



The Dharamsi Morarji Chemical Company Limited
CHAIRMAN'S SPEECH
100th ANNUAL GENERAL MEETING
22nd September, 2021

Good morning, Dear Shareholders, Ladies and Gentlemen ...

I warmly welcome you all to the **100th** Annual General Meeting of your Company on behalf of the Board of Directors, the Management and the Employees of the Company.

Before I begin, I hope that all of you are safe and have been taking adequate precautions to protect yourself and your family from the Covid-19 pandemic. During this tough period, I offer my sincere condolences to those who have been affected by the pandemic and express my gratitude to all those who are fighting the pandemic.

Thank you all for joining us, virtually. I truly appreciate your taking the time to attend the Annual General Meeting during these current challenging times.

I am sure that, all of you have received and gone through the Annual Report for FY 2020-21. In this Annual Report, we have tried to lay out our performance, expansion plans, its phases and outlook of the Company with an aim to give you a glimpse of present performance and helping you in gaining a sense of the future direction in which the company is being headed.



Economic Scenario

The Covid 19 pandemic has brought with it unimaginable suffering to people, and to almost all sections of the economy. It has severely affected the Indian chemical industry and disrupted supply chains and the demand for chemicals. However, IIP of chemical and chemical products manufacturing being on the verge of attaining the pre-COVID index, the chemical industry is expected to witness a V-shaped recovery by FY 2021-22, by adapting to India's GDP growth trend and it is expected to grow at a CAGR of 9.2% by FY 2024-25, reaching up to USD 276 billion in the next five years.

Also, according to IMF estimates, global growth is projected to expand by 6.0% in 2021 led by increase in consumer spending and business confidence on the back of faster vaccine rollout and continued accommodative fiscal and monetary measures by policymakers across the world.

According to Moody's estimates, India is expected to clock a growth rate of 9.6% in FY21 and 7% for FY22 despite the negative impact of second wave of pandemic on the back of favourable government policies and improving domestic and external demand.

Recent introduction of the Production Linked Incentive (PLI) scheme by the government would surely encourage investment in the manufacturing sector and make the domestic manufacturing sector globally competitive, boost exports and to bring down the import.

The health emergency will impact the economic progress for a while, but a resilient India is sure to rebound and going forward, I believe things will only get better.



Financial Performance

Despite the challenges posed by the COVID-19 pandemic, we delivered a strong performance owing to strong demand for bulk and speciality chemicals, volume growth, better realisations, and an improved product mix.

In FY 2020-21, on the consolidated basis, revenue from operations increased to Rs. 200.15 crores, with a growth of 6.65% from Rs. 187.66 crores in FY 2019-20. EBITDA is at Rs. 43.27 crores; up by 27.09% from Rs. 34.05 crores in the previous financial year and PAT was at Rs. 32.58 crores; up by 3.55% from Rs. 31.46 crores in the last financial year.

Our business model, operational efficiency, and effective customer engagement ensured that we served customers on time and we expect the momentum to continue the next year as well.

I am also pleased to inform you that on the basis of market capitalization as on 31st March, 2021, your Company is now amongst Top 1000 entities listed at the Bombay Stock Exchange ranking at **860th** position.

Dividend

During the year, your Company has declared and paid two interim dividends i.e. 5% and 10% per equity share in the month of September, 2020 and February 2021 respectively.

In addition to this your directors are pleased to recommend a Final Dividend of 5% per equity share. If the said final dividend is approved by the members in this AGM, the total dividend pay-out for FY 2020-21 will be 20% per equity share. The shareholders can expect to receive the said Final dividend in



the month of October, 2021 on compliance of necessary formalities.

Operations

We have been in the business for over 100 years and have established a name that resonates with quality and trust. I am optimistic that we will continue to uphold our legacy for the years to come on the back of our expanding product portfolio, global footprint, extensive R & D and technological innovations.

Our operations at our Roha and Dahej are continued with preventive and control guidelines of Covid-19, with required sanitary and hygiene protection facilities. The Staff at other locations of the Company have been observing work from home and in view of recent relaxation by the government, the offices are resumed with 50% capacity and offering working on alternate days.

Welfare Measures

At DMCC, we also believe in inclusive growth to create a self-sufficient ecosystem. Towards this end, we have made our due contributions for CSR initiatives by collaborating with various institutions to help those in need.

Your Company has facilitated free vaccination to its employees and has also set up free vaccination camps at nearby villages at out Factory situated at Roha, Maharashtra.

The Management remains committed to supporting its entire family of DMCC during these tough times.



Outlook

The second wave of Covid-19 pandemic led to the pause in economic revival as state governments reimposed partial lockdown. However, the Indian economy is in much better shape and well prepared to face the challenges on the back of faster roll-out of vaccination and supportive measures by the government. Going into the future, the Company remains confident on the prospects of the business owing to revival in the economy and core sectors to which the Company caters

Acknowledgement

I would like to express my gratitude towards our Board Members for their constant guidance and support in our pursuit of maximizing long-term shareholder value. I must acknowledge the significant contribution of our employees, customers, and all stakeholders for their laudable efforts to maintain business continuity in this tough and uncertain environment.

Last but not the least, I would like to take this opportunity to thank you all for your continuous support and faith in the company and its management.

Thank you.