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BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Scrip Code: 514183
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Dear Sir / Madam,

Sub: Transcript of Q3FY24 Earnings Webinar

Pursuant to Regulation 30 and 46 read with Clause 15 of Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith transcript of Q3FY24 Earnings Webinar held on Tuesday, February 6, 2024.

Please find link of transcript of the proceedings of above-mentioned webinar:

https://www.blackrosechemicals.com/api/uploads/investor_pdf/S8R8D_1707752996Q3_FY24_-_Transcript.pdf

We request you to kindly take note of the above.

Thanking you,
For **Black Rose Industries Limited**

Harshita Shetty
Company Secretary and Compliance Officer

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Q3 FY24 Financial Results Webinar of Black Rose Industries Limited

Hosted by SKP Securities

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Good afternoon ladies and gentlemen, and thank you for attending this virtual meeting. It's our pleasure to welcome you on behalf of Black Rose Industries Limited and SKP Securities to this Q3 FY24 financial results webinar. We have with us Mr. Ambarish Daga – Director, Joint CFO, and IR Officer, and Mr. Bhavesh Shah – General Manager Sales. This webinar is being recorded for compliance reasons, and during the discussion, there may be certain forward-looking statements, and these must be viewed in conjunction with the risk that the company faces. We'll have the opening remark and the presentation by Mr. Daga, followed by the Q&A session. Thank you and over to you Ambarish.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Thank you Navin ji, and a very warm welcome to one and all who have taken out their precious time to attend our webinar for the Q3 FY24. We have now settled into the New Year and we see a lot of different happenings going around. Hope everyone is doing well and safe. Let's start off with the presentation. I may request Naveen Ji to just share the presentation. I hope the presentation is visible to everyone, then we can just go ahead.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Yes, Ambarish, we will go forward.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yeah. So, the next slide is basically a short disclaimer. There might be certain forward-looking statements during the course of this presentation and the Q&A session and those must be read in conjunction with the risk that the company faces. Moving on, we start off with talking about our business presence for Black Rose. So, we started with the chemical distribution business more than two decades ago and we are distributors and importers of specialty and performance chemicals. Being distributors for a number of key principles, which include some of the largest chemical manufacturers spread across the globe from Japan, Germany, Thailand, etc. The chemical distribution business actually led to very strong relationships, which gave us the opportunity to venture into chemical manufacturing. When in 2013, we started the manufacturing of chemicals at our factory in Jhagadia in the state of Gujrat with this setup of South Asia's first acrylamide liquid manufacturing unit. The capacity for that was 10,000 metric tons, while the current capacity stands at 32,000 metric tons per annum which includes 20,000 MTPA for merchant sales and the balance for our captive requirement.

- Next, we started the manufacture of the polyacrylamide liquids, which caters mainly to the ceramic binder industry in Morbi. It has an installed capacity of 40,000 metric tons per annum currently. The company also started manufacturing N-methyl acrylamide or NMA with a capacity of 2000 metric tons and we also started manufacturing acrylamide solids in 2022 with a capacity of 3000 metric tons per annum. The Polyacrylamide solid project is something where our R&D has been going on very strongly and it's now in the finalization stages. We'll talk more about it going forward. B. R. Chemicals Co Ltd., is the 100% subsidiary of Black Rose, which is based in Japan and engaged in the local distribution and export of chemicals.
- Moving forward, we look at the snapshot of the financials. So, first talking about the revenue and profitability, we see on a consolidated basis, there is a substantial 12% growth in overall revenue from operations during this quarter. The EBITDA margin also has improved significantly, moving up to 13.7% overall for the current quarter. This is the 5th consecutive quarter in which we have been able to increase our EBITDA margins and quarter-on-quarter compared to the same quarter of the previous financial year, it's almost a 6½ fold increase in the EBITDA margin. The same is also reflected in the PET margin.
- Moving on to the financials for the balance sheet. If we look, the company has a very strong - next picture, yeah. The company has a very strong balance sheet in terms of the finances. We have also been able to retire a lot of the current liabilities during the course of this quarter, which has resulted in a very, very healthy current ratio of over 8X. The total debt equity is almost negligible, reflecting the strong fund availability, which can be utilized for future projects and other requirements.
- Moving on to the standalone financials. If you could move to the next slide, please. Yeah. Overall, we have seen, as I mentioned, the EBITDA percentage has grown for the 5th consecutive quarter after hitting low in the Q3 of the previous financial year. This has been possible mainly because of very prudent inventory management and strong support from our principals in the distribution segment as well as higher realization overall in the manufacturing business coupled with the proactive and prudent raw material management. The overall increase in distribution volumes is also reflected in the higher profitability and revenue in the distribution segment. The exports for the distribution segment, however, declined on quarter-to-quarter basis because of the slowdown in the US Oil and Gas sector.
- Moving on to the next slide. If we look at the geographical and the revenue mix, overall, the distribution segment still continues to garner about 65% of the total revenue for the company. Also, if you look at the exports, as I mentioned in the earlier slide, because of the somewhat subdued demand from the US Oil and Gas sector, the overall exports have fallen to 27%. However, the exports for the manufacturing division was more or less flat compared to the previous quarter.
- For the next few slides, I will request Mr. Bhavesh to take you through the financials for distribution and manufacturing.
- **Mr. Bhavesh Shah – General Manager Sales, Black Rose Industries Limited:**

- Yeah. Welcome everybody. Good afternoon. Our financials for distribution, the main highlights are the distribution margins are up on a quarterly basis by at least - by around 20%. It's been mainly due to a better material planning and a favorable product mix. Also improved supply from our principals for certain key products with higher margins such as ethanolamine and isophthalic acid. Our top five products continue giving us 78% to 80% of the top line and 60% of the profits. The demand in in US from the oil and gas sector was weak in the last quarter, but we expect the volume to pick up in the upcoming quarters.
- Next slide please. For the financials, now for the Manufacturing Division. Manufacturing volumes, they remain flat for this Q to Q. The realization decreased in both domestic and international markets, but margins improved due to better and prudent raw material planning. For NMA, after giving samples, we have successfully obtained the approval and validation from our key customers domestically and also internationally. We expect substantial growth in the annual volumes in the upcoming quarters and our margins also improved in the manufacturing sector due to our better raw material management.
- Next. I will –
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Mr. Bhavesh ji, I will take it ahead from there. So, next we have the raw material and finished products price trend analysis like we have been sharing in the past as well. The acrylonitrile which is our key raw material was largely within range from \$1100 to \$1200 during the last quarter. However, due to the geographical mix of the manufacturing division revenue, the overall realization has split somewhat from the previous quarter after initially increasing in the first month of the quarter.
- Next, we move on to the outlook for the distribution business. So, the stable domestic demand coupled with the increased supplies and strong support from the principals for products such as Resorcinol, metacresol, acrylonitrile, we expect substantial increase in both the sales volume as well as the revenues for the upcoming - during this current quarter. The distribution team is geared up fully to add new customers and to cater to new business segments and they are focusing on improving our overall market reach to take a best advantage of this stable demand and the support from the suppliers and we expect the volumes to pick up substantially due to these factors. Also, after a few months - a few quarters of subdued demand from the US, we expect things to pick up during the course of this quarter, which will also give impetus to our export volumes.
- Moving on to the acrylamide liquid and solids. So, during the current quarter, we see that the raw material prices have become firm to stable compared to the previous quarter. This will add to our realization. At the same time, the export volumes have also picked up despite the logistics issues faced which can cause disruption, the Red Sea embargo.

- So, we are hopeful that the overall volumes as well as revenue will increase substantially for our acrylamide business during this current quarter. The acrylamide powder business continues to be impacted by the dumping from China, which we are addressing by concentrating more and more on the export side for generating the revenue from the acrylamide powder business.
- Moving on next to the polyacrylamide liquids. The ceramic tile industry at Morbi has been impacted and continues to be impacted by high energy costs and a big dip in the export business for the Morbi tile which has gone, which has been impacted by up to 40% due to the international geopolitical issues and the logistics issues related to the Red Sea. This has resulted in subdued demand for our binder, however, as updated earlier, our R&D team has been working on the newer and more robust versions of the binder as well as we have also developed the polyacrylate based dispersant trials for which are already underway with some of our customers and we hope that these developments will help us in providing a better product mix, product basket to our customers, and improve our revenues as well as add to the profits.
- Further for NMA, as Mr. Bhavesh also mentioned, we have now started commercial sales to one of the largest customers of NMA in India and that will help us in gaining more and more acceptance with other customers as well as increasing our overall revenue and profit substantially.
- Moving on to the outlook in terms of the ongoing and upcoming projects. As we mentioned, our R&D team has been fully focused over the last two quarters on the development of the polyacrylamide solids. A lot of the development on the software side of the project has already been completed as updated earlier. So, we are hopeful that, we will be completing the R&D activity very soon and our timeline remains the same for the product. Other than that, the discussions are in advanced stages for the specialty chemicals project, which we are also planning to initiate in our same Jhagadia site with collaboration from a Japanese principle and also talks are underway for two of the toll manufacturing projects, which are again related to the acrylamide chemistry with our Europe - some US and European countries. Additionally, the company is also seeking to acquire a new land of about 20 acres with a view to utilize it for future projects and requirements.
- Finally, moving to the last slide. We have been presenting the manufacturing capacities and the CapEx chart for some time. It's basically indicative of the technology we have used to set up the various product in our manufacturing portfolio, the current installed capacity the CapEx incurred till date as well as the possibility of adding further capacities in the same manufacturing site for these particular products. So, that's about it from me. Thank you very much for your patient hearing and now I will request Naveen Ji to take it forward.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Ambarish. Friends, we can now start with the Q&A session. Anyone wishing to ask a question, request you to raise your hand, and we'll unmute you and take your question up. So, friends, as far as possible, if you can just raise your hand

instead of posting it on the Q&A. We have a question from Dhaval Shah. Dhaval, please unmute yourself and go ahead.

- **Mr. Dhaval Shah – Participant:**

- Yeah. Can you hear me? Good afternoon, guys.

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Yes, Dhaval please go ahead.

- **Mr. Dhaval Shah – Participant:**

- Yeah. So, I have been shareholder of the company since last nine years and most of the things that are happening have been read by me, heard by me over the period of time, say nine years. Okay, I hope the team of Black Rose can also hear me?

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- Sorry, I missed the first part. If you could just repeat?

- **Mr. Dhaval Shah – Participant:**

- Okay. So, I am the shareholder of the company since last nine years, okay and most of the things I have read during the last nine years, whatever the growth and the development has been happening since last nine years, okay. I continue to be a shareholder, okay and somehow things have worked out and certain things have not worked for the company, but since last couple of quarters, I am really concerned. I'll tell you my - can you guys - can you hear me guys?

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Yes, Dhaval, you are loud and clear.

- **Mr. Dhaval Shah – Participant:**

- Yeah, Yeah. So, I have, I'm getting a feeling that the management, the board has been extremely slow. In getting things done. So, let me give you some example. My dates or timeline may be a little bit here and there. So, a couple of years ago there was a Polyacrylamide project, I mean hard and soft. There was a plan to raise 60 crores.

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- Dhaval, I request you to just hang on for a second, please.

- **Mr. Dhaval Shah – Participant:**

- Yeah.

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- I think so, there's some connectivity issue with the management. Give me one second before I fix it.
- **Mr. Dhaval Shah – Participant:**
- Sure, sure.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you. Please just hold, hang on for a minute while I re-establish the connectivity with the management. Thank you.
- **Mr. Dhaval Shah – Participant:**
- No problem. Yeah. Hello?
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Dhaval, give me a minute, please.
- **Mr. Dhaval Shah – Participant:**
- Sure, sure.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Sorry, there was some technical issue. I hope we are audible now?
- **Mr. Dhaval Shah – Participant:**
- Yeah. Can you hear me guys? Bhavesh and there is one more person, right, for the company?
- **Mr. Bhavesh Shah – General Manager Sales, Black Rose Industries Limited:**
- Yeah, Ambarish ji.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yes Dhaval. Sorry, we got logged out. If you could just re-ask your question, please?
- **Mr. Dhaval Shah – Participant:**
- Yeah. So, okay as I say, my name is Dhaval Shah. I am a shareholder since nine years, okay and I have seen, or I have read, observed, read all the data, whatever has been told by the esteemed team of the Black Rose. Last few years there is a feeling that things are going extremely slow paced like, like the toll arrangement, I am learning from last September, August or July, you cannot be impatient with somebody for toll management, understand how can a management take six months' time in discussion. I mean, I'm in October, November and I continue to do it

in the February also and I'm sure it will be continued in the month of July also, June-July. So, somewhere down the line as a shareholder, I personally feel the management is extremely poor in executing the orders or executing the things for business. They may be extremely competent people, okay I don't doubt their competency, but to get things done on a timely basis, you cannot take months, quarters and years. Like polyacrylamide R&D and AGM to Mr. Anup Jatia and he continues to do R&D till date. We are five years down the line. How can you continue to do an R&D for five years? I mean, I don't understand. I mean and the implementation is extremely poor, let me be very clear because everything is pretty slow. I mean, we are in a world where things move so fast and here there is a company, I don't know what is the reason, I just don't know the reason. Can you hear me?

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- I got your question.

- **Mr. Dhaval Shah – Participant:**

- Hear me out. So, two quarter ago there was a call and they said you guys have some expansion plan and you plan to raise ₹100 crore. So, there was a six month old story and then again with this quarter result you come up with another plan which says there is a plan to acquire 20 acre of land and in the previous one or before that Mr. Jatia had said we don't need place, we don't need extra place, we are very sufficient. We have sufficient place for expansion. So, where are we lost? I mean. I as a shareholder, I'm a smaller shareholder. So, somewhere down the line in last 6 to 8 months I'm telling you, Mr. Jatia said I don't need place. I have a plan to raise 100 crore. I don't know what happens

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- Mr. Dhaval, sorry

- **Mr. Dhaval Shah – Participant:**

- Again, R&D continues and in the press release, it says we are acquiring 20 acres for expansion. So, somewhere down the line there is inconsistency. Somewhere down the line execution is a big issue. I don't doubt the competency, so I don't understand and the same things you keep on continuing to repeat. I'm actually getting bored by your data what you provide because it's virtually 95% same data you provide.

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Dhaval, this is Naveen Agrawal here. If I can request you to be precise and crisp, so that the management can answer and then we can take up the other participants.

- **Mr. Dhaval Shah – Participant:**

- So, yeah, yeah. So, the first query.

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you.
- **Mr. Dhaval Shah – Participant:**
- The first query is the management is super slow in execution, okay. Things cannot be dragged for 6-9 months, okay whether it's a toll contract, whether it's an R&D or polyacrylamide or other projects. I'm listening R&D of polyacrylamide since last five years. You continue to do R&D, then you come up with something. You continue to do R&D, so you tell us that we will do R&D for 10 years, you tell the shareholders because we expect there is an R&D happening, there is a result, there is a result, but apparently we continue to hear that since last five years.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Okay, if I have to understand the question is that why is it taking so long and if we can have some timelines, is that your question, Dhaval?
- **Mr. Dhaval Shah – Participant:**
- That is one question and the biggest question is execution, poor execution.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Okay.
- **Mr. Dhaval Shah – Participant:**
- Okay Naveen, let me very upfront to you. I am a lawyer by profession, okay. I am a Mumbai based lawyer, so I know how a documentation or an execution of a document or a contract happens. So, from August I'm hearing a toll management contract has been under negotiation discussion, so I don't know what is it and so this is the six month I am listening
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Dhaval, sorry I'm interrupting you. I have heard you out, now you must give me a time to respond Dhaval. I am requesting you, please give me a chance to respond.
- **Mr. Dhaval Shah – Participant:**
- Sure, sure. So, I'm not yet done. I'm not yet done.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Okay Dhaval, your current queries, let them be answered and then we'll take up the remaining also.
- **Mr. Dhaval Shah – Participant:**

- Sure. Sure. Sure.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Ambarish, please go ahead.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yes. So, Mr. Dhaval, first of all, thank you very much for being a long-term investor and believer in the company. Before I start, you know, responding to your concerns, which I would like to say that, I think you mentioned you are a lawyer, right?
- **Mr. Dhaval Shah – Participant:**
- Yes.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- I'm not sure you know about whether you have any experience or understanding of how these Japanese principles and manufacturers work, you must understand as we always maintain, we have these relationships with the Japanese manufacturing companies and there is a certain way in which they work. There are certain principles and systems which needs to be followed. #2, you must always understand that R&D is something which can take years and years to finalize. So, that is not something where a definite timeline can be defined.
- **Mr. Dhaval Shah – Participant:**
- Understood.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- It's a creation, you can appreciate. It's something you need to create. Now, creating a product in itself is not the only criteria which an R&D team looks at. These products which we are trying to create, you must understand our performance chemicals and it is very important to reach the most efficient way of creating this product that is the recipe and also for it for us to be competitive it needs to be manufactured in a certain way which is most efficient in terms of the cost. So, these things do take time. We have been giving some timeline from quarter-to-quarter because we feel it is important for our shareholders who have supported us and stayed with us. They should always be updated. So, these timelines as I mentioned cannot be very definitive in nature. That is one point.
- Now, the next point you raised was in terms of execution. So, I would want you to just let me know exactly what execution you are talking about. Is it in terms of the regular business or in terms of R&D, in terms of
- **Mr. Dhaval Shah – Participant:**
- So, I'll give a classic example

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- One minute, let me complete. You can come back.
- **Mr. Dhaval Shah – Participant:**
- Sorry, Sorry, sorry.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Next, you talked about, raising funds. So, we have never ever told that we would like to raise funds as of now. We have mentioned that once the technology and the processes are finalized, we will look at the options of raising funds whenever the appropriate time comes. Next, you also mentioned about toll manufacturing projects and signing some contracts. So, we have never mentioned that we are in discussion to sign any contracts for toll manufacturing. These things take a lot of time in doing the feasibility study etc. So, while I understand that you feel a lot of time has passed, but due to developments which have certain secrecy attached to it, it is not fair on us to divulge any great information. I can assure you that a lot of progress has happened in all of these. Last webinar if you would have heard regarding the Poly solid also, I mentioned in detail that there are two aspects to the polyacrylamide solids. One is the software side, which is like the development of the product in terms of the process and we have completed that part as I mentioned last time and the second part which is the hardware side, which is basically the technology and the other aspects of manufacturing that is something that we are currently working on. So, I hope that will give you a little bit of clarity on, the various points you raised.
- **Mr. Dhaval Shah – Participant:**
- Okay, okay.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Now, you can just follow up with what queries you have.
- **Mr. Dhaval Shah – Participant:**
- Yeah. So, I will just respond to what you said. So, in the month, in the result of July, August, you can check the records with yourself. There was a mention that you plan to raise 100 crores of fund, okay which is fine. If you don't need funds, you don't need to raise fund, you don't need to dilute yourself, there is no problem, okay, but there was a mention that there's an expansion plan and 100 crores to be raised. That is #1. #2, I'm talking just a common sense that when you as the, when you inform a shareholder, okay in the month of July, August that we are in a discussion with a toll management contract or a toll contract for either polyacrylamide or acrylamide from July with the one European company and one American company, here, there's no Japanese company involved, okay. I don't know what kind of arrangement you have with the Japanese for the licensing or to be whatever toll you

plan, you know it's a subcontracting type of business. So, I mean in my experience. From July, August till date, you continue to maintain the stand that you continue being negotiations. So, I'm quite surprised whether they are lagging, the American and the European company are lagging, whether you guys are, I don't know how things work, but no negotiation can last for six months or eight months. You can check out your details. You can check your records for 100 crores of expansion for the toll management.

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Okay. Now I have
- **Mr. Dhaval Shah – Participant:**
- Toll management and land expansion because I distinctly remember in the July, August, Mr. Jatia said we don't need land, fair enough, no problem, we have sufficient land to do it and again in this result you said you were looking to expand. So, in six months' time while everything is in progress, I understand you have a plan, you have a mega plan with whomever or whosoever it is okay it doesn't matter.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Dhaval, I got your questions. Let me respond to you.
- **Mr. Dhaval Shah – Participant:**
- Sure.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- You asked three questions this time around. One is you mentioned again regarding the 100 crores. So, we have mentioned that this polyacrylamide solid plant will require an investment between 60 to 100 crores depending on the technology we choose for implementation whether it is all based out of domestic technology or we have something related to imports. So, once we finalize that at time when the implementation starts, we will require between 60 to 100 crores like you rightly mentioned, but the way that capital is going to be raised will be chosen at the appropriate time when the actual investment. We still maintain that right.
- **Mr. Dhaval Shah – Participant:**
- Then why do you mention it in the midst of everything?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- One minute, let me complete
- **Mr. Dhaval Shah – Participant:**
- If you don't need - if you don't need the capital,

- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- One second, Ambarish. Dhaval, may I please request should be very specific because we have a time bound webinar and there are other participants. What we can do is you can join the queue once all are done or I can arrange your 1 on 1 call with the management, so that all the queries can be answered. Right now, let's keep this specific because there's a long list of participants waiting to ask. You can finish the current question and then
- **Mr. Dhaval Shah – Participant:**
- Okay fine. I think I understand. Sure. Sure, sure, sure, sure. Yeah.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Navin ji, I will just complete
- **Mr. Dhaval Shah – Participant:**
- I think you guys have answered me reasonably. Thank you.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Dhaval. Dhaval, in case something is left unanswered, please let me know and I'll connect you with the management.
- **Mr. Dhaval Shah – Participant:**
- Sure, sure, sure.
- **Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you very much. We take the next question from Imran Khan. Imran, please go ahead.
- **Mr. Imran Khan – Participant:**
- Yeah. Hi. Thank you. Sir, my question is on your manufacturing business. Is it possible that you can provide the capacity utilization for solid and NMA?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Okay. Thank you, Mr. Imran for the question. First of all, before I give any indication on the utilization, let me tell you that as a company, we do not really look at capacity utilization as one of the main benchmarks.
- **Mr. Imran Khan - Participant:**
- No, sir. I know that. I know that because, I think you have a large capacity and I have heard this before. That is the reason I'm only asking for solids and the NMA part, not the other parts of the business.

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Okay. Let me just reply. Let me attempt to reply. See, as I mentioned, we look mostly at maximizing our sales and revenue. Because you must appreciate that these capacities for NMA and acrylamide solid have come at a very, very low CapEx. The NMA, barely less than one crore and the acrylamide solid capacity set up cost us less than 5 crores. So, we really don't look too much at these capacity utilizations, as I mentioned. And, since our calls are also attended and listened to by our competitors across the globe and in India, it's not appropriate to give any specific numbers to the capacities.
- **Mr. Imran Khan - Participant:**
- I completely understand that, sir. So maybe, let me put it in another way. So, this quarter, 20 crores of manufacturing sales. Can you at least give an indication, let's say, where demand comes back, everything is normal for you, exports going well. What kind of revenues you can generate through this manufacturing business, quarterly or yearly, maybe, again, assuming things go back to normal 2-3 years? How one should look at it?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- See, basically, the total revenue from the manufacturing business is typically determined by the capacity utilization and the prevailing market prices. All I can mention is that, the four products that we manufacture currently, looking at the current market prices, maybe at full utilization, we can generate a revenue of between 300 to 400 crores, out of these four products which we currently manufacture.
- **Mr. Imran Khan - Participant:**
- So that is on the capacity, fully utilizing the capacity. I am not necessarily saying that you will have to, or you have to give me a number at full capacity utilization, but I'm asking from your experience, your understanding of the business, 2-3 years down the line, if everything is good, demand is good back to normal, in that scenario, what would be your best guesstimate?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Again, Mr. Imran, I'll have to slightly repeat only what I just mentioned, that it's very difficult to gauge the market price. Like, for example, if you look at the acrylamide prices, for instance, the price has fallen by about 40% over the last one year. So, it's extremely difficult to put a number to it. It's something which keeps evolving. We only focus, as I mentioned, on maximizing both our revenue as well as our profits in whatever the market scenario. And, I can also assure you, that we are absolutely very competitive in terms of our costing, as well as our pricing. So, we are able to compete with all companies across the globe when it comes to a fair pricing policy.
- **Mr. Imran Khan - Participant:**

- All right. Thank you so much. I'll join the queue.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Thank you, Imran. We have a question from Sundar Jain. Sundar, please go ahead.
- **Mr. Sundar Jain – Participant:**
- Good afternoon. Sir, my first question is, is it possible to share the volume growth for 3rd Quarter as well as for the 9 months of this current financial year?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Well, Mr. Sundar, can you let me know what volume growth in terms of...
- **Mr. Sundar Jain – Participant:**
- Last year, sir.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- No, in terms of distribution business, manufacturing?
- **Mr. Sundar Jain – Participant:**
- Only manufacturing.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, in terms of volume, I think we are more or less flattish overall in the manufacturing. Quarter-to-quarter there has been variation, but overall, in the manufacturing, we are flattish to little bit on the higher side.
- **Mr. Sundar Jain – Participant:**
- So that is for both this quarter as well as for 9 months?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- For the 9 months, I'm talking about. We are on the higher side compared to the previous year, previous financial year. We should be able to beat the previous year figures by the end of this year.
- **Mr. Sundar Jain – Participant:**
- Okay. And for the quarter, we are flattish. That is what you're saying?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yes. For the current quarter, we are flattish in some of the products. I cannot really give you the details.
- **Mr. Sundar Jain – Participant:**

- No, no, I don't want the detail. See why I'm asking is, as and when the prices start stabilizing and moving up, just wanted to find out if the volumes are increasing, so that would add to the increase in revenues. From that perspective I was asking. Fair enough, sir.
- My second question is, sir, we make this polyacrylamide liquid, which is mainly used for the binders in the tiles manufacturing. And you've also mentioned that, in order to increase the utilization and to get a more market share, so we are planning and doing lot of R&D for the new grades to be used in the same segment. Now, the question is, the Morbi plant, you had mentioned some 80% or 85% of tiles... of a requirement of Indian tiles are manufactured there. So, my question is, somehow, they're going through the downtown since almost a year or so for some reasons or the other. So, our utilization or the revenues from this product has not been to the extent what it was planned or whatever it may be. So, my question to you is, is it possible to make from the current facilities, polyacrylamide liquid, which can be used for any other application? You had already mentioned that textile one, it is still under R&D press. So, I'm not asking for textile. Do we have the technology to make polyacrylamide liquid that could be used for any other applications?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Thank you, Mr. Sundar. That's a very valid and good question. So, as you rightly mentioned, you know, the Morbi tile industry has been going through some difficult times over the last one year. So, as you mentioned, our team is... apart from making a more robust binder and making this dispersant, the polyacrylamide-based dispersant, our team is also looking at increasing the application-wise different grades, introducing different grades for other applications for the polyacrylamide liquids. And in fact, just to add, one of these toll manufacturing projects that we are discussing, also falls under this category. So, we are actively looking at increasing our product portfolio for the polyacrylamide liquids to ensure much more diversified basket of products and higher utilisation of capacities.
- **Mr. Sundar Jain – Participant:**
- Okay. Fair enough, sir. Sir my next question is, with this our acrylamide solid, due to dumping from Chinese companies, we are not able to do good sales in the domestic market. So, majority of the sales of this product is coming from the export market, which were in the European market and all where we have got the REACH certification, and the sales have been growing very steadily. Now, there are two contradictory things that have been mentioned, one in the press release and now the other one in the presentation. Now, it says that in the press release, you have mentioned that due to the company's extensive and growing market presence, the export volumes are expected to remain strong, despite the disruptions in international logistics and higher sea fright due to recent geopolitical events. So that means... this is mentioned in the press release. This gives an understanding that the current Red Sea crises are whatsoever, will not be affecting the export of acrylamide solid. But in the presentation, you are saying it is going to affect some markets. So, if you could clarify what we have to take?

- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So Mr. Sundar, what we basically want to convey with these statements is, although there will be some disruption in certain markets for the acrylamide solid, however, despite these global headwinds and these challenges, our overall export for acrylamide solid is expected to increase during this quarter, because we are reaching newer customers, we are getting our acceptance for the product. So, basically, we are looking at expanding, because our current quantity also is on the lower side. So there is a lot of scope for additional penetration and sales.
- **Mr. Sundar Jain – Participant:**
- So you mean to say, with increase in logistic cost, to prevail for some more time due to this Red Sea crisis, you are confident of increasing the sales of acrylamide solid, maybe due to approaching more customers or maybe the existing customers buying more quantity. Is that understanding correct?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So that is one part. Also, Mr. Sundar, you must realise that when we talk about exports, the major portion of our exports actually comes from the acrylamide liquid, which is not going to be impacted so much in terms of the logistics issues. So overall, you will see a big jump in the acrylamide exports, when you consider both acrylamide liquid and solid put together.
- **Mr. Sundar Jain – Participant:**
- Sir, liquid anymore you don't export, right, because logistic...
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Sorry, we do export acrylamide liquid. That in fact, forms the bulk of our manufacturing export. Solid is something we started recently. So overall volumes for acrylamide solid export is much much lower compared to the acrylamide liquids.
- **Mr. Sundar Jain – Participant:**
- Sir, if you remember in the last one, it was given to understand that it doesn't make logistically economic sense to export this liquid, acrylamide liquid, because it is in the liquid form, right?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Mr. Sundar, that was the polyacrylamide liquid. Last time we had clarified to the same query, that it was polyacrylamide liquid which we don't export. It is not for the acrylamide.
- **Mr. Sundar Jain – Participant:**
- But, for the acrylamide liquid, it makes sense even now to export also?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- Absolutely.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Sundar, may I ask you to rejoin the queue?
- **Mr. Sundar Jain – Participant:**
- I was about to ask you. No problem. Yes. Yes. Thank you very much.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- We take the next question from Vijaya Saradhi Reddy. Vijaya, please go ahead.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Hi, this is Saradhi, I guess you all can hear me?
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Loud and clear. Please go ahead.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Just a quick question. We don't see Mr. Anup Jatia in the calls nowadays. And, few quarters back, I think he has designated himself as Non-Executive and Non-Independent, and recently has become Non-Executive Chairman. Is he still active with the company or... how do we look at it?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, Mr. Jatia is no longer in the executive position, as you rightly mentioned. So, he is not looking at the day-to-day affairs as such. However, he is still available to provide us with the necessary support as part of the board of directors and as the Non-Executive Chairman now. So, we do get his support and guidance as and when required.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Was there a press release around it? I'm not sure if we have missed it out. Because, you know, the company is still very small. So, I don't understand. Were there any personal reasons for him to move out or anything else is happening?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, as you know, the company has a very professional setup and this is a private matter which I feel I would not like to comment on right now.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Okay, that's fine. We'll catch up later. Thank you.
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**

- Hello, Mr. Saradhi. This is Anup Jatia here on line.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Okay, we didn't see you there.
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- Yes, yes. No, no, I'm here online. I'm joining from overseas where I am now. But yes, maybe you can ask me anything that you want.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- No, no. So, we don't see you in the calls nowadays and you have become Non-Executive Chairman. So, our main concern was, you know, the company is still very small and, promoter leaving it at that early stage is probably quite risky. But we wanted to hear from you like what was the reason for you to move out? I don't know if you have moved out completely, but just want to get a comfort feel that the company is in the right hands, or are there any plans to change the ownership or promoters of the company?
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- Oh, no, no, not at all. Just to clarify, of course, as you know, the promoters still own 75% of the shares and the promoters are fully confident in the existing team. What happens is, if by continuing to remain in an executive position, the existing team there, including Ambarish and Bhavesh and our, the KMPs at the company, do not really get an opportunity to grow and to expand their own strengths as well. So, the idea is, basically to give them... to have the reins now into the next generation team and for me to move out, so that they can have the ability to excel and the ability to grow the company as well. But as Ambarish also mentioned, as a member of the team, as a member of the board, sorry, I am very much there to provide them the guidance and the support. So, that is definitely the situation even now. So, I don't think as... of course, as shareholders, where I am also through the company that I am now at, I am also the... personally not, but the company is of course the shareholder of... the promoters are still the shareholders of the company. There is no change in promoters. There is no intention to change the promoters. None of that is on the cards. Everything is... I have in fact seen, seen better growth within the organization, after my leaving from there. So, in fact, my understanding is a little bit different maybe from a lot of people, but I feel that the growth is getting even better at the company. And I feel there is a very good scope ahead for the company under this management.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Okay. So, yeah. Because there was no press release, so we were slightly concerned.
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- No, there was. I believe there was a release when I was re-designated as a...

- **Mr. Vijaya Saradhi Reddy – Participant:**
- Yeah, there was a release when you were re-designated, but we got the impression that you are actually moving out of everyday operations or not overseeing the overall strategy. Do you still give the strategic inputs into the company and oversee the business development side of it or you're completely...
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- Yeah, so we just had... Of course, we just had our board meeting last week on the 31st. So, even at that time, we had a lot of discussions on the future strategy and on the future planning for the company. So, we are actually quite hopeful for the... especially the new projects which are being discussed, the new agreements... there are no agreements being discussed, but the new businesses which are being discussed, these are quite interesting for the company. So, yeah, I mean, we are all very much in tune with what's going on and where we have to take this company going forward. So, I do not want that people feel that the company is being left to a team of people who do not know what's going on and how to run the company. If I thought that, I would have never decided to make the change. So, you have to understand 75% is still with the promoters, and if the promoters felt that this is going to cause any problems, the promoters would not have taken such a decision. So, I guess, it's maybe a little early for everyone to notice, especially because the chemical markets have been a little bit slow. Nevertheless, I think, if you give it a little bit, maybe another quarter, two quarters, you'll start seeing, I think, a lot of changes. It's just a timing issue as far as I can see.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Okay. Thanks, Anup. Let's hope for the best.
- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- Yes, we are too. And we are confident.
- **Mr. Vijaya Saradhi Reddy – Participant:**
- Thank you. Really appreciate it.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Sarathi, is that it?
- **Mr. Vijaya Saradhi Reddy – Participant:**
- That's all I have. That's all I have.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Thank you. We have a couple of questions on the Q&A board. Ambarish, may I take them?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**

- Yes, please.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- One thing, if participants could please put their names. It becomes... the management is not okay to answer questions from an anonymous attendee.
- Thank you for the opportunity. Can you quantify your outlook for volume increase in our manufacturing and distribution business for the coming quarter and for FY25? A rough directional outlook would also be appreciated.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Sorry, Naveen ji, I didn't get the question.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- The outlook for increase in volumes for the manufacturing and distribution business for the remaining quarters in the current financial year and for FY25.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Right. So, overall, we have this one last quarter, which is currently in progress for this financial year. And we are looking at between 20 to 30% jump in our overall volumes. Of course, it would be difficult to put any revenue figure to it. Regarding FY25, overall, we see the market improving further and the demand coming back. But, it will be difficult to give any quantities or any specific revenue figures for the entire year. Like we've been doing, we'll keep coming back in all these quarterly webinars and spelling out our projections during that time.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- I hope the query was answered. Another question is from Mr. Rajat Shah. Just wanted to get the outlook for the distribution business since it makes up for the majority of our revenues for now. With global traction in ethyleneamines and water waste treatment chemicals, what is the outlook going forward? Do we have any plans to expand more into this segment due to the higher demand and profitability? Three questions. I'll just repeat them slowly. First one was on the outlook for the distribution business.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Okay, so let me answer the outlook on distribution. So, I briefly also mentioned the outlook for distribution during the course of the presentation. Basically, the demand that we see in the current quarter is quite stable, and we have very strong backing from our principals for certain key products during this quarter, such as the, resorcinol, metacresol, ethyleneamines, etc. So, this should add substantial volumes and revenue to our distribution business during this current quarter. The export side also, the US oil and gas sector decline has reversed, as we can see, during this quarter. So, overall, I see substantial growth in the distribution segment during this quarter.

- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Part two of the question was, with global traction in the ethyleneamines and water waste treatment chemicals, what is the outlook going forward?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, ethyleneamines has been a very significant product in our distribution portfolio. And even in the last quarter, we have seen substantial growth in our ethyleneamines volumes. We are very hopeful that with good support from our principals, we will continue to grow this particular product going forward as well. So, the outlook for ethyleneamines is quite promising going forward.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- And third and last part of the question, do we have any plans to expand more into the segment due to their higher demand and profitability?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, our team is fully geared up in adding new markets and new customers for each of our product segments, including ethyleneamines. Profitability is something which is difficult to predict; it depends totally on the market conditions. So we strive to maximize the profits for each and every product, and ethyleneamine is no exception to that.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Thank you Ambarish. Rajat, I hope your questions are answered. Friends, we'll take the last two questions as we're running out of time. Saradhi and Sundar, request you to please limit yourselves to one-one questions. In the meanwhile, I'll share my coordinates on chat. So, in case there are any questions unanswered, please feel free to write to me. Sundar, please go ahead.
- **Mr. Sundar Jain – Participant:**
- Sir, in the various calls, you've mentioned that to increase the CapEx of the various manufacturing products, this can be done at a very low CapEx, so that's why you don't concentrate much on the capacity utilization. I just want to know, is this advantage only for our company or is it there for our Chinese competitors also?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Basically, there are different technologies which different companies use. Our is a very, very robust technology where the incremental cost of adding capacity, the plant is designed in such a way right at the outset, that the additional CapEx required for increasing the capacities is very, very small. So that is one of the key... Even when we were at the beginning of the Q&A session, when we were talking about why our R&D takes time? Because our idea is to design the whole plant in a fashion where we don't have to then spend too much capital on increased capacities once the initial capacities are utilized to the right extent.

- **Mr. Sundar Jain – Participant:**
- So, these Chinese companies also have this advantage or we are not aware of that?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- So, I will not be in a position to give a firm yes or no reply. But what I can say is, what I just mentioned, that our technology is very robust and it is very easy to add extra capacity at a very small incremental cost.
- **Mr. Sundar Jain – Participant:**
- Okay, fine sir. And a small clarification. Regarding this 20-acre land, is it for R&D purpose that you are buying it, or is it for any of the stall manufacturing, or that speciality chemical project you want it?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Thank you for asking this. This is also a question which we were expecting to be asked earlier. So, this 20-acre land is being bought for future projects which we are not talking about as of now. As we had mentioned even earlier and during this presentation, these current projects which we are discussing about the toll manufacturing, the speciality chemical and the polyacrylamide solids, these can already be set up in our existing place in Jhagadia. There is no additional place required for these projects which are currently under discussion or in the pipeline. This additional land we are taking only for future projects. As you know, we have such strong relationships with our principals, and that provides us with a lot of opportunities to look at setting manufacturing units for different products. So, we want to be... we don't want land, which going forward, might be difficult to acquire, to be one of the impediments towards setting up another manufacturing possibility or to expand further.
- **Mr. Sundar Jain – Participant:**
- No sir, that is agreed. But it is not for even R&D also, because R&D also you were looking for land somewhere near Mumbai, right?
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yeah, so R&D we are looking at setting up a new R&D facility in and around Mumbai. That is not for R&D purpose, yeah.
- **Mr. Sundar Jain – Participant:**
- Okay, fair enough. Thank you very much sir and wish you all the best.
- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Thank you, Sundar. Friends, since there are no further questions, I'd like to hand over the webinar back to Ambarish for his closing remarks.
- Okay, just one sec, Mr. Jatia would like to add something. Anup ji, please go ahead.

- **Mr. Anup Jatia - Non-Executive Chairman, Black Rose Industries Limited:**
- Just wanted to... since Mr. Dhaval Shah had mentioned some of the statements which I had made earlier when I was still on the Executive Board, I just wanted to clarify. I think, Ambarish has clarified some of the things already. But yes, the land that we had spoken to earlier, when I had said that there is no land required to be purchased, that is basically because there was a question regarding whether we have enough space to continue with the projects which we were discussing? So, I said yes, there was no need for any additional land for the current expansions that we were discussing, because we have sufficient land at the current site. I think Ambarish just clarified now regarding the additional land being procured, that is basically for future projects and not for the existing projects which have already been discussed.
- And also, Mr. Shah had mentioned about saying that I had said that we require to raise 100 crores. But my request would be to Mr. Shah, to go back and look at some of the earlier statements and the video calls. But the company has never said that they intend to raise 100 crores. We have always mentioned the cost of a project and we have always mentioned that the method of funding the projects are yet to be discussed. We have never said we are interested in raising funds. There are a lot of companies, banks, etc, who keep coming to the company wanting to give funds, during my time as well. But, we have never asked anybody to provide us with funds as such, even at that time.
- Then also... I think Ambarish can maybe clarify some more about these toll agreements, about how much time they generally take. So, that will be good if Ambarish could just maybe touch upon some of that, and maybe about the current discussions that we are having also. So, Ambarish, if you want to just touch upon some of these things, then please do so.
- **Mr. Ambarish Daga - Director, Jt. CFO and IR Officer, Black Rose Industries Limited:**
- Yeah, sure. Thank you. So, regarding these toll agreements, if I may a little bit elaborate on how this basically works. Typically, the toll agreement starts first with an intent to cooperate and for two sides to come together, to look at the possibility of entering into a toll manufacturing setup. Then there are technical discussions generally to understand whether the company who is supposed to set up the toll manufacturing unit, is well equipped technically, and in terms of the facility availability. Then you have the detailed engineering discussion, the feasibility study and only then, the certifications for environmental clearance, etc. So, the procedural stage starts only after all of this happens. So, basically, the whole process can take anywhere between 2 to 2 ½ years, going by this elaborate process. So, that's why you must be seeing this same headline in our webinars and the statement, that the discussions are on. But you must appreciate, that this is something which takes time. It cannot happen overnight. It's not like a distribution business where it's just a purchase-sale of products. So, maybe with these inputs, I am able to address some of this and answer the query related to the toll manufacturing, and why it is taking a lot of time.

- **Mr. Navin Agrawal - Head - Institutional Equities · SKP Securities Limited:**
- Thank you, Ambarish. On this note, I'd like to thank Mr. Daga and Mr. Shah and Mr. Jatia for taking time out to interact with the investors. We look forward to hosting you again for the next quarterly webinar. Thank you and have a lovely day.

- ***END OF TRANSCRIPT***