

November 8, 2023

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

Scrip Code: 514183
ISIN: INE761G01016

Dear Sir/Madam,

Sub: Performance Review Q2FY24 and Update on Business

Please find enclosed Performance Review of the company for Q2FY24 for the information of all the stakeholders of the Company.

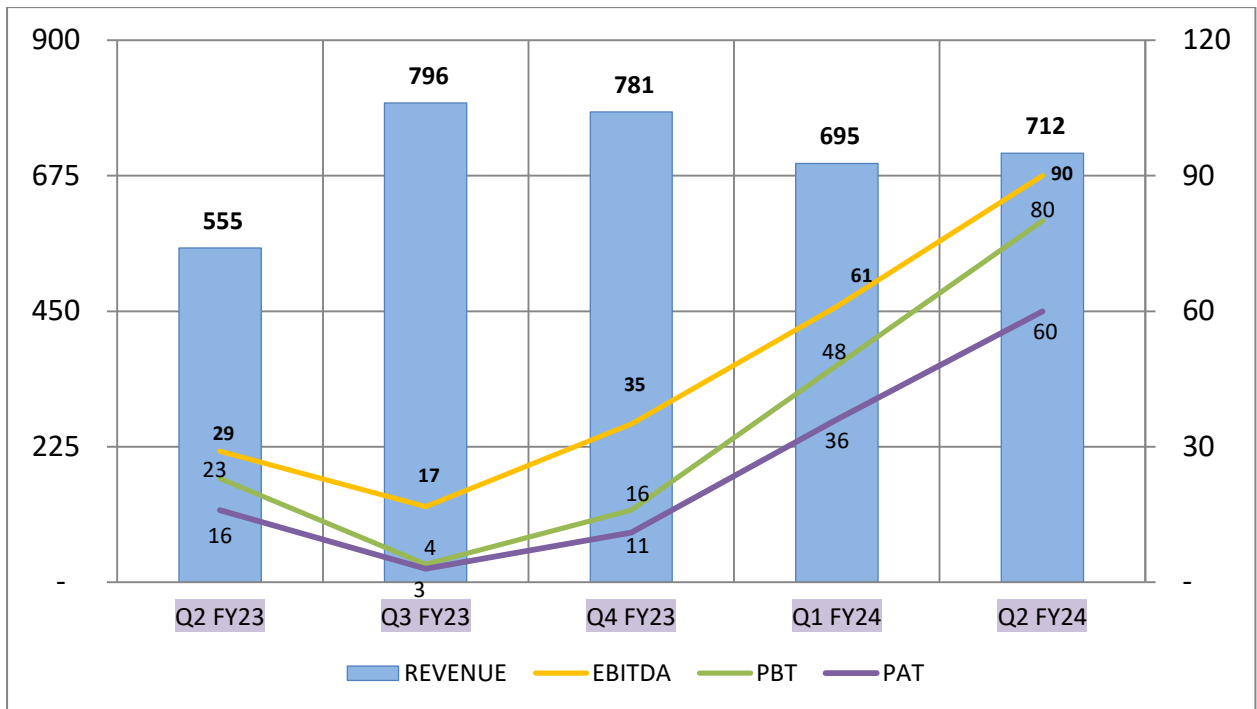
Thanking you,
For **Black Rose Industries Limited**

Harshita Shetty
Company Secretary and Compliance Officer

PERFORMANCE REVIEW Q2FY24 AND BUSINESS UPDATE

PERFORMANCE REVIEW

The company's operations saw improved profitability during the quarter with higher volumes and prudent raw materials management.



all numbers in INR millions, standalone

The key standalone financial indicators during the period are as below. The EBITDA grew 46% sequentially and three-fold compared to the corresponding Q2 FY23.

Parameter	Q4 FY23	Q1 FY24	Q2 FY24
Distribution : Manufacturing Revenue	3.0 : 1	2.1 : 1	2.0 : 1
Debt : Equity Ratio	0.02	0.01	0.02
Quarterly Interest Coverage Ratio (times)	5.8	29.1	34.0
Quarterly Inventory Turnover Ratio (times)	1.74	2.17	2.33
Quarterly Return on Equity	5%	12%	18%
Current Ratio (as at end of quarter)	3.79	4.39	3.80
Quick Ratio (as at end of quarter)	2.59	3.30	2.75
EBITDA Margin	4.5%	8.8%	12.9%
Net Profit Margin	2.1%	5.7%	8.6%

BUSINESS UPDATE

1) Acrylamide

Liquid

Revenue of acrylamide liquid increased for the second quarter in a row on the back of higher volumes. The CIF India price of acrylonitrile rebounded to above \$1,200/MT having started the quarter at close to \$900/MT lending support to acrylamide prices. Prudent raw material planning helped increase overall profitability.

The export volumes increased during the quarter due to repeat orders and new customer additions, and there was a substantial rise in domestic sales as well. Furthermore, prices achieved in the export market consistently surpassed those in the domestic market.

Solid

The company is the only producer of acrylamide powder outside China. The decline in Chinese domestic demand has led to continued dumping prices for Chinese acrylamide powder in India and other countries. The company is focusing on selling volumes in the overseas markets where price realizations are higher.

Outlook – Acrylamide Liquid and Solid

The local demand for acrylamide is stable and the company expects to increase sales and profitability in the current quarter. Due to our extensive and growing market presence, we expect export volumes to remain strong. We are also awaiting validation of our acrylamide powder by certain key international clients, as we concentrate on overseas markets amid ongoing Chinese dumping.

2) Polyacrylamide Liquid

Ceramic Binder

The company's ceramic binder, BRILBIND CE01, saw stable demand and sales volume in the Morbi ceramic tile market. Selling prices were lowered at the end of the previous quarter to reflect reduced raw material costs. Looking ahead, there is anticipated growth in demand for ceramic binders, with expectations of higher sales in the current quarter. Additionally, the R&D team is engaged in developing a polyacrylate-based dispersant, and new versions of the binder to cater to a broader market.



3) N-Methylol Acrylamide

The company has obtained product validation from key customers and this development is expected to result in a substantial increase in sales volume from the current quarter.

4. Distribution

In the preceding quarter, the distribution segment saw an uptick in sales, due to steady demand, and strong support from principals for key products. Although there was a decrease in merchant export volumes, this was offset by increased domestic sales.

Outlook

With increased support from suppliers, the company is focussing on greater market outreach to expand its customer base and increase its sales revenue for its key distribution products.

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 has set Q3 FY25 as the target date for the commercial launch of this product.

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: November 8, 2023