



FAIRCHEM

A FAIRFAX COMPANY

Fairchem Speciality Limited

ANNUAL REPORT

2016-17

Our waste to wealth story is about painstaking efforts in isolating and purifying valuable products from the waste, however little in quantity, however difficult is the processing, however complex to convert them into value added products for the society.

This is a rare WIN WIN game!

Utkarsh B. Shah, Chairman

India is endowed with multiple natural resources and then there is waste generated globally. Our endeavour is to add value to these renewable and secondary resources so that we create long term sustainable businesses.

Harsha Raghavan, Director

When we are creating value from the waste, we must be watchful on costs and investments required for this transformation so that we are economically viable. We strive to be the most efficient by adopting and learning best operating practices globally.

Nahoosh Jariwala, Managing Director

Long term commitment to research and a holistic sustainability approach creates institutions who chart their own path and create business verticals where none existed before.

Mahesh Babani, Managing Director



32nd Annual Report

Board of Directors :	Shri Utkarsh B. Shah	<i>Chairman</i>
	Shri Mahesh Babani	<i>Managing Director (w.e.f. May 11, 2017)</i>
	Shri Nahoosh J. Jariwala	<i>Managing Director</i>
	Shri Harsha Raghavan	<i>Director</i>
	Shri Sumit Maheshwari	<i>Director</i>
	Shri D. B Rao	<i>Director (w.e.f. May 11, 2017)</i>
	Shri P. R. Barpande	<i>Director (w.e.f. May 11, 2017)</i>
	Shri Rajesh Budhrani	<i>Director (w.e.f. May 11, 2017)</i>
	Shri Hemang Gandhi	<i>Director (w.e.f. May 11, 2017)</i>
	Ms. Radhika Pereira	<i>Director (w.e.f. May 11, 2017)</i>
	Shri Bimal D. Parikh	<i>Director (upto May 11, 2017)</i>
	Shri Hemant N. Shah	<i>Director (upto May 11, 2017)</i>
	Shri Jayesh K. Shah	<i>Director (upto May 11, 2017)</i>
	Shri Kalpesh A. Patel	<i>Director (upto May 11, 2017)</i>
	Shri Nitin R. Patel	<i>Director (upto May 11, 2017)</i>
	Shri Ganpatraj Chowdhary	<i>Director (upto May 11, 2017)</i>
	Shri Bhavin A. Shah	<i>Director (upto May 11, 2017)</i>
	Ms. Sonal V. Ambani	<i>Director (upto May 11, 2017)</i>
Chief Financial Officer & Company Secretary	Rajen N. Jhaveri	
Bankers	HDFC Bank Limited	
Auditors	M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, AHMEDABAD.	
Registered Office	324, Dr. D.N. Road, Fort Mumbai - 400 001.	
Corporate Office	1st Floor, 2-Sigma Corporates, B/h. HOF Living, Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad - 380 059. INDIA. Phone : +91-079-29701675	
Works	253/P & 312, Village Chekhala, Sanand- Kadi Road, Ta. SANAND, Dist. AHMEDABAD – 382 115, Gujarat, INDIA. Phone No. : +91 9016324095 and +91 02717 294375	
E-Mail Ids	cs@fairchem.in and rajen.jhaveri@fairchem.in	
Registrar and Share Transfer Agent	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.	
Website	www.fairchem.in	

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Our Vision, Mission & Values

VISION

To Be the Leading Renewable Speciality Chemicals Company

MISSION

Capitalize on our core strengths in process research, operational excellence and local & global raw material sourcing capabilities to offer the widest range of Speciality chemicals to our customers at most competitive price, simultaneously ensuring the sustainability of business.

VALUES

- Honesty and integrity are essential in all our relationship and will never be compromised.
- We are result oriented – not political
- We are team players – no egos. A confrontational style is not appropriate. We value loyalty to the organization.
- We are hardworking but not at the expense of our families
- We always look at opportunities but emphasize downside protection and look for ways to minimise loss of capital
- We are entrepreneurial. We encourage calculated risk taking. It is all right to fail but we should learn from our mistakes
- We will never bet the company on any project or acquisition
- We believe in having fun – at work!

There is no limit to the amount of good you can do
if you don't care who gets the credit

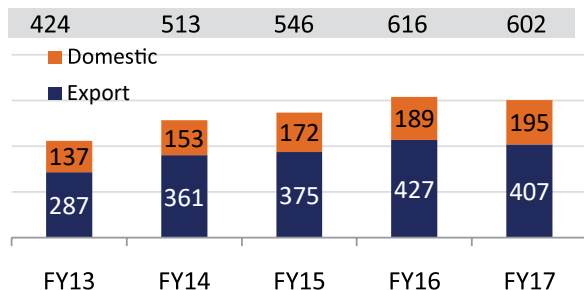
– Ronald Reagan

Financial Performance

Aroma Chemical Business (Privi Organics India Ltd)¹

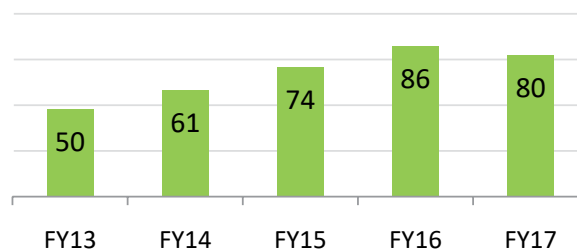
Revenue

(Rs. in Cr.)



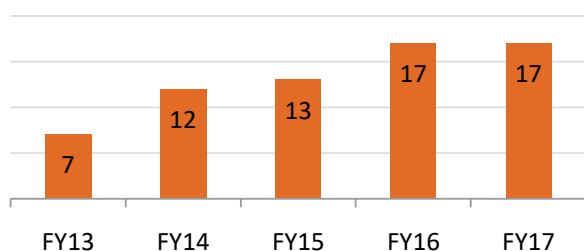
EBITDA

(Rs. in Cr.)



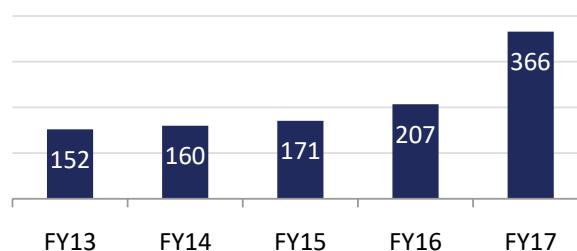
PAT

(Rs. in Cr.)



Networth

(Rs. in Cr.)

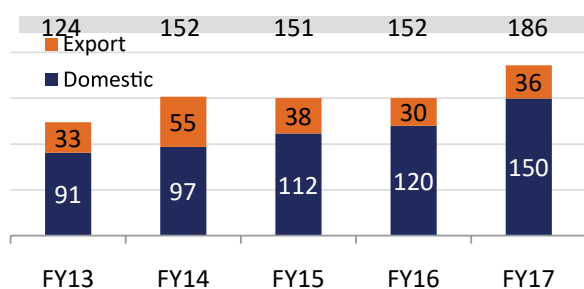


Oleochemicals and Nutraceuticals business

(Fairchem Speciality Ltd. (formerly known as Adi Finechem Ltd.))

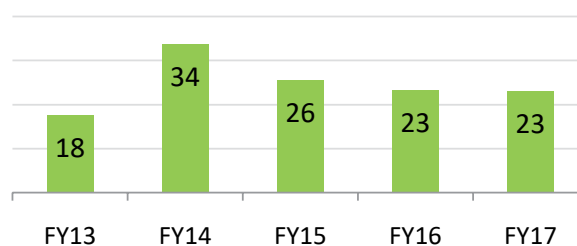
Revenue

(Rs. in Cr.)



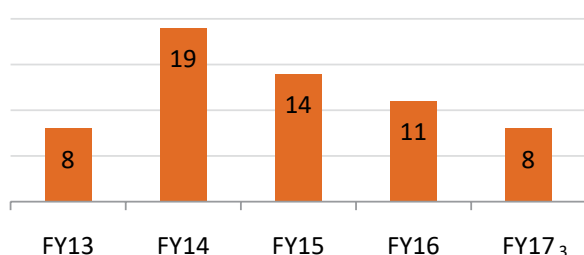
EBITDA

(Rs. in Cr.)



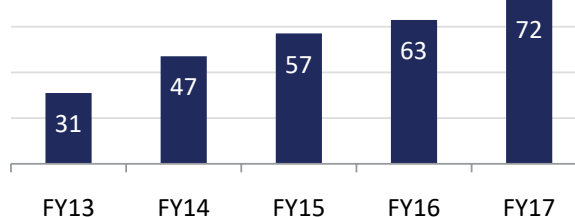
PAT

(Rs. in Cr.)



Networth

(Rs. in Cr.)



¹POIL merged with Fairchem Speciality Ltd effective 1st August 2016

FY17 figures are full year proforma financial statement of POIL year ended March'17

²FIH invested Rs 150 cr equity in FY17

³ Profits are mainly lower due to one-time expense to merger expenses

Financial Summary

Rs In Cr	Mar-17*
Income Statement	
Revenue	597
EBITDA	81
Margin (%)	13.5%
Net Income	21
Margin (%)	3.6%
Balance Sheet	
Net Fixed Assets	412
Cash	31
Other Assets	487
Total Assets	930
Shareholders' Funds	438
Debt	295
Other Liabilities	197
Total Liabilities	930
Cash flow	
Operating cash flow	17
Investing cash flow	-71
Financing cash flow	-89

Total Debt to Equity Ratio

0.67 x

ROE #

5.76 %

ROCE#

9.03 %

Net Working Capital Days#

134 Days

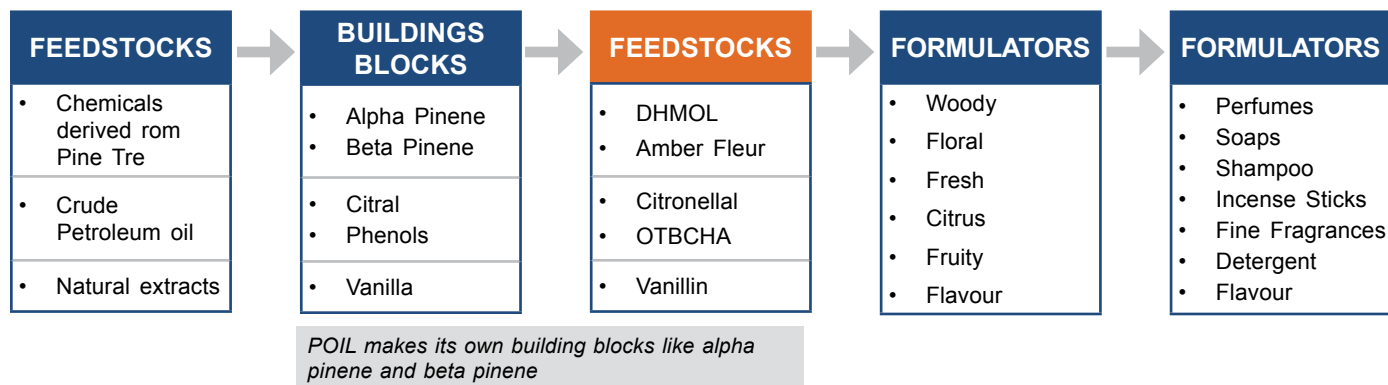
* Consolidated Audited Results Fairchem Speciality Ltd. FY17- Adi (full year) and Privi (from 1st August, 2016 to 31st March, 2017)

Numbers are annualized for Aroma Chemicals Business of Privi Organics for ratio calculation

Our Business

Aroma chemical business (Privi Organics India Ltd.)

The diagram below depicts the value chain of aroma chemical industry.



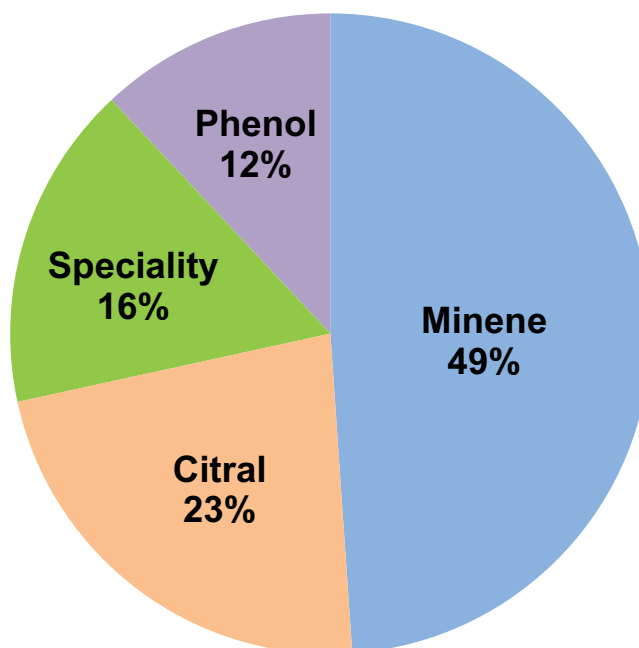
DHMOL – Dihydromyrcenol

OTBHA – Ortho Tertiary Butyl Cyclo Hexyl Acetate

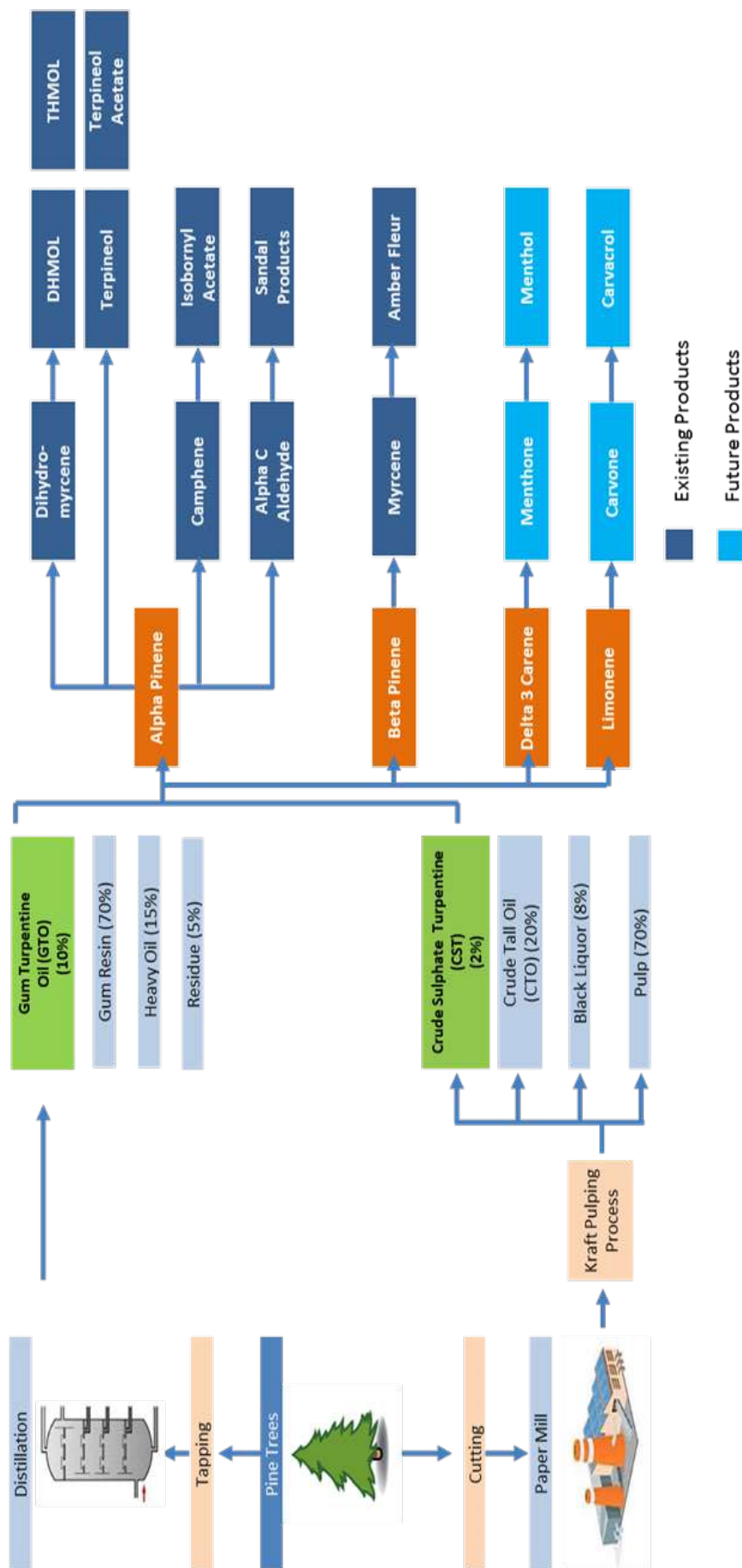
FMCG – Fast Moving Consumer Goods

Among the four products verticals pinene based products have the largest share

FY17 Segment wise Sales breakup



Pinene segment value chain



<p>Pinene can be obtained from two sources</p> <ul style="list-style-type: none"> • Tapping of Pine tree • Waste from Paper mills <p>Apparently processing waste is cheaper source for making pinenes</p>	<p>The sulphur removal from CST is a complex and hazardous process</p> <p>POIL has developed the technology in-house</p> <p>The process has given a significant competitive advantage</p>
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Oleochemicals and Nutraceuticals business

Fairchem Speciality Ltd. (Formerly Adi Finechem Ltd.)

