



FAIRCHEM ORGANICS LIMITED

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August 13, 2024

**To,
National Stock Exchange of India
Limited**

Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

**To,
Department of Corporate Services
BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Ourselfs: BSE Scrip Code: 543252/NSE symbol: 'FAIRCHEMOR'

Dear Sirs,

**Ref: - Regulation 30 read with Schedule III – Part A, Para A – Clause 15(b)(ii) of
SEBI (LODR) Regulations, 2015**

**Sub: - Submission of Transcript of audio recording of Earnings concall on financial
results for 1st Quarter Ended June 30, 2024**

In furtherance to our letter dated August 10, 2024, we hereby submit, pursuant to Regulation 30 read with Schedule III, Part A, Para A Clause 15(b)(ii) of the SEBI (LODR) Regulations, 2015, a PDF file containing a transcript of audio recording of Earnings concall held on Friday, August 9, 2024 for the Unaudited Financial Results of the 1st Quarter ended on June 30, 2024.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

For Fairchem Organics Limited

Rajen Jhaveri
Chief Financial Officer & Company Secretary
ACS - 6615

Encl: As above

Fairchem Organics Limited
Q1 Financial Year 2025 Earnings Conference Call
August 09, 2024

Moderator: Good day and welcome to the Q1 FY '25 Conference Call of Fairchem Organics Limited.

As a reminder, all participant clients will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please sign an operator by pressing “*”, then “0” on your touchtone phone.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain: Good afternoon, everyone. And a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Fairchem Organics Limited. On behalf of the Company, I would like to thank you all for participating in the Company's Earnings Call for the 1st Quarter of the Financial Year 2025.

Before we begin, a quick cautionary statement. Some of the statements made in today's con-call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on Management's belief as well as assumptions made by and information currently available to the Management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the Company's Fundamental Business and Financial Quarter under review.

I would like to now introduce you to the Management participating with us in today's Earnings Call, and hand it over to them for their “Opening Remarks”. We have with us Mr. Nahoosh Jariwala – MD and Chairman; and Mr. Rajen Jhaveri – CFO.

I now request Mr. Rajen Jhaveri to start with his opening remarks on the financial highlights. Thank you and over to you, sir.

Rajen Jhaveri: Thank you, Ms. Purvangi. And good afternoon, everyone, and welcome to our Earnings Call for the 1st Quarter of Financial Year 2025.

Let me first start off by giving you some of the key financial highlights, after which our Chairman and MD, Shri. Nahoosh Jariwala will give you some of the operational highlights.

For the 1st Quarter under review, the revenue from operations stood at around Rs. 165 crores, which grew by around 3% year-on-year. EBITDA for the quarter grew by 86% on a year-on-year basis to around Rs. 22 crores, with EBITDA margins reported at 13.22%. And we reported a net profit after tax of approximately Rs. 14 crores for the quarter, which was an increase of around 128% on a year-on-year basis.

Now I request our Chairman and MD – Shri Nahoosh bhai, to brief you on the “Operational Highlights” for the period under review.

Nahoosh Jariwala: Good afternoon, everyone, and welcome to this Earnings Con-Call.

In the year 2025 Q1, we witnessed a significant improvement in our EBITDA margins due to the recognition of revenue coming from the Isostearic acid business during the quarter. And coupled with the fact that during the previous quarter, the profitability got impacted due to some startup losses associated with the development of Isostearic business.

We continue to be optimistic about our high value Isostearic business and in Q1 we have successfully made several full container load export shipments to Europe and US. And we have also received additional orders for exporting Isostearic acids to other locations, both for existing and new customers. We are actively taking further steps to get necessary approvals from several new customers and are hopeful of receiving favorable response.

I would like to dwell upon one thing that the stability test for Isostearic acid, it's pretty long time. So, once we send samples to a customer, it would take minimum three to six months for the sample to get final approval, followed by the trial order and followed by then the full container load orders.

With that, I would like to open the floor for a question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nirag J. Shah from Exemplar Investment. Please go ahead.

Nirag Shah: What has been the contribution of linoleic acid to total revenues as well as that of dimer acid in Q1?

Rajen Jhaveri: Linoleic acid contributed approximately 45% in terms of value, and Dimer acid contributed close to 22% in terms of value.

Nirag Shah: What is the total sales volume for this quarter? And what was it last year same quarter?

Rajen Jhaveri: Total sales for this quarter vis-à-vis last quarter, sales performance for Q1 FY '25 was 16,728 MT and on a year-on-year basis it was 16,314 MT, and immediate preceding quarter it was 17,584 MT.

Nirag Shah: And regarding Isostearic acid, has the product stabilized right now or in Q1 too, we have incurred further stabilization cost, just like last quarter?

Nahoosh Jariwala: Already, as I said already, we have started exporting full container loads of this material.

Nirag Shah: So Q1 does not include any stabilization cost like last quarter, right?

Rajen Jhaveri: No. You are referring to startup losses we had incurred in the previous quarter; it was not there this quarter.

Nirag Shah: Are we on track to achieve full capacity utilization with regards to Isostearic, which comes to around 500 metric tonne per quarter by December '24?

Nahoosh Jariwala: Yes, as I explained, typically the stability test at customers' end takes four to six months. So, I mean, the material is under analysis with around 15 to 20 new customers. So, I mean, we are absolutely hopeful that by end of this year we should get all the approvals. Because our quality is on par with anything whatever is available in the world.

Nirag Shah: And lastly, any update on the timeline for launch of new products from new raw material? Are we on track to launch by Q4 '25 or is there any anticipated further delay?

Nahoosh Jariwala: No, we are still working at the pilot plant level.

Nirag Shah: So, approximate any timeline, by when can we expect?

Nahoosh Jariwala: Like Isostearic acid, it's a novel product, no one is making in India and there are hardly two or three companies making it in world. And it's not an easy thing for me to say the timeline. But we are working on it and we hope to, once we are sure with our pilot plant runs, we will inform you during the con-calls.

Rajen Jhaveri: Generally, we are focusing more on Isostearic acids because it promises a lot.

Moderator: Thank you. As there are no further questions, I now hand the conference over to management from Fairchem Organics Limited for closing comments.

Rajen Jhaveri: We thank everyone for taking up the time to participate in this call and for their interest in Fairchem. I hope we have been able to answer your queries. In case of any other queries, please reach out to us or our Investor Relations advisors, M/s Valorem Advisors Mumbai. Thank you everyone for joining us.

Nahoosh Jariwala: Thanks a lot. Thank you, everyone.

Moderator: On behalf of Fairchem Organics Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.