

February 1, 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 Q3FY24 and Update on Business**

Please find enclosed Performance Review of the company for Q3FY24 for the information of all the stakeholders of the Company.

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

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

**Black Rose Industries Ltd.**

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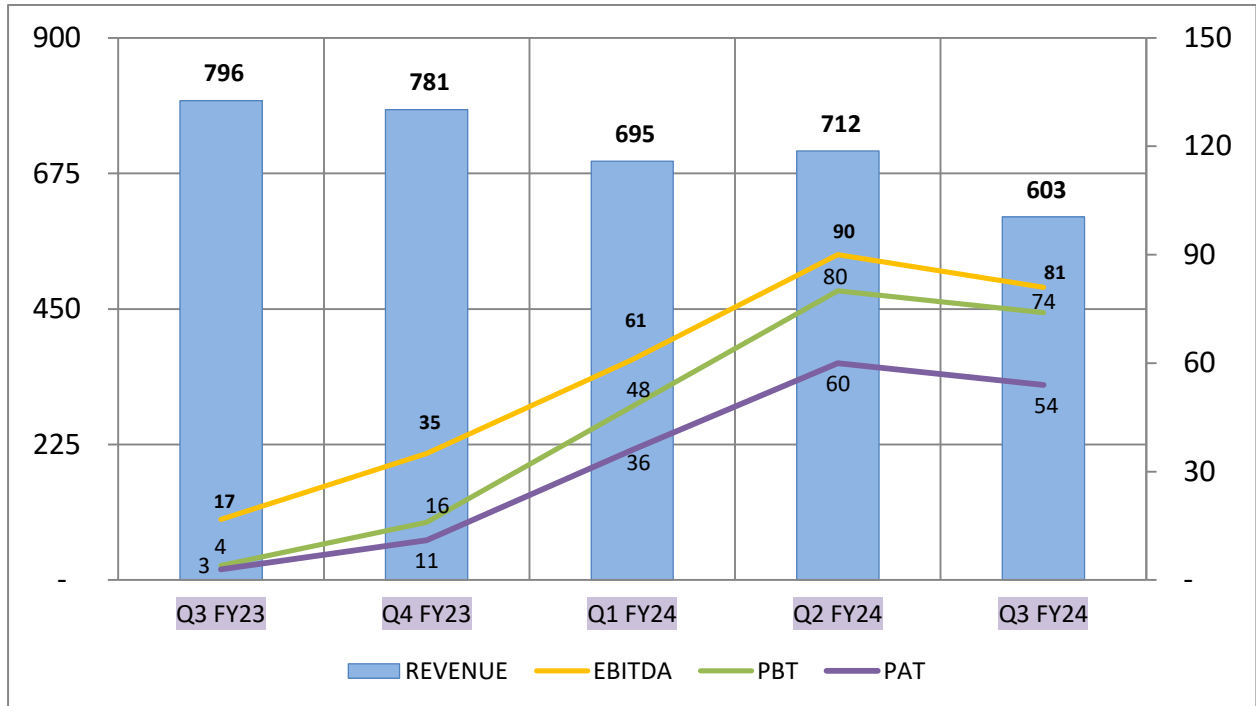
CIN No.: L17120MH1990PLC054828

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

## PERFORMANCE REVIEW Q3FY24 AND BUSINESS UPDATE

### PERFORMANCE REVIEW

The company was able to improve its margins over the course of the quarter thanks to higher volumes and prudent materials management. However, revenues and profits declined in absolute terms due to the fall in chemical prices both globally and in the domestic market.



*all numbers in INR millions, standalone*

The key standalone financial indicators during the period are as below. The EBITDA margin grew 6% sequentially and five-fold compared to the corresponding Q3 FY23.

Parameter	Q1 FY24	Q2 FY24	Q3 FY24
Distribution : Manufacturing Revenue	2.1 : 1	2.0 : 1	1.9 : 1
Debt : Equity Ratio	0.01	0.02	0.005
Quarterly Interest Coverage Ratio (times)	29.1	34.0	39.0
Quarterly Inventory Turnover Ratio (times)	2.17	2.33	1.76
Quarterly Return on Equity	12%	18%	16%
Current Ratio (as at end of quarter)	4.39	3.80	8.44
Quick Ratio (as at end of quarter)	3.30	2.75	5.88
EBITDA Margin	8.8%	12.9%	13.7%
Net Profit Margin	5.7%	8.6%	8.9%

## ***BUSINESS UPDATE***

### **1) Acrylamide**

#### *Liquid*

The sales volume for acrylamide liquid was flat during the quarter. However the overall revenue decreased due to fall in product realisation. The CIF India price of acrylonitrile remained largely flat in a narrow range from \$1100 to \$1200 per MT. Prudent raw material planning helped maintain overall profitability.

Further, the company chose to stay away from certain domestic markets which witnessed unhealthy price war owing to the continued dumping from China.

#### *Solid*

The company is the only manufacturer of acrylamide powder in the world, outside of China. In response to the ongoing issue of Chinese dumping affecting the local market, the company continues to focus on exports where it can achieve better price realization, demonstrating its commitment to overcoming global headwinds.

#### *Outlook – Acrylamide Liquid and Solid*

Overall demand for acrylamide has improved in the current quarter and the company expects a significant increase in both sales volumes and profitability. Due to our extensive and growing market presence, we expect export volumes to remain strong despite the disruptions in international logistics and higher sea freight due to recent geopolitical events.

### **2) Polyacrylamide Liquid**

#### *Ceramic Binder*

The ceramic tile industry in Morbi faced a slowdown in production during the quarter, attributed to an extended holiday season, escalating gas prices, and notable inventory build-ups. Consequently, the sales of the company's ceramic binder, BRILBIND CE01, saw a decline in the current quarter. In response, the company's R&D team is proactively engaged in creating upgraded versions of the binder and a polyacrylate-based dispersant. This effort is geared towards strengthening the product portfolio, making it more robust and versatile to cater to a wider market.



### **3) N-Methylol Acrylamide**

The company has started commercial supplies for the product to some key domestic and international customers and this development is expected to result in a substantial increase in sales volume from the current quarter.

### **4. Distribution**

In the last quarter, the distribution segment recorded an increase in domestic sales volume due to stable demand. However, the overall revenue declined due to lower price realization and supply constraints for certain products. Nevertheless, overall profitability improved compared to the previous quarter.

#### *Outlook*

The company expects its sales to improve significantly in the current quarter as it anticipates increased supplies from principals to cater to the domestic market and higher demand from the US oil and gas segment for our merchant exports. The company is aware that there may be disruptions due to the on-going international logistics problems, which could have a negative impact on both procurement and sales.

### **5. Projects and Expansions**

The company has ramped up its efforts in advancing the development of polyacrylamide solids, with the R&D team focusing solely on this project.

The company is actively seeking to acquire a new 20-acre land for future projects.

Furthermore, the company is in discussions to establish a specialty chemicals project in partnership with a Japanese company at its current site in Jhagadia. Additionally, talks are underway with a U.S. and a European company for the implementation of two toll-manufacturing projects. Further information will be shared by the company as it becomes available.

#### **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.

**For Black Rose Industries Ltd.**

**Ambarish Daga**

Director, Joint CFO and Investor Relations Officer

Date: February 1, 2024