

The Dharamsi Morarji Chemical Company Limited
CHAIRMAN'S SPEECH
96th ANNUAL GENERAL MEETING
26th December, 2017

Good Morning,

Ladies & Gentlemen,

It gives me great pleasure to welcome all of you to the 96th Annual General Meeting of the Company. The Company's Accounts (Post merger) for the Financial Year ended 31st March, 2017, along with the Directors' and Auditor's Reports have already been circulated to you. I seek your permission to take them as read.

ECONOMIC SCENARIO

The Financial Year 2016-17 has been marked with challenges for the Indian Economy. The single biggest event that left its mark on each and every sector of the domestic economy is "Demonetisation".

Be that as it may, it was also encouraging that the Government moved ahead in introducing and implementing the biggest tax reform since independence viz. Goods and Service Tax (GST), effective from 01/07/2017. Though the implementation of GST caused some initial disruptions, the issues are getting stabilized now. This reform is expected to push India's economic growth forward by creating a single National Market and enhancing the efficiency of inter-state movement of goods and services, apart from moving large part of informal sector within the formal set up of the economy.

Against this back drop, your Company has managed to register a reasonable growth during the year under review, though there were initial payment disruptions caused by demonetization and resultant slow-down of business activities for a part of the second half of the year.

The new accounting standards Ind AS have become effective for your company from 1st April, 2017 and accordingly the Financial statements commencing from 1st April, 2017 will comply with this new Accounting Standards.

POST MERGER OPERATIONS

The Company is planning to expand and diversify in manufacture of Speciality Chemicals at its new location of Dahej in the State of Gujarat. With greater synergy and operations at existing location at Roha and new location at Dahej, we expect better valuation than the aggregate valuation of these two Companies on standalone basis. Your Company will now have an additional advantage of strategic location at Dahej in the State of Gujarat which is a big and expanding Chemical market with the strategic advantages in logistics and marketing. Over the years, the operations at Dahej are expected to result in increased scale of operations, diversification/expansion and improved productivity.

ENVIRONMENT HEALTH AND SAFETY (EHS)

The prime endeavor of our Management is to become Environment Health and Safety (EHS) compliant and accordingly, various EHS management processes and methodologies are being deployed and implemented under the EHS programme to ensure safety consciousness at all levels. All the employees and workmen at the factory are periodically trained through various external EHS programmes.

RESPONSIBLE CARE®

Your Company is one of the few companies in India who are authorized to use the Responsible care® logo which is a Global voluntary initiative of the chemical industry. After extensive site and systems improvements, third party mentoring, and a series of audits, your company has received authorization for the use of the RESPONSIBLE CARE® logo.

OVERVIEW OF OPERATIONS:

The total turnover (net of Taxes) of your Company during last 8 months i.e. April to November, 2017 is Rs. 109.90 Crores as under :

Commodity Chemicals	Rs. 50.12 Crores
Speciality Chemicals	Rs. 55.70 Crores
Traded Goods	Rs. 3.67 Crores
Royalty	Rs. 0.41 Crores
T O T A L	Rs.109.90 Crores

Over the long term, your company envisages growth in Speciality chemical business, both in India and abroad.

ACKNOWLEDGEMENTS

Before I conclude, I would like to express my sincere gratitude towards the Company's shareholders, customers, suppliers, contractors, various departments of Central and State Governments and Banks for their continued valuable support to the Company. The relations between the employees and the Management continue to be cordial. I would also like to place on record, the appreciation for

the sincere and devoted efforts of the employees at all levels for their continued co-operation, team spirit, commitment and sense of understanding.

The Company has received and I am sure, will continue to receive active co-operation from all the shareholders of the Company. Last but not the least, I am thankful to you for your sense of understanding and your continued confidence and support to the Management of the Company.

Thanking you,

L.N. GOCULDAS

Chairman

26th December, 2017