BLACK ROSE

September 29, 2020

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001.

Scrip Code: 514183
Sub: Chairman's Speech at 30th Annual General Meeting of the Company

Dear Sir,

Please find attached herewith Chairman's Speech delivered at the 30th Annual General Meeting of the Company held today through Video Conference mode.

Request you to take the same on your records.

For **Black Rose Industries Limited**

Nevil Avlani

Nevil Avlani
Company Secretary and Compliance Office

Black Rose Industries Ltd.
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BLACK ROSE INDUSTRIES LIMITED

Chairman's Speech

Dear Shareholders,

It is wonderful to see so many of you joining in from different parts of the country. The entire world and India is grappling with the Covid-19 pandemic and the huge challenges it has thrown out. Thank you for sparing the time to join us from wherever you are, and for your continued faith in the Company and its management.

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs in varying degrees. To avoid any operational disruptions, the company set up a new warehousing location in Vapi and the company's IT infrastructure ensured zero downtime by seamlessly enabling work from home for everyone.

Nevertheless, the effects of the pandemic were clear. 25% of the projected sales during the month of March were lost and the Indian rupee weakened sharply to near ₹ 76 per US Dollar.

Despite these challenges the Company delivered its best performance ever. During the fiscal year 2020, the revenue from operations reported a 18.17% growth, the EBIDTA margin improved by 124 basis points to 12.40% while the net profit margin of the Company improved by 168 basis points.

The company successfully completed the expansion of its acrylamide plant during Q4, allowing for merchant sales of 20,000 MT of acrylamide in addition to its use as captive intermediate monomer for downstream products. The company expects to benefit from the Atma Nirbhar Bharat policy and is working to replace the 7,000MT of acrylamide currently imported from China with its product. In the international markets, the company has extended its business to countries such as Turkey, Brazil, and Vietnam where the demand for acrylamide is growing.

The Company began small scale commercial production of polyacrylamide liquid in October 2019 which was further expanded in January 2020 to a capacity of 6,600MT and the plant expansion to 40,000 MT was recently commissioned as well.

The company launched its ceramic binder product, BRILBIND, in the ceramic tile industry of Morbi during the last quarter of FY20. The product has been widely accepted and sales has been growing by very quickly during Q2 FY21. Plant level trials at various units continue and we are in full swing to rapidly accrue volume in subsequent quarters.

For Polyacrylamide Solid, plant building construction began in mid-2019 and the first phase was completed in early 2020. However, the Company's R&D activities have been affected by the COVID situation as plant travel by our R&D team is on hold due to personnel safety concerns. We now expect to complete plant setup by the end of 2021.

BLACK ROSE INDUSTRIES LTD.

The distribution business grew 26.96% in 2019-20 and the company introduced new products during the course of the year. The growth reported in the financial year was the result of an evolving mindset of Indian users to prefer distributors over traders due to their ability to deliver during global shortages and preferential pricing during global slowdowns.

After a slowdown starting in March 2020, the distribution business has seen a revival of demand from its customers and business is gradually coming back to normal. The company has focused on building stocks at attractive prices and expanding its customer base during the first half of the current year and the benefits of these efforts are already starting to be visible.

Regarding human resources and industrial relations, the company believes that human resources are a critical factor for its growth. The emphasis is on grooming in-house talent enabling them to take on larger responsibilities. The company also has an excellent track record on industrial relations and no man-days were lost on account of strike or dispute during the year.

On behalf of your Company's Board, I record our thanks to the company's employees for their sincere service, and the company's principals, clients, bankers, statutory authorities and all organizations and stakeholders connected with the company's business for their support.

Last but not the least, our deepest gratitude to each one of you, our shareholders. I look forward to your ongoing support and best wishes.

Thank You.

BLACK ROSE INDUSTRIES LTD.