

**The Dharamsi Morarji Chemical Company Limited**  
**CHAIRMAN'S SPEECH**  
**97<sup>th</sup> ANNUAL GENERAL MEETING**  
**26<sup>th</sup> September, 2018**

Good Morning,

Ladies & Gentlemen,

It gives me great pleasure to welcome all of you to the 97<sup>th</sup> Annual General Meeting of the Company. The Company's Accounts for the Financial Year ended 31st March, 2018, along with the Directors' and Auditor's Reports have already been circulated to you. I seek your permission to take them as read.

I am sure, you will be pleased with the proposal for payment of Dividend @5% per share of face value of Rs.10 each , declared by the Company after a gap of many years.

Now, I would like to introduce two new Independent Directors viz. Shri Mukul Manoharlal Taly, a Senior Advocate and Solicitor and Shri Sanjeev Vishwanath Joshi, a Practicing Chartered Accountant. I am sure that their Directorship immensely help the Company Management.

### **ECONOMIC SCENARIO**

The Financial Year 2017-18 has been marked with challenges for the Indian Economy. While growth in India has been good, issues such as global slowdown, trade wars, the current account deficit, and the threat of inflation are looming. After initial disruptions, the implementation of GST has stabilized. This reform has set in motion India's economic growth forward by creating a single National Market, enhancing the efficiency of inter-state movement of goods and services and

bringing in a large part of the informal sectors of economy within the formal set up of the economy.

The Chinese Chemical Industry has grown over the years and now accounts for the substantial percentage of world chemical market. The Chinese industry is now becoming regulatory compliant in many areas. After years of pollution, strict implementation of environmental laws have caused the shutdown of many industries in China. This has provided an opportunity for other countries, including India. Change is a constant phenomenon in today's world and eventually Indian Chemical Industry should respond to the changing world by learning from others' successes and failures and proactively transform its ways of doing business. It is in light of such macro trends, your Company has been practicing and promoting Responsible Care, which is global voluntary initiative of the chemical industry.

### **OPERATIONS AT DAHEJ & ROHA**

With greater synergy and operations at the existing location at Roha and new location at Dahej, your Company is evolving business strategies to achieve the increased rate of growth. The total area of the Dahej Site is about 25 acres which gives ample opportunity for expansion.

Your Company will set up a Sulphuric Acid Plant to partly meet the captive requirements of power/steam and ensure availability of sulphonating agents which are the key raw materials for the efficient manufacture of existing and new Specialty Chemicals. The Company has already set up a multipurpose plant. The long-term objective is to create an integrated site with dedicated plants for high volume products coupled with multipurpose plants for low volume high value

Specialty Chemicals. This is the same concept as we have at Roha factory , although the product basket will not necessarily be the same.

### **ENVIRONMENT HEALTH AND SAFETY (EHS)**

Your Company aims to become an industry leader in Environment Health and Safety (EHS). The Management of your Company is committed to comply with all applicable laws and regulations, covering the entire supply chain from sourcing of raw material to the manufacture and distribution of our products.

All the employees and workmen at the factory are periodically trained through various external EHS programmes as well as In-house programmes on operational safety, occupational health and environment protection. The Company has also strengthened its EHS maintenance system by employing qualified personnel and state-of-the art equipment in the field. Your Company is one among 50 companies in India authorized to use the Responsible Care® logo. In addition, your company is participating in other initiatives such as Green Technology, Together For Sustainability etc. I am happy to inform you that your Company has been selected by Indian Chemical Council( ICC) for **ICC Award for excellence in energy conservation and Management** and will be awarded a **certificate of merit** for the Year 2017 .

### **OVERVIEW OF OPERATIONS:**

The total turnover of your Company during last 5 months i.e. April to August, 2018 is Rs. 97.90 Crores as under:

Commodity Chemicals	Rs. 53.13Crores
Speciality Chemicals	Rs. 44.77Crores
<b>T O T A L</b>	<b>Rs. 97.90Crores</b>

As we commence the 100<sup>th</sup> year of your Company's existence, and notwithstanding the planned shutdown in Q3 of the current year, your Company expects to improve on last year's performance.

### **ACKNOWLEDGEMENTS**

Before I conclude, I would like to express my sincere gratitude towards the Company's shareholders, Directors, 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, and commitment. Last but not the least, I am thankful to you for your continued confidence and support to the Management of the Company.

Thanking you,

NOW THE MANAGING DIRECTOR, SHRI BIMAL GOCULDAS WILL GIVE A PRESENTATION ON THE COMPANY'S PERFORMANCE.

L.N. GOCULDAS

Chairman

26<sup>th</sup> September, 2018