

September 29, 2023

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

Scrip Code: 514183
ISIN: INE761G01016

Sub: Chairman's Speech at 33rd Annual General Meeting of the Company

Dear Sir,

Please find attached herewith Chairman's Speech delivered at the 33rd 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**

Harshita Shetty
Company Secretary and Compliance Office

Black Rose Industries Ltd.

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CIN No.: L17120MH1990PLC054828

Factory : Shree Laxmi Co-op. Industrial Estate Ltd., Hatkanangle, Dist. Kolhapur, Maharashtra, INDIA



BLACK ROSE INDUSTRIES LIMITED

Chairman's Speech

Dear Shareholders,

Welcome to the 33th Annual General Meeting of Black Rose Industries Limited. We gather virtually again this year, and on behalf of the Board of Directors, thank you all for joining us today.

The year 2022-2023, across the globe, was a year of demand disruption where there was an abrupt and substantial decline in chemical prices, adversely impacting the company's financial performance. This demanded our full commitment to improving efficiency while simultaneously fostering preparedness for future growth.

The results of the financial year speak of a mismatch of expectations. The market recovery in China that was expected after the COVID pandemic subsided did not occur. This led to an oversupply scenario, particularly in China, and a subsequent reduction in demand, which in turn exerted downward pressure on pricing within several industries including ours. We witnessed a decline in prices in domestic markets, worsened by ongoing Chinese dumping. Against this backdrop, our standalone revenue from operations for 2022-23 stood at ₹ 278 crores, compared to ₹ 341 crores in 2021-22. Our EBITDA and PAT figures for 2022-23 were ₹ 13.9 crores and ₹ 6.6 crores, respectively, compared to ₹ 44.4 crores and ₹ 30.5 crores in 2021-22.

Despite the reduced numbers, our business remained profitable due to our relationships with our principals and customers being steadfast. Mutual support has been a key factor in successfully navigating these tough times, as our suppliers have offered robust pricing and supply support, while we reciprocated by ensuring stable distribution channels for their products in the Indian market.

Through times rough and smooth, we have brought great focus to becoming better, becoming more efficient and resilient in the present while also securing our relevance in a progressive future. None of this is possible without the support of our shareholders, and therefore the Board has recommended a final dividend of ₹ 0.55 paise per share.

The business saw many firsts during the year. In June 2022, we commenced commercial operation for acrylamide solid with an initial capacity of 3,600 metric tons per annum, being the sole manufacturer of acrylamide powder outside China. Additionally, we successfully obtained REACH registration from the European Chemical Agency (ECHA) for acrylamide which now allows us to export our acrylamide and products containing acrylamide to the EU region. We expanded our product portfolio with the addition of seven new products. Furthermore, our research and development team started work on creating dispersants tailored for the ceramic binding sector,

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while continuing its advances polyacrylamide solid technology development. We welcomed a Japanese technical advisor to spearhead the innovation of new products, guaranteeing our continued delivery of cutting-edge solutions to meet the ever-changing needs of our customers.

This year is a milestone year for the company as we completed 10 years of our manufacturing journey. As we now prepare for the future, the company has been taking new initiatives. Investment into R&D, both in terms of funds and manpower, has been stepped up with a view to fast-track development of polyacrylamide solid technology. International marketing has been strengthened, and today our export sales of acrylamide surpasses our domestic sales. Active discussions on a new speciality chemical project are ongoing, and the company is now ready to move in to the production of new chemistries outside of the acrylamide value-chain.

Your company remains committed to the highest standards of health, safety, security and environment while taking business decisions. The Company has implemented internationally recognized ISO Standards in Environment and Quality management systems and is EcoVadis certified.

At Black Rose, we strive to not only emerge as a responsible corporate citizen, but also to be an organisation that creates value for its communities. We undertake several community upliftment measures by promoting education, providing educational infrastructure, providing health support, and other initiatives. During FY23, the Company spent an amount of ₹ 47.2 lakhs on CSR activities.

The employees of the Company are an integral part to the company's business operations. They are driven by purpose and are fully empowered to excel in an evolving and dynamic business environment. It has been the continuous endeavor of the company's Human Resources function to attract the right talent, develop the right capabilities and skills, and continuously encourage them by providing the right culture and work environment. In July this year, the company elevated several employees to key management positions and recruited senior people for its growth.

The Company is committed to protect the interest of all Stakeholders. The governance philosophy of the company is to ensure transparency, disclosure and reporting that conforms to the provisions of all applicable laws, rules, regulations and guidelines.

On behalf of the Board, I record our thanks to the company's employees for their sincere service, and to the company's principals, clients, bankers, statutory authorities and all organizations and stakeholders connected with the company's business for their support. Our deepest gratitude to each one of you, our shareholders, for your ongoing support and best wishes.

Before I move ahead with the rest of today's agenda. I would like to take this opportunity to express my deep appreciation and gratitude to Mr. Basant Kumar Goenka and Mr. Sujay Sheth, who at the

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conclusion of today's meeting shall retire from their positions as Independent Directors of the company. Mr. Goenka has served on the Board for more than 20 years, even longer than I have, since March 2003, and has been witness to the transformation of our company from a small weaver and processor of textiles in Kolhapur to an internationally reputed specialty chemical distributor and manufacturer. His contributions to the company have been immense and the Board will miss his objective guidance in the years ahead. Mr. Sujay Sheth has served on the Board since February 2013, and has been an integral part of the growth of the company from a chemical distributor to a chemical manufacturer. He has supported and mentored the management throughout his time as director and even after his relocation overseas, and has actively provided his unbiased guidance in important decisions made by the Board. Mr. Sheth has been a part of our spectacular journey of the past decade, and we will miss him thoroughly in the Board room. On behalf of the entire Board, I thank both Mr. Goenka and Mr. Sheth for the valuable services and guidance rendered by them during their tenure as Independent Directors of the Company.

Thank You.

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