



# FAIRCHEM ORGANICS LIMITED

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June 3, 2025

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) of SEBI  
(LODR) Regulations, 2015**

**Sub: - Submission of Transcript of audio recording of Earnings concall on Audited  
Financial Results for Quarter and Year Ended March 31, 2024**

In furtherance to our letter dated May 26, 2025, we hereby submit, pursuant to Regulation 30 read with Schedule III, Part A, Para A Clause 15(b) of the SEBI (LODR) Regulations, 2015, a PDF file containing a transcript of audio recording of Earnings concall held on Friday, May 30, 2025 for the Audited Financial Results for Quarter and Year Ended March 31, 2025.

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**  
**Q4 FY'25 Earnings Conference Call**  
**May 30, 2025**

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**Moderator:** Ladies and gentlemen, good day and welcome to Q4 and FY'25 Conference Call of Fairchem Organics Limited.

As a reminder, all participant lines 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 signal an operator by pressing “\*”, then “0” on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, sir.

**Anuj Sonpal:** Thank you. Good afternoon, everyone, and a very warm welcome to you all. My name is Anuj Sonpal 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 4th Quarter and financial year ending 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 beliefs 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 decisions. 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.

Now, I would like to introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Nahoosh Jariwala – Managing Director and Chairman; and Mr. Rajen Jhaveri – Chief Financial Officer.

Without any further delay, I would request Mr. Rajen Jhaveri to start with his opening remarks. Thank you and over to you sir.

**Rajen Jhaveri:**

Thank you, Anujbhai, and good afternoon, everyone. Welcome to our earnings call for the 4th Quarter and financial year ended 31st March 2025. Let me first start off by giving you some of the key financial highlights, after which our CMD, Shri Nahooshbhai Jariwala, will give you some of the operational highlights. For the 4th Quarter under review, the revenue from operations stood at INR 121 crores, which increased by 6.3% on immediately preceding quarter and decreased 25% year-on-year. EBITDA for the quarter was around INR 4 crores with EBITDA margins at 3.64%, and we reported a net profit after tax of approximately INR 60 lakhs. For the full financial year ended 2025, the revenue from operations stood at INR 538 crores, EBITDA was around INR 43 crores with EBITDA margins at 7.96% and we reported a net profit after tax of approximately INR 22 crores with a profit margin of 4.09%.

I now request our CMD, Shri Nahooshbhai Jariwala, to brief you on the operational highlights for the period under review.

**Nahoosh Jariwala:**

Good afternoon, everyone. As many of you are aware, the Indian specialty chemical sector is facing a particularly challenging environment. This is not only due to the domestic cost pressures, but also due to the increasing global volatility. Geopolitical shifts have compounded the industry's challenges. The potential imposition of U.S. custom trade tariffs on selected chemical imports, the continuous realignment of the global supply chain post China Plus One strategy and shifting economic alliances across the regions like Europe, Southeast Asia have disrupted traditional trade flows, created logistic bottlenecks and introduced a new level of uncertainty in cross-border business planning.

In this complex scenario, I am pleased to report that we have demonstrated solid operational resilience whereby we have been able to increase our volumes in the Q4 by greater than 11% and value growth we have achieved of greater than 6% on a quarter-to-quarter basis. However, the biggest concern is EBITDA margins, which have declined mainly due to the relatively higher raw material cost as a percentage of sales. A key challenge since last 2 quarters is the 22% additional custom duty imposed on the key raw material used for manufacturing of our prime product dimer fatty acid, which came into effect on September 14, 2024. As anticipated, this has resulted in sharp cost escalation. Unfortunately, the cost burden could not be passed on to customers due to pricing pressure from Chinese competitors who are not subjected to similar additional custom duties at their end.

On a positive note, I would like to say that we have started working on energy saving, yields improvement and at the same time, we have started working on a new raw material, which can help us mitigate this additional custom duty cost and reduce our raw material cost, which will help us in improving our EBITDA margins. We remain optimistic about our high-value, value-added product, Isostearic acid. We anticipate a staggered increase in export volumes with the initial pickup expected in the first half of 25-26, followed by further scale up in second half. In parallel activity,

we are actively pursuing regulatory clearances and customer approvals across several international markets. Based on the current momentum, we are confident of achieving higher capacity utilization by end of this year. As the global landscape evolves, Indian specialty chemical companies are increasingly seen as reliable, agile partners in diversified supply chains. With a forecasted industry CAGR of over 12% and growing demand in sectors like cosmetics, home care, industrial additives, we remain well positioned to tap in both international and export opportunities. Going forward, we will continue to focus on value-added product expansion, optimization of operations and building enduring relationship across the global world.

With that, I open the floor for a question-answer session.

**Moderator:** Thank you. The first question is from the line of Shivam Parekh from Value Wise Wealth Management. Please go ahead.

**Shivam Parekh:** So my first question was, can you provide us update with respect to the representation made to the government for increased custom duty on one of our raw material? So, can we expect the same to go back to historical levels? And second question was the paint industry really under significant pressure from the demand side, and we have huge contribution in revenue from the same sector. So could you throw some light based on your experience on when the demand can come back?

**Nahoosh Jariwala:** As regards the paint sector, we are till date fairly comfortable as regards our sales to all the top paint industry players because the product what we are manufacturing is one of a kind, and we are not seeing any major downside in demand in that particular product stream major. But a little bit of downside is there that I won't disagree with you. But it is there. I mean but no major downside is there. The way things are going on I don't think we should be bullish for the paint industry because this quarter is going to be the monsoon period. And typically, during monsoon period, paint activity is always on the lower side. So probably we can expect things to revive back in October-December quarter for the paint industry per se. Otherwise, we will be able to sell currently like if you really look at it, there has been a drop in our supplies to paint industry, but it is not significant. It is not a significant drop. How much drop is there, Jhaveri?

**Rajen Jhaveri:** We could sell approximately 5,500 tons in the January-March quarter compared to 4,674. So for the quarter per se, it is a high. But compared to the earlier 2 quarters, it is showing a fall.

**Nahoosh Jariwala:** A little bit fall. So minor difference is there. It is not a big of a problem for us. As regards the representation made to the government of India, you have to remember one thing that we are the only manufacturer of dimer fatty acid in the country. And typically, if there are a number of manufacturers and if there is an association, like for example, Cement Manufacturers Association or Steel Manufacturers Association, if they do the representation, the government would take it

more seriously. Being the only player in India, it is really tough. We are trying our best, but I cannot say when it will happen.

**Rajen Jhaveri:** In terms of value also compared to the overall value of cement or overall value of steel, all manufacturers put together. And we, as an isolated manufacturer with the kind of value. See, when government imposed this particular duty, they would have seen a larger interest of farmer community prima facie as it appears. So, it is highly unlikely that our sole request may receive substantial attention from the government.

**Shivam Parekh:** Okay. But sir, they are causing loss to an Indian company and providing support to Chinese manufacturers. So what may be the rationale for the same?

**Nahoosh Jariwala:** There is no rationale.

**Nahoosh Jariwala:** I think there must be a number of companies like us who must be facing the same situation for their products.

**Shivam Parekh:** Okay. And sir, with regard to the paint, I had a follow-up question. Like can we expect a reversion to happen in the paint industry with respect to the peak volumes that we had achieved like in 2022? So when can we expect the peak demand from the paint industry to get back again?

**Nahoosh Jariwala:** The real estate sector has to pick up. I mean, otherwise, from our side, what we can say is we are supplying to practically all the big players, and there is no competition to us. So beyond that for us to say anything would be tough.

**Shivam Parekh:** Okay. So sir, can we expect in the next 2-3 years, our peak demand volumes should come back?

**Rajen Jhaveri:** See, ultimately, see, you have to understand one thing that we are supplying to paint sector and paint sector ultimately is supplying to the end consumer. So it will be very difficult to predict what will happen in the next 2-3 years as far as paint demand from paint sector for our product is concerned.

**Shivam Parekh:** Okay. Got it, sir. And sir, could you also provide update with regard to our new product, Isostearic acid?

**Rajen Jhaveri:** Isostearic acid is gradually picking up. It will take further 6 months. In the first half of this financial year, it would pick up compared to the previous 6 months. And again, in the second half of this current financial year, it will further pick up.

**Shivam Parekh:** Okay. So have we seen increased volumes with respect to the last financial year?

- Rajen Jhaveri:** Yes. Compared to last financial year, there is an increase, yes.
- Moderator:** Thank you. The next question is from the line of Ritesh Poladia from Girik Capital. Please go ahead.
- Ritesh Poladia:** Sir, again, coming back on Isostearic acid. Sir, if you could give us some indication whether will we reach the optimum utilization in the current year or will take some time?
- Nahoosh Jariwala:** By next year, we should reach the optimum utilization.
- Ritesh Poladia:** By the next year?
- Nahoosh Jariwala:** Yes. Basically, it goes in making cosmetics, whereby the trials and approvals take pretty long time. That's the basic reason. So on the positive side, you can say that, yes, the entry barriers are also tough. But once you break-in into the market, your exit also becomes very tough because the other person would also have to do that much of long trials. And only thing is that there are just 4 players in the world. So everyone is excited to have a new player like us. And so we are getting a positive response on practically all the major buyers, but it is taking its own time, nothing else.
- Ritesh Poladia:** If you can give us some idea how many customer approvals have been received and how much...
- Nahoosh Jariwala:** Around 16 approvals we have got.
- Ritesh Poladia:** You already got 16 approvals. So this trial orders of the 16 can happen in this year?
- Nahoosh Jariwala:** No, no, quite a few commercial orders have also started going, quite a few.
- Ritesh Poladia:** And in regard on your product parameter on Isostearic acid....
- Nahoosh Jariwala:** It's on par with the world player. Absolutely on par with the world players.
- Ritesh Poladia:** Sure. And sir, last time you had talked about the new products, if you can give some status...
- Nahoosh Jariwala:** Work is going on. We have ordered equipments whereby small quantity plant will be first in first stage, will be commissioned. We have ordered the equipment, which will take 6 months to come. because all these are specialty equipments. And so it will take around 6 months for us to receive the equipment and then before end of December, we should have all the equipment and we start trials in January, March period.
- Ritesh Poladia:** So nothing can be commercially approved in this year. It will happen in FY'25.

- Nahoosh Jariwala:** No. That also will take long because again, in that also, in India, we are going to be first. In Europe, there are just 2 players. And in China, there are 1 or 2 players. So I mean, it's again a product because commodity products, you cannot sustain for long.
- Ritesh Poladia:** So you also spoke on dimer acid that you are working on the new raw material. So it is a domestic source or it's altogether new raw material just...
- Nahoosh Jariwala:** It isn't. It is not altogether, but it is one of the byproducts of one of the vegetable oils. So we are working on it, whereby we will be able to bring down our cost, nothing else.
- Ritesh Poladia:** And sir finally, sometime back you had given a guidance. So is there any proposal to revise the guidance or you are still...
- Nahoosh Jariwala:** No, not yet. We think maybe in Q2 concall when there is there, we might.
- Rajen Jhaveri:** No, our company never gives guidance. We never give guidance of the future.
- Ritesh Poladia:** Sir, in the February corporate presentation, you had put up the guidance slide...
- Rajen Jhaveri:** No. you again go through the presentation. Whatever internally we have shared with the promoters, that only was placed there. We are not giving any guidance in any of the concalls. That is what I am trying to tell you.
- Ritesh Poladia:** Yes. So can we update that slide and put up again?
- Rajen Jhaveri:** No, no, these are historical things. What is to be updated in that. We have not prepared any updated figures, those presentations again, those projections again. So nothing is to be updated.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments.
- Madhur Rathi:** I am relatively new to the company. Sir, I am trying to understand this Isostearic acid, sir, what would be the global demand-supply dynamics of this product? And sir, what kind of margins are we making currently on this product?
- Rajen Jhaveri:** This is a value-added product. From one of the finished products, which we have been selling since last 20 years, we are upgrading that product. And while upgrading that product also, we are going to get a few co-products also. It is a high-value product. And as Shri Nahooshbhai earlier said, there are only 4 players in the world. We are the fifth player. And whatever capacity we have put up, we anticipate that we will not have any difficulty once the required approvals come in next whatever period, once those approvals from everyone comes, we will not find any difficulty in selling whatever capacity we have.

- Madhur Rathi:** Sir, I am trying to understand like if we will operate at optimum utilization in FY '26, I'm trying to understand how this product will shape up over the next 3, 4, 5 years. So for that aspect, I am trying to understand the demand-supply dynamics. Is there a current supply shortage? Or how is the demand supply growing at as you said?
- Rajen Jhaveri:** As per our understanding, currently, there is a shortage of supply vis-a-vis demand because this is a biodegradable product and that is the demand in developed countries. So there is a supply shortage. That is what we understand. And as far as our utilization is concerned, I already told you that once the approvals are in place by the end of this current financial year or whatever, and thereafter, we will not find it difficult to reach utilization in the subsequent financial year.
- Madhur Rathi:** Got it. Sir, any plans to further increase this capacity? And sir, how is the cost of production for this product versus the other 4 players currently?
- Rajen Jhaveri:** See, as I said earlier, it is a value-added product from one of the finished products which we are selling since last 20 years. So that is the raw material for this. So if we want to further increase the production of Isostearic acid, we will need the higher production of that particular raw material, monobasic acid. And if we want more of monobasic acid, there is a corresponding more dimer acid production. And for dimer acid production, just now we discussed that government came out with a duty in September '24, which has increased the price of the raw material, which is used for making the dimer acid. So we cannot absorb more pressure of higher quantity of dimer sale unless this duty is reversed. So entire thing is linked to one another.
- Madhur Rathi:** Got it. So until and unless the government custom duties don't favor us, it will be difficult.
- Rajen Jhaveri:** And we have enough time also on hand. See, we are expecting all the approvals by FY '26. And then '26, '27, we will be operating, optimizing our utilization of this. By that time, government will come up with something.
- Madhur Rathi:** Got it. Sir, do we have an idea about the cost of production. So although I understand that it is a raw material for the dimer and all these raw material, current product, so on the cost of production do you have any idea?
- Rajen Jhaveri:** Cost of production for this particular Isostearic acid would be, what is the alternative selling price of monobasic acid that is the raw material. And it is a high-value product. And as I said earlier, while making Isostearic acid, we are getting several co-products also, which also have a realizable value. So there is an entire bunch of things.
- Madhur Rathi:** Got it. Sir, is it currently at a breakeven or a positive EBITDA margin currently is the margin profile currently for this product?



- Rajen Jhaveri:** See, this is all a part of a business secret. And in this concall, subsequently placed on the stock exchanges of BSE, NSE and then everybody has a look at it. In the interest of our 30,000 shareholders only, it will be better if we refrain from answering certain questions in the interest of our 30,000 shareholders.
- Moderator:** Thank you. The next question is from the line of from the line of Shivam Parekh from Value Wise Wealth Management. Please go ahead.
- Shivam Parekh:** Sir, my another follow-up question was like to one of the previous participants, the new plant which we are working on currently. So is it for Isostearic acid? Or is it for a completely new product that we are working on?
- Rajen Jhaveri:** No. We are already selling Isostearic acid since last more than a year. So new plant is not for isostearic acid.
- Shivam Parekh:** Okay. So it is a completely new product?
- Rajen Jhaveri:** Completely new product. New set of products, but overall falling within this family of oils only.
- Shivam Parekh:** Okay. Got it, sir. And sir, any plans that we have decided for with regards to the production capacity with respect to the new plant that will be picking up.
- Rajen Jhaveri:** I think in one of our previous con calls or in our presentation, we have already stated that out of our installed capacity of 120,000 metric tons per annum in terms of throughput of raw material, we have already earmarked 1/3<sup>rd</sup>, that is 40,000 tons of capacity for this new product.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management of Fairchem Organics Limited for closing comments.
- Rajen Jhaveri:** Thank you all for participating in this earnings conference call. I hope we have been able to answer your questions satisfactorily. If you still have any further questions or would like to know more about the company, please reach out to our IR managers, Valorem Advisors, who are based in Mumbai. We now hand over to Shri Anuj Sonpal, Founder and Promoter of Valorem Advisors.
- Moderator:** Thank you. On behalf of Valorem Advisors Limited, thank you for joining us, and you may now disconnect your lines.