



CIN: L24231UP2000PLC034918

Registered Office: Gulshan Polyols Limited 9th K.M., Jansath Road,  
Muzaffanagar - 251001, Uttar Pradesh

Revenue from Operations reported at **INR 2,701.8 Mn in Q1 FY23**

EBITDA stands at **INR 217.8 Mn in Q1 FY23**

PAT at **INR 101.9 Mn in Q1 FY23**

### **Q1 FY23 – Earnings Update**

**Delhi, 9<sup>th</sup> August 2022:** Gulshan Polyols Limited (Gulshan) in its board meeting held on **9<sup>th</sup> August, 2022** has inter-alia considered and approved the unaudited Financial Results of the Company for the First Quarter ended on **30<sup>th</sup> June, 2022** as one of its agenda.

#### **Financial Statement Highlights for Q1 FY23 v/s Q1 FY22 v/s Q4 FY22:**

Particulars (INR Mn)	Q1 FY23	Q1 FY22	YoY%	Q4 FY22	QoQ%
Revenue from Operations	2,701.8	2,385.6	13.3%	2,922.3	(7.5%)
Other Income	4.7	4.1		11.0	
<b>Total Revenue</b>	<b>2,706.5</b>	<b>2,389.7</b>	<b>13.3%</b>	<b>2,933.3</b>	<b>(7.7%)</b>
Total Expenses Excluding Depreciation and Finance costs	(2,488.7)	(1,954.4)		(2,673.2)	
<b>EBITDA*</b>	<b>217.8</b>	<b>435.3</b>	<b>(50.0%)</b>	<b>260.0</b>	<b>(16.2%)</b>
<b>EBITDA Margin (%)</b>	<b>8.0%</b>	<b>18.2%</b>		<b>8.9%</b>	
Depreciation	(70.6)	(75.7)		(84.8)	
Finance Cost	(10.9)	(8.2)		(13.8)	
<b>PBT before Exceptional Item</b>	<b>136.4</b>	<b>351.4</b>		<b>161.4</b>	
Exceptional Items	0.0	0.0		0.0	
<b>PBT</b>	<b>136.4</b>	<b>351.4</b>	<b>(61.2%)</b>	<b>161.4</b>	<b>(15.5%)</b>
Tax	(34.5)	(89.8)		(44.8)	
<b>PAT</b>	<b>101.9</b>	<b>261.6</b>	<b>(61.1%)</b>	<b>116.7</b>	<b>(12.7%)</b>

**Q1 FY23 Earnings Update**

Other comprehensive profit / loss	(0.1)	0.0		(1.9)	
Net PAT	102.0	261.6	(61.0%)	118.5	(14.0%)
PAT Margin %	3.8%	10.9%		4.0%	
Diluted EPS	2.0	5.3	(62.9%)	2.2	(12.5%)

*\*EBITDA includes other income*

### **Financial Performance Comparison – Q1 FY23 v/s Q1 FY22:**

- Revenue from Operations **grew by healthy 13.3% from INR 2,385.6 Mn in Q1 FY22 to INR 2,701.8 Mn in Q1 FY23** backed by healthy growth across our three segment.
- EBITDA **degrew by 50% from INR 435.3 Mn in Q1 FY22 to INR 217.8 Mn in Q1 FY23** owing to decline in EBITDA margin from 18.2% to **8.0%** primarily led by commodity cost headwinds faced by the industry **on account of continued high inflation in the prices of basic raw materials, rice and maize. Further, global supply chain issues related to coal supply has also led to significant increase in power cost which impacted the margin.**
- **Net profit** has decreased by **61.1%** from **INR 261.6 Mn in Q1 FY22 to INR 102.0 Mn in Q1 FY23**. The **Net Profit Margins** were at **3.8%** in **Q1 FY23** from **10.9%** in **Q1 FY22** due to increased operating costs as mentioned above.

### **Capex Updates:**

- Company is undertaking a **capex of ~INR 4,850 Mn** for expanding capacities in the ethanol segment. Of this **~INR 3,000 Mn** will be required to set up the **500 KLPD Ethanol plant in the state of M.P.** during FY23 and **~INR 1,850 Mn** will be required for setting up **250 KLPD Ethanol plant in the state of Assam** over FY23 and FY24. The aforementioned capital expenditure is proceeding as planned.
- **In the grain processing segment, Company is expanding its aggregate capacities by ~20%.** The budgeted capex for same is **~ INR 1,500 Mn**. The Company is progressing well on the said capex.

### **Business Updates:**

- The Oil Marketing Companies (OMCs) - HPCL, IOCL and BPCL have confirmed a **six-month relief scheme** from 1<sup>st</sup> June, 2022 to 30<sup>th</sup> November, 2022, to support the ethanol manufacturers challenged with high input cost, primarily on account of fuel and electricity. The relief is supportive of profit margins and reflects another show of positive intent of the OMCs to achieve objectives of Ethanol Blending Program.

- The Company participated in the 15<sup>th</sup> exhibition of “**Papex**”. Papex, an international exhibition and conference on pulp, paper and allied industries, was conducted from 10<sup>th</sup> to 13<sup>th</sup> May, 2022 at Greater Noida, Delhi NCR, India. The Company’s stall was a one stop shop for online PCC/WGCC fillers and coating pigment solutions. The Company received a positive response from this event and plans to build a strong network of business partnerships and capitalize on the same.
- The Company has signed a contract with Meghna Pulp & Paper Mills Limited for supplying GCC, GCC Coating plant, Vibrator Separating Machine with standard accessories and spare parts for **USD 27,80,000**. This will strengthen the Company’s position in the Market.
- Debt disbursed out of sanctioned amount of INR 1,700 MN stands at INR 469 MN. The major part of this was used for capex related to ethanol plant.

**Management Comments:**

***Commenting on the performance of Q1 FY23, Dr. Chandra Kumar Jain, Chairman and Managing Director, Gulshan Polyols Ltd. Said***

***“We are happy to share with you our financial and business performance for Q1 FY23, revenue from operations stood at INR 2,701.8 Mn showing a growth of 13.3% on YOY basis predominantly driven by good growth across our three business segment. We have managed to achieve good growth across all the three segment during the quarter.***

***In each of the segment we witnessed robust and satisfying demand. One of the key challenges faced by us during the quarter was the rising price of coal and other input costs. The global coal crisis has led to an increase in our power cost. Further, overall inflation headwinds impacted our basic raw material prices as well thereby putting stress on our EBITDA margins on a yearly basis. We expect the raw material related cost pressures to start easing out from third quarters onwards as we witness fresh harvesting of kharif crops and some respite in coal cost. Further, we continue to take steps in direction of sustaining and further improving our operating margins with operational efficiencies, capacity augmentation and upgradation in our Ethanol & Grain Processing segment.***

***We would like to highlight the following updates with respect to our individual business segment:***

***Our grain processing segment is steadily recording an increased market share of our product offerings and increased utilization of our plant capacities. Specifically, our product, sorbitol (70%), maize starch and fructose syrup are market leaders and continue to show decent growth. We are continually adding newer products to market which are highly effective and efficient for their intended purposes. In view of robust demand and high product acceptance, we are on track of adding of ~ 20% capacities across facilities in this segment.***

*Our Ethanol manufacturing facility is running at an elevated capacity utilization of >100% owing to secular demand for ethanol as per the government's EBPP. We are also happy to share that we are on track in executing our capex plans for setting up of ethanol plant of 500 KLPD (expected to commence in FY23) and 250 KLPD (expected to commence in FY24) in Madhya Pradesh and Assam respectively. We envisage a capex of ~INR4,850 Mn for the two facilities of which ~INR3,000 Mn will be deployed in FY23 and the balance will be deployed by FY24. The Company has already entered in long term supply arrangement with OMCs for supply of ethanol from these plants after commercialization.*

*Our mineral processing segment despite being a stable business, continues to grow owing to our expertise in providing diversified and value-added solutions and services related to Wet Ground Calcium Carbonate (WGCC), Ground Calcium Carbonate (GCC) and on-site Precipitated Calcium Carbonate (PCC). The Contract with Meghna Pulp and Paper Mills Limited has helped us to establish a stronger foothold in the market.*

*Going ahead, our focus is to grow the EBITDA Margin by increasing contribution from higher margin products and by building cost efficiency through procurement and operational processes. Further, we will continue to broaden our product range by continually investing in value added products and R&D processes.*

*As we move forward in seizing the growth opportunities that lie ahead of us, we would like to thank our employees for their continuous efforts and our investors / stakeholders for their continued support and encouragement."*

**Forward Outlook/Guidance:**

- Management is expecting a revenue of ~INR 23,000 Mn by FY24 and ~INR 28,000 Mn by FY25, on back of significant capacity expansion in Ethanol segment.
- The company is expected to have an EBITDA margin of ~ 13% to 14% over FY 23 & FY 24.
- **With the addition of capacities in the ethanol segment, the revenue mix will change.** Currently, ~75% of the revenue is contributed by grain processing segment, about 18% from Ethanol processing segment and Balance 7% from Mineral processing segment. **After commissioning of new capacities, management is expecting ~50% revenue from Ethanol segment and balance ~50% from grain processing segment. The contribution from mineral processing segment will gradually decrease.**

### **About Gulshan Polyols Limited:**

Gulshan Polyols Limited ("Gulshan") is a **multi-location, multi-product manufacturing company** with **global presence** in 35 countries, across 3 continents. The company features **three main business segments** namely, Grain Processing, Ethanol Distillery & Mineral Processing. Gulshan is amongst one of the market leader in manufacturing sorbitol, precipitated calcium carbonate (PCC) and wet ground calcium carbonate (WGCC). The Company is planning to **expand its footprints in distillery segment** and has embarked on a significant capex plan for manufacturing ethanol. **By FY25** the company plans to **expand its ethanol capacity** to 810 KLPD from current 60 KLPD. Gulshan's **product portfolio** comprises of starch sugars and native starches, calcium carbonate; agro based animal feed, alcohol business & on-site PCC plants. Gulshan is **providing solution** to diverse range of Industries & niche markets in core sector i.e. from toothpaste to alcohol, from sweeteners to paints, from paper to medicines, from plastics to personal care. Gulshan has an **impressive clientele** comprising of top FMCG companies, paint companies, OMCs and others. Gulshan is recognized by Government of India as **Star Export House**, for consistent export of products to various parts of the world and holds record for introducing on-site PCC plant as per Limca Records.

For further information on the Company, please visit [www.gulshanindia.com](http://www.gulshanindia.com)

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