

# BLACK ROSE

TO BE RELEASED AT 11:30AM INDIAN STANDARD TIME  
ON MAY 12, 2011:

## ANNUAL PERFORMANCE REVIEW:

All the revenue segments of the company contributed positively to EBITDA in the year ended March 2011. EBITDA increased from Rs.533 lacs in the year ended March 2010 to Rs.637 lacs in the year ended March 2011.

### Yearly Segment EBITDA for FY 2011 and FY 2010 (in Rs. lacs)

Segment	FY2010	FY2011	Change
Chemicals	486	605	+ 24%
Textiles	153	83	- 46%
Renewable Energy	10	62	+ 520%
Others	-	13	-
<b>Total (net of unallocable expenses)</b>	<b>533</b>	<b>637</b>	<b>+ 20%</b>

### Quarterly Segment EBITDA for FY2011 (in Rs. lacs)

Segment	1Q	2Q	3Q	4Q
Chemicals	97	179	210	120
Textiles	- 5	10	20	57
Renewable Energy	33	13	7	12
Others	9	15	2	-13
<b>Total (net of unallocable expenses)</b>	<b>102</b>	<b>185</b>	<b>206</b>	<b>144</b>

The chemical division showed top-line growth of 71% to Rs.8,114 lacs and an increase in EBITDA of 24% compared to the previous year. The lower percentage of increase in EBITDA as compared to revenue is due to the introduction of certain high volume products during FY2011 where business margins are lower than in the other chemicals handled. The company expects the chemical segment revenue (not including the expected sales from the company's upcoming acrylamide monomer plant) to cross Rs.14,000 lacs during FY2012 with an EBITDA margin of at least 8.5%.

The textile division which was hit by the sudden ban on cotton yarn exports in the third quarter recovered due to the lifting of the ban in the last quarter. However, the prospects during 2011 – 2012 are not as bright for this sector as the reliability of India as a supplier of cotton yarn has already been adversely affected. Accordingly, the company expects revenue of around Rs.300 lacs during FY2012 from this segment, with an EBITDA margin of approximately 20%.

The Renewable Energy segment has performed reasonably during FY2011. The results of FY2010 are not comparable with those of FY2011 as FY2011 is the first full year of operation. Windpower is seasonal - the April to June quarter is generally the highest contributing quarter and we expect to see the same during FY2012. The expected revenue from this segment during FY2012 is Rs.120 lacs with an improved EBITDA margin of more than 60%.

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Overall, the company is on a sound growth path and we expect to see revenue increasing by more than 60% during the current year with good profit growth from the existing segments.

## **UPDATE ON ACRYLAMIDE MONOMER PLANT:**

The company is setting up a plant to manufacture 10,000MT of acrylamide, and information regarding this project has been advised previously to our shareholders and to the investor community vide press releases dated September 22, 2010, November 10, 2010, and February 8, 2011.

As on date, the basic and detailed engineering has been completed and equipment procurement is in progress. Orders for critical long delivery equipment have been placed, land development activities have commenced, and the company is on track for commissioning the plant in January 2012.

## **B.R. CHEMICALS CO., LTD., JAPAN:**

On April 1, 2011, the company has incorporated a wholly owned subsidiary in Japan under the name of B.R. Chemicals Co., Ltd. With a capital of ₹3,000,000, the subsidiary has its registered office in Osaka and a sales office in Tokyo, and is focusing on the development of the chemical business between India and Japan. A key area of concentration will be the promotion of generic Indian APIs in Japan. Expected revenue from this subsidiary is US\$8 million (approximately Rs.3500 lacs) during FY2012.

## **NOTE**

The company works closely with a large number of principals based in Japan, and its relationship with the country is one of the most important factors in the success of the organisation. Towards the end of FY2011, a terrible disaster hit the shores of northeastern Japan in the form of a devastating tsunami. Radiation unleashed by the tsunami caused fear across the world. We stand together with our friends, associates, and colleagues in Japan for a strong and remarkable return to normalcy.

For removal of any doubts, the company would like to put on record that none of the company's products or projects, supplies or sales, have been adversely affected by the situation in Japan.

