



FAIRCHEM SPECIALITY LIMITED

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

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

Phone : (079) 29701675, 7818824096 E-mail : info@fairchem.in
CIN : L15140MH1985PLC286828 Website : www.fairchem.in

Date : 11th May, 2017

To,

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block

Bandra-kurla Complex, Bandra (E)

MUMBAI – 400 051.

To,

Department of Corporate Services,

BSE Limited,

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai - 400 001.

Ref : BSE Code: 530117 & NSE Symbol: 'FAIRCHEM'

Sirs,

Sub: Regulation 30 - Outcome of Board of Directors' Meeting held on 11-05-2017

Kindly note that as per Regulation 30 (schedule III Part –A (4)) of SEBI (LODR) Regulations, 2015 at the meeting of the Board of Directors of the Company which was held on 11.05.2017 at Ahmedabad, the following were the main outcome of the meeting:

1. Taking on record standalone and consolidated Unaudited / Audited Financial results for Quarter / Financial year ended March 31, 2017.
2. Declaration by Company Secretary regarding unmodified opinion on Audited Financial Results by the Auditors.
3. Recommend Dividend @ 10 % i.e., Re. 1.00 per equity share (on par value of Rs. 10/-), subject to approval of the shareholders in the ensuing AGM.
4. Resignation of Shri Bimal Parikh, as Director
5. Resignation of Shri Hemant Shah, as Director
6. Appointment of Shri Mahesh Babani, as Additional Director –Promoter Category and designating him as Managing Director, without remuneration, subject to approval of members at the ensuing A.G.M.
7. Appointment of Shri D. B. Rao, as additional Director – Promoter Category.
8. Resignation of Shri Jayesh Shah, as an Independent Director and appointment of Shri P.R. Barpande, as an independent Director, towards filling in the casual vacancy so created.

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9. Resignation of Shri Kalpesh Patel, as an Independent Director and appointment of Shri Rajesh Budhrani, as an independent Director, towards filling in the casual vacancy so created.
10. Resignation of Mrs. Sonal Ambani, as an Independent woman Director and appointment of Mrs. Radhika Pereira, as an independent woman Director, towards filling in the casual vacancy so created.
11. Resignation of Shri Ganpatraj Chowdhary, as an Independent Director and appointment of Shri Hemang Gandhi, as an independent Director, towards filling in the casual vacancy so created.
12. Resignation of Shri Bhavin Shah, as an Independent Director.
13. Resignation of Shri Nitin Patel, as an Independent Director.
14. Revision of Articles of Association, subject to approval of the shareholders in the ensuing AGM.

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

Thanking you,

Yours faithfully,

For Fairchem Speciality Limited (Formerly known as Adi Finechem Limited),



(Rajen Jhaveri)

Chief Financial Officer & Company Secretary



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STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FOR QUARTER & AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017
 (Rs. In Lakhs)

Particulars	Standalone				Consolidated	
	Quarter ended		Year ended		Year ended	
	31-Mar-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-16 (Unaudited)	31-Mar-17 (Audited)	31-Mar-16 (Audited)	31-Mar-17 (Audited)
I Income						
Revenue from Operations (Gross)	5,967.07	4,747.07	4,517.01	20,403.88	16,669.50	63,633.13
Less : Excise duty	533.85	397.59	374.44	1,847.11	1,497.42	3,889.57
Revenue from Operations (Net)	5,433.22	4,349.48	4,142.57	18,556.77	15,172.08	59,743.56
Other Income	(1.35)	0.36	54.71	9.34	82.00	986.46
Total Revenue (I + II)	5,431.87	4,349.84	4,197.28	18,566.11	15,254.08	60,730.02
IV Expenses						
Cost of Material Consumed	3,497.54	2,915.42	2,580.25	12,457.24	10,021.80	39,785.72
Changes in Inventory of Finished Goods and Work in Progress	130.99	(99.42)	(125.73)	(78.16)	(71.11)	(678.04)
Employee benefits expenses	346.97	277.88	172.07	1,161.12	773.09	4,007.73
Finance Costs	167.10	127.24	97.40	480.22	392.09	2,030.75
Depreciation	103.26	95.97	77.40	422.09	299.43	2,670.77
Other expenses	983.38	599.00	633.36	2,721.22	2,183.42	9,537.65
Total Expenses	5,229.24	3,916.09	3,434.75	17,163.73	13,598.72	57,354.58
Profit Before Exceptional and Extraordinary Items and Tax (III - IV)	202.63	433.75	762.53	1,402.38	1,655.36	3,375.44
VI Exceptional Items	-	-	-	-	-	-
VII Profit Before Extraordinary Items and Tax (V - VI)	202.63	433.75	762.53	1,402.38	1,655.36	3,375.44
VIII Extraordinary Items	-	-	-	-	-	-
IX Profit Before Tax (VII - VIII)	202.63	433.75	762.53	1,402.38	1,655.36	3,375.44
X Tax Expense	24.71	118.46	209.34	353.12	436.60	1,180.78
Current Tax	-	7.06	1.08	7.06	(5.83)	7.06
(Excess) / Short Provision of Income Tax of earlier years (Net)	114.39	30.95	52.38	196.19	164.66	51.43
Deferred Tax	63.53	277.28	499.73	846.01	1,059.93	2,136.17
Share of Profit/(Loss) from Associates	-	-	-	-	-	-
Share of Profit/(Loss) of Minority	-	-	-	-	-	-
XI Profit (Loss) for the period after tax (IX - X)	63.53	277.28	499.73	846.01	1,059.93	2,136.17
XII Profit (Loss) for the period after Minority Interest	63.53	277.28	499.73	846.01	1,059.93	2,136.17
XIII Paid Up Equity Share Capital (Face value Rs. 10/- each)	3,760.98	1,379.40	1,379.40	3,760.98	1,379.40	3,760.98
XIV Reserves Excluding revaluation reserve				3,265.26	4,946.13	39,895.07
XV Earnings Per Share (Face value Rs. 10/- each)						
Basic	0.28	1.22	3.62	3.72	7.68	9.39
Diluted	0.26	1.15	3.62	3.49	7.68	8.82

FOR FAIRCHEM SPECIALITY LIMITED FOR FAIRCHEM SPECIALITY LIMITED

M

MAHESH PARSANE
 MANAGING DIRECTOR

NAHOOSH JARIWALA
 MANAGING DIRECTOR

Notes :

- 1 The above financial results as reviewed by Audit Committee were taken on record by the Board of Directors at their meeting held on May 11, 2017.
- 2 The Board of Directors has recommended dividend on equity shares @ Rs. 1.00 per share i.e. 10 % for the year ended March 31, 2017
- 3 During the current quarter, the company has received the order from Hon'ble National Company Law Tribunal, Mumbai Bench approving the Scheme of Arrangement between Privi Organics Limited and Fairchem Speciality Limited and Privi Organics India Limited. The Company has allotted 12,634,353 Equity Shares of Rs. 10 each and 12,634,353 Compulsorily Convertible Preference Shares of Rs. 10 each to the shareholders of Privi Organics Limited on March 14, 2017 in pursuance of the scheme.
- 4 Computation of Basic and Diluted Earning Per Share for the Quarter ended March 31, 2017, December 31, 2016 and Financial Year ended March 31, 2017 have been computed / restated by applying weightage of 12,634,353 Equity Shares of Rs. 10 each from the effective date of August 1, 2016 as stated in the scheme of arrangement and 11,181,404 Equity Shares of Rs. 10 each w.e.f. March 14, 2017 being the date of conversion of Compulsorily Convertible Preference Shares into Equity Shares.
- 5 This is the first year that the Company has to prepare consolidated financial statements for the financial year 2016-2017. While preparing the consolidated financial statements for the first time, comparative figures for the previous period are not presented as there were no subsidiaries in the previous year.
- 6 The Company is engaged in the business of manufacturing of speciality chemicals which includes Oleo Chemicals, Intermediate Neutraceuticals and Aromatic Chemicals. Since the Company's (standalone and consolidated) business falls within a single business segment of Speciality Chemicals, Disclosures under Accounting Standard (AS) 17 - Segment Reporting are not reported
- 7 The figures of the quarter ended March 31, 2017 are the balancing figures between audited figures in respect of the full period of twelve months ending as at March 31, 2017 and the unaudited published year to date figures up to December 31, 2016, being the date of the end of the third quarter of the financial year.
- 8 Previous period figures have been regrouped, wherever necessary, to make them comparable with the figures of current period.
- 9 The full format of the Quarterly / Yearly Financial Results are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on Company's website www.fairchem.in

Place: Ahmedabad
Date: May 11, 2017

By Order of the Board

Nahoosh Jariwala
Managing Director

FOR FAIRCHEM SPECIALITY LIMITED

FOR FAIRCHEM SPECIALITY LIMITED



MAHESH DASANE
MANAGING DIRECTOR



NAHOOSH JARIWALA
MANAGING DIRECTOR



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STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	(Rs. In Lakhs)		
	STANDALONE		CONSOLIDATED
	As at	As at	As at
	31-Mar-17 (Audited)	31-Mar-16 (Audited)	31-Mar-17 (Audited)
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3,906.27	1,379.40	3,906.27
(b) Reserves and Surplus	3,265.26	4,946.13	39,895.07
Sub-total - Shareholders' funds	7,171.53	6,325.53	43,801.34
2 Non - Current Liabilities			
(a) Long Term Borrowings	1,886.97	1,152.27	6,636.05
(b) Deferred Tax Liabilities (Net)	968.49	772.31	1,924.62
(c) Other Long Term Liabilities	-	-	0.25
(d) Long Term Provisions	65.82	32.20	741.37
Sub-total - Non-current liabilities	2,921.28	1,956.78	9,302.29
3 Current Liabilities			
(a) Short Term Borrowings	3,152.67	1,699.77	18,898.52
(b) Trade Payables	568.24	281.63	13,053.84
(c) Other Current Liabilities	1,536.61	762.13	7,832.67
(d) Short Term Provisions	27.79	421.26	72.72
Sub-total - Current liabilities	5,285.31	3,164.79	39,857.75
TOTAL - EQUITY AND LIABILITIES	15,378.12	11,447.10	92,961.38
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9,350.87	7,340.92	38,650.17
(ii) Intangible Assets	-	-	123.76
(iii) Capital Work-in-Progress	320.68	526.39	2,168.76
(iv) Intangible Assets Under Development	-	-	220.14
(b) Goodwill on consolidation	-	-	144.60
(c) Non Current Investments	1.00	-	5.76
(d) Deferred tax assets (net)	-	-	-
(e) Long Term Loans and Advances	219.88	141.79	2,571.06
(f) Other Non Current Assets	9.77	9.03	641.05
Sub-total - Non-current assets	9,902.20	8,018.13	44,525.30
2 Current Assets			
(a) Current Investments	-	-	15.01
(b) Inventories	2,315.16	1,341.61	24,614.49
(c) Trade Receivables	2,539.36	1,722.66	17,388.94
(d) Cash and Bank Balances	47.29	15.12	3,070.70
(e) Short Term Loans and Advances	375.64	254.37	2,414.69
(f) Other Current Assets	198.47	95.21	932.25
Sub-total - Current assets	5,475.92	3,428.97	48,436.08
TOTAL - ASSETS	15,378.12	11,447.10	92,961.38

By Order of the Board

Place: Ahmedabad
 Date: May 11, 2017

Nahoosh Jariwala
 Managing Director

FOR FAIRCHEM SPECIALITY LIMITED

FOR FAIRCHEM SPECIALITY LIMITED

MAHESH SABATHI
 MANAGING DIRECTOR

NAHOOSH JARIWALA
 MANAGING DIRECTOR

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate company (refer Note 2 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Speciality Limited (Formerly known as Adi Finechem Limited)
Report on the Consolidated Financial Statements

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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. a) We draw your attention to the Note no. 38 to the consolidated financial statements regarding accounting for issue of equity shares and compulsorily convertible preference shares with a corresponding debit to general reserve and surplus in the profit and loss, by the Holding Company, in accordance with a Scheme of arrangement between the Holding Company, Privi Organics Limited and Privi Organics India Limited (formerly known as Adi Aromatic Limited), approved by National Company Law Tribunal, Mumbai Bench.

b) We draw your attention to the following Emphasis of Matter paragraph included in the Audit report of Privi Organics Limited, a wholly-owned subsidiary of the Company, issued by an independent firm of Chartered Accountants vide its report dated May 10, 2017 :
"We draw attention to Note 38 to the financial statements. As per the accounting treatment prescribed in the Scheme approved by the National Company Law Tribunal (NCLT) Order, the Company has credited Rs. 35,340.09 lakhs, being the excess of assets over the liabilities vested under the Scheme, to the general reserve. Had such amount not been credited to general reserve as permitted under the NCLT Order; under the generally accepted accounting principles in India, this would need to be credited to the capital reserve."

Our opinion is not qualified in respect of these matters.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Speciality Limited (Formerly known as Adi Finechem Limited)

Report on the Consolidated Financial Statements

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Other Matter

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 77,583.26 lakhs and net assets of Rs. 36,629.81 lakhs as at March 31, 2017, total revenue of Rs. 41,186.79 lakhs, net profit of Rs. 1,290.16 lakhs and net cash out flows amounting to Rs 14,456.04 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. Nil for the year ended March 31, 2017 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Speciality Limited (Formerly known as Adi Finechem Limited)
Report on the Consolidated Financial Statements

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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, – Refer Note 33 to the consolidated financial statements.
 - ii. The Group, had long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary company incorporated in India as produced to us by the Management – Refer Note 36.

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



Priyanshu Gundana
Partner

Membership Number: 109553

Place: Ahmedabad

Date: May 11, 2017

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Fairchem Speciality Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the consolidated financial statements for the year ended March 31, 2017

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the consolidated financial statements for the year ended March 31, 2017


Page 3 of 3

Other Matters

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

Place: Ahmedabad
Date: May 11, 2017

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants


Priyanshu Gundana
Partner
Membership Number: 109553

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Fairchem Speciality Limited (Formerly known as Adi Finechem Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

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

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Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited)

Report on the Standalone Financial Statements

Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to the Note no. 35 to the standalone financial statements regarding accounting for issue of equity shares and compulsorily convertible preference shares with a corresponding debit to general reserve and surplus in the profit and loss, in accordance with a Scheme of arrangement between the Company, Privi Organics Limited and Privi Organics India Limited (formerly known as Adi Aromatic Limited), approved by National Company Law Tribunal, Mumbai Bench.

Our opinion is not qualified in respect of this matter.

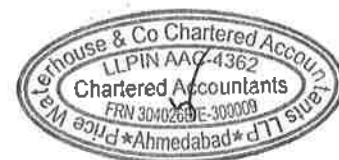
Other Matter

10. The standalone financial statements of the Company for the year ended March 31, 2016, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 29, 2016, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

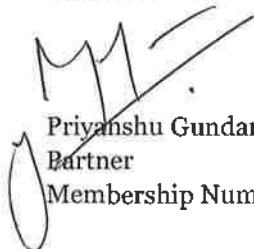
To the Members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited)

Report on the Standalone Financial Statements

Page 3 of 3

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements Refer Note 29 to the standalone financial statement;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 33.

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


Priyanshu Gundana

Partner

Membership Number: 109553

Place: Ahmedabad

Date: May 11, 2017

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the standalone financial statements for the year ended March 31, 2017

Page 1 of 2

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

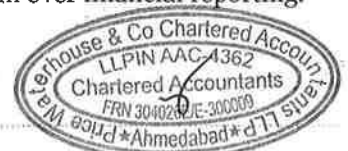
1. We have audited the internal financial controls over financial reporting of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the standalone financial statements for the year ended March 31, 2017

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants



Priyanshu Gundana
Partner
Membership Number: 109553

Place: Ahmedabad
Date: May 11, 2017

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited (formerly known as Adi Finechem Limited) on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company, except for as mentioned here under:

Total Number of Cases	Nature of Assets	Gross Block (Amount in Rs. in lakhs)	Net Block (Amount in Rs. in lakhs)	Remarks
1	Leasehold Land	441.05	433.34	The Asset is registered in the name of Adi Finechem Limited. The said name of the company was changed to Fairchem Speciality Limited vide certificate dated October 6, 2016. The Company has initiated process for change of name of the said asset.

- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



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Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited on the standalone financial statements as of and for the year ended March 31, 2017

Page 2 of 3

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax liability on account of various disallowances	8.59	Assessment year 2006 - 2007	Income Tax Appellate Tribunal
The Central Excise Act, 1944	Demand in respect of Excise duty and Cenvat	22.79	Year 2012 - 13	The Commissioner (Appeals - II) Central Excise, Ahmedabad
Service Tax The Finance Act, 1994	Demand in respect of Cenvat credit reversal	3.85	February 2013 to November 2014	The Commissioner (Appeal) Central Excise, Ahmedabad
		2.44	December 2014 to August 2015	The Commissioner (Appeal) Central Excise, Ahmedabad
Central Sales Tax Act, 1956 and The Gujarat Value added tax 2003	Demand in respect of Input Tax Credit	4.71	Year 2011 - 12	Dy. Commissioner of Commercial Tax - Appeal, Ahmedabad
		8.22	Year 2012 - 13	Dy. Commissioner of Commercial Tax - Appeal, Ahmedabad
Customs Act, 1962	Demand in respect of custom duty on imports	5.20	Year 2007-08	Office of Commissioner of Customs, Nhava Sheva

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Fairchem Speciality Limited on the standalone financial statements as of and for the year ended March 31, 2017
Page 3 of 3

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants



Priyanshu Gundana
Partner
Membership Number: 109553

Place: Ahmedabad
Date: May 11, 2017



FAIRCHEM SPECIALITY LIMITED

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

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Phone : (079) 29701675, 7818824096 E-mail : info@fairchem.in
CIN : L15140MH1985PLC286828 Website : www.fairchem.in

Date : 11th May, 2017

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block
Bandra-kurla Complex, Bandra (E)
MUMBAI – 400 051.

To,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.

Ref: BSE Code: 530117 & NSE Symbol: 'FAIRCHEM'

Dear Sirs,

Sub: Declaration pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.


In compliance with the provisions of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as amended till the date, we hereby declare that statutory Auditors of the Company, Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, (Reg. No. 304026E/E 300009) have issued an Audit Report with unmodified opinion on standalone and consolidated Unaudited / Audited financial results of the Company for the quarter and year ended 31st March, 2017.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Fairchem Speciality Limited (Formerly known as Adi Finechem Limited),


(Rajen Jhaveri)

Chief Financial Officer & Company Secretary