensure that if any Director has a potential interest or conflict in a matter under consideration, they are requested to abstain from voting on that matter. This policy is applied rigorously to all Board members, including the nominee Director appointed by the Fairfax Group.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe



ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Details	FY 2025	FY 2024	Details of improvement in environmental & social impacts
R&D	-	-	<p>During FY 2024–25, we provided a range of training programs to our employees, covering key topics such as KAIZEN, leadership, time management, cost effectiveness, and presentation skills. Employees also received awareness training on computer operations, including Microsoft Excel and Word, as well as training on newly notified forms and their implementation for internal audits. Additional sessions focused on supervisory skill development, waste handling and management, and technical training relevant to their roles.</p> <p>For our workers, we conducted targeted training sessions on first aid and personal hygiene, safety awareness, and the proper use of safety equipment. They were also trained in general safety practices, safe operation of the hydrogen plant, and firefighting procedures through mock drills. Further, we implemented training on the safety work permit system, behaviour-based safety, and methods to prevent pollution and ensure a safe environment.</p> <p>In parallel, we continue to invest in technology and innovation to enhance the environmental performance of our products and processes. Our R&D and capital expenditures are increasingly directed toward developing cleaner production technologies, reducing resource intensity, and creating products with a lower environmental footprint. These efforts reflect our commitment to responsible manufacturing and support our broader ESG and sustainability goals.</p>
Capex	-	-	<p>As part of our ongoing commitment to sustainability, one key initiative is the implementation of a Zero Liquid Discharge (ZLD) system, which ensures that all water and liquid waste generated by our operations is captured, treated, and reused, effectively eliminating the need for discharge into external water bodies. This system is a critical component of our environmental strategy, supported by targeted Capex investments that enhance resource efficiency and reduce our overall water consumption.</p> <p>Additionally, we have improved the management of solid waste from our production processes. The solid waste, including spent bleach, effluent treatment plant (ETP) sludge, and multiple-effect evaporator (MEE) salt, is sold to GPCB-approved co-processing units. These units further treat the waste and convert it into an energy source for the cement industry, reflecting our ongoing investment in circular economy practices.</p>

Details	FY 2025	FY 2024	Details of improvement in environmental & social impacts
		-	We also have management of plastic waste, which, though minimal, is generated from the import of certain raw materials. In line with the Extended Producer Responsibility (EPR) regulations, we registered under the EPR framework in October 2023. The plastic waste we generate is sent to GPCB-accredited third-party recycling facilities, ensuring that all waste is processed in alignment with our sustainability goals. These efforts are part of the action plan we submitted under the EPR registration, demonstrating our commitment to responsible waste management and recycling.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes.

b. If yes, what percentage of inputs were sourced sustainably?

100% of our raw materials are from sustainable sources as they are generated as by-products during refining process of vegetable oils having ultimate origin of agriculture.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)

(b) E-waste

(c) Hazardous waste and

(d) Other waste

Not applicable.

All the finished products are liquid chemicals and more than 99% despatches are in tankers which do not involve any primary packing. We do not make any finished products that generates E-waste or other hazardous waste at the end of their useful life. All waste generated during the manufacturing process is disposed of as per GPCB guidelines.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we have obtained a registration under EPR rules in October 2023. This is primarily in relation to the plastic waste generated from the packaging of imported products. We have also submitted a waste collection plan to GPCB and complied the waste collection plan considering EPR rules, this plan is outlined in the EPR registration.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain. If yes, provide the web link.
NIL*					

*Note: We have not conducted any Life Cycle Assessment of our manufacturing products in FY 2024-25

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Nil*		

*Note: During FY 24-25 there haven't been any significant social or environmental concerns and/or risks arising from production or disposal of our products / services

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
Nil*		

*Note: The input materials we use in our production processes are by-products derived from vegetable oil refineries. These materials undergo a distillation and fractionation process, where they are treated at their respective boiling temperatures. As a result, there is no further possibility for recycling or reusing these specific input materials once they have been processed.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	(in MT)		
	Re-Used	Recycled	Safely Disposed
FY 2024-25*			
Plastic (incl. Packaging)	NA	NA	NA
E-waste	NA	NA	NA
Hazardous waste	NA	NA	NA
Other waste	NA	NA	NA
FY 2023-24			
Plastic (incl. Packaging)	NA	NA	NA
E-waste	NA	NA	NA
Hazardous waste	NA	NA	NA
Other waste	NA	NA	NA

*Note: All our finished goods are used as inputs for other industrial products such as paint, ink, and more. There are no instances of reusing or recycling the finished goods themselves once they are processed. We supply our finished products in metal containers, except when specific packaging instructions are provided by customers. These metal containers are designed to be easily reused and/or recycled. However, due to the diverse geographic spread of our customer base, it is extremely challenging for us to reclaim the product packaging. As a result, the responsibility for reusing, recycling, or safely disposing of the packaging typically falls to the end customers.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Available	

PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains



ESSENTIAL INDICATORS
1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
		Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	132	132	100%	132	100%	NA	NA	-	-	-	-
Female	1	1	100%	1	100%	-	-	NA	NA	-	-
Total	133	133	100%	133	100%	-	-	-	-	-	-
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

*Note: All our employees are engaged on a permanent basis following the successful completion of an initial probation period of three to six months. We do not engage temporary, contractual, or non-permanent staff. All permanent employees are covered under our employee well-being programs, which include life insurance, health insurance, accident insurance, and maternity benefits. At present, we do not offer paternity benefits or day care facilities.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
		Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	92	92	100%	92	100%	NA	NA	-	-	-	-
Female	2	2	100%	2	100%	2	100%	NA	NA	-	-
Total	94	94	100%	94	100%	2	100%	-	-	-	-
Other than Permanent Employees											
Male (covered under ESIC)	125	125	100%	125	100%	NA	NA	-	-	-	-
Female (covered under ESIC)	19	19	100%	19	100%	-	-	NA	NA	-	-
Total	144	144	100%	144	100%	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures (in lakhs)	22.43*	16.50
Total Revenue (in lakhs)	53,803.25	62,147.26
Percentage%	0.04%	0.03%

*Note: The costs reported here include the cost of Medclaim, death policy and accident insurance policy for all employees and workers.

2. Details of retirement benefits, for Current and Previous Financial Year

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	98.68%	Y	100.00%	95.88%	Y
ESI	-	100.00%	Y	-	100.00%	Y
Others	-	-	NA	-	-	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our plant and associated office facilities are accessible to employees and workers with disabilities, in compliance with the provisions of the Rights of Persons with Disabilities Act, 2016. We are committed to fostering an inclusive work environment and ensuring that our infrastructure supports equal access and mobility for all individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Providing equal opportunities to all individuals is a core principle of our Employee Manual and Employment Workplace Policy. This commitment to fairness and inclusion is integrated across all our HR policies. We do not tolerate any form of discrimination on the basis of race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other characteristic protected under applicable law.

Our Employment Workplace Policy is publicly available on our website at:

<https://www.fairchem.in/investor-relations/Policies/Employment-Work-Place-Policy.pdf>, reflecting our transparency and dedication to fostering a respectful, inclusive, and equitable workplace for all.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA			
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees and Workers	<p>Yes. We provide all our employees and workers with access to a structured grievance redressal mechanism. Through our Whistle-blower Policy and Internal Grievance Redressal Policy, we encourage everyone to report any instances of unethical behaviour, fraud, violations, or other concerning incidents.</p> <p>Our mechanism allows employees to raise grievances directly with their immediate superior or supervisor. The supervisor, in coordination with the functional head, is responsible for addressing the grievance within 2–3 working days.</p>
Other than Permanent Employees and Workers	<p>If the response is unsatisfactory, the employee may escalate the issue to the Head of the Department, who, with the support of HR, is expected to resolve the matter within 5 working days of receiving the complaint.</p> <p>If the grievance remains unresolved, a second level of escalation can be made to the COO or CFO through HR after 10 days. The HR Head, along with the COO/CFO, will make every possible effort to resolve the complaint. In case of any delays, we ensure that the employee is informed through their immediate superior or supervisor.</p> <p>As a final step, the employee may bring the issue directly to the CMD during the Open House forum. The CMD's decision is generally considered final outcome.</p>

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employee						
- Male						
- Female						
Total Permanent Worker						
- Male						
- Female						

*Note: Not Applicable. None of the employees and workers have membership with any association or union recognized by the Company.

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	132	121	91.67%	107	81.06%	130	91	70%	91	70%
Female	1	1	100%	1	100%	-	-	-	-	-
Total	133	122	91.72%	108	81.20%	130	91	70%	91	70%
Workers										
Male	92	92	100%	53	57.61%	95	48	51%	35	37%
Female	2	2	100%	2	100%	2	2	100%	2	100%
Total	94	94	100%	55	58.51%	97	50	52%	37	38%

Note: The information reported above includes only the formal training sessions scheduled during the year, for which detailed attendance records are maintained. In addition to these formal sessions, we also conduct several informal training and workshop sessions covering topics such as health and safety, tool and machine usage, environmental awareness, and social responsibility. These informal sessions are designed to engage and educate our entire workforce.

During FY 2024–25, we provided a range of training programs to our employees, covering key topics such as KAIZEN, leadership, time management, cost effectiveness, and presentation skills. Employees also received awareness training on computer operations, including Microsoft Excel and Word, as well as training on newly notified forms and their implementation for internal audits. Additional sessions focused on supervisory skill development, waste handling and management, and technical training relevant to their roles.

For our workers, we conducted targeted training sessions on first aid and personal hygiene, safety awareness, and the proper use of safety equipment. They were also trained in general safety practices, safe operation of the hydrogen plant, and firefighting procedures through mock drills. Further, we implemented training on the safety work permit system, behaviour-based safety, and methods to prevent pollution and ensure a safe environment.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	132	132	100%	130	130	100%
Female	1	1	100%	-	-	-
Total	133	133	100%	130	130	100%
Workers						
Male	92	92	100%	95	95	100%
Female	2	2	100%	2	2	-
Total	94	94	100%	97	97	100%

Note: Performance reviews at our Company are conducted through a hybrid approach. Our CMD remains present at the factory or office throughout the year and is closely familiar with the job profiles and actual work performed by nearly all permanent employees. During the annual review process, the CMD informally evaluates the performance of various departments and, where necessary, discusses individual contributions within each team. Departments that demonstrate performance above the average are identified, and within these, individuals who have played a key role in driving success are recognized. These individuals are then awarded higher performance gradings or increments. Over time, we have found that, given the unique nature of our business environment, this collective and observation-based approach to performance assessment is more effective than conventional individual review methods.

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

We have adopted and implemented a comprehensive Health and Safety Policy that applies across all our operations. This policy reflects our commitment to workplace safety and ensures compliance with all relevant health and safety regulations. In addition to the operational measures outlined in the policy, we have put in place specific plans to create and maintain a safe working environment.

Our Personal Protective Equipment (PPE) Plan outlines the responsibilities of functional managers to ensure that all employees and workers are provided with appropriate PPE kits. The plan also specifies the types of PPE required for various tasks, such as material handling, electrical work, and housekeeping, ensuring that every job is performed with the right level of protection.

We have also implemented an On-Site Emergency Plan, which provides clear guidance for personnel on how to respond during emergencies. This plan details the roles of key personnel, and the coordination required among internal and external agencies to prevent the escalation of incidents and to bring situations under control swiftly. It covers both workplace hazards and potential natural calamities.

Both plans are communicated to all employees and workers during onboarding and are reinforced regularly through ongoing awareness sessions. We also conduct health and safety trainings, mock drills, toolbox talks, and other activities at the workplace to ensure preparedness and compliance.

In addition, we regularly assess the training needs of our employees, respond to their health and safety-related queries and concerns, and monitor EHS performance on an ongoing basis. As needed, we implement updates to drive continuous improvement and to reduce health and safety risks across our workforce.

As part of our commitment to environmental sustainability, occupational health, and operational safety, we undertook comprehensive Process Hazard Analysis (PHA) studies across our fatty acid production, hydrogenation, and fractionation units. These assessments, conducted using the HAZOP methodology, systematically identified potential process risks including those arising from high-temperature operations, pressure systems, hazardous chemicals, and critical equipment failure. The studies evaluated the effectiveness of existing engineering and administrative controls and proposed additional risk mitigation measures to strengthen safety and environmental safeguards. These efforts ensure alignment with key national and international standards such as IS 14489 (Occupational Health & Safety), IS 15682 (Pressure Vessels), and the Factories Act, 1948. Worker participation, emergency preparedness, and continual improvement were integral to the process, reinforcing our compliance posture and our commitment to a safe, sustainable, and responsible manufacturing environment.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have established health and safety risk management practices to identify, assess, and mitigate work-related hazards across both routine and non-routine operations. This includes conducting Hazard Identification and Risk Assessment (HIRA) exercises at regular intervals to systematically evaluate workplace risks and implement appropriate corrective measures. Our risk management approach is continuous in nature and involves active participation from our workforce to ensure risks are identified and addressed at the source.

To strengthen our internal systems, we engage third-party experts to conduct comprehensive safety audits once every two years. Additionally, we have constituted a cross-functional Safety Committee at the plant level, comprising representatives from each department along with a member from senior management. The Committee meets quarterly to review safety performance, discuss emerging issues, and document its findings and actions through formal minutes. This structure enables us to integrate health and safety considerations into our day-to-day decision-making processes and fosters a culture of proactive risk management and operational safety.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, our workers can report any work-related hazards through the employee suggestion scheme, regular technical meetings, open house discussions with management and as part of our periodic Safety Committee meetings.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, we provide health insurance coverage to all our employees and workers as part of our commitment to employee well-being. In addition, we have established a tie-up with a nearby multispecialty hospital to ensure round-the-clock access to emergency medical services. Workers who fall under the statutory coverage requirements of the Employees' State Insurance (ESI) scheme are duly enrolled, thereby availing a comprehensive range of health, medical, maternity, disability, and related social security benefits under the ESIC framework. These initiatives reflect our focus on safeguarding the physical and financial health of our workforce.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	3.04	15.41
	Workers	1.85	3.26*
Total recordable work-related injuries	Employees	1.00	5.00
	Workers	1.00	2.00
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Note: The values reported for the previous year have been revised due to a methodology update in the Lost Time Injury Frequency Rate (LTIFR). After a thorough review, the correct figures have been updated to reflect accurate data.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

In FY 2024-25, we undertook several measures to ensure a safe and healthy workplace, including mandating the use of Personal Protective Equipment (PPE), implementing a work permit system, and conducting regular health and safety training sessions along with toolbox talks. We focused on maintaining cleanliness and hygiene, installing safety nets where necessary, and ensuring proper guarding of machinery and moving parts. Additionally, we organized periodic firefighting mock drills, provided first aid training, and established a partnership with a nearby multi-specialty hospital for 24/7 emergency medical access. We also facilitated regular health check-ups by specialist doctors at the factory premises, all as part of our ongoing commitment to safeguarding the well-being of our employees.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	-	-	NA	-	-	NA

*Note: During FY 2024-25, there were no complaints filed by our employees and workers in relation to working conditions or health and safety parameters.

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We continue to implement measures to ensure a safe and healthy environment for our workforce and to mitigate or minimize risks and concerns related to health and safety practices and working conditions.

Following the necessary corrections we implemented in FY 2024-25 based on recommendations from the safety audit, we carried out the following measures during FY 2024-25:

- **Safety Committee Enhancements:** We constituted a safety committee as per the Factories Act 1948 (Section 41G), with equal representation from workers and management. The committee consists of 16 members and holds regular quarterly meetings to discuss and implement safety-related action plans.
- **Contractor Safety Training:** We introduced formal training covering key safety practices and procedures for contractor workers to improve on-site safety awareness.
- **High-Risk Activity Assessment:** We prepared Job Safety Analyses (JSA) for high-risk activities and put corresponding work-permit systems in place.
- **Medical Preparedness:** Although not mandated since we are not classified under hazardous process industries, we established a first-aid centre and have a 24/7 ambulance with a driver available on site. We also partnered with the nearby Suvidha Hospital in Sanand for medical emergencies.
- **Labelling and Colour Coding:** We identified and colour coded utility pipelines as per IS 2379, with colour codes displayed conspicuously in working areas. All storage vessels and tanks were also labelled appropriately.
- **Fire Safety Measures:** We analyzed minor fire incidents and implemented corrective actions. Regular fire drills, including night shifts, are conducted, and portable fire extinguishers are inspected monthly. Fire safety training sessions for employees are ongoing.
- **Personal Protective Equipment (PPE):** We provide PPEs for all identified hazardous activities and train workers in their proper use. Fit checks for respirators are also performed.
- **Static Charge Control:** We implemented static charge mitigation systems for the Hydrogenation plant to prevent hazardous buildup.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) - Yes

We have provided an insurance policy for all our permanent employees to provide coverage in the event of their death, ensuring financial security and support for their families.

(B) Workers (Y/N) – Yes

We ensure that all workers who are permanent or on the payroll of the Company are covered under this insurance policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As we have recently initiated engagement with our suppliers, we have begun taking steps to promote compliance across our value chain. To ensure that statutory dues are being properly deducted and deposited by our value chain partners, we are in the process of integrating compliance checks into our supplier onboarding and evaluation processes.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	-	-	-	-
Workers	-	-	-	-

Note: During FY 2024-25, there were no incidents involving high consequence work-related injury / ill-health / fatalities.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, Currently, we do not have any processes in place to facilitate continued employability and the management of career endings resulting from retirement or termination of employment

5. Details on assessment of value chain partners:

Category	% of Value Chain Partners (by value of business done with such Partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

As we have started engaging with our value chain partners, we are in the early stages of assessing their health and safety practices and working conditions. While no significant risks or concerns have been identified so far, we are developing a structured assessment framework to evaluate these aspects systematically. As part of this process, we plan to work closely with our partners to address any gaps through capacity-building initiatives, sharing of best practices, and, where necessary, corrective action plans.

PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders



ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

We have identified following stakeholders as per the importance they hold our business.

Stakeholder	Importance to Business
Suppliers & vendors	Our suppliers and vendors primarily include vegetable oil refineries from whom we procure raw materials, along with providers of capital goods, spares, essential inputs, and various services.
Employees & workers	Our employees and workers form the backbone of our business, driving daily operations and long-term growth.

Stakeholder	Importance to Business
Logistic partners	Logistic partners play vital role in ensuring safe and responsible transportation of the raw materials, final products and machineries and spares.
Regulatory authorities	Regulatory bodies such as the Gujarat Pollution Control Board, local authorities, securities regulators through stock exchanges, and the judiciary guide us in operating responsibly, ensuring compliance, and safeguarding environmental and social interests.
Community	The community is integral to our business, as it includes our employees, workers, and customers, and represents the broader society we are part of.
Customers	Our customers are the driving force behind our business, contributing directly to revenue generation.
Board of directors & leadership	The Board of Directors and leadership team serve as the key decision-makers, shaping the strategic direction of the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees & Workers	No	<ul style="list-style-type: none"> • Departmental meetings • HR Programs • Meetings, seminars and reviews • Employee assistance programs • Emails • Quarterly publications/ Circulars 	Quarterly, Weekly, Monthly, Annually, Need based	<ul style="list-style-type: none"> • Understanding the expectations of the employees & workers • Discussion on fair remuneration structure • Health and safety
Logistic Partner	No	<ul style="list-style-type: none"> • Logistic partner meets 	Ongoing basis	<ul style="list-style-type: none"> • Discussion on the safe & responsible transportation of raw material and final product.
Customers	No	<ul style="list-style-type: none"> • Formal & informal feedback • Email • Personal meetings 	Daily, Weekly, Monthly, Annually, Need based	<ul style="list-style-type: none"> • Procuring feedback from the customers and areas of improvement • Quality & reliability of the product • Discussion on new products, upcoming product pipeline, etc.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government Regulatory / Authorities	No	<ul style="list-style-type: none"> Scheduled meetings 	Ongoing basis	<ul style="list-style-type: none"> On time compliance of statutory & regulatory requirements
Community	Yes	<ul style="list-style-type: none"> Community engagements during the CSR initiatives Regular engagement to understand concerns and requirement 	Periodically	<ul style="list-style-type: none"> Discussion on existing CSR initiatives, areas of improvement, etc. Understanding the expectations of communities with respect to CSR initiatives.
Vendors & Suppliers	No	<ul style="list-style-type: none"> Contract revision & negotiation meetings Suppliers meet 	Ongoing basis	<ul style="list-style-type: none"> Contract negotiation. Service improvement opportunities. Proactive discussion on risks/ challenges to avoid disruption.
Board of Directors & Leadership	No	<ul style="list-style-type: none"> Board meetings Annual Reports Media Release Quarterly Results Investor meets/calls including plant visits Stock exchange fillings 	Annually/Quarterly	<ul style="list-style-type: none"> Effective implementation of the ESG policies & procedures Discussion on the future of business

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The CMD has delegated the responsibility for managing economic, environmental and social matters to the senior management and respective functional heads. We have established multiple points of contact to enable stakeholders to reach out for consultations or to raise concerns. Inputs and findings from these interactions are consolidated by the relevant functional head, stakeholder contact or senior management and are then reported to the CMD for appropriate action or the development of a mitigation plan.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, we engage in consultations with our stakeholders, as needed, to shape our approach to future interactions and ensure that their concerns and expectations are considered. For example, as part of our CSR efforts, we maintain ongoing engagement with communities around our operational locations. In FY 2024-25, we received a request for the construction of a compound wall adjacent to a lake in Village Chekhala, a nearby community. This request was evaluated by our Corporate Social Responsibility Committee, following discussions between our Head of HR and key village representatives. After assessing the necessity and potential benefits of the project, the committee approved the initiative, which was subsequently endorsed by our Board of Directors.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We recognize the importance of engaging with vulnerable and marginalized stakeholder groups to ensure their voices are heard and their needs are addressed. As part of our CSR initiatives, we maintain regular interaction with communities in the vicinity of our operations, with a focus on those who may be socio-economically disadvantaged. During FY 2024-25, one such instance involved responding to a request from residents of Village Chekhala—a nearby community with limited infrastructure—for the construction of a compound wall adjacent to a local lake. This request, aimed at improving safety and access, was evaluated through discussions between our Head of HR and key village representatives. Upon confirming the need and potential impact, the project was approved by our CSR Committee and subsequently by the Board of Directors.

PRINCIPLE 5 - Businesses should respect and promote human rights



ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	133	133	100%	130	130	100%
Other than permanent	-	-	-	-	-	-
Total Employees	133	133	100%	130	130	100%
Workers						
Permanent	94	94	100%	97	97	100%
Other than permanent	144	144	100%	149	149	100%
Total Workers	238	238	100%	246	246	100%

2. Details of minimum wages paid to employees & workers in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	133	-	-	133	100%	130	-	-	130	100%
Male	132	-	-	132	100%	130	-	-	130	100%
Female	1	-	-	1	100%	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	94	-	-	94	100%	97	-	-	97	100%
Male	92	-	-	92	100%	95	-	-	95	100%
Female	2	-	-	2	100%	2	-	-	2	100%
Other than Permanent	144	-	-	144	100%	149	-	-	149	100%
Male	125	-	-	125	100%	132	-	-	132	100%
Female	19	-	-	19	100%	17	-	-	17	100%

3. Details of remuneration/salary/wages, in the following format:

a. Median Wages/Remuneration

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (Rs. million)	Number	Median remuneration/salary/wages of respective category (Rs. million)
Board of Directors*	5	Sitting fees are paid to independent directors/ members of the committee for attending board meetings, audit committee meetings, Risk management committee meetings and CSR committee meetings.	1	Sitting fees are paid to independent directors/ members of the committee for attending board meetings, audit committee meetings, Risk management committee meetings and CSR committee meetings.
Key Managerial Personnel **	2	19.67	NA	NA
Employees other than BoD and KMP	130	0.72	1	1.20
Workers	92	0.36	2	0.31

Note: * & ** Managing Director is included in the BOD as well as KMP.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to two female workers	6,20,256	5,74,056
Total wages paid to all workers (94 in total)	3,78,19,080	3,51,09,636
Gross wages paid to females as % of total wages	1.64%	1.64%

*Note: For the above calculation, gross wages paid to 94 workers is considered as a base given that the two females are part of the workers of the Company.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, our Head of the Human Resources department serves as the primary point of contact and holds the responsibility for addressing human rights impacts and related issues within the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a Modern Slavery Policy adopted from the Fairfax Group, which applies to all our Board of Directors, Key Managerial Personnel (KMP), and employees. This policy provides concrete guidance regarding compliance with relevant child labour, forced labour and related laws within our operations or supply chains.

In addition, our internal grievance mechanism also serves as the primary channel for addressing human rights issues within the Company. This policy is communicated to all employees during onboarding and is reinforced during any updates or through ongoing training and workshops. The mechanism allows employees to report human rights concerns to their immediate supervisor, who, in coordination with the Head of HR (our designated contact for human rights matters), is responsible for resolving the issue. For more serious concerns, the matter may be escalated to the respective Head of Department and further to the COO or CFO, with the CMD becoming involved if necessary.

We have also established a Contract Labour Engagement Policy and an Employee Workplace Policy, both of which emphasize our commitment to upholding human rights. These policies include strict provisions and procedures designed to prevent any violations, including issues related to child labour, forced labour, discrimination, sexual harassment, and non-compliance with labour laws.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/ Involuntary Labour	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Other human rights related issues	-	-	NA	-	-	NA

*Note: During FY 2024-25, there have been no complaints made by workers or employees on any human rights issues.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Our Whistle Blower Policy, Code of Conduct, Internal Grievance Policy, and POSH Policy collectively provide a safe and structured mechanism for individuals to report grievances without fear of retaliation. We are committed to maintaining the confidentiality of the complainant's identity and respect their right to anonymity. Accordingly, anyone raising a concern through these channels or any other means is protected against any adverse consequences, reinforcing our commitment to a fair and transparent workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

We have a zero-tolerance policy for any human rights violations and adopts best practices while engaging with the employees and workers as well as external customers, suppliers and other value chain partners.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable as there was no concerns in the above area during FY 2024-25

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During FY 2024-25, there have been no complaints made by workers or employees on any human rights issues.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

During FY 2024-25, we have not conducted any human right due diligence for our manufacturing unit.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, our plant and office are accessible to differently abled visitors, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016 with special needs.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Not assessed*
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others/Please specify	

*Note: During FY 2024, we have not accessed any value chain partners on the above parameters, we are planning to engage with our value chain partners in the forthcoming financial years.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable, as we have done any kind of human rights assessments for our value chain partners.

PRINCIPLE 6- Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS
1. Details of total energy consumption (in Tera Joules) and energy intensity:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	1.00	0.89
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)	1.00	0.89
From non-renewable sources		
Total electricity consumption (D)	50.06	41.38
Total fuel consumption (E)	526.42	518.21
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	576	559.59
Total energy consumption in Tera Joules (A+B+C+D+E+F)	577	560.48
Turnover (Rs. in Lakhs)	53,803.25	62,147.26

Parameter	FY 2024-25	FY 2023-24
Energy intensity per rupee of turnover (in lakhs) (Total energy consumption in Tera Joules/ turnover in Rs. lakhs)	0.01	0.009
Energy intensity per rupee of turnover (in lakhs) adjusted for Purchasing Power Parity (PPP) (Total energy consumed in Tera Joules / Revenue from operations (in lakhs) adjusted for PPP)*	0.221*	0.201**
Energy intensity in terms of physical output (Total energy consumption in Tera Joules/ total output in MT)	0.011	0.009

*PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 20.66; World Economic Outlook (April 2025) - Implied PPP conversion rate (imf.org)

**PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

We have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

We have not identified as designated consumer under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres 'KL')		
(i) Surface water	-	-
(ii) Groundwater	43,375	48,614
(iii) Third party water	-	-
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	43,375	48,614
Total volume of water consumption (in KL)	43,375	48,614
Water intensity per rupee of turnover (in lakhs) (Water consumed (KL)/ turnover in Rs. lakhs)	0.81	0.78
Water intensity per rupee of turnover (in lakhs) adjusted for Purchasing Power Parity (PPP) (Total water consumed in KL / Revenue from operations in lakhs adjusted for PPP)*	16.734*	17.472**
Water intensity in terms of physical output (Water consumed (KL)/ total output in MT)	0.80	0.75

*PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 20.66; World Economic Outlook (April 2025) - Implied PPP conversion rate (imf.org)

**PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

*Note: Physical output is the total aggregate production (in Metric Tonnes) of the Company for the relevant financial year across all of its product categories.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

4. Provide the following details related to water discharged (mention the level of treatment for each category):

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/ desalinated water	NA	NA
(v) Others	NA	NA
Total Water Discharge (in kilolitres)	-	-

Note: We have implemented a Zero Liquid Discharge (ZLD) system to ensure that all water used in our initial manufacturing processes is fully captured, treated, and reused. The recycled water is utilized both in production and for gardening within our premises, reflecting our commitment to sustainable water management and environmental responsibility.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, our manufacturing plant has adopted a Zero Liquid Discharge (ZLD) mechanism to ensure responsible wastewater management. Wastewater generated during operations is treated using a high Total Dissolved Solids Reverse Osmosis system, followed by vaporization for further purification. The resulting vapor is condensed through a separate condenser to recover clean water, and the vaporized gas is also captured in accordance with Gujarat Pollution Control Board (GPCB) guidelines. The MEE (Multiple Effect Evaporator) salt, which remains as a residue from the vaporization process, is sent to GPCB-accredited third-party co-processing units, where it is further treated and utilized as an alternative energy source in the cement industry. This approach reflects our commitment to sustainable water use and circular waste management.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	KG/YEAR	2,609	4,465
SOx	KG/YEAR	8,078	12,816
Particulate matter (PM)	KG/YEAR	6,979	5,174
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

We have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	36,595	49,538
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,108	8,395
Total Scope 1 & Scope 2 emissions	Metric tonnes of CO ₂ equivalent	46,703	57,933
Total Scope 1 and Scope 2 emission intensity per Rs. of turnover (Metric tonnes of CO ₂ equivalent/ turnover in Rs. lakhs)		0.86	0.93
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (in lakhs) adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in lakhs adjusted for PPP)		17.767*	20.832**
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Metric tonnes of CO ₂ equivalent/ total output in MT)		0.86	0.89

*PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 20.66; World Economic Outlook (April 2025) - Implied PPP conversion rate (imf.org)

**PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

Our Scope 1 and Scope 2 greenhouse gas emissions are calculated based on energy, electricity, and fuel consumption at our corporate office and manufacturing plant in India. Scope 1 emissions are calculated using the guidelines and emission factors provided by the Intergovernmental Panel on Climate Change (IPCC), while Scope 2 emissions are based on the emission factors prescribed by the Central Electricity Authority (CEA) of India.

*Note: Physical output is the total aggregate production (in Metric Tonnes) of the Company for the relevant financial year across all its product categories.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

We have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we have undertaken several initiatives to reduce greenhouse gas emissions by adopting more energy-efficient technologies and machinery across our operations. A key focus area has been our investment in renewable energy, particularly solar power.

We are exploring the possibility of setting up a solar power plant to meet 60-70% of the power requirements for our manufacturing plant. While we are yet to acquire the land for this project, we have visited several potential sites located approximately 20 km away from the plant. We aim to complete the setup during this financial year, which will significantly contribute to our sustainability goals and reduce our reliance on conventional energy sources.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.59	13.42
E-waste (B)	-	0.48
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.45	0.77
Radioactive waste (F)	-	-
Hazardous waste (G) - Spent Bleaching Earth	2,486	2,490
Other Non-Hazardous waste - ETP Sludge (H)	112	92.44
Other Non-hazardous waste generated - MEE Salt (I).	398	525.23
Total (A + B + C + D + E + F + G + H + I)	2,997	3,122.50
Turnover (Rs. in Lakhs)	53,803.25	62,147.26
Waste intensity per rupee of turnover	0.06	0.05
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated/Revenue from operation adjusted for PPP)	1.239*	1.122**
Waste intensity in terms of physical output (Total waste generated in MT/ total output in MT)	0.06	0.05

*PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 20.66; World Economic Outlook (April 2025) - Implied PPP conversion rate (imf.org)

**PPP: INR Revenue X PPP Factor (US\$/INR); PPP Factor = 22.4; World Economic Outlook (April 2024) - Implied PPP conversion rate (imf.org).

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (E-waste)	-	0.48
(ii) Re-used (Nos)	-	-
(iii) Other recovery operations	-	-
Total	-	0.48
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling - ETP sludge	-	-
(iii) Co-processing - ETP sludge	100	79.44
(iv) Co-processing - Spent Bleaching Earth	2,490	2,467.16
(v) Co-processing - MEE Salt	402	522.23
(vi) Plastic Waste	0.59	13.42
(vii) Battery Waste	0.45	0.77
Total	2,993	3,083.02

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, we have not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our key raw materials are by-products generated during the vegetable oil refining process, which we sustainably source and utilize in our operations. The finished goods we produce are fatty acids, which serve as essential input materials for a wide range of industrial products across various sectors.

We have implemented a Zero Liquid Discharge (ZLD) mechanism, ensuring that all water and liquid waste generated during operations is captured, treated, and reused, thereby minimizing our environmental footprint. The solid waste produced in our manufacturing process includes spent bleach, ETP sludge, and MEE salt. These are responsibly disposed of by being sent to Gujarat Pollution Control Board (GPCB)-approved co-processing units, where they are further treated and utilized as alternative energy sources in the cement industry.

We generate a minimal amount of plastic waste, primarily from the import of certain raw materials. In line with regulatory requirements, we obtained registration under the Extended Producer Responsibility (EPR) framework in October 2023. All plastic waste generated is handled according to our approved EPR action plan and is sent to GPCB-accredited third-party recycling facilities.

In addition, we have an E-waste Management Policy in place. Although the volume of electronic waste and used batteries we generate is minimal, we ensure responsible disposal through a buy-back mechanism, returning these items to the original producers or vendors for proper recycling. These initiatives reflect our commitment to comprehensive and compliant waste management practices across all waste streams.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Our manufacturing facility is not located in or around any ecologically sensitive areas, ensuring that our operations do not pose a risk to protected ecosystems or biodiversity-rich zones.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

As there have been no changes to our operations, there was no requirement for us to conduct an environmental impact assessment during FY 2024-25.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes, we are fully compliant with the applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention & Control of Pollution) Act, the Air (Prevention & Control of Pollution) Act, the Environment Protection Act, and the rules and regulations framed thereunder.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The Company does not withdraw or discharge water in areas of water stress.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable.

2. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Our manufacturing facility is not located in or near any ecologically sensitive areas, ensuring that our operations do not impact protected ecosystems or areas of significant environmental importance.

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Zero Liquid Discharge	We have implemented a Zero Liquid Discharge (ZLD) mechanism, ensuring that all water and liquid waste generated during operations is captured, treated, and reused, thereby minimizing our environmental footprint.	Reduction in wastewater disposal

4. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have a comprehensive Risk Management policy and a disaster response plan to address potential business risks, including those posed by natural calamities. We have identified events such as earthquakes, hurricanes, droughts, and other natural disasters as risks to our operations. To mitigate these risks, we have an insurance policy that covers losses resulting from such calamities. Additionally, we engage in water preservation initiatives to ensure that, in the event of water scarcity, we can manage and sustain operations in the short term.

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

6. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

7. How many Green Credits have been generated or procured:

a. By the listed entity

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

None

PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



ESSENTIAL INDICATORS

1. a. Number of Affiliations with trade and industry chambers/ associations.

Affiliations with 2 (two) national and state level trade and industry associations/ chambers.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Gujarat Chamber of Commerce & Industry (GCCCI)	State - Gujarat
2.	CHEMEXCIL (an export promotion council administered by The Ministry of Commerce and Industry)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During FY 2024-25, no adverse orders from any regulatory authorities have been received in relation to any anti-competitive conduct.

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development



ESSENTIAL INDICATORS

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During FY 2024-25, we did not identify any business requirement to undertake a Social Impact Assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

During FY 2024-25, We did not undertake any projects that involve any form of Rehabilitation and Resettlement (R&R).

3. Describe the mechanisms to receive and redress grievances of the community.

Communities can reach out to us with their grievances through multiple channels, including written letters, phone calls, and emails. All relevant contact details are available on our website at

<https://www.fairchem.in/investor-relations/Others/Communities%20Grievances.pdf>. Once received, these grievances are directed to the concerned department for resolution. We are committed to addressing and resolving community concerns as promptly and effectively as possible.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	8.43%	5.94%
Directly from India	91.57%	94.06%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024-25	FY 2023-24
Rural	27.54%	30.87%
Semi-urban	2.45%	2.80%
Urban*	70.01%	66.33%
Metropolitan	-	-

* MD's remuneration is not considered in above

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Social Impact Assessment is not applicable to the Company operations.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.	Aspirational District	State	Amount spent (In INR)
		NA	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) – No

We operate in a sector where our input materials are industrial products that must be sourced from established and specialized industries to meet quality and regulatory standards. As a result, sourcing raw materials from marginalized or vulnerable groups is not a feasible option for us.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Nil

Note: During FY 2024-25, we did not own or acquire any intellectual property based on traditional knowledge.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Nil*

*Note: During FY 2024-25, no intellectual property-related disputes were registered against us.

6. Details of beneficiaries of CSR Projects:

Sr.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Nil*			

*Note: We do not directly implement CSR projects. Instead, we contribute our CSR funds to third-party agencies or trusts that are dedicated to public welfare. These agencies and trusts carry out projects aimed at benefiting communities at large, in alignment with our CSR objectives

PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner



ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a structured process in place to receive and address complaints and feedback from our customers. Given our B2B business model and long-standing relationships, most concerns are typically raised informally through the designated single point of contact (SPOC) for each product. The SPOC collaborates with our production and other relevant teams to identify the root cause of the issue and ensure timely resolution. In cases involving product-related concerns, we conduct multiple laboratory tests and detailed analyses to determine the cause. Once resolved, the outcome and corrective actions are communicated back to the customer through the SPOC, ensuring transparency and continued trust.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Particulars	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

Note: During FY 2024-25, there have been no complaints from customers on any of the above parameters.

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have a dedicated policy on cyber security and data privacy risks, which outlines our approach to protecting sensitive information and ensuring digital security across our operations. This policy is publicly available on our website at <https://www.fairchem.in/investor-relations/Policies/Cyber-Security-and-Data-Privacy-Policy.pdf>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

7. Provide the following information relating to data breaches:

Particulars	FY 2024-25	FY 2023-24
a. Number of instances of data breaches	None	None
b. Percentage of data breaches involving personally identifiable information of customers	NA	NA
c. Impact, if any, of the data breaches	NA	NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Yes, we have disclosed information about the products on the website. The information can be accessed at <https://fairchem.in/investor/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We regularly engage with our customers on matters related to the quality, safety, appropriate use, and disposal of our products. To support this, we have developed Material Safety Data Sheets (MSDs) for our key products. These sheets are shared with customers either proactively, depending on the characteristics of the product, or upon request, ensuring that our customers have access to all relevant information needed for safe and responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Risk of disruption/discontinuation of essential services may be communicated to customer through the designated single point of contact (SPOC) for the effected product(s).

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

While there is no specific governing regulation mandating it, we proactively provide chemical analysis reports or relevant product certificates for our key products whenever required. This practice reflects our commitment to transparency and helps our customers ensure compliance with their own quality and safety standards.

CEO AND CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (LODR) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Regulation 26 (3) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2025.

For Fairchem Organics Limited,

Place : Chekhla, Tal. Sanand, Dist. Ahmedabad
Date : May 27, 2025

Nahoosh Jariwala
Chairman and Managing Director
(DIN : 00012412)

CEO / CFO CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

To,
The Board of Directors,
Fairchem Organics Limited

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2025 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same, if any, have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting. No such instance was noticed during the year.

For Fairchem Organics Limited,

Rajen Jhaveri
Chief Financial Officer

Nahoosh Jariwala
Chairman and Managing Director
(DIN : 00012412)

Place : Chekhla, Tal. Sanand, Dist. Ahmedabad
Date : May 27, 2025

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
FAIRCHEM ORGANICS LIMITED
CIN:L24200GJ2019PLC129759

We have examined all relevant records of Fairchem Organics Limited for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2025.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UDAY G. DAVE
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 6576/2025
FCS No.: 6545 C. P. No.: 7158
UDIN: F006545G000448681

Place: Ahmedabad
Date : 27/05/2025

CERTIFICATE

To,
The Members,
FAIRCHEM ORGANICS LIMITED
CIN:L24200GJ2019PLC129759

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **FAIRCHEM ORGANICS LIMITED** (the Company), having its registered office situated at 253/P & 312, Village – Chekhala, Sanand – Kadi Highway, Taluka – Sanand, Dist. Ahmedabad – 382115 which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34(3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UDAY G. DAVE
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 6576/2025
FCS No.: 6545 C. P. No.: 7158
UDIN: F006545G000448734

Place: Ahmedabad
Date : 27/05/2025

**AUDITED
FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Organics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fairchem Organics Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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 ("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 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Revenue recognition -Timing of recognising revenue See note 1 (c) and 27 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue from the sale of finished goods is recognized when control over finished goods is transferred to the customer. The Company has various customers with different terms of trade and the actual point in time when revenue is recognized varies depending on the specific terms and conditions of the contracts with the customers.</p> <p>We have identified the risk of revenue being recognized in incorrect period as a key audit matter due to the financial significance arising from pressure to achieve performance targets and meeting external expectations.</p>	<p>In view of the significance of the matter we applied the following audit procedures, among others, in this area to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> – Assessing Company's revenue recognition accounting policies by comparing with applicable accounting standards. – Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of products. – Performing substantive testing of revenue recognized during the year by selecting samples, through statistical sampling, and verifying the underlying customer orders and proof of dispatch/delivery in accordance with the contractual terms agreed with the customers. – Performing substantive testing of revenue recognized near the year-end by verifying the customer orders and proof of dispatch/delivery to assess the appropriateness of timing of revenue recognition. – Circulating balance confirmation requests to customers selected through statistical sampling and testing reconciliations in case of differences.

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - Assessing manual journals posted to revenue to identify and test unusual items. - Evaluating the adequacy of disclosures in the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and 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.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. 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 B".
- B. 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 42 to the financial statements.

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 40(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that that audit trail was not enabled at the database level for accounting software to log any direct data changes. To the extent audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Rupen Shah
Partner
Membership No. : 116240
ICAI UDIN:25116240BMMLLP8435

Place : Mumbai
Date : 27 May 2025

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditor's Report on the Financial Statements of Fairchem Organics Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit in case of purchase and sale of finished goods where risk and rewards has not been transferred, has been physically verified by the management during the year. For goods-in-transit in case of purchases subsequent evidence of receipts has been linked with inventory records and for goods in transit in case of sales of finished goods, subsequent evidence of transfer of control has been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided loans to other parties during the year, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured to companies, firms or limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	(Rs. in Lakhs)
Aggregate amount during the year - Others (loan to employees)	1.48
Balance outstanding as at balance sheet date - Others (loan to employees)	1.28

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
 - (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
 - (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs Unpaid)	Amount (Rs. in Lakhs Paid)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	3.56	0.29	Feb 13 to Nov 14	The Commissioner (Appeal) Central Excise, Ahmedabad
The Finance Act, 1994	Service Tax	2.25	0.19	Dec 14 to Aug 15	The Commissioner (Appeal) Central Excise, Ahmedabad
The Finance Act, 1994	Service Tax (including interest and penalty)	7.15	12.53	Feb 15 to Mar 16	Customs, Excise & Service Tax Appellate Tribunal - West Zonal Bench, Ahmedabad.
Central Sales Tax Act 1956 and the Gujarat Value Added Tax 2003	VAT and CST	-	1.98	FY 2014-15	Gujarat Value Added Tax Tribunal, Ahmedabad
CGST Act 2017, SGST Act 2017	GST (including Penalty)	3.82	3.82	FY 2020-21	Dy. Commissioner of State Tax - Appeal, Ahmedabad
Income Tax Act, 1961	Income Tax	27.79	--	A.Y. 2020-21 and A.Y. 2021-22	Commissioner of Income Tax - Appeal, Mumbai

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For B S R & Co. LLP
Chartered Accountants
 Firm's Registration No. : 101248W/W-100022

Rupen Shah
Partner

Membership No. : 116240
 ICAI UDIN:25116240BMMLLP8435

Place : Mumbai
Date : 27 May 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditor's Report on the financial statements of Fairchem Organics Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fairchem Organics Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

Auditor's Responsibility

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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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 include 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

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

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 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.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Rupen Shah
Partner
Membership No. : 116240
ICAI UDIN:25116240BMMLLP8435

Place : Mumbai
Date : 27 May 2025

BALANCE SHEET AS AT MARCH 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4 (a)	19,710.12	18,679.19
Right to use asset	4 (b)	402.13	408.59
Capital work-in-progress	5	1,171.79	601.57
Intangible Assets	6	15.94	34.70
Financial Assets			
(i) Other Financial Assets	7	23.54	20.97
Non-current Tax Assets (Net)	8	669.86	187.89
Other Non-current Assets	9	131.14	212.78
Total Non-Current Assets		22,124.52	20,145.69
Current Assets			
Inventories	10	8,830.60	6,970.16
Financial Assets			
(i) Trade receivables	11	8,613.38	5,681.30
(ii) Cash and cash equivalents	12	0.82	0.84
(iii) Bank balances other than (ii) above	13	127.79	8.18
(iv) Loans	14	1.28	1.42
(v) Other Financial Assets	15	1.37	2.39
Other current assets	16	483.12	620.96
Total Current Assets		18,058.36	13,285.25
TOTAL ASSETS		40,182.88	33,430.94
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	1,302.09	1,302.09
Other Equity	18	28,900.97	27,691.19
Total Equity		30,203.06	28,993.28
LIABILITIES			
Non-Current Liabilities			
Provisions	19	250.99	218.71
Deferred Tax Liabilities (Net)	37	1,873.00	1,612.43
Total Non-Current Liabilities		2,123.99	1,831.14
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	6,303.19	731.77
(ii) Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		71.16	35.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		762.58	1,266.51
(iii) Other financial liabilities	22	164.84	27.55
Other current liabilities	23	417.17	425.83
Provisions	24	136.89	113.01
Current Tax Liabilities (Net)	25	-	6.16
Total Current Liabilities		7,855.83	2,606.52
TOTAL EQUITY AND LIABILITIES		40,182.88	33,430.94

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

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

Rupen Shah
Partner
Membership No. 116240

Rajen N. Jhaveri
Chief Financial Officer and Company Secretary

Nahoosh Jariwala
Chairman and Managing Director
DIN: 00012412

Place : Mumbai
Date : May 27, 2025

Place : Chekhala, Taluka Sanand, Dist. AHMEDABAD
Date : May 27, 2025

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	Year ended on March 31, 2025	Year ended on March 31, 2024
Income			
Revenue from Operations	27	53,789.84	62,147.26
Other Income	28	133.87	113.39
Total Income		53,923.71	62,260.65
Expenses			
Cost of materials consumed	29	41,974.92	45,775.52
Changes in Inventories of finished goods and work-in-progress	30	(1,810.59)	618.29
Employee benefits expense	31	2,388.65	2,203.78
Finance Costs	32	366.63	423.93
Depreciation and amortisation expense	33	1,053.42	927.84
Other expenses	34	6,958.64	6,851.69
Total Expenses		50,931.67	56,801.05
Profit Before Tax		2,992.04	5,459.60
Tax Expense			
Current tax	37	530.31	1,253.11
Deferred tax	37	264.30	156.46
Profit After Tax		794.61	1,409.57
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Remeasurement (losses) on post employment defined benefit plans		(14.81)	(8.27)
- Income tax effect		3.73	2.08
Other comprehensive income for the year, net of tax		(11.08)	(6.19)
Total comprehensive income for the year		2,186.35	4,043.84
Earnings Per Share			
Basic and Diluted earnings per share (in Rupees)	36	16.88	31.10
Nominal value per equity share (in Rupees)		10.00	10.00

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership No. 116240

Rajen N. Jhaveri
Chief Financial Officer and Company Secretary

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

Nahoosh Jariwala
Chairman and Managing Director
DIN: 00012412

Place : Mumbai
Date : May 27, 2025

Place : Chekhala, Taluka Sanand, Dist. AHMEDABAD
Date : May 27, 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes		
A. Equity Share Capital			
Balance as at March 31, 2023	17	1,302.09	
Balance as at March 31, 2024	17	1,302.09	
Balance as at March 31, 2025	17	1,302.09	
B. Other Equity	18		
	Reserves and Surplus		
	Capital Reserves	Retained Earnings	
	Total		
Balance as at March 31, 2023	8,958.05	15,665.87	24,623.92
Profit for the year	-	4,050.03	4,050.03
Other Comprehensive Income	-	(6.19)	(6.19)
Total Comprehensive Income for the year	-	4,043.84	4,043.84
Transactions with owners in their capacity as owners:			
Dividends Paid	-	(976.57)	(976.57)
Balance as at March 31, 2024	8,958.05	18,733.14	27,691.19
Profit for the year	-	2,197.43	2,197.43
Other Comprehensive Income	-	(11.08)	(11.08)
Total Comprehensive Income for the year	-	2,186.35	2,186.35
Transactions with owners in their capacity as owners:			
Dividends Paid	-	(976.57)	(976.57)
Balance as at March 31, 2025	8,958.05	19,942.92	28,900.97

Capital Reserve

The Capital Reserve was created pursuant to a Composite Scheme of arrangement and amalgamation ('the Scheme') amongst Fairchem Speciality Limited (FSL) (Now known as Privi Speciality Chemicals Limited), Fairchem Organics Limited (FOL) and Privi Organics India Limited (POIL), two wholly owned subsidiaries of FSL and their respective shareholders for Demerger of FSL's undertaking carrying on speciality oleo chemicals and nutraceuticals business and vesting the same into FOL. The said scheme was sanctioned by National Company Law Tribunal on June 30, 2020.

Retained Earnings

The retained earnings reflect the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance under this head, after considering the requirements of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

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

Rupen Shah
Partner
Membership No. 116240

Rajen N. Jhaveri
Chief Financial Officer and Company Secretary

Nahoosh Jariwala
Chairman and Managing Director
DIN: 00012412

Place : Mumbai
Date : May 27, 2025

Place : Chekhala, Taluka Sanand, Dist. AHMEDABAD
Date : May 27, 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON MARCH 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

	Notes	Year ended on March 31, 2025	Year ended on March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax		2,992.04	5,459.60
<u>Adjustments for:</u>			
Depreciation and Amortisation Expense	33	1,053.42	927.84
Finance Costs	32	366.63	423.93
Interest Income	28	(5.68)	(4.23)
Unrealised Foreign Exchange (Gain)		(1.00)	(7.82)
Loss / (Gain) on Sale of Assets (Net)	34 & 28	4.18	(3.17)
Loss on CWIP sold / discarded (Net)	34	30.44	-
Operating Profit Before Working Capital Changes		4,440.03	6,796.15
<u>Net change in:</u>			
Inventories		(1,860.44)	1,025.53
Other Non Current Financial Assets		(2.57)	(0.44)
Trade Receivables		(2,927.25)	583.99
Current Loans		0.14	(0.06)
Other Current Assets		137.84	(27.03)
Other Non Current Assets		(7.60)	3.96
Trade and Other Payables		(472.28)	245.68
Non Current Liabilities - Provisions		32.28	39.47
Current Liabilities - Provisions		9.07	14.89
Other Current Liabilities		(8.66)	67.28
Cash Generated From Operating Activities		(659.44)	8,749.42
Direct Taxes Paid (Net)		(1,018.44)	(1,301.37)
A. Net Cash (Used In) / Generated From Operating Activities		(1,677.88)	7,448.05
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment and Intangible Assets		(2,610.90)	(1,812.80)
Proceeds from Sale of Property, Plant and Equipment		53.84	46.84
Interest Received		6.70	3.46
B. Net Cash (Used In) Investing Activities		(2,550.36)	(1,762.50)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON MARCH 31, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds / (Repayment) of Short Term Borrowings (net)	5,571.42	(4,284.99)
Dividend Paid	(976.57)	(976.57)
Interest Paid	(366.63)	(423.93)
C. Net Cash Generated from / (Used In) Financing Activities	4,228.22	(5,685.49)
Net Increase in cash and cash equivalents (A+B+C)	(0.02)	0.06
Cash and Cash Equivalents as at the beginning of the year	0.84	0.78
Cash and Cash Equivalents as at the end of the year	0.82	0.84
Reconciliation of cash and cash equivalent as per the statement of cash flows		
	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents :		
Cash on hand	0.82	0.84
	0.82	0.84

Note :

- The above Statement of Cash flows has been prepared under the "Indirect Method" set out in Ind AS 7 - "Statement of Cash Flows".
- Refer Note 20 for net debt reconciliation.

This is the Statement of Cash flows referred to in our report of even date.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rupen Shah
Partner
Membership No. 116240

Rajen N. Jhaveri
Chief Financial Officer and Company Secretary

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

Nahoosh Jariwala
Chairman and Managing Director
DIN: 00012412

Place : Mumbai
Date : May 27, 2025

Place : Chekhala, Taluka Sanand, Dist. AHMEDABAD
Date : May 27, 2025

Notes to the financial statements for the year ended 31 March 2025

Background of the Company

Fairchem Organics Limited (the 'Company'), incorporated on March 27, 2019 under the provisions of the Companies Act, 2013 is a public limited company domiciled in India. Pursuant to the Scheme of arrangement, the Oleo Chemical and Neutraceutical business of erstwhile Fairchem Speciality Limited (now known as Privi Speciality Chemicals Limited) was demerged and vested into the Company. The Company is engaged in manufacturing of Speciality Oleo Chemicals since the year 1996. Up to August 12, 2020, the said business was run in the name of Fairchem Speciality Limited. Since August 13, 2020, the said manufacturing business is run in the current name of Fairchem Organics Limited. The manufacturing facility is set up at Village Chekhala, Ta. Sanand, Dist. Ahmedabad – 382 115, Gujarat, India. The equity shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange in India.

1 Material accounting policies

This note provides a list of the material 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.

ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Provision for Gratuity - Fair Value of plan assets less the present value of the defined benefit obligation.

iii) 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) Foreign currency transactions and translations

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the

Notes to the financial statements for the year ended 31 March 2025

transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rate are recognised in the Statement of Profit and Loss on a net basis within other income/expenses.

c) Revenue recognition

Sale of products

Revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognised at an amount that is expected to be received from customers that is net of trade discounts, rebates and goods and services tax (GST).

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Export Incentives

Export benefit entitlements under Duty Drawback, and Remission of Duties and Taxes on Exported Products (RoDTEP) are recognised when the right to receive credit as per the terms of the scheme is established in respect of the exports and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.

d) Income tax

The income tax expense or credit for the period is the tax on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to taxable timing differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the balance sheet method, on taxable timing difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible taxable timing differences only if it is probable that future taxable amounts will be available to utilize those taxable timing differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

e) Leases

Company as a lessee:

Assets and liabilities arising from a lease are initially measured at cost which includes present value of lease payments to be made over the tenure of lease, adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain

Notes to the financial statements for the year ended 31 March 2025

extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right to use assets:

Right-to-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or sight on which it is located, less any lease incentives received.

Right-to-use assets are amortised over the lease term on a straight-line basis. Right-to-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any re-measurement of lease liabilities.

f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Other assets are reviewed for possible reversal of the impairment at the end of each reporting period. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include 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.

h) Trade receivables

Trade receivables without significant financing components are recognised initially at transaction price.

i) Inventories

Raw materials, packing material, stores and fuel, work in progress and finished goods are stated at the lower of cost and net realisable value. The cost of raw materials and consumables are valued based on weighted average cost method and cost of packing materials, stores and fuel are determined based on first-in, first-out (FIFO) method. The costs of raw materials, consumables, packing materials, stores and fuel comprises cost of purchase, and other costs incurred to bring the asset to its intended use. The cost of work in progress and finished goods comprises raw materials, consumables, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal capacity. Cost of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from tax authorities) and transport, handling and other costs directly attributable to bringing the inventory to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling price of the related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

j) Financial assets and liabilities

i) 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.

Notes to the financial statements for the year ended 31 March 2025

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 Interest income using EIR method 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.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at Fair Value through Other Comprehensive Income (FVOCI) are not reported separately from other changes in fair value.

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 other financial assets 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 provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information. The impairment loss is based on the ageing of the receivables and allowance rates used in the provision matrix.

Notes to the financial statements for the year ended 31 March 2025

5. Derecognition

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain the control of the financial asset.

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.

ii) Financial liabilities:

1. Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

2. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

3. Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

4. 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 to the extent it is expected to be paid within normal operating cycle of the business.

5. Borrowings

Borrowings are initially Capitalized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, transferred, cancelled or expired. The difference between the carrying amount of borrowings that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other income/expenses.

k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and

Notes to the financial statements for the year ended 31 March 2025

settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. The historical cost comprises of its purchase price, non-refundable taxes & levies, freight and any other direct cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in the statement of profit and loss.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work in progress are those which are not ready for intended use and are carried at cost less impairment loss, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost less their estimated residual value on a pro-rata basis over the estimated useful life using straight line method. Estimated useful life is either as per technical evaluation or as per useful life as mentioned in schedule II of Companies Act, 2013. Estimated useful life of the assets are as under:

<u>Assets class</u>	<u>Useful life in years</u>
Buildings	10 to 30
Plant and Equipment	10 to 25*
Electrical Installations	10
Office Equipments and Computers	3 to 5
Furniture and Fixtures	10
Air conditioner	5
Vehicles	8

*For these classes of assets (Other than Lab equipments), the useful life of assets is different than the prescribed life as per Part C of Schedule II of the Companies Act, 2013. The different useful life is based on internal technical evaluation by the Company and historical usage of assets.

Depreciation methods, residual value and useful lives are reviewed at each financial year end and adjusted if appropriate.

m) Intangible Assets and amortization

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any.

Cost includes purchase price, non-refundable taxes, duties and other incidental expenses related to acquisition. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of respective intangible assets as stated below:

<u>Assets class</u>	<u>Useful life in years</u>
• Computer software	3

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

Notes to the financial statements for the year ended 31 March 2025

n) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Foreign exchange differences including exchange differences related to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs to the extent not capitalized are presented in the statement of profit and loss, within finance costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Provisions, contingent liabilities and contingent assets

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 nonoccurrence 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.

A contingent asset is a possible asset that arises from past events and whose existence 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. Contingent assets are not recognised and are disclosed only when an inflow of economic benefits is probable.

p) Employee Benefits

i) Defined contribution plans

Contributions to post employment benefit plans in the form of provident fund, employee state insurance scheme and pension scheme as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

ii) Defined benefit plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees, which is funded. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Gratuity Fund contributions are made to a trust administered by the Company which has further invested in Life Insurance Corporation. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

iii) Other employee benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Notes to the financial statements for the year ended 31 March 2025

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

iv) Short term employee benefits

Short term benefits payable within twelve months after the end of the reporting period in which the employees have rendered service are expensed in the statement of profit and loss.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chairman and Managing Director who is identified as the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing the financial performance and position of the company, and make strategic decisions.

r) 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.

s) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, or decimal thereof as per the requirement of Schedule III, unless otherwise stated.

t) Critical estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

The areas involving critical estimates are:

- Estimation of defined benefit obligation – Note 26
- Contingent liabilities – Note 42
- Estimation of useful life of tangible and intangible assets – Note 4

Estimates are continually evaluated at every reporting period end. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company.

2. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. The financial statements for the year ended March 31, 2025 were approved and authorized for issue by the Board of Directors of the Company on May 27, 2025.

NOTES TO THE FINANCIAL STATEMENTS

4 (a) Property, Plant and Equipment

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at March 31, 2024	Additions	Disposals	As at March 31, 2024	For the year	Disposals	
	As at March 31, 2024	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2025	
Freehold Land	63.10	-	-	63.10	-	-	63.10
Building	2,731.37	6.03	-	2,737.40	116.22	-	1,885.06
Plant and Equipment	19,821.01	2,035.98	52.59	21,804.40	824.75	8.54	17,420.23
Electric Installation	459.13	-	8.84	450.29	316.66	8.28	112.94
Air Conditioners	51.55	4.47	-	56.02	39.56	-	13.24
Office Equipments and Computers	123.64	19.65	-	143.29	90.13	-	35.97
Furniture and Fixtures	226.26	20.95	-	247.21	141.91	-	88.23
Vehicles	169.00	16.40	-	185.40	73.53	-	91.35
Total	23,645.06	2,103.48	61.43	25,687.11	1,027.94	16.82	19,710.12

(i) Refer to note 44 for information on Property, plant and equipment hypothecated as security by the Company.

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount
	As at March 31, 2023	Additions	Disposals	As at March 31, 2023	For the year	Disposals	
	As at March 31, 2023	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2024	
Freehold Land	63.10	-	-	63.10	-	-	63.10
Building	2,555.19	176.18	-	2,731.37	113.38	-	1,995.25
Plant and Equipment	15,579.48	4,287.48	45.95	19,821.01	695.89	3.53	16,253.05
Electric Installation	459.20	0.72	0.79	459.13	281.04	0.58	142.47
Air Conditioners	48.13	5.48	2.06	51.55	36.87	1.92	11.99
Office Equipments and Computers	125.48	8.91	10.75	123.64	84.04	9.85	33.51
Furniture and Fixtures	225.17	1.09	-	226.26	125.11	-	84.35
Vehicles	168.73	0.27	-	169.00	53.63	-	95.47
Total	19,224.48	4,480.13	59.55	23,645.06	902.72	15.88	18,679.19

(i) Refer to note 44 for information on Property, plant and equipment hypothecated as security by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in Rs. Lakhs, unless otherwise stated)

4 (b) Right to use asset

Particulars	Gross Carrying Amount			Accumulated Amortisation			Net Carrying Amount
	As at March 31, 2024	Additions	Disposals	As at March 31, 2025	For the year	Disposals	As at March 31, 2025
Right to use asset	459.40	-	-	459.40	6.46	-	402.13
Total	459.40	-	-	459.40	6.46	-	402.13

Particulars	Gross Carrying Amount			Accumulated Amortisation			Net Carrying Amount
	As at March 31, 2023	Additions	Disposals	As at March 31, 2024	For the year	Disposals	As at March 31, 2024
Right to use asset	459.40	-	-	459.40	6.46	-	408.59
Total	459.40	-	-	459.40	6.46	-	408.59

(i) Lease contracts entered by the Company pertains for land, taken on lease to conduct its business in the ordinary course.

(ii) The company does not have any lease expenses recognised in statement of profit and loss towards short-term leases, lease of low value assets and variable lease rental.

5 Capital Work in Progress

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	601.57	3,487.00
Addition during the year	2,674.09	1,578.95
Sale during the year	43.85	-
Capitalised during the year	2,060.02	4,464.38
Closing Balance	1,171.79	601.57

(All amounts in Rs. Lakhs, unless otherwise stated)

**5 (a) Capital Work in Progress Ageing Schedule
As on March 31, 2025**

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	808.26	26.75	193.44	143.34	1,171.79
Total	808.26	26.75	193.44	143.34	1,171.79

As on March 31, 2025, there are no projects whose completion is overdue to its original plan or has exceeded its cost compared to its original plan.

As on March 31, 2024

Projects in Progress	Amount in CWIP for a period of			Total
	Less than 1 Year	1-2 Years	More than 3 Years	
Projects in Progress	213.76	222.84	2.06	601.57
Total	213.76	222.84	2.06	601.57

As on March 31, 2024, there were no projects whose completion is overdue to its original plan or has exceeded its cost compared to its original plan.

6 Intangible Assets

Particulars	Gross Carrying Amount		Accumulated Amortisation			Net Carrying Amount
	As at March 31, 2024	Disposals	As at March 31, 2025	As at March 31, 2024	For the year	
Computer Software	67.24	0.26	67.50	32.54	19.02	15.94
Total	67.24	0.26	67.50	32.54	19.02	15.94

Particulars	Gross Carrying Amount		Accumulated Amortisation			Net Carrying Amount
	As at March 31, 2023	Disposals	As at March 31, 2024	As at March 31, 2023	For the year	
Computer Software	65.61	1.63	67.24	13.88	18.66	34.70
Total	65.61	1.63	67.24	13.88	18.66	34.70

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
7 Other Financial Assets		
Fixed Deposit with maturity of more than twelve months *	20.02	17.78
Security Deposits	3.52	3.19
	23.54	20.97
* Pledged with the bank for Bank Guarantees		
8 Non Current Tax Assets (Net)		
Advance Income Tax and Tax deducted at source (Net of Provision)	669.86	187.89
	669.86	187.89
9 Other Non Current Assets		
(Unsecured and Considered Good)		
Capital advances	99.30	188.54
Prepaid Expenses	6.67	-
Balances with Government Authorities	25.17	24.24
	131.14	212.78
10 Inventories		
[Refer note 1 (i) - valued at lower of cost and net realisable value]		
Raw Materials	2,318.06	2,405.48
Packing Materials	9.06	7.17
Stores and Fuel	666.01	704.91
Consumables	545.34	371.06
Work-in-progress	4,697.15	3,042.79
Finished Goods	594.98	438.75
	8,830.60	6,970.16
<u>Of the above includes Goods in transit :</u>		
Raw Materials	287.42	111.26
Stores and Fuel	1.86	0.15
Finished Goods	555.16	392.34
Refer to note 44 for information on inventories hypothecated as security by the Company.		
11 Trade Receivables		
Trade Receivables considered good - Unsecured	8,613.38	5,681.30
Trade Receivables - credit impaired	42.00	42.00
	8,655.38	5,723.30
Less: Loss Allowances	(42.00)	(42.00)
	8,613.38	5,681.30
The movement in allowance for doubtful debts is as follows:		
Balance as at beginning of the year	42.00	42.00
Balance as at the end of the year	42.00	42.00
Trade receivables are non-interest bearing and are generally on credit period of 0 - 100 days. Refer Note 39 for credit risk related disclosures.		
Refer note 44 for information on trade receivables hypothecated as security by the Company.		

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Trade Receivable ageing schedule:

As on 31 March 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	6,640.28	1,972.91	0.13	0.01	0.05	-	8,613.38
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	42.00	42.00
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	6,640.28	1,972.91	0.13	0.01	0.05	42.00	8,655.38

Trade Receivable ageing schedule:

As on 31 March 2024:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	4,704.21	976.31	0.67	0.11	-	-	5,681.30
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	42.00	42.00
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	4,704.21	976.31	0.67	0.11	-	42.00	5,723.30

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
12 Cash and cash equivalents		
Cash on Hand	0.82	0.84
	0.82	0.84
13 Bank balances other than note 12 above		
Unpaid Dividend Accounts	13.25	8.18
Unspent Corporate Social Responsibility Account	114.54	-
	127.79	8.18
14 Loans		
(Unsecured, Considered Good)		
Loans to Employees	1.28	1.42
	1.28	1.42
15 Other Current Financial Assets		
Interest Accrued but not Due	1.37	2.39
	1.37	2.39
16 Other Current Assets		
Balances with Government Authorities	350.51	376.72
Export Incentive Receivable	31.28	31.50
Advance to vendors	35.69	117.33
Prepaid Expenses	65.64	95.41
	483.12	620.96
17 Equity Share Capital		
Authorised:		
20,000,000 (March 31, 2024: 20,000,000) Equity Shares of Rs. 10 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, Subscribed and Paid-up:		
13,020,902 (March 31, 2024: 13,020,902) Equity Shares of Rs. 10 each, fully paid-up	1,302.09	1,302.09
	1,302.09	1,302.09

	As at March 31, 2025		As at March 31, 2024	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
17.1 Movement in Equity Share Capital				
Balance as at the beginning of the year	1,30,20,902	1,302.09	1,30,20,902	1,302.09
Balance as at the end of the year	1,30,20,902	1,302.09	1,30,20,902	1,302.09

17.2 Rights, preferences and restrictions attached to shares

The company has one class of equity shares having face 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.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

17.3 Details of Shareholders holding more than 5% of the total shares in the company:

	As at March 31, 2025		As at March 31, 2024	
	Nos	(%)	Nos	(%)
FIH Mauritius Investments Limited	68,78,656	52.83%	68,78,656	52.83%

17.4 Disclosures of Shareholding of Promoters - Shares held by the Promoters:

As at 31.03.2025

Promoter name	At the end of the year		At the beginning of the year		% Change during F.Y. 2024-25
	No. of Shares	% of total shares	No. of Shares	% of total shares	
FIH Mauritius Investments Limited	68,78,656	52.83%	68,78,656	52.83%	0.00%
FIH Private Investments Limited	3,24,000	2.49%	-	-	100.00%
Nahoosh Tradelink LLP	4,43,293	3.40%	4,43,293	3.40%	0.00%
Jariwala Tradelink LLP	3,21,874	2.47%	3,21,874	2.47%	0.00%
Mr. Aadarsh Utkarsh Shah and Mrs. Radhika Utkarsh Shah*	-	-	23,333	0.18%	-100.00%
Total	79,67,823	61.19%	76,67,156	58.88%	

As at 31.03.2024

Promoter name	At the end of the year		At the beginning of the year		% Change during F.Y. 2023-24
	No. of Shares	% of total shares	No. of Shares	% of total shares	
FIH Mauritius Investments Limited	68,78,656	52.83%	68,78,656	52.83%	0.00%
Nahoosh Tradelink LLP	4,43,293	3.40%	4,43,293	3.40%	0.00%
Jariwala Tradelink LLP	3,21,874	2.47%	3,21,874	2.47%	0.00%
Mr. Aadarsh Utkarsh Shah and Mrs. Radhika Utkarsh Shah*	23,333	0.18%	23,333	0.18%	0.00%
Total	76,67,156	58.88%	76,67,156	58.88%	

*Due to demise of Shri Utkarsh Shah on 22.08.2022, 23,333 equity shares held in the sole name of Shri Utkarsh Shah were transmitted in favour of Shri Aadarsh Shah (first holder) and Mrs. Radhika Shah (joint holder) on 08.09.2022 and as per SEBI Regulations, they had become the promoters of the Company. Based on the application by them, the Company had applied to both the Stock Exchanges for their re-classification to 'Public' category. The said application was approved by National Stock Exchange of India Limited vide its letter no. NSE/LIST/272 and by BSE vide its letter no. LIST/COMP/BS/272/2024-2025 both dated June 18, 2024. Accordingly, the holding of 13,700 equity shares of Mr. Aadarsh Utkarsh Shah and Radhika Utkarsh Shah as on March 31, 2025 now falls in 'Public' category and hence, not shown here

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

17.5 Shares held by holding company including shares held by subsidiaries of the holding company

	As at March 31, 2025		As at March 31, 2024	
	Nos	(%)	Nos	(%)
FIH Mauritius Investments Limited (Holding company)	68,78,656	52.83%	68,78,656	52.83%
FIH Private Investments Limited (Subsidiary of the Holding company)	3,24,000	2.49%	-	-

17.6 During last 5 years immediately preceding the reporting date, the Company has not allotted any (a) Bonus Shares or (b) shares issued for consideration other than cash. Also, the company has not bought back any class of its shares in the last 5 years immediately preceding the reporting date.

	As at March 31, 2025	As at March 31, 2024
18 <u>Other Equity</u>		
Capital Reserves	8,958.05	8,958.05
Retained Earnings	19,942.92	18,733.14
	28,900.97	27,691.19
<u>Movement of Capital Reserve</u>		
Balance as at the beginning of the year	8,958.05	8,958.05
Balance as at the end of the year	8,958.05	8,958.05
<u>Movement of Retained Earnings</u>		
Balance as at the beginning of the year	18,733.14	15,665.87
Profit for the year	2,197.43	4,050.03
Other Comprehensive Income	(11.08)	(6.19)
	20,919.49	19,709.71
Less : Dividend paid	976.57	976.57
Balance as at the end of the year	19,942.92	18,733.14
19 <u>Non-Current Provisions</u>		
Provision for Employee Benefits [Refer Note 26 (a)]		
Provision for compensated absences	250.99	218.71
	250.99	218.71
20 <u>Borrowings - Current</u>		
Secured:		
Working Capital Loan from Bank	6,303.19	731.77
	6,303.19	731.77

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Net Debt Reconciliation	
Net Debt as of March 31, 2023	(5,016.76)
Cash flow (Net)	4,284.99
Interest expense	423.57
Interest paid	(423.57)
Net Debt as of March 31, 2024	(731.77)
Cash flow (Net)	(5,571.42)
Interest expense	366.63
Interest paid	(366.63)
Net Debt as of March 31, 2025	(6,303.19)

Refer Note 44 for Assets hypothecated and / or mortgaged as security.

Working Capital Loan carries interest rate of 8.33% as on March 31, 2025 and is payable on demand.

The Company has obtained borrowing from bank on basis of Security of current assets wherein the monthly returns / statements of current assets as filed with bank are in agreement with the books of accounts.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
21 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	71.16	35.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	762.58	1,266.51
	833.74	1,302.20
Total outstanding dues of Micro and Small Enterprises (including dues of Creditors for capital goods)		
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.	75.53	42.42
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.	-	-

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Ageing Schedule as on 31 March 2025

Particulars	Outstanding for following period from due date of payment					Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	
(i) MSME	-	71.16	-	-	-	71.16
(ii) Others	160.75	600.28	1.47	-	0.08	762.58
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	160.75	671.44	1.47	-	0.08	833.74

Ageing Schedule as on 31 March 2024:

Particulars	Outstanding for following period from due date of payment					Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	
(i) MSME	-	35.69	-	-	-	35.69
(ii) Others	162.78	997.94	105.62	0.07	0.10	1,266.51
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
Total	162.78	1,033.63	105.62	0.07	0.10	1,302.20

22 Other Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Unclaimed dividend (Refer Note below)	13.25	8.18
Creditors for capital goods (*)	37.05	19.37
Liability towards Corporate Social Responsibility	114.54	-
	164.84	27.55

* Including dues to Micro and Small Enterprises for Rs. 4.37 Lakhs (March 31, 2024 : Rs. 6.73 Lakhs) - Refer Note 21.

Note: There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as at the year end.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
23 Other current liabilities		
Advances from customers (Refer Note 46)	0.02	22.88
Statutory liabilities	69.00	95.49
Employee benefits payable	348.15	307.46
	417.17	425.83
24 Current Provisions		
Provision for employee benefits [Refer Note 26 (a)]		
Provision for gratuity	53.10	42.92
Provision for compensated absences	83.79	70.09
	136.89	113.01
25 Current Tax Liabilities (Net)		
Income tax provision net of Advance Tax	-	6.16
	-	6.16

26 (a) Provision for Employee Benefits

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Compensated absences	83.79	250.99	70.09	218.71
Gratuity	53.10	-	42.92	-
Total Provision for Employee Benefits	136.89	250.99	113.01	218.71

(b) Long term employee benefit obligations

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

	As at March 31, 2025	As at March 31, 2024
Current leave obligations expected to be settled within the next 12 months	83.79	70.09

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

(c) Post employment obligations

Defined benefit plans

Gratuity

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972 and as per Company policy. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Adi Finechem Limited Employees Group Gratuity Assurance Scheme which in-turn, has taken Group Gratuity Scheme of the Life Insurance Corporation of India (LIC of India) in the form of a qualifying insurance policy. The Company contributes to the insurance fund based on estimated liability received from LIC of India.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and ESI which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue.

The expense recognised during the period towards defined contribution plan are :

	Year ended on March 31, 2025	Year ended on March 31, 2024
Employer's Contribution to Provident Fund	89.51	83.57
Employer's Contribution to Employees' State Insurance	2.73	2.93
Employer's Contribution to Employees' Pension Scheme 1995	32.25	31.39
	124.49	117.89

Balance sheet amount (Gratuity)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2023	425.43	(388.20)	37.23
Current service cost	50.50	-	50.50
Interest expense/(income)	31.10	(30.18)	0.92
Total amount recognised in statement of profit and loss	81.60	(30.18)	51.42
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	5.46	5.46
Loss from change in financial assumptions	11.65	-	11.65
Experience losses	(8.84)	-	(8.84)
Total amount recognised in other comprehensive income	2.81	5.46	8.27
Employer contributions	-	(54.00)	(54.00)
Benefit payments	(14.29)	14.29	-
As at March 31, 2024	495.55	(452.63)	42.92

NOTES TO THE FINANCIAL STATEMENTS

Balance sheet amount (Gratuity)

(All amounts in Rs. Lakhs, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2024	495.55	(452.63)	42.92
Current service cost	50.62	-	50.62
Interest expense/(income)	33.69	(32.46)	1.23
Total amount recognised in statement of profit and loss	84.31	(32.46)	51.85
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	2.16	2.16
Loss from change in financial assumptions	26.04	-	26.04
Experience losses	(13.39)	-	(13.39)
Total amount recognised in other comprehensive income	12.65	2.16	14.81
Employer contributions	-	(56.48)	(56.48)
Benefit payments	(9.58)	9.58	-
As at March 31, 2025	582.93	(529.83)	53.10

The net liability disclosed above relating to funded and unfunded plans are as follows:

	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets	(529.83)	(452.63)
Present value of funded obligations	582.93	495.55
Surplus/(Deficit) of gratuity plan	53.10	42.92

Categories of plan assets are as follows:

	As at March 31, 2025	As at March 31, 2024
Insurer managed funds	(529.83)	(452.63)
Total	(529.83)	(452.63)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.70%	7.20%
Salary growth Rate	8%	8%
Withdrawal Rate	2% at all ages	2% at all ages
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Retirement Age	60 years	60 years

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Discount Rate	0.50%	0.50%	(26.02)	(22.84)	28.20	24.77
Salary growth Rate	0.50%	0.50%	27.66	25.32	(25.77)	(23.55)
Withdrawal Rate	10.00%	10.00%	(0.67)	(0.28)	0.73	0.33

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure:

- i Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- ii Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company, there can be strain on the cash flows.
- iii Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- iv Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2026 are INR 53.10 lakhs (March 31, 2025: INR 42.92 lakhs).

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 9.37 years (March 31, 2024 – 9.86 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at March 31, 2025					
Defined benefit obligation (gratuity)	84.25	12.34	130.60	265.49	492.68
As at March 31, 2024					
Defined benefit obligation (gratuity)	57.02	30.17	100.95	250.20	438.34

	Year ended on March 31, 2025	Year ended on March 31, 2024
27 Revenue from Operations		
Sale of finished goods (Refer Note 46)	53,629.26	61,830.73
Other operating revenues		
- Sale of raw materials and consumables	-	177.13
- Scrap sales	64.44	51.85
- Export incentives	96.14	87.55
	53,789.84	62,147.26
Revenues from customer A represent Rs. 16,701.70 lakhs (March 31, 2024: Rs. 19,511.06 lakhs) which is 10 % or more of the Company's total sale of finished goods. Customer B represents Rs. 3,585.36 lakhs (March 31, 2024: Rs. 6,203.62 lakhs) which was 10 % or more of the Company's total sale of finished goods in previous year.		
28 Other Income		
Net Gain on Foreign Currency	111.85	102.03
Interest income from financial assets measured at amortised cost		
- Deposits	5.60	1.74
- Others	0.08	2.49
Compensation received (*)	10.18	-
Gain on assets sold / discarded (Net)	-	3.17
Miscellaneous income	6.16	3.96
	133.87	113.39

(*) Compensation is in respect of cancellation of contract with suppliers.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
29 <u>Cost of materials consumed</u>		
Raw Materials :		
Inventory at the beginning of the year	2,405.48	2,939.84
Add: Purchases	38,656.47	43,429.05
	41,061.95	46,368.89
Less: Inventory at the end of the year	2,318.06	2,405.48
	38,743.89	43,963.41
Consumables :		
Inventory at the beginning of the year	371.06	317.94
Add: Purchases	3,214.03	1,709.89
	3,585.09	2,027.83
Less: Inventory at the end of the year	545.34	371.06
	3,039.75	1,656.77
Packing Materials :		
Inventory at the beginning of the year	7.17	9.51
Add: Purchases	193.17	153.00
	200.34	162.51
Less: Inventory at the end of the year	9.06	7.17
	191.28	155.34
	41,974.92	45,775.52
30 <u>Changes in inventory of finished goods and work-in-progress</u>		
Opening Stock		
Finished Goods	438.75	316.14
Work-in-progress	3,042.79	3,783.69
	3,481.54	4,099.83
Closing Stock		
Finished Goods	594.98	438.75
Work-in-progress	4,697.15	3,042.79
	5,292.13	3,481.54
Total changes in inventory of finished goods and work-in-progress	(1,810.59)	618.29

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
31 <u>Employee benefits expense</u>		
Salaries, wages and bonus	2,134.78	1,985.75
Contribution to Provident Fund and other funds	124.49	117.89
Gratuity (Refer Note 26)	51.85	51.42
Staff welfare expenses	77.53	48.72
	2,388.65	2,203.78
32 <u>Finance Costs</u>		
Interest expense on financial liabilities measured at amortised cost	366.63	423.57
Interest on Income Tax	-	0.36
	366.63	423.93
33 <u>Depreciation and amortisation expense</u>		
Depreciation on property, plant and equipment	1,027.94	902.71
Amortisation of intangible assets	19.02	18.66
Amortisation of right to use assets	6.46	6.46
	1,053.42	927.83

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
34 Other Expenses		
Consumption of Stores and Spares	651.24	498.36
Power and Fuel	3,518.20	3,647.31
Laboratory expenses	20.01	27.11
Research & Development Expenses	28.62	16.26
Contract Labour Expenses	324.67	324.23
Rent, rates and taxes	41.35	41.03
Insurance	94.85	123.12
Repairs and maintenance :		
- Machinery	201.76	211.62
- Buildings	94.42	90.19
- Others	15.44	9.53
Travelling and conveyance	58.17	119.11
Advertisement expenses	12.44	24.28
Communication expenses	11.85	9.08
Directors' sitting fees	18.75	20.00
Remuneration to Auditors for:		
Statutory Audit Fees and Limited Review Fees	33.07	30.45
Out of pocket expenses	0.79	0.70
Commission on sales	10.72	17.71
Freight and forwarding	784.11	694.76
Legal and professional fees	355.59	276.76
Vehicle expenses	38.56	37.44
Loss on assets sold / discarded (Net)	4.18	-
Loss on CWIP sold / discarded (Net)	30.44	-
Corporate Social Responsibility expenditure (Refer Note 35)	138.61	138.84
Solid waste disposal charges	285.10	283.60
Miscellaneous expenses	185.70	210.20
	6,958.64	6,851.69

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
35 Expenditure towards Corporate Social Responsibility (CSR) activities		
Corporate Social Responsibility expenses for the year*	138.61	138.84
Various Head of expenses included in above:		
Measures for the benefit of armed forces veterans	5.00	5.00
Promoting health care including preventive health care	4.67	120.37
Ensuring environmental sustainability	14.40	-
Promoting education	-	13.47
Unspent amount transferred to special bank account	114.54	-
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	24.07	138.84
* As approved by CSR Committee and Board of Directors		
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the period	114.54	-
Less: Provision utilised during the period	-	-
Closing Balance	114.54	-
36 Earnings per Share (EPS)		
Basic and Diluted		
Net Profit available to Equity Shareholders	2,197.43	4,050.03
Weighted Average Number of Equity Shares	1,30,20,902	1,30,20,902
Basic and Diluted EPS (Rs.)	16.88	31.10
Nominal value of an equity share (Rs.)	10.00	10.00

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended on March 31, 2025	Year ended on March 31, 2024
37 Taxation		
<u>37 a) - Income tax expense</u>		
<u>Current tax</u>		
Current tax on profits for the year	574.14	1,256.43
(Excess) provision of income tax of earlier years (net)	(43.83)	(3.32)
Total current tax expense	530.31	1,253.11
<u>Deferred tax</u>		
Increase in deferred tax liabilities	207.09	172.29
Increase / (Decrease) in deferred tax assets	49.75	(19.99)
Deferred tax on Other Comprehensive Income	3.73	2.08
Total deferred tax expense	260.57	154.38
Income tax expense	790.88	1,407.49
37 b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates		
Profit for the year	2,977.23	5,451.33
Statutory tax rate	25.17%	25.17%
Tax expense at applicable tax rate	749.31	1,371.99
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Amount not allowable under tax	41.57	35.50
Income tax expense	790.88	1,407.49

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
37 c) Deferred tax liabilities		
The balance comprises taxable timing differences attributable to:		
<u>Deferred tax liabilities:</u>		
On Property, Plant and Equipment	1,981.38	1,774.28
Total deferred tax liabilities	1,981.38	1,774.28
<u>Deferred tax assets:</u>		
On Defined Benefit Obligations	97.62	83.04
Others	10.76	78.81
Total deferred tax assets	108.38	161.85
Net deferred tax liabilities	1,873.00	1,612.43

Movement in deferred tax balances

Particulars	As at March 31, 2023	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	As at March 31, 2024
<u>Deferred tax liabilities:</u>					
On Property, Plant and Equipment	1,601.99	172.29	-	-	1,774.28
Total deferred tax liabilities	1,601.99	172.29	-	-	1,774.28
	As at March 31, 2023	(Charged) /credited to profit and loss	(Charged) /credited to OCI	(Charged) /credited to equity	As at March 31, 2024
<u>Deferred tax assets:</u>					
On Defined Benefit Obligations	67.72	13.24	2.08	-	83.04
Others	76.21	2.60	-	-	78.81
Total deferred tax assets	143.93	15.84	2.08	-	161.85
Net deferred tax liabilities	1,458.06	156.46	(2.08)	-	1,612.43

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Movement in deferred tax balances

Particulars	As at March 31, 2024	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Charged/ (credited) to equity	As at March 31, 2025
Deferred tax liabilities:					
On Property, Plant and Equipment	1,774.28	207.10	-	-	1,981.38
Total deferred tax liabilities	1,774.28	207.10	-	-	1,981.38
	As at March 31, 2024	(Charged) /credited to profit and loss	(Charged) /credited to OCI	(Charged) /credited to equity	As at March 31, 2025
Deferred tax assets:					
On Defined Benefit Obligations	83.04	10.85	3.73	-	97.62
Others	78.81	(68.05)	-	-	10.76
Total deferred tax assets	161.85	(57.20)	3.73	-	108.38
Net deferred tax liabilities	1,612.43	264.30	(3.73)	-	1,873.00

38 Fair value measurements

Financial instruments by category

	As at March 31, 2025		As at March 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
(Measured at amortised cost)				
Other Financial Assets	23.54	23.54	20.97	20.97
Trade Receivables	8,613.38	8,613.38	5,681.30	5,681.30
Cash and cash equivalents	0.82	0.82	0.84	0.84
Bank balances other than cash and cash equivalents above	127.79	127.79	8.18	8.18
Loans to Employees	1.28	1.28	1.42	1.42
Interest Accrued but not due	1.37	1.37	2.39	2.39
Total financial assets	8,768.18	8,768.18	5,715.10	5,715.10
Financial liabilities				
(Measured at amortised cost)				
Borrowings	6,303.19	6,303.19	731.77	731.77
Trade payables	833.74	833.74	1,302.20	1,302.20
Unclaimed dividends	13.25	13.25	8.18	8.18
Liability towards Corporate Social Responsibility	114.54	114.54	-	-
Creditors for Capital Goods	37.05	37.05	19.37	19.37
Total financial liabilities	7,301.77	7,301.77	2,061.52	2,061.52

NOTES TO THE FINANCIAL STATEMENTS

Fair value hierarchy

All financial instruments have been measured at amortised cost. For all financial instruments referred above which 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 Chief Financial Officer (CFO).

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, margin money deposits, loans to employees, security deposits, trade payables, capital creditors, unclaimed dividends and other deposits are considered to be as their fair values, because their carrying amount are reasonable approximation of their fair values.

The fair values of borrowings have been calculated based on cash flows discounted using a current lending rate. They are classified as level 3 in the hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For Level 3 financial instruments, the fair value has been based on present values and the discount rates used, are adjusted for counterparty or own risk.

39 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management framework of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department provides funding and foreign exchange management services for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of treasury's activity.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Cash and cash equivalents & bank balances

The Company is also exposed to credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents. These balances (other than cash on hand) are with high credit rating banks which are governed by Reserve Bank of India. The company believes its credit risk in such bank balances is immaterial.

Security deposits and other receivables

With respect to other financial assets namely security and other deposits and other receivables, the maximum exposure to credit risk is the carrying amount of these classes of financial assets presented in the balance sheet.

Trade receivables

The Company measures the expected credit loss of trade receivables from customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends which is very negligible.

	Carrying amount	
	As at March 31, 2025	As at March 31, 2024
Neither past due nor impaired	6,640.28	4,704.21
Past due 0-90 days	1,724.93	976.26
Past due 90-180 days	247.98	0.05
Past due 180-270 days	0.08	0.14
Past due 270-360 days	0.05	0.53
More than 360 days	42.06	42.11

(B) Management of Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Material and sustained shortfall in cash flow could undermine the company's credit rating and impair investor confidence.

The company maintained a cautious funding strategy, with a positive cash generation from operating activities throughout the year ended March 31, 2025 and March 31, 2024.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Financing Arrangement

The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

	As at March 31, 2025	As at March 31, 2024
Floating rate		
Current Borrowings	5,139.50	8,455.31

Maturities of financial liabilities

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

Contractual maturities of financial liabilities As at March 31, 2025	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	20	6,303.19	6,303.19	-	6,303.19
Trade payables	21	833.74	833.74	-	833.74
Unclaimed dividends	22	13.25	13.25	-	13.25
Liability towards Corporate Social Responsibility	22	114.54	114.54	-	114.54
Creditors for Capital Goods	22	37.05	37.05	-	37.05
Total liabilities		7,301.77	7,301.77	-	7,301.77

Contractual maturities of financial liabilities As at March 31, 2024	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	20	731.77	731.77	-	731.77
Trade payables	21	1,302.20	1,302.20	-	1,302.20
Unclaimed dividends	22	8.18	8.18	-	8.18
Creditors for Capital Goods	22	19.37	19.37	-	19.37
Total liabilities		2,061.52	2,061.52	-	2,061.52

(C) Management of Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the company. Further, the financial performance and financial position of the company is exposed to foreign currency risk that arises on outstanding receivable and payable balances at a reporting year end date. Interest rate risk arises from variable rate borrowings that expose the company's financial performance, financial position and cash flows to the movement in market rates of interest.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. The Company imports capital goods and raw materials and exports finished goods. The company also pays interest, legal and professional fees and travelling and conveyance in foreign currency.

Foreign currency exposure

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	USD in Lakhs	USD in Lakhs	EURO in Lakhs	EURO in Lakhs
<u>Financial Assets</u>				
Trade Receivables	9.56	9.97	-	-
Exposure to foreign currency assets	9.56	9.97	-	-
<u>Financial Liabilities</u>				
Trade Payable	0.34	1.35	0.05	-
Exposure to foreign currency liabilities	0.34	1.35	0.05	-

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

	Impact on profit before tax		Impact on equity net of taxes	
	For the year ended March 31, 2025	For the year ended March 31, 2024	As at March 31, 2025	As at March 31, 2024
<u>USD Sensitivity</u>				
INR/USD increase by 5%*	39.45	35.93	29.52	26.89
INR/USD decrease by 5%*	(39.45)	(35.93)	(29.52)	(26.89)
<u>EURO Sensitivity</u>				
INR/EURO increase by 5%*	(0.23)	-	(0.17)	-
INR/EURO decrease by 5%*	0.23	-	0.17	-

* Holding all other variables constant

Interest rate risk

The Company is mainly exposed to interest rate risk due to its floating interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. The Company mitigates the interest rate risk for borrowing in functional currency, which is linked with 3 months T. Bill rate / MCLR, by negotiating and fixing the rate at the time of renewal of bank facility which remains effective for one year from the date of renewal.

The Company has current borrowings whose facilities are on a variable interest rate basis. Refer below table for interest rate exposure.

Interest Rate Exposure

The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2025	As at March 31, 2024
Variable Rate Borrowings	6,303.19	731.77

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

Sensitivity - Interest Rate

The sensitivity of profit or loss to higher/(lower) interest expense from borrowings as a result of change in borrowing rates is as follows:

	Impact on profit before tax		Impact on equity net of taxes	
	For the year ended March 31, 2025	For the year ended March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest Rates - increase by 0.5%*	(17.59)	(0.74)	(13.16)	(0.55)
Interest Rates - decrease by 0.5%*	17.59	0.74	13.16	0.55

* Holding all other variables constant

40. Capital management

(a) Risk 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, capital reserve, 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.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratios:

Net debts (Total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the Balance Sheet)

The gearing ratios were as follows:

	As at March 31, 2025	As at March 31, 2024
Net Debts	6,302.37	730.93
Total Equity	30,203.06	28,993.28
Net Debt to Equity Ratio	0.21	0.03

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. Refer the below note for the final dividend declared and paid.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

(b) Dividend

	For the year ended March 31, 2025	For the year ended March 31, 2024
Equity shares		
Final dividend for the year ended March 31, 2024 - Rs. 7.50 per fully paid up share (March 31, 2023 - Rs. 7.50 per fully paid up share)	976.57	976.57
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end, the directors have recommended the payment of a final dividend of Rs. 7.50 per fully paid equity share (March 31, 2024 – Rs. 7.50 per fully paid up share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	976.57	976.57

41 Related party disclosures

(a) Relationships

Fairfax Financial Holdings Limited - Ultimate Holding Company

FIH Mauritius Investments Limited, Republic of Mauritius (FMIL) - Holding Company and Promoter

Promoters or Promoter Group having joint control

Nahoosh Tradelink LLP

Jariwala Tradelink LLP

Mr. Aadarsh Utkarsh Shah and Mrs. Radhika Utkarsh Shah*

* Promoter upto June 18, 2024 - refer note no. 17.4

Related Parties with whom transactions have taken place during the year

Saurashtra Freight Private Limited (Entity under common control)

Key Management Personnel

Mr. Nahoosh Jariwala

Chairman and Managing Director

Independent Directors

Mr. Darius Pandole

Mr. Venkatraman Srinivasan

Ms. Sonal Ambani

Mr. Sudhin Choksey

Non Independent and Non-Executive Director

Mr. Sumit Maheshwari

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

The nature and volume of transactions carried out and balances with related parties are as follows:

Transactions

Name of the related party and nature of the relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
Import Clearing Charges		
Saurashtra Freight Private Limited	-	0.35
Dividend Paid		
FIH Mauritius Investments Limited, Republic of Mauritius (FMIL)	515.90	515.90
Nahoosh Tradelink LLP	33.25	33.25
Jariwala Tradelink LLP	24.14	24.14
Aadarsh Utkarsh Shah and Radhika Utkarsh Shah	-	1.75
Key Management Personnel Remuneration		
Mr. Nahoosh Jariwala *	301.85	297.47
* Includes Short Term Employee Benefits and Post Employment Benefits		
Sitting Fees paid to Independent Directors		
Mr. Darius Pandole	4.75	5.00
Mr. Venkatraman Srinivasan	4.75	5.00
Ms. Sonal Ambani	4.50	5.00
Mr. Sudhin Choksey	4.75	5.00

Balances

Name of the related party and nature of the relationship	As at March 31, 2025	As at March 31, 2024
Key Management Personnel:		
Mr. Nahoosh Jariwala (Net of Tax Deducted at Source)	36.57	44.21

Terms and Conditions

- All related party transactions entered during the year were in ordinary course of the business.
- All outstanding balances are unsecured and payable in cash.

Note: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

42 Contingent Liabilities and commitments

(a) Contingent liabilities

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt	15.00	15.00
Disputed excise and service tax liability	25.97	25.97
Disputed Value added tax and Central Sales Tax liability	1.98	1.98
Disputed Income Tax liability	27.79	27.79
Disputed GST liability	7.64	7.64
Disputed Environment Compensation Charges	-	26.66
Total	78.38	105.04

The company is contesting the demands and the management believes that its position is likely to be upheld in the appellate process. It is not practicable to estimate the timing of cash outflows, if any in respect of legal matters, pending resolution of the proceedings with the appellate authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

Amounts mentioned above are net of possible interest / penalties from the date of the contested order till the Balance Sheet date.

(b) Capital Commitments

	As at March 31, 2025	As at March 31, 2024
Estimated value of contracts (including GST) in capital account	339.28	264.49
Total	339.28	264.49

43 Events occurring after reporting period

The Company evaluated subsequent events through May 27, 2025, the date the financial statements were available for issuance, and determined that there were no additional material subsequent events requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

44 Assets hypothecated and / or mortgaged as security

The carrying amounts of assets hypothecated and / or mortgaged as security for borrowings are:

	Notes	As at March 31, 2025	As at March 31, 2024
Non-Current			
<u>Non-financial assets</u>			
Land (Freehold)	4 (a)	63.10	63.10
Building	4 (a)	1,885.06	1,995.25
Plant and Machinery	4 (a)	17,420.23	16,253.06
Total non-current assets hypothecated and / or mortgaged as security		19,368.39	18,311.41
Current			
<u>Non-financial assets</u>			
Inventories	10	8,830.60	6,970.16
<u>Financial assets</u>			
Trade receivables	11	8,613.38	5,681.30
Total current assets hypothecated as Security		17,443.98	12,651.46

Working Capital Loan from bank are secured by hypothecation by way of First and exclusive charges on all present and future current assets inclusive of all stocks and book debts, cash margin for Non Fund based facilities and Plant and Machinery. Also, collateral security by way of Equitable mortgage of the industrial property bearing Survey No. 253/P and 312 situated at village Chekhala, Sanand-Kadi Road.

45 Segment reporting

The Company is engaged in the business of manufacturing of speciality chemicals viz. Oleo Chemicals and Intermediate Nutraceuticals. Considering the nature of Company's business, as well as based on review of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable business segment in accordance with the requirements of IND AS 108 – "Operating Segments".

Thus the Segment Revenue, Segment Results, total carrying amount of Segment Assets, total carrying amount of Segment Liabilities, total cost incurred to acquire segment assets, the total amount charged for depreciation and amortisation during the period are all as reflected in the financial statements for the year ended March 31, 2025 and March 31, 2024.

Segment Assets are allocated based on the geographical location of the assets. Information regarding segment assets is as follows:

	As at March 31, 2025	As at March 31, 2024
India	39,513.02	33,243.05
Outside India	-	-
Total	39,513.02	33,243.05

For geography wise revenue, refer note no. 46 C - Disaggregation of Revenue from contract with customers.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

46 Ind AS 115 – Revenue from Contracts with Customers

(A) The Company is primarily in the Business of manufacture and sale of Speciality Oleo Chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch or delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability (Advance from Customers):

	As at March 31, 2025	As at March 31, 2024
Opening Contract liability	22.88	41.80
Less: Recognised as revenue during the year	(2,046.06)	(1,584.46)
Add: Addition to contract liability during the year	2,023.20	1,565.54
Closing Contract liability	0.02	22.88

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	For the year ended on March 31, 2025	For the year ended on March 31, 2024
Revenue from contract with customer as per Contract price	54,114.36	62,445.25
Less: Discounts and incentives	(3.89)	(23.31)
Less:- Sales Returns / Credits / Reversals	(481.21)	(591.21)
Revenue from contract with customer as per statement of profit and loss	53,629.26	61,830.73

Disaggregation of Revenue from contract with customers

	For the year ended on March 31, 2025	For the year ended on March 31, 2024
India	49,014.72	57,905.92
East Asia	-	81.30
Middle East	411.39	154.69
North America	1,622.48	3,492.63
South America	828.20	65.50
Europe	1,349.46	69.30
Southeast Asia	403.01	61.39
	53,629.26	61,830.73

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Rs. Lakhs, unless otherwise stated)

47 Ratio Analysis

No.	Ratios	Numerator	Denominator	For the year ended March 31, 2025	As at year ended March 31, 2024	% Variance	Reason for variance
1	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	5.61	6.75	-17%	
2	Current Ratio	Current Assets	Current Liabilities	2.30	5.10	-55%	Refer note below (a)
3	Debt Equity Ratio	Total Debt	Share holder's Equity	0.21	0.03	727%	Refer note below (b)
4	Net Profit Ratio (%)	Profit After Tax	Net Sales	4.10%	6.53%	-37%	Refer note below (c)
5	Return on Capital employed	Earning before interest and tax	Net Worth + Total Debt + Deferred Tax Liability	0.14	0.22	-38%	Refer note below (d)
6	Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Interest + Principal Repayments	14.00	36.24	-61%	Refer note below (e)
7	Return on Equity Ratio (%)	Total comprehensive income	Average Shareholder's Equity	7.39%	14.73%	-50%	Refer note below (f)
8	Trade Receivables Turnover Ratio (times)	Net Sales including GST	Trade Receivables	8.70	11.98	-27%	Refer note below (g)
9	Trade Payables Turnover Ratio (times)	Net Purchases + Other Expenses	Average Trade Payables	45.90	44.21	4%	
10	Net Capital Turnover Ratio (times)	Net Sales including GST	Working Capital	6.09	6.70	-9%	
11	Return on Investment (times)	Not applicable as the company does not have any Investment.					

NOTES TO THE FINANCIAL STATEMENTS

Note :

- a) The reason for decrease in Current Ratio is due to rise in Current Borrowings which is the result of higher level of inventories and trade receivables as at March 31, 2025 compared to previous year.
- (b) The reason for increase in Debt Equity Ratio is due to relatively higher rise in Current Borrowings vis-à-vis increase in equity. Since the base of last year was very low due to minimal current borrowing, the variance looks substantially higher.
- (c) The reason for fall in Net Profit Ratio is mainly due to fall in overall sales this year compared to last year.
- (d) The reason for fall in Return on Capital employed is from both the fronts. On one hand Earning before interest and tax is less and on the other hand, there is substantial rise in Total Debt.
- (e) The reason for decrease in Debt Service Coverage Ratio is mainly due to decline in Net Profit after tax this year.
- (f) The reason for decrease in Return on Equity Ratio is mainly due to substantial fall in total comprehensive income.
- (g) The reason for decrease in Trade Receivables Turnover Ratio is due to increase in receivables and decline in sale of finished goods.

48 Other Statutory information

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The Company does not have any transactions with struck off companies during the current and previous financial year.
- c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- e) The Company does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- f) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- g) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

For B S R & Co. LLP
 Chartered Accountants
 Firm's Registration No.: 101248W/W-100022

Rupen Shah
 Partner
 Membership No. 116240

Rajen N. Jhaveri
Chief Financial Officer and Company Secretary

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

Nahoosh Jariwala
Chairman and Managing Director
 DIN: 00012412

Place : Mumbai
 Date : May 27, 2025

Place : Chekhala, Taluka Sanand, Dist. AHMEDABAD
 Date : May 27, 2025



FAIRCHEM
A FAIRFAX COMPANY



FAIRCHEM
A FAIRFAX COMPANY

FAIRCHEM ORGANICS LIMITED

Registered Office & Works :

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