

Dear Shareholders,

I welcome you all to the 31st Annual General Meeting of your Company. 2016-17 has been a hallmark year for consolidated Galaxy, highlighted by turnarounds of Galaxy Egypt and Performance Product Division of Galaxy North America, an achievement led by determination and elegant execution. Tri-K Specialties achieved its highest profits till date. All of these contributed to stellar consolidated performance of your Company.

I wish to thank each and every one of our members in India, Egypt, America and other regions for their spirit, enthusiasm and contribution. Our people rose to the occasion and displayed the spirit of winning together.

Let me enumerate some of the key performance highlights and share with you some thoughts.

SUSTAINABILITY

Our innovative spirit combined with strong goals drives us towards sustainable growth. Sustainability enables us not only to be environmentally sound and socially responsible but also promotes our competitiveness and economic viability.

We installed and commissioned a 50KW solar plant at Jhagadia and initiated installation of 125KW solar plant at Taloja and 50 KW solar plant in this very office building.

Our RSPO certified products meet the needs of customers in USA and Europe. We have applied for a 'zero liquid discharge' status for all our manufacturing plants in India, namely Taloja, Tarapur and Jhagadia units where our effluent water are treated to exacting standards by primary, secondary and tertiary treatments and reverse osmosis, recycled and reused in our processes. These have involved investments in technology, conservation and skills of people. We have followed this with work on waste reduction, water conservation & reduction, energy reduction in all of our factories.

We have set our sustainability goals for 2020 taking base year as 2012. We have set our targets of reducing water intensity by 80%, energy reduction by 20%, increasing renewable energy usage to 10% of our requirements and 25000 nos. of tree plantation.

These accomplishments and work is made possible only by our members' participation through their idea generation and commitment.

On our Corporate Social Responsibility front, we continue our work on improving the quality of life and engaging with the community through focused projects in education, health and hygiene and community development. We work with the community and schools around our factories in building infrastructure, toilets, bore wells, improving classrooms and laboratories.

EGYPT

Galaxy Egypt has earned its first ever profits in 2016-17. This was scripted by key customer acquisitions, innovative debottlenecking and manufacturing, cost engineering and optimization, managing raw material volatility, good vendor developments and effectively balancing customer opportunities with optimal sourcing. In our business where oleo chemical feedstock volatility has become a periodic occurrence, balancing demand with optimal sourcing has become a rigor that has to be mastered to ensure competitiveness in the market place.

“More for less” is the mantra in this competitive world and Egypt is a model for all of us in this mantra. More innovative debottlenecking and expansion of capacities is in the offing and we look at Galaxy Egypt making big advances again this year.

The business creation teams of AMET and America deserves a special mention for their efforts in nurturing and sustaining existing customers, while discovering and developing new customers across new countries in the AMET and American continents.

TRI-K

The performance products division of North America has performed well in 2016-17 steered through niche specialty offerings, hardnosed work on streamlining operations and value mining on our products. In our specialties business, proteins have continued to show growth during the year. We have many new innovations in our pipeline and readiness for launch. Our new product 'Baobab Tein' won a sustainability award and we look forward to a growing portfolio in the coming years.

INDIA

Our Jhagadia project for Acid Chlorides and Isethionates was successfully commissioned in September 2016 by our in house project team. The project also involved commissioning of innovative technology of recycling by-products.

The highlight of Tarapur was a team effort made on complex treatment of effluents. It was bringing order in a complex problem that enables us to focus on innovatively increasing our productivity and capacity of Sunscreens and elevate our ambitions on our Sunscreen portfolio.

Our innovation team is developing new Sunscreens to have bigger and wider play in this category. Good work has been going on in the category of preservatives and preservative blends and mild surfactants offerings. Industry expert John Woodruff has covered our Galguard NT in the June 17 issue of Cosmetic Business. He has picked the word of “four pronged attack” and “combinatory strategy” to describe our innovation on 'Galguard NT', which fulfills the needs of consumers for non-paraben, non-chlorine, non-formaldehyde releasing preservatives - our Galguard Trident and Galguard NT can be described as a composition for personal care products, based on non-toxic, non-controversial anti-microbial, which in combination shows synergy. Our GLI21 (P) is an ideal mild primary surfactant for cleansing formulations at skin PH.

At our Taloja complex, we successfully completed a project to debottleneck and modernize our sulfation capacity. We have worked on improving productivity and capacity of syndets, fatty acid esters, alkanol amides and betaines. We are embarking on an expansion project for our dried products to be completed by end of this year.

Furthermore, our Parivartan initiatives through cost effectiveness programmes, QC circles, sourcing efficiencies and revenue enhancement programmes have achieved savings for the organization.

BUSINESS AND INDUSTRY

The global personal and home care business continues to offer opportunities from the growing emerging markets - driven by aspirations and affordability in categories such as hair care, home care, hand hygiene, household care and fabric care as well as the low growth but big volume developed markets.

While the consumption led growth in emerging markets such as India, Asia and AMET offer opportunities for our performance ingredients and specialties, the developed markets offer niche opportunities for differentiation and customization with localization.

Customers want service now, marked by immediacy, ease of doing business and convenience. This rising bar of customer expectations create new thresholds to our business creation teams and supply chain teams across regions globally. This requires our business creation teams and supply chain teams to always think of 'Customer First' in terms of responsiveness, communications and updates to satisfy and delight them and retain their loyalty.

As I read in a recent article, customer loyalty has been the holy grail of organic growth. The *Sine Qua Non* of growth in revenue and profitability is retaining customers who have been won with hard work and efforts. Loyal customers cost less to serve, give predictability and certainty to our business & act as our ambassadors. We have always believed in long term relationships and this can only be ensured through reliable, responsive attention and service and keeping our promises to them.

This means that the people who make the promises to customers i.e. our front line sales people work closely with our GCD, commercial, innovation, sourcing, manufacturing, regulatory & business development teams to deliver repeatedly & consistently on their promises - in one word, work as 'One Galaxy' with customer first in mind, thought & action.

This also necessitates continuous talent development as a strategic priority. Talents that will have multidimensional skills to appreciate, understand the nuances & details of customer needs, customer development, customer value enhancement & customer loyalty.

In our journey towards Vision 2020 this quality of multidimensional talent & oneness of working shall differentiate Galaxy as the Partner of Choice

Thank you ladies & gentlemen.



U. Shekhar
(Managing Director)

This does not purport to be a record of the proceedings of the Annual General Meeting.

Galaxy Surfactants Ltd.

Registered Office: C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai - 400 703.
www.galaxysurfactants.com

“Winning Together”

Managing Director’s Speech



Excerpts from the speech of
Mr. U. Shekhar
Managing Director

Galaxy Surfactants Limited
at the 31st Annual General Meeting of
Shareholders at Navi Mumbai on
17th August, 2017