

November 12, 2020

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

Dear Sir,

Sub: Performance Review Q2FY21 and Update on Business

Please find enclosed Performance Review of the company for Q2FY21 and Update on Business for the information of all the stakeholders of the Company.

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

A handwritten signature in black ink, appearing to read "Nevil Avlani".

Nevil Avlani
Company Secretary and Compliance Officer

Black Rose Industries Ltd.

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PERFORMANCE REVIEW Q2FY21 AND BUSINESS UPDATE

Performance Review

Sales during the second quarter of FY21 picked up sharply during the months of August and September due to a return of demand after a prolonged lockdown and period of reduced purchases. Demand from domestic customers in the ceramic tiles sector increased rapidly and continues to grow while sectors such as textiles and dyes slowly recovered. The company's export volumes remained in line with the previous quarter. The company was well-positioned to meet customer requirements during this period as it maintained adequate stocks of distribution products, raw materials, and finished products at all times.

	Q1 FY21	Q2 FY21	Change (%)
Revenue	26.41	66.77	+153%
EBITDA	3.96	9.08	+129%
PBT	2.89	7.97	+176%
PAT	2.06	5.97	+190%

all numbers in Rs. crores, standalone

The company improved several of its key financial indicators during the period. Net profit margin improved to 8.9%, debt to equity ratio came down to 0.30, and interest coverage ratio improved to more than 19 times. Cash flows were healthy despite repayment of loans and further capital expenditure into ongoing projects, and profits for the quarter were at an all-time high.

Parameter	Q4 FY20	Q1 FY21	Q2 FY21
Distribution : Manufacturing Revenue	2.1 : 1	1.5 : 1	2.5 : 1
Debt : Equity Ratio	0.34	0.33	0.30
Current Ratio	1.55	1.78	1.72
Quick Ratio	0.94	0.90	1.14
Net Profit Margin	6.3%	7.8%	8.9%

Business has been improving across sectors during Q3. Product prices have been increasing due to accelerating global demand and this is an important positive development for the company's distribution as well as manufacturing business.

Business Update

Acrylamide Plant

Global raw material (acrylonitrile) prices started to increase towards the end of the quarter as end user demand improved and feedstock prices increased. With the increase in raw material prices, domestic prices of acrylamide also increased. The company has continuously



maintained adequate stock of raw material and the benefits from these lower costs are becoming more visible.

Although there was a sharp improvement over Q1, sales and capacity utilisation did not reach pre-COVID levels during Q2. The situation since the beginning of Q3 has been much better and the company is now operating at close to 100% of the merchant sales capacity of 20,000MTPA.

Distribution

With the easing of the lockdown, the offtake of the company's products grew. Demand from most sectors picked up fast while requirements from the textiles and dyes sector picked up slowly. The company provided uninterrupted supplies to its customers, allowing it to gain market share while continuing as or becoming the dominant distributor in products such as resorcinol, isophthalic acid, meta xylene, and ethanolamine.

The distribution business is now seeing a rise in prices and with it, a further rise in demand. As our competitors are witnessing shortages due to delayed arrival of import cargo (caused by an environment of severe shipping disruptions across the world), we have been successful in building stocks at competitive prices with the strong support of our principals and are starting to see the fruits of these efforts.

Polyacrylamide Liquid

The company launched its ceramic binder product, BRILBIND CE01, in the ceramic tile industry of Morbi during the last quarter of FY20 and since then several trials have been conducted. Our product has found good acceptance across end users and supplies to industry have increased during the quarter as plants restarted after the lockdown. Indian-made ceramic tiles are in high demand globally as well as domestically and there are more than 60 new units coming in the region of Morbi where our operations for this business are centered.

FOR BLACK ROSE INDUSTRIES LIMITED

NEVIL AVLANI

COMPANY SECRETARY

Date: NOVEMBER 12, 2020