

4<sup>th</sup> May, 2022

BSE Limited  
Corporate Relationship Department  
P.J. Tower, Dalal Street,  
Mumbai – 400 001.

Dear Sir/Madam,

**Sub: Annual Performance Review FY22**

Please find enclosed Annual Performance Review of the company for FY22 for the information of all the stakeholders of the Company.

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

**Harshita Shetty**  
**Assistant Company Secretary and Compliance Officer**

**Black Rose Industries Ltd.**

145/A, Mittal Towers, Nariman Point, Mumbai - 400 021, INDIA  
Tel.: +91 22 4333 7200 / 2282 4075 • Fax : +91 22 2287 3022  
E-mail: info@blackrosechemicals.com • www.blackrosechemicals.com  
CIN No. : L17120MH1990PLC054828

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



## ANNUAL PERFORMANCE REVIEW FY22

### Performance Review

The financial year 2021-2022 ended with a substantial increase in turnover and higher profits over the previous year despite the impact of the second wave of the pandemic during the first quarter and various disruptions during the fourth quarter. The Indian rupee which started the year at Rs.73 per US Dollar remained volatile during the first three quarters of the year, before depreciating to Rs.76 - 77 in the last quarter mainly due to Russia's war with Ukraine.

The first quarter of the year saw reduced volumes in the distribution business, but the situation reversed in the second quarter as the economy emerged from the effects of the second wave. While both the distribution and manufacturing business gained market share in the domestic market, exports continued to be hampered by high freight costs throughout the year. The fourth quarter saw sales revenues dip initially because of the Omicron-related slowdown in January and profitability affected by the European geo-political situation and the COVID-related lockdown in China. Despite this, the company ended the financial year 2021 - 2022 with its highest annual revenue and profits:

	<b>FY 22</b>	<b>FY 21</b>	<b>Change (%)</b>
<b>Revenue</b>	342.97	235.68	46%
<b>EBITDA</b>	44.43	39.60	12%
<b>PBT</b>	40.92	35.82	14%
<b>PAT</b>	30.50	26.75	14%

all numbers in Rs. crores, standalone

The segment-wise total revenue and EBITDA for the year is as follows:

<b>FY 22</b>	<b>Chem. Distribution</b>	<b>Chem. Manufacturing</b>	<b>Unallocated*</b>	<b>Total</b>
<b>Total Revenue</b>	233.98	106.68	2.31	342.97
<b>EBITDA</b>	24.14	24.10	(3.81)	44.43

\*includes administrative expenses

all numbers in Rs. crores, standalone

Key financial indicators during the period are as below:

<b>Parameter</b>	<b>YE FY22</b>	<b>YE FY21</b>
Distribution : Manufacturing Revenue	2.19:1	2.10:1
Debt : Equity Ratio	0.10	0.18
Interest Coverage Ratio (times)	46.98	30.74
Current Ratio	2.72	2.12
Quick Ratio	1.60	1.05
EBITDA Margin	13.00%	16.85%
Net Profit Margin	8.96%	11.54%



## **Business Review**

### **Distribution**

The distribution business performed well during the year. Despite a slow start hampered by the pandemic induced lockdown and supply chain disruptions in April and May 2021, the activity picked up strongly in the following months and quarters. Sale of products such as acrylonitrile, isophthalic acid, and meta cresol helped increase revenue while new products such as neo pentyl glycol and hexamine were added. Profitability was supported by the company's loyal customer base and ability to maintain reasonable level of stocks despite global supply chain issues. Although the fourth quarter saw sales and profits dip with the spillover effects of the Omicron wave, Russia's war with Ukraine, and the pandemic induced lockdown in China all playing a part, the markets continue to be robust and promising.

### **Manufacturing - Acrylamide**

Increased price realization and growing domestic demand helped the company generate higher revenue and maintain healthy operating margins throughout the year. Raw material (acrylonitrile) prices which were at a historical peak of US\$3,200/MT at the end of the previous year fell during each quarter closing the year at around US\$1,900/MT. Sales for the year would have been higher but for high freight costs making exports to certain markets unfeasible. Profits reduced in the fourth quarter because of higher-priced carry forward raw material stocks and the lockdown in China resulting in panic offers of acrylamide powder in the Indian market. The start of the acrylamide powder plant is awaiting approval from the government authorities and is expected shortly. Domestic and international demand for the product is strong and orders are already in hand. The company will be the only producer outside of China in this segment. The company has recently applied for REACH registration which will open up the European market for the company's acrylamide.

### **Manufacturing - Polyacrylamide Liquid**

The company added new customers and gained greater market penetration for its ceramic binder product, BRILBIND CE01, in the ceramic tile industry of Morbi. The year started slowly with the pandemic's second wave during Q1 FY22 but sales picked up as the product continued to gain acceptance in the market. During the last quarter, the surge in gas prices due to the war in Europe and the reduced supply of gas to the ceramic tile industry led many ceramic tiles manufacturers in Morbi to slow down production. Despite of these conditions, the company has increased its business manifold, has raised prices along with rising raw material costs, and is continuously expanding its customer base with its strong brand image. In order to further penetrate this market, the company is currently developing a dispersant used widely by producers of ceramic tiles.

### **Manufacturing - N-Methylol Acrylamide (NMA)**

The company commenced commercial production of N-Methylol Acrylamide (NMA) during the last quarter of the year at its manufacturing facility at Jhagadia with an installed capacity



of 2,000 MTPA. Sales of the product have started at a small scale while the product is undergoing trials at larger customers.

**DISCLAIMER for forward looking statements, etc.**

Some of the statements in this press release may be forward-looking statements or statements of future expectations based on currently available information. Such statements are naturally subject to risks and uncertainties. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference in the company's operations include the availability of raw material/product, cost of raw material/product, changes in demand from customers, fluctuations in exchange rates, changes in government policies and regulations, changes in tax structure, economic developments within India and the countries in which business is conducted, and various other incidental factors. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in making any assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

**FOR BLACK ROSE INDUSTRIES LIMITED**

**AMBARISH DAGA**

**JOINT CFO & INVESTOR RELATIONS OFFICER**

**DATE: MAY 04, 2022**