

August 02, 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 Q1 FY25 and Business Update

Please find enclosed Performance Review of the Company for Q1 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,
For **Black Rose Industries Limited**

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 Q1 FY25 AND BUSINESS UPDATE

PERFORMANCE REVIEW

Overall, the company reported higher sales and profits compared to the corresponding quarter of the previous year, despite facing challenges in specific areas. This improvement was driven by increased sales volumes and realization for key products, along with effective management strategies.

The standalone and consolidated revenue and profits for Q1 FY 25 vis-à-vis Q1 FY24 are as follows:

	Q1 FY 25		Q1 FY 24		Change	
	Standalone	Consol.	Standalone	Consol.	Standalone	Consol.
Revenue	75.18	99.31	69.48	88.36	8.2%	12.4%
EBITDA	7.17	7.23	6.14	6.37	16.8%	13.5%
PBT	6.32	6.38	5.20	5.43	21.5%	17.5%
PAT	4.68	4.72	3.90	4.05	20.0%	16.5%

all numbers in Rs. crores

The standalone segment-wise results for the financial year 2023-2024 are as follows:

Year	Distribution		Manufacturing		Unallocated*		Total	
	Sales	EBITDA	Sales	EBITDA	Sales	EBITDA	Revenue	EBITDA
Q1 FY25	55.80	4.84	18.63	3.49	0.75	-1.16	75.18	7.17
Q1 FY24	46.70	3.00	22.11	4.02	0.67	-0.88	69.48	6.14

*Includes administrative and CSR expenses

all numbers in Rs. crores, standalone

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

Parameter	Q1 FY24	Q4 FY24	Q1 FY25
Distribution : Manufacturing Revenue	2.1 : 1	2.2 : 1	3.0 : 1
Debt : Equity Ratio	0.007	0.013	0.003
Quarterly Interest Coverage Ratio (times)	29.1	17.3	95.7
Quarterly Inventory Turnover Ratio (times)	2.17	2.03	1.98
Quarterly Return on Equity	12%	15%	13%
Current Ratio (as at end of quarter)	4.39	3.43	5.87
Quick Ratio (as at end of quarter)	3.30	2.28	3.95
EBITDA Margin	8.9%	10.0%	9.7%
Net Profit Margin	5.7%	6.4%	6.3%

BUSINESS UPDATE

Manufacturing division:

Acrylamide liquid and ceramic binder saw flat sales in the Morbi market. Acrylamide solid and n-methylol acrylamide (NMA) saw improvements during Q1 FY25. A decline in both sales and profit for acrylamide liquid impacted overall profitability of the manufacturing division.

1) Acrylamide

Liquid

In the current quarter, demand in domestic markets remained stable, with the CIF India price of acrylonitrile holding steady at approximately \$1,300/MT. The quarter witnessed a decline in export volumes and rollover of some orders, as the company faced challenges due to a significant rise in freight rates, which impacted supply to certain markets. Nonetheless, the company successfully enhanced its overall price realization during the period.

Solid

The company remains the sole global manufacturer of acrylamide solid outside of China. During the reporting period, local sales experienced substantial growth, driven by the acquisition of new customers. Additionally, disruptions in Chinese supplies due to shipment delays contributed to improved price realization in the domestic market.

2) Polyacrylamide Liquid

During the quarter, the Morbi ceramic tile industry faced production slowdowns due to rising gas prices and reduced exports. Despite these challenges, sales of the company's ceramic binder, BRILBIND CE01, remained stable. The company's R&D team is focused on developing improved versions of the binder and a polyacrylate-based dispersant to enhance and diversify its product portfolio.

3) N-Methylol Acrylamide

The company produces two variants of NMA, namely, NMA 48% and NMA LF. Consistent supplies are now being made to a key domestic customer. Additionally, validation has been received from international customers, supporting ongoing efforts to expand the export business.

Distribution division:

In the current quarter, the distribution business saw a significant rise in sales volumes and realization for key products such as resorcinol, meta cresol, and purified isophthalic acid. The company's strategy to maintain adequate stock levels enabled it to effectively serve customers despite disruptions in shipping schedules and longer supply lead times. Merchant exports remained stable, supported by consistent demand from the US oil and gas sector. Additionally, the company improved its margins from the previous quarter while maintaining its market leadership in key distributorship products.



OUTLOOK

Manufacturing Division:

Export sales of acrylamide liquid are set to rise due to improving vessel availability. Local sales are expected to increase as the company aims to expand its market share. A new, robust version of the ceramic binder is expected next quarter, and substantial growth in NMA sales is anticipated. Overall, the manufacturing segment is poised for improvement, reflecting the company's strategic advancements and operational efficiencies.

Distribution Division:

For the upcoming quarter, the company expects a significant increase in sales volumes and margins for key products, bolstered by strong support from principals in terms of timely supplies and competitive pricing. The company is also working on expanding its product portfolio for both export and domestic markets. These efforts are anticipated to lead to improved margins and an enhanced market share.

PROJECTS AND EXPANSIONS

The company is focusing on completing ongoing research into polyacrylamide solids technology, with the R&D team dedicated to finalizing this process by the end of the fiscal year. We are also establishing a new world-class R&D facility in Navi Mumbai and working to acquire a 20-acre site for future manufacturing projects. Our application for Environmental Clearance for a specialty chemicals project in collaboration with a Japanese partner at our Jhagadia site is in process. We will provide further updates as more information becomes available.

SPECIAL INTERIM DIVIDEND

The company has declared a special interim dividend of 200%, made possible by the dividend declared by our 100% subsidiary B.R. Chemicals Co., Ltd., Japan. With a strong performance projected for the upcoming quarters, we expect significant growth in our internal accruals and a robust financial position.

For Black Rose Industries Ltd.

Ambarish Daga

Director, Joint CFO and Investor Relations Officer

Date: August 2, 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.