

November 06, 2024

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

Scrip Code: 514183
ISIN: INE761G01016

Dear Sir/Madam,

Sub: Performance Review Q2 FY25 and Business Update

Please find enclosed Performance Review of the Company for Q2 FY25 for the information of all the stakeholders of the Company.

The above information will also be made available on the Company's website, www.blackrosechemicals.com

You are requested to take the same on your record.

Thanking you,

Yours Faithfully,

Ankit Kumar Jain
Company Secretary and Compliance Officer

Encl: as above

Black Rose Industries Ltd.

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CIN No.: L17120MH1990PLC054828

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



PERFORMANCE REVIEW Q2 FY25 AND BUSINESS UPDATE

PERFORMANCE REVIEW

The company announced strong financial results for the quarter, with notable increases in both sales and profits compared to the prior quarter and the same period last year. The growth was driven by higher sales volumes, improved pricing for key products, and effective management strategies, underscoring the company's ability to capitalize on market opportunities and sustain its growth momentum.

The standalone and consolidated revenue and profits for Q2 FY 25 vis-à-vis Q1 FY25 are as follows:

	Q2 FY 25		Q1 FY 25		Change	
	Standalone	Consol.	Standalone	Consol.	Standalone	Consol.
Revenue	93.85	124.16	75.18	99.31	+24.83%	+25.02%
Dividend Received from subsidiary	5.63	-	-	-	+100%	-
Total Revenue	99.48	124.16	75.18	99.31	+32.32%	+25.03%
EBITDA	13.05	7.52	7.17	7.23	+82.06%	+4.13%
PBT	12.02	6.50	6.32	6.37	+90.25%	+1.90%
PAT	10.27	4.71 [#]	4.68	4.72	+119.33%	-0.23%

all numbers in ₹ crores

#Consolidated PAT is exclusive of Rs.5.63 crores on account of elimination of dividend distributed by the subsidiary as per Indian Accounting Standards (IND AS).

The standalone segment-wise results for Q2 FY 25 vis-à-vis Q1 FY25 are as follows:

Year	Distribution		Manufacturing		Unallocated*		Total	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Q2 FY25	68.48	6.00	24.35	2.80	6.65 [#]	4.25	99.48	13.05
Q1 FY25	55.80	4.84	18.63	3.49	0.75	-1.16	75.18	7.17

**Includes administrative and CSR expenses*

all numbers in ₹ crores, standalone

#Includes dividend received from subsidiary



Key financial indicators (standalone) during the period are as below:

Parameter	Q2 FY 24	Q1 FY 25	Q2 FY 25
Distribution : Manufacturing Revenue	2.01 : 1	2.99 : 1	2.81 : 1
Debt : Equity Ratio	0.021	0.003	0.105
Quarterly Interest Coverage Ratio (times)	33.97	95.71	52.80
Quarterly Inventory Turnover Ratio (times)	2.33	1.98	1.93
Quarterly Return on Equity	18.20%	12.98%	29.12%
Current Ratio (as at end of quarter)	3.80	5.87	3.29
Quick Ratio (as at end of quarter)	2.75	3.95	1.60
EBITDA Margin	12.85%	9.66%	14.02%
Net Profit Margin	8.59%	6.33%	11.06%

BUSINESS UPDATE

Manufacturing division:

In Q2 FY25, acrylamide liquid sales gained market share locally, while international markets also saw a minor increase in volumes. Although polyacrylamide liquids faced a slowdown and acrylamide solids were impacted by competitive pressures from Chinese dumping, n-methylol acrylamide (NMA) delivered excellent results.

1) Acrylamide

Liquid

In the current quarter, domestic demand remained stable, while the CIF India price of acrylonitrile decreased before settling at \$1,200/MT by the end of the period. Overall sales realization saw a slight dip in line with the fall in raw material pricing. International sales volumes could have been higher had the rising freight costs not hindered export sales to certain markets. Despite these headwinds, the company successfully enhanced its overall revenue and achieved growth in domestic market share, reflecting its strong position in the local market.

Solid

The company is the sole manufacturer of acrylamide solid outside of China. During the reporting period, local sales declined due to weaker domestic demand and increased competition from Chinese dumping. Additionally, the absence of export orders further impacted performance.

2) Polyacrylamide Liquid

During the quarter, the Morbi ceramic tile industry experienced production slowdowns. Consequently, sales of the company's ceramic binder saw a reduction, primarily due to subdued demand after the extended shutdown following the annual holiday season. Towards the end of the quarter, the company has introduced a more robust version of its binder, receiving positive initial feedback from customers.



3) N-Methylol Acrylamide

The company manufactures two variants of n-methylol acrylamide (NMA): NMA 48% and NMA LF. During the quarter, sales to key domestic customers saw a significant increase, contributing positively to both topline growth and profitability. Additionally, the company is focused on expanding its export business to drive further growth.

Distribution division:

In the current quarter, the distribution business experienced strong growth in both sales volumes and revenue, driven by key products such as resorcinol, ethanalamine, and meta cresol, contributing to both the topline and profits. The company's stock and sale model, supported by strong supplies from principals, ensured steady product availability and reliable service. Merchant exports remained stable, with consistent demand from the US oil and gas sector. Overall, the company improved its margins from the previous quarter while reinforcing its leadership in key distributorship segments.

OUTLOOK

Manufacturing Division:

Acrylamide liquid sales are expected to grow this quarter as the company focuses on gaining further market share, while acrylamide solids should remain stable due to consistent competitive pricing. Following the launch of a new ceramic binder version last quarter, sales are projected to improve, despite a sluggish market. NMA sales are expected to remain stable. Overall, the manufacturing segment is set for steady growth, driven by the company's strategic initiatives.

Distribution Division:

For the upcoming quarter, the company expects stable sales volumes, though product realization may soften. Merchant exports could face challenges due to subdued demand from the US oil and gas sector. The company is focused on increasing its market presence for key products and continues to maintain adequate stock levels to meet customer needs. These efforts are aimed at enhancing market share and supporting steady growth.

PROJECTS AND EXPANSIONS

While the current R&D team focuses on completing the polyacrylamide solids technology by the end of the fiscal year, the company is also establishing a world-class R&D facility in Navi Mumbai. Efforts are underway to strengthen both the R&D and manufacturing teams. We have identified prospective land for future manufacturing projects and are progressing with our Environmental Clearance application for a specialty chemicals project in collaboration with a Japanese partner at our Jhagadia site. Additionally, the company is actively pursuing new opportunities in the manufacturing segment as a natural extension of its distribution business. Further updates will be shared as they become available.

For Black Rose Industries Ltd.

Ambarish Daga

Director, Joint CFO and Investor Relations Officer

Date: November 6, 2024



DISCLAIMER

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.