

The Dharamsi Morarji Chemical Company Limited
CHAIRMAN'S SPEECH
95th ANNUAL GENERAL MEETING
27th September, 2016

Good Morning,

Ladies & Gentlemen,

It gives me great pleasure to welcome all of you to the 95th Annual General Meeting of the Company. The Company's Accounts for the Financial Year ended 31st March, 2016, 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 – CHEMICAL INDUSTRY - GLOBAL AND DOMESTIC

The year 2016 continues to be a challenging year both for the economy as well as your company. Indian economy is one of the growing economies with increasing emphasis being laid on infrastructure projects and core sectors like power, coal and mineral sector. Public and Private investment is picking up with faster clearance of the projects, better infrastructure and greater ease of doing business and progressive and liberal labour policies.

As predicted by all leading global and economic Institutions, Indian economy is expected to grow at 7.5% p.a. and Indian Chemical industry will outperform these expectations. The chemical industry in general is looked down upon as hazardous industry, in spite of being most essential for the wellbeing of the humanity. In recognition of Commitment to Sustainability, your company has recently been awarded "Responsible Care" Certification by Indian Chemical Council, a Premier Organization of Chemical Industry. The objective of the certification is making

chemical industry environmental friendly and safe both inside and outside the factory i.e. manufacturing, transportation, recycling, disposal of waste generated, safety of all personal and safe environment. Your company's Management team deserves complements for having obtained the "Responsible Care" certification.

I am happy to inform that your company has also been awarded a "Certificate of Merit" for efficient waste management, by Indian Chemical Council.

OVERVIEW OF OPERATIONS:

The total turnover (net of Excise duty and VAT) of your Company during last 5 months i.e. April to August, 2016 is Rs.56.19 Crores as under :

Commodity Chemicals	Rs. 23.93 Crores
Speciality Chemicals	Rs. 32.26 Crores

T O T A L	Rs. 56.19 Crores
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The Management of your company has followed a policy of revamping and re-modelling of the existing manufacturing facilities and addition of new assets through on going fresh capital expenditure.

Over the long term, your company envisages growth in Speciality chemical business, both in India and abroad. With induction of new, young and qualified Engineers and Chemists to carry forward the ongoing basis, the in-house R & D initiatives, the Research and Development team of your company continues its efforts in improvement of manufacturing processes and cost reduction of existing products as well as development of new Speciality chemicals.

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 in its ongoing endeavors to improve the performance of the Company in coming years.

Thanking you,

L.N. GOCULDAS

Chairman

27th September, 2016