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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 Q1FY24 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 Q1FY24 Earnings Webinar held on Wednesday, August 16, 2023.

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

https://www.blackrosechemicals.com/api/uploads/investor_pdf/7D6E4_1692595265Q1FY24_-_Transcript.pdf

We request you to kindly take note of the above.

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

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SKP BRIL Q1FY24 Result Webinar

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

- Good afternoon, ladies and gentlemen, and thank you for attending this virtual meeting. It's my pleasure to welcome you on behalf of Black Rose Industries Limited and SKP Securities to this Q1 FY24 financial results webinar. We have with us Mr. Anup Jatia, Executive Director, along with his colleagues, 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 remarks and a presentation by the management followed by Q&A session. Thank you and over to you, Ambarish.

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

- Thank you, Navin ji.

– **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- One correction, Navin ji. I am a Non-Executive Director now, not Executive Director. You introduced me as an Executive Director. Yeah.

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

- Apologies. Thank you, Anup ji.

– **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- It's alright. Yeah, thank you.

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

- Ambarish, please.

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

- Thank you, Anup ji, and thank you, Navin ji. A very warm welcome to one and all who have taken for this webinar for our Q1 FY24 Earnings Webinar. I hope you all had a good

celebration for the Independence Day yesterday. And on that positive note, I'll start the presentation now. Just want to confirm whether the screen is visible.

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

– Yes, Ambarish, we can see.

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

– Okay. So, while the presentation is loading, putting in a word of caution that there will be certain forward-looking statements in this presentation and those must be accepted in with a reference to the risk that the company has with that. Just give me a moment while this presentation loads.

– Yeah, moving on to our first slide. As usual, we'll talk about the business that we are into. So, Black Rose has two business segments as most of you who have attended earlier would be aware of. First is the Chemical Distribution business where we import and distribute specialty and performance chemicals. We have strong direct relationships with many of the leading chemical manufactures of Japan which has helped us in addressing the requirements of the chemical industry, both in India and overseas. Second segment is the Chemical Manufacturing where we started our site at Jhagadia in Gujarat with the manufacturer of Acrylamide Liquid in '2013. This was in technical collaboration with Mitsui Chemicals. The initial capacity 10,000 metric tons whereas the current installed capacity is 32,000 metric tons, out of which 20,000 is earmarked for merchant sales and the balance is for our captive consumption.

– Next, we started with the downstream Polyacrylamide Liquids and the current installed capacity for the plant is 40,000 metric tons. We produce the binders as of now, which goes into the ceramic tile industry. We also started with the N-Methylol Acrylamide at the end of last year where we have an installed capacity of 2000 metric tons for this product. Further, in June of this previous year we started producing Acrylamide Solids with an initial capacity of 3600 metric tons. We thus became the only producer of this product outside of China. The Polyacrylamide Solid product, which we are currently in the last stages of development, it has been in the R&D stage and we'll talk more about this in the following slides.

– The company has 100% subsidiary B.R. Chemicals Company based in Japan, which is engaged in the local sales and distribution of chemicals along with the export. Our other legacy business contribute to less than 1% of our total turnover.

– Moving on to the financials. As we can see, the company generated a revenue of ₹688 million during this quarter, which was slightly down compared to the previous quarter.

However, if we compare it to the corresponding quarter, Q1 of previous year, then there was an increase for that.

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Ambarish, I'm sorry, I'm just going to interrupt for one second. Your Zoom menu bar is blocking the bottom of the presentation, if you want to take it to the top.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Okay, sure. I hope it is okay now.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Yes, thank you.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Yeah, thank you. Thank you for that.
- So, operational revenue, we see that the profitability has increased substantially over the previous quarter and the reasons for that will also be explained in the subsequent slide. Just give me a second.
- Yeah, moving on to the Balance Sheet, standalone and consolidated. The company has improved its already strong financial position by optimizing the inventory level as well as reducing the total sundry debtors. This has helped create a sound financial position and which can help us in our future projects as well as future business prospects. The Debt Equity Ratio is negligible at 0.01 and the Return on Equity and Capital Employed has also improved significantly over the previous quarter.
- Now moving on to the revenue and EBITDA figures. We see that despite the loss in revenue, overall revenue, is quite significant. This is mainly on account of much better margins in the manufacturing business as well as better margins in the distribution business compared to the previous quarters. Overall, the company has improved its EBITDA percent from 4.5% in the previous quarter to 8.84% in this quarter and we expect to keep improving in the subsequent quarters. The sales growth in the manufacturing segment has been driven by the increase in the export volumes. With the EU REACH registration opening up business through new customers and new geographical areas. The dip in the distribution revenue is mainly on account of falling chemical prices as well as dip in the exports owing to the recessionary pressures from the U.S. oil and gas sector. However, as I mentioned, despite the fall in revenue the sharp fall in the purchase cost as well as the raw material prices from the manufacturing

sector during the quarter has helped in improving our overall margins, which is reflected in these numbers.

- Now geographical and revenue mix. We see that the exports again are having a significant contribution to the overall sales where the exports for this quarter stood at 45%. This is mainly because of the higher volumes of exports in the manufacturing division compared to the previous quarter. The segment wise distribution, Manufacturing and Chemical Distribution came down to about 2/3rd from 3/4th in the previous quarter.
- To explain more about the financials of the distribution and manufacturing, I will hand over to Mr. Bhavesh to take it forward.
- **Mr. Bhavesh Shah - General Manager Sales, Black Rose Industries Limited:**
- Thank you, Ambarish ji. Welcoming you all to my first webinar. Talking about the financial for the distribution business. Our distribution revenue has gone down on a Q-to-Q basis. That was mainly due to lower demand and main reason being the downward trend in price realizations. Our demand for exports from U.S. also fell due to recessionary pressures in the market. However, even though with price reductions they supported us with regular supplies and better volumes, which is reflected in if you will see our EBITDA, in spite of lower revenues our EBITDA slightly improved from 6% to 6.42% for the quarter. Our top five products usually contribute about 80% of the topline and around more than 66% profit.
- Talking about the financials from the manufacturing side, we had a good quarter for the manufacturing side. Our revenue increased by around 13% mainly due to increase in exports of Acrylamide Liquid. Last quarter our volume was increased by 46%. We had a good increase in that and price realizations from exports, which is well reflected in EBITDA for the manufacturing divisions. We already have the EU registration through which we are getting more penetration in the European market. We have also now applied for the KKDIIK REACH registration in Turkey to have a better and to secure more orders from that region. Chinese suppliers still continue dumping which is affecting the business mainly in India for our manufacturing side. Our AAM-Liquid and NMA, they showed very good increase during the last quarter. NMA, which is our new product, we have been getting regular approvals from new customers, we are also getting repeated orders, which is reflected in our Q-to-Q where we have increased sales volume for NMA. We have also recently received the approval for NMA from a foreign customer and we are expecting to receive approval from a domestic customer who has a huge potential for this product.
- Now I hand it over to Ambarish ji for further presentation.

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

- Thank you, Bhavesh ji. Moving on to our trend of Acrylonitrile, the main raw material and the comparison to the price realization. As you can see, this current quarter also witnessed a continuous fall in the raw material prices which helped us in improving our spread of price realization. This chart also depicts the contribution of exports towards better realization where you see that in months where the export volumes were higher we were able to get a much better spread compared to the raw material costs. The quarter ended at Acrylonitrile prices being the lowest in the last 1.5 years. However, subsequently, we have seen the prices stabilizing and then reversing, which we will explain in the outlook section.

- Now, moving on to the outlook for the current quarter. First of all talking about the Chemical Distribution, we are witnessing in the current quarter that the supply constraints have eased in some of our key products such as Ethanolamine and Isophthalic acid, which is going to help us going forward in the upcoming quarter. At the same time, we see that the domestic demand for these products is also picking up after a prolonged period of subdued exports. This along with the increasing prices post their stabilization is going to augment volume as well as revenue growth for our sales. Certain products such as Acrylonitrile, which also form part of our distribution business, is also expected to provide the additional revenue during this quarter.

- However, on the distribution side we see that the sector is still under distress and that could adversely impact our merchant export volumes even during the current quarter.

- Next, we will move on to the outlook for the Acrylamide liquids and solids. As we mentioned, the EU REACH registration along with the now applied Turkey REACH is adding a lot of new customers and markets to our portfolio. This is helping us drive our export sales, which we expect to continue to remain strong. The better price realization from exports is also going to help us both in the top line in terms of volume as well as the bottom line. The raw material prices, which had gone down to about mid 900 levels, by the beginning of this quarter have stabilized and now as we speak they have gone up to about \$1050. This should help with our price realization for Acrylamide towards the end of the quarter and for the subsequent quarter. However, the dumping by the Chinese for Acrylamide powder continues unabated as the domestic demand has still not picked up for Acrylamide in China hampering our sales of both Acrylamide liquid and powder to an extent.

- Now, moving on to the Polyacrylamide Liquids where we see that the Morbi ceramic tile market has improved, the export volumes are increasing over there for the tiles. This has also resulted in increase in demand for the ceramic binders and we are seeing better sales and better growth in this current quarter. The margins also have been improving as both the key raw material prices have been falling for Acrylonitrile as well

as Acrylic acid. The work on the newer versions is continuous at our R&D Centre and the team is working hard to make newer versions to cater to a broader market, which will help us in achieving higher sales in the ongoing quarter as well as in the subsequent quarters.

- Moving on to the N-Methylol Acrylamide, the NMA. As Bhavesh ji also mentioned earlier, we have received new orders from a foreign multinational which will add volumes to our business. The profitability for this product remains and also approval is expected within this quarter from a key domestic customer which will add substantially to the volume and sales for this product. Based on these, we expect much higher volumes for the upcoming quarters from NMA.
- Now, speaking about the upcoming and ongoing projects. We have been in the technology development stage for Polyacrylamide Solids for some time and, as we had mentioned, the team is currently fully focused on completing the development for Polyacrylamide Solids. The work has accelerated with the addition of new manpower and new equipment. We have currently set a target date for commercial launch of Polyacrylamide Solids by Q3 of FY25. Also, the company is in advanced stage of discussion with one of our key principals for the new specialty chemicals manufacturing project at our same Jhagadia site. And we have earned two Toll manufacturing projects with U.S. and European companies for their requirements.
- Finally moving on to the Capacities and CapEx chart, which we have been presenting over the last few webinars. This basically shows the technology development where Acrylamide Liquid has been set up with the technological collab whereas the other products are all inhouse developed in order to provide us a better opportunity in terms of sales and this also shows the total outlay. So far is ₹58 crores on these products and the CapEx requirement, which we have provision as of now. The last column shows the further possibilities of adding volumes to these products.
- That's from me on the presentation. Now, I will request Navin ji to take it forward.
- **Mr. Navin Agrawal - Head Institutional Equities, SKP Securities Limited:**
- Thank you, Ambarish. Friends, we now open the floor for the Q&A session. Anyone with a question, request you please raise your hand and we'll take you up.
- The first question is from Sundar Jain. Sundar, please unmute yourself and go ahead.
- **Interviewer:**
- Hello? Can you hear me?

- **Mr. Navin Agrawal - Head Institutional Equities, SKP Securities Limited:**
- Yes, Sundar.
- **Interviewer:**
- Okay. Good afternoon. I have these questions. One, Sir, what is the current capacity utilization of both the Acrylamide liquid and solid?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Okay. Thank you, Sundar, for your question. So for Acrylamide liquid, currently we are having capacity utilization between 60%-70%. Keeps varying based on the market situation and demand. For Acrylamide solid, the current utilization is lower, about 30% as of now. But as new geographies and markets open up we are expecting to improve this utilization very soon.
- **Mr. Sunder Jain – Participant:**
- Sir, one of the reasons for low utilisation of the solid is basically dumping from the Chinese company. Is there any inkling or any indication till when this will continue?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- So, to be honest, it is a difficult question to answer in terms of timeline. Right from the COVID times the demand started reducing and there was situation where a lot of new production facilities were set up all across the globe, especially in China, to new supply chain requirements. This has overall resulted in an oversupply situation, not just for this product, but for many of the other products. And once the demand starts to catch up, then we expect this dumping to ease out and things to stabilize. Also to add to this, there is a fair pricing policy where work is also on in application of antidumping provision for the product which we had also explained in our previous webinars.
- **Mr. Sunder Jain – Participant:**
- Okay.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Once that is done then if there is a fair pricing then we are able to compete with a fair pricing without any issues.
- **Mr. Sunder Jain – Participant:**

- Okay. Sir, earlier maybe I think in the last about how much this 10,000 metric ton capacity of the solid one will contribute to the revenue. So since then the prices have fallen. So, what would be the revenue it can contribute when run at full capacity at the prevailing prices?
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Hi, sorry. I had a question there. The earlier question was regarding acrylamide solid and this question is regarding polyacrylamide solid, I believe.
- **Mr. Sunder Jain – Participant:**
- No polyacrylamide solid we are yet to
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited**
- So acrylamide solid the capacity is not 10,000 metric tons.
- **Mr. Sunder Jain – Participant:**
- Sorry. It is 3600.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Yes.
- **Mr. Sunder Jain – Participant:**
- Sorry, correction. So when run at full capacity, how much this would...
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- That would, as you rightly mentioned, depend on the prevailing market prices.
- **Mr. Sunder Jain – Participant:**
- Okay.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Currently the prices are at about Rs. 150 to Rs. 160 per kilo. So you can calculate based on that.
- **Mr. Sunder Jain – Participant:**
- NMA you are giving a very good, what do you say, signs of one getting approved from the multinational and one more expected maybe by the end of this quarter. So first is,

how much quantity we have sold in this NMA in the first quarter and with this approval also coming through, how much we can expect for the full year.

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

- So Mr. Sunder, we don't give out the definite numbers for the different portfolio because of you know, even the competitors and everyone has an eye on the webinars. So, we do not provide the breakup. But yeah, it will add substantial value. This one customer could add about 600 metric tons annually to the volumes for NMA.

- **Mr. Sunder Jain – Participant:**

- Okay. So I'll rephrase. Can we reach around 50% capacity utilization by this year end?

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

- We are striving to optimize the capacity. But, as we mentioned, this is again a product which undergoes trials in multiple stages. So, giving a definite figure on capacity utilization is difficult. However, we keep updating in each webinar and we'll keep letting you know of the progress.

- **Mr. Sunder Jain – Participant:**

- Okay.

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- Also to add Mr. Sunder. See, the capacity utilization of course is an interest to look for. But you need to also see that the cost of this capacity is hardly Rs. 1 crores. So, there is no major investment gone in terms of creating this capacity. So, the idea is basically more to increase revenues and profitability from these products. The capacity utilization is not really a very significant aspect that we look at. We look at maximizing the sales of each of the products because the collision has been is negligible. Whether you're talking about the acrylamide solid where the total cost of capital cost is hardly Rs. 5 crores and the NMA which is less than Rs. 1 crore. So the the potential in terms of acrylamide solid is about anywhere between Rs. 40 to Rs. 60 crores per year is the expected revenue from the acrylamide solid, and from the NMA that would be around Rs. 40 crores.

- **Mr. Sunder Jain – Participant:**

- That is for acrylamide solid?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- For NMA, Rs. 40 crores and for acrylamide solid also between Rs. 40 to Rs. 60 crores depending on the market price. So, the focus is not so much on capacity utilization, the

focus is more on basically getting the volumes like I said because the capacities have cost nothing to create.

- **Mr. Sunder Jain – Participant:**

- So it is, right, these two products would be relatively higher since we haven't invested much for the CapEx?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- No, margins are not just a function of CapEx. The margins are a function of the cost of production as well. So the raw material cost, the utilities cost, these are also what affect the margins. But the capital cost definitely does not form a major aspect.

- **Mr. Sunder Jain – Participant:**

- So, that's why I was saying they would be better than the acrylamide liquid and poly liquid, right?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- Like I said, it depends on the costing. Just because there is no additional capital investment it doesn't necessarily mean that it is better. But yes, as far as NMA is concerned N-methylolacrylamide, NMA is concerned I can say yes, the margins are higher. When we talk about acrylamide solid, there is a lot of competition in the market. So, not be as good as what we get in NMA. But yeah, that would be comparable to the margins we get for acrylamide liquids.

- **Mr. Sunder Jain – Participant:**

- Okay. Sir, my next question is about poly solid. See, in the chart, what was given about the capacities and CapEx, now you are given a date as you want to commission it by Q3 FY25, that is next year, December 25 or September 25. This CapEx is 10,000 and CapEx amount is Rs. 60 crores, that remains the same?

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

- Roughly a bit about the PAM solid project. So, one is, the technology development for PAM solid is basically having two aspects. One is the soft side which you can say the recipe or the product recipe basically. And the other side is the equipment development. So, we have done substantial work on the soft side already. And now we working on equipment side. So the CapEx would actually be frozen once the equipment development is also crystallized and also, there is quite a bit of gap between the equipment cost which is procured from India and the one procured from overseas. So, all that will help us in finally crystallizing the CapEx. As of now, the CapEx is Rs. 60 to Rs. 100 crores depending on the kind of technology which finally we crystallize.

- **Mr. Sunder Jain – Participant:**
- And the capacity would be 10,000 only?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Capacity would be 10,000 metric ton initially. Yeah, that is the initial.
- **Mr. Sunder Jain – Participant:**
- Okay. Sir, now most of the chemicals in general and even our products are going through very rough time and I presume this could be the bottom most as far as the pricing as well as the demand is concerned. We commissioned it now and I presume we are the only manufacturer of this product in India, how much time would it take to ramp it up?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- So you are talking about the PAM solids?
- **Mr. Sunder Jain – Participant:**
- Yes.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- So one is, we are not the only ones producing this product in India.
- **Mr. Sunder Jain – Participant:**
- Okay.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- There is another company which is already producing this in India. However, our market segment where we are planning to sell is different from that company. We are going to focus mainly on water treatment and water switch segments for this. What was the second part of the question, sorry?
- **Mr. Sunder Jain – Participant:**
- I was just saying, how much time...see, the current prevailing situation is one of the worst for the chemical industry in general as far as the pricing is concerned and the demand is concerned. If you had commissioned how much time it would have taken to ramp it up to full capacity.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**

- So earlier as I mentioned, these are products which are highly performance based and the product validation at the customer end takes up time. However, these are products which is already part of our distribution portfolio and we have been selling these products for a number of years already. So, we are well geared up to ensure that reach significant levels of utilization in a short span of time compared to the regular process. So, it's difficult to give an exact timeline. But as Anup ji also mentioned earlier, our focus has always been on maximizing our revenues and profits and we don't look at capacity utilization in isolation of that.
- **Mr. Sunder Jain – Participant:**
- Okay. I may ask one more question or shall I get back to the queue?
- **Mr. Navin Agrawal - Head Institutional Equities, SKP Securities Limited:**
- Sunder, please go ahead.
- **Mr. Sunder Jain – Participant:**
- Okay. Sir, the next question was, we were looking for some more products in the acrylamide family and other things. Suddenly, now we have heard two things. One, trying to setting up this specialty chemical project in collaboration with one Japanese and then toll manufacturing. So my question was, the reasons to enter into this segment, one. And the second is, margins are what, at par with the distribution segment for these two things that you are in discussion.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- So Mr. Sunder, basically, the toll manufacturing projects that we are currently discussing are very much related to our acrylamide business, poly acrylamide business that falls into the same category basically. The chemical business, that has got no correlation with the acrylamide business. But as I have always mentioned even in the past that we work with many principals and we work very closely with these principals to develop business in India and elsewhere. Now, acrylamide also started as a product where were earlier distributors, and as distributors we had a market knowledge and from distribution of the same product we went ahead and got the license in manufacturing the product. So, we have always been the distribution business. Just the way that we got introduced into acrylamide manufacturing through this method. We keep our eyes and ears open and we keep our opportunities always open so that this kind of relationship also gives us entry into new fields of manufacturing. We are not restricted in our manufacturing outlook only to acrylamide based products. Acrylamide based products are now...that does not mean we are only going to be doing manufacturing or only acrylamide based manufacturing chain. That has always been very clear in our presentations in the past as well. So, when an opportunity comes from a principal to look at manufacturing a new product in India, we definitely look at those projects very seriously and consider them

also very seriously because these can end up to then create an entirely new chain of manufacturing.

- **Mr. Sunder Jain – Participant:**

- So the manufacturing of these, the margins would be better than the distribution margin that we are currently having?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- Yeah, typically manufacturing margins are better than distribution margins, yes. We would not be investing money in a plant if we are going to earn the same money by just buying and selling the product.

- **Mr. Sunder Jain – Participant:**

- Okay, fair enough. True. Sir, but at Jhagadia, do we have space to manufacture...investing in all this manufacturing and all? Do we have additional space there?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- Yes, yes, that has already been identified. The space is already identified and earmarked.

- **Mr. Sunder Jain – Participant:**

- Okay. We already have in the company name. No need to buy fresh.

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited::**

- No, not for this project, no.

- **Mr. Sunder Jain – Participant:**

- Okay. In case if it comes through, how much time is it expected to put up the plant or something sir? Some idea?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**

- This should take about ...The fresh environmental clearance will have to be taken. So the target is sometime during early FY26.

- **Mr. Sunder Jain – Participant:**

- Okay. But whereas for this acrylamide and polyacrylamide we have additional spare capacity, right?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Spare capacity for?
- **Mr. Sunder Jain – Participant:**
- You said for the toll manufacturing projects for US and European company you...
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- They are related to the products....toll manufacturing capacities are available, yes.
- **Mr. Sunder Jain – Participant:**
- Yes, that's what I said. So there you don't need to put any more CapEx or something like that?
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- No, we will have to put CapEx. Yes, we will have to put CapEx.
- **Mr. Sunder Jain – Participant:**
- Because you already have some spare capacity. We are not running...let's say, acrylamide we have 20,000...
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- I said that the toll manufacturing is related to our acrylamide business. I did not say it is...
- **Mr. Sunder Jain – Participant:**
- It is acrylamide, okay.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- It is manufacturing of acrylamide. We are already said that so there is no point for us to toll manufacture. Toll manufacturing will be related to our acrylamide business, but we will not be toll manufacturing acrylamide when we are already a producer of acrylamide. So toll manufacturing typically will be if we are going to be getting sub technology to make something else but related to the acrylamide chemistries.
- **MR. Sunder Jain – Participant:**
- Is it fair to assume that it would be some forward integration product?

- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Yes. The only backward integration from acrylamide is to make acrylonitrile. So that's not a possibility. That is a billion.
- **Mr. Sunder Jain – Participant:**
- Lastly sir, we were to put up a facility to manufacture carboxylic acid also. So anything...
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Facility is already available. We don't have to set up a facility for that. It's a technology that we are developing, not a facility. The facilities are already available.
- **Mr. Sunder Jain – Participant:**
- But we are not manufacturing.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- No, because the manufacturing facilities are common between a lot of different products...
- **Mr. Sunder Jain – Participant:**
- Only you have to figure out which technology to use.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- We only have to develop the process, but the equipment is common.
- **Mr. Sunder Jain – Participant:**
- Okay, fair enough.
- **Mr. Anup Jatia - Non-Executive Director, Black Rose Industries Limited:**
- Yes. So, again, this is a product where there is going to be no capital investment and we'll have additional product and additional revenue and additional margin.
- **Mr. Sunder Jain – Participant:**
- Okay, fair enough. Sir lastly, with all the prevailing condition, what is the growth we can expect in the revenues in the current year?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**

- So, most of these new capacity additions are going to take place only in the subsequent year. For this year, as we see that the market is, the demand as well as the prices and realization is improving from this quarter. So we expect good growth. It is difficult to encapsulate it for the entire year at this stage. But yeah, we see good growth in both the distribution and the manufacturing divisions compared to the previous quarters.
- **Mr. Sunder Jain – Participant:**
- Would we have better revenue as well as the margin compared to 2023?
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- So, that is what we are striving for, and, so far we are expecting things to be positive on that front. We are trying to again achieve about 10% margins for this year, which is the typical margin.
- **Mr. Sunder Jain – Participant:**
- Okay, fair enough sir. Thank you very much and wish you all the best, sir. Thank you.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Thank you Sunder.
- **Mr. Navin Agrawal - Head Institutional Equities, SKP Securities Limited:**
- Thank you Sunder. Friends, a reminder. In case any of you have a question, request you to please raise your hand.
- Guess a lot of queries have been answered while Sunder was asking his questions.
- No further questions, I guess. Thank you very much Anup ji, Ambarish for taking the questions from the investors. Hand over the webinar to Ambarish for closing remarks.
- **Mr. Ambarish Daga - Director, Joint CFO and IR Officer, Black Rose Industries Limited:**
- Thank you everyone for taking the time out and for your patient hearing. We will continue to give updates at the end of each quarter. And in the meantime, hope you all remain safe and healthy. Thank you.
- **Mr. Navin Agrawal - Head Institutional Equities, SKP Securities Limited:**
- On behalf of all of us at the SKP, thank you very much Anup ji, thank you Ambarish, thank you Bhavesh for taking up questions from the investors. And we look forward to hosting you again for the next quarterly webinar. Thank you and have a lovely day. Bye.

End of Transcript