BLACK ROSE

TO BE RELEASED AT 1:30PM INDIAN STANDARD TIME
ON FEBRUARY 8, 2011:

UPDATE ON SPECIALITY MONOMER PLANT:

On September 22, 2010, the company entered into a Foreign Technology License Agreement with Mitsui Chemicals, Inc. of Japan for the manufacture of 10,000MT of acrylamide. Information regarding this project has been advised previously to our shareholders and to the investor community vide press releases dated September 22, 2010 and November 10, 2010.

We have been allotted land in Jhagadia by the Gujarat Industrial Development Corporation (GIDC), and ground-breaking will take place on February 15th. No Objection Certificate from the Gujarat Pollution Control Board (GPCB) for start of construction of the plant is expected before the end of the month. The engineering and procurement activities are on in full swing and tenders have been floated for construction as well as for certain long delivery plant equipment.

The company is on track for commissioning the plant in December 2011 / January 2012.

SET UP OF WHOLLY OWNED SUBSIDIARY IN JAPAN

The company has decided to set up a wholly owned subsidiary in Japan that will focus on further developing the business of chemicals between India and Japan. The proposed company will be registered in Osaka with an additional sales office located in Tokyo, and will focus on sales of speciality chemicals, dyes and pigments, and pharmaceutical intermediates. The company will also promote generic Indian APIs in Japan, a market that has been growing fast due to the Japanese government's strong desire to control healthcare costs. The new company will begin operation in March 2011.

QUARTERLY PERFORMANCE REVIEW

All the revenue segments of the company contributed positively to EBITDA in this quarter as well as in the nine months ended December 2010. EBITDA increased from Rs.185 lacs in the quarter ended Sepember 2010 to Rs.206 lacs in the quarter ended December 2010, and from Rs.346 lacs for the nine months ended December 2009 to Rs. 492 lacs for the period ended December 2010.

Segment EBITDA for Nine Months Ended December (in Rs. lacs)

Segment	FY2010	FY2011	Change
Chemicals	343	484	+ 41%
Textiles	80	26	- 68%
Renewable Energy	-	50	
Others	-	26	
Total (net of unallocable expenses)	**346**	**492**	**+ 42%**

In the nine months ended December 2010, the chemical division showed top-line growth of 71% and an increase in EBITDA of 41% compared to the same period of the previous year. This is a result of the product portfolio expansion

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conducted in the previous quarters. Some of the divisions products that were in short supply during the last quarter have now started flowing again and we expect strong growth in the current quarter.

The textile division could not perform as expected due to the sudden ban on cotton yarn exports imposed by government authorities during the last quarter. The ban has now been lifted, and orders are being fulfilled in the current quarter.

The Renewable Energy segment did not contribute much to this quarter's EBITDA due to the period being in the low wind season. There is a marked improvement in wind generation from January 2011 and we expect good results from this segment in the current quarter. The company's windmills continue to be under validation process by the UNFCCC, a necessary step for obtaining VERs and CERs (carbon credits).

Segment EBITDA for All Quarters of FY2011 (in Rs. lacs)

Segment	1Q	2Q	3Q
Chemicals	97	179	210
Textiles	5	10	20
Renewable Energy	33	13	7
Others	9	15	2
Total (net of unallocable expenses)	**102**	**185**	**206**

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