



CIN: L24231UP2000PLC034918

Registered Office: 9th K M Jansath Road, Muzaffarnagar, Uttar Pradesh, 251001

Corporate Office: G-81, Preet Vihar, Delhi-110092

## **Q3 & 9M FY23 – Earnings Update**

Revenue from Operations reported at ₹3,316.2 Mn in Q3 FY23 and ₹8,781.9 Mn for 9M FY23

EBITDA stands at ₹241.8 Mn in Q3 FY23 and ₹663.6 Mn for 9M FY23

PAT at ₹118.5 Mn in Q3 FY23 and ₹311.2 Mn for 9M FY23

**New Delhi, 17<sup>th</sup> January, 2023:** Gulshan Polyols Limited ("Gulshan") is a multi-location and multi-product manufacturing company with global presence in 35+ countries, across 3 continents. It operates in three segments namely grain processing, ethanol (bio-Fuel)/distillery and mineral processing. Gulshan in its board meeting held on 17<sup>th</sup> January, 2023 has inter-alia considered and approved the unaudited Financial Results for the third quarter and nine month period ended on 31<sup>st</sup> December 2022 as one of its agenda.

### **Financial Statement Highlights for Q3 FY23 v/s Q3 FY22 v/s Q2 FY23**

Particulars (₹ in Mn)	Q3 FY23	Q3 FY22	YoY%	Q2 FY23
Revenue from Operations	3,316.2	2,926.6	13.3%	2,763.8
Other Income	21.7	1.0		13.5
<b>Total Income</b>	<b>₹3,338.0</b>	<b>₹2,927.6</b>	<b>14.0%</b>	<b>₹2,777.3</b>
Total Expenses excluding Depreciation, Amortization & Finance Cost	(3,096.1)	(2,575.4)		(2,573.4)
EBITDA	241.8	352.3	-31.4%	203.9
<b>EBITDA Margin (%)</b>	<b>7.2%</b>	<b>12.0%</b>		<b>7.3%</b>
Finance Cost	(15.2)	(16.0)		(14.9)
Depreciation	(72.1)	(83.5)		(71.2)
<b>PBT</b>	<b>154.6</b>	<b>252.7</b>		<b>117.8</b>
Tax Expenses	(36.0)	(62.2)		(26.9)
<b>PAT</b>	<b>118.5</b>	<b>190.5</b>	<b>-37.8%</b>	<b>90.9</b>
<b>PAT Margin %</b>	<b>3.6%</b>	<b>6.5%</b>		<b>3.3%</b>
Other Comprehensive Income/(expense)	0.0	(0.4)		(0.1)
<b>Net PAT</b>	<b>118.5</b>	<b>190.1</b>		<b>90.8</b>
<b>Diluted EPS</b>	<b>2.3</b>	<b>3.8</b>		<b>1.8</b>

\*EBITDA includes other income

### **Financial Performance Comparison – Q3 FY23 v/s Q3 FY22**

- Revenue from operations increased by 13.3% to **₹3,316.2 Mn in Q3 FY23** from **₹2,926.6 Mn in Q3 FY22**. The revenue growth was led by healthy demand for products across all our segments.
- EBITDA decreased by **31.4% from ₹352.3 Mn in Q3 FY22 to ₹241.8 Mn in Q3 FY23** and margins contracted from **12.0% in Q3 FY22 to 7.2% in Q3 FY23** owing to elevated commodity prices impacting raw material and power & fuel cost. However, on a sequential basis, margins remained stable from 7.3% in Q2 FY23 to 7.2% in Q3 FY23.
- PAT stood at **₹118.5 Mn in Q3 FY23**, compared to **₹190.5 Mn in Q3 FY22** recording a decline of **37.8%** due to operational factors as mentioned above.

### **Financial Statement Highlights for 9M FY23 v/s 9M FY22**

<b>Particulars (₹ in Mn)</b>	<b>9M FY23</b>	<b>9M FY22</b>	<b>YoY%</b>
Revenue from Operations	8,781.9	8,085.0	8.6%
Other Income	39.9	9.5	
<b>Total Income</b>	<b>₹8,821.8</b>	<b>₹8,094.4</b>	<b>9.0%</b>
Total Expenses excluding Depreciation, Amortization & Finance Cost	(8,158.2)	(6,832.8)	
<b>EBITDA*</b>	<b>663.6</b>	<b>1,261.6</b>	<b>-47.4%</b>
<b>EBITDA Margin (%)</b>	<b>7.5%</b>	<b>15.6%</b>	
Finance Cost	(40.9)	(35.8)	
Depreciation	(213.9)	(239.3)	
<b>PBT</b>	<b>408.7</b>	<b>986.5</b>	
Tax Expense	(97.5)	(250.7)	
<b>PAT</b>	<b>311.2</b>	<b>735.8</b>	<b>-57.7%</b>
<b>PAT Margin %</b>	<b>3.5%</b>	<b>9.1%</b>	
Other Comprehensive Income/(expense)	0.0	1.3	
<b>Net PAT</b>	<b>311.2</b>	<b>734.5</b>	
<b>Diluted EPS</b>	<b>6.0</b>	<b>14.9</b>	

\*EBITDA Includes other income

### **Financial Performance Comparison – 9M FY23 v/s 9M FY22**

- Revenue from operations have remained stable to **₹8,781.9 Mn in 9M FY23** from **₹8,085.0 Mn in 9M FY22**.
- EBITDA decreased by **47.4% from ₹1,261.6 Mn in 9M FY22 to ₹663.6 Mn in 9M FY23** and margins contracted from **15.6% in 9M FY22 to 7.5% in 9M FY23**.
- PAT stood at **₹311.2 Mn in 9M FY23**, compared to **₹735.8 Mn in 9M FY22** recording a decline of **57.7%**.

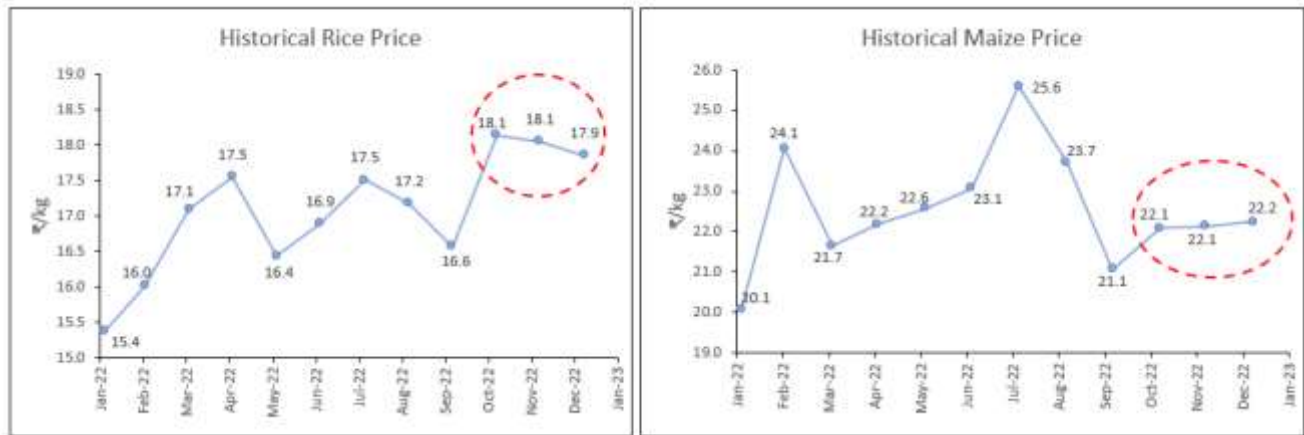
### **Business Updates**

- Received an order worth ₹1,371.8 Mn from OMC's for the supply of ethanol from its 60 KLPD manufacturing facility at Boregoan, Madhya Pradesh. Additionally, the company also received

an order of ₹544.0 Mn from Nayara Energy Ltd. for ethanol supply from its upcoming 500 KLPD facility in Madhya Pradesh.

- Agreement to procure electricity generated from solar energy at grain processing plant at Muzaffarnagar, Uttar Pradesh. The company will purchase 4 to 5 Lakhs units of electricity per month from Amplus RJ Solar Pvt. Ltd. at a 30-40% lower cost.
- During the quarter, the company received the remaining loan amount of ₹500 Mn from HSBC. Gulshan had total sanctioned of ₹1,700 Mn from HSBC for the construction of 500 KLPD plant at Borgoan, Madhya Pradesh which is expected to commence its operations in the upcoming quarter.

**Softening of key input costs will aid our margins going forward**



Source: [https://in.investing.com/commodities/rough-rice-historical-data?end\\_date=1673202600&st\\_date=1641666600&interval\\_sec=monthly](https://in.investing.com/commodities/rough-rice-historical-data?end_date=1673202600&st_date=1641666600&interval_sec=monthly)  
 Source: [https://in.investing.com/commodities/ncdex-maize-feed-futures-historical-data?end\\_date=1673202600&st\\_date=1641666600&interval\\_sec=monthly](https://in.investing.com/commodities/ncdex-maize-feed-futures-historical-data?end_date=1673202600&st_date=1641666600&interval_sec=monthly)



Source: <https://tradingeconomics.com/commodity/coal>

**Management Comments**

***Commenting on the performance of Q3 FY23, the management team of the company states that, “We are delighted to share our financial and business performance for Q3 FY23, the company continued to witness strong demand for its products across all segments during the quarter and recorded highest ever quarterly sales. Our revenue from operations grew in a robust manner and stood at ₹3,316.2 Mn in Q3 FY23 increasing from ₹2,926.6 Mn in Q3 FY22 despite continued peak utilization of our capacities. Our margins declined during Q3 FY23 compared to Q3 FY22 due to***

*elevated key input prices, however it was marginally aided by increase in grain-based ethanol prices and fast execution of key contracts in the mineral processing segment. We are currently witnessing some moderation in our key cost which will aid our margins going forward.*

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

**Grain Processing Segment:**

*We continue to remain one of the dominant player in the grain processing segment on the back of enhanced product portfolios, vast industry experience and geographic reach. Our products in this segment find multi-faceted applications in industries like pharmaceuticals, oral care, paints, paper and packaging, food and confectionary, animal feed, oil, textiles and adhesives. The underlying growth in these industries has led to robust demand for our products and has allowed Gulshan to meaningfully contribute to the Make in India theme by focusing on product development that allows large scale import substitution.*

*Our margins in current financial year are affected due to the cost headwinds in grain and coal prices, however, in order to combat the impact of varying coal price in the future and staying true to our vision of fostering a greener economy we partially shifted to green source of power based out of solar energy for our grain processing and mineral processing unit in Muzaffarnagar in Uttar Pradesh. This initiative will aid us in limiting our reliance on fossil fuels in future and enable us to progressively contribute in building a greener planet.*

**Ethanol (Biofuel/Distillery) Segment:**

*During the quarter, we bagged an order worth ₹1,371.8 Mn for the supply of 22,209.2 Kilolitres of Ethanol to the OMC's from our existing 60 KLPD unit and ₹544.0 Mn for the supply of 9,300 Kilolitres of Ethanol to Nayara Energy Ltd. from our upcoming 500 KLPD.*

*These order wins act as a testimony to the relationships we have developed over the years with OMCs and Private oil retailing companies and the trust that is placed upon us to successfully implement the vision of government's EBP Program.*

*Our capex on 500 KLPD manufacturing unit has almost reached its final lap and the unit is expected to commence operations in the upcoming quarter allowing Gulshan to become the largest single stream grain based ethanol producer in Asia. Further, the development of our Assam unit is also progressing well on expected timelines.*

*With the above capex coming onboard, Gulshan will become one of the dominant player in grain-based ethanol manufacturing in the coming years.*

### **Mineral Processing Segment:**

***We continue to hold a respectable market share in this segment and are recognized for our exquisite service and products like On-site PCC plants, Ground natural calcium carbonate / Wet ground calcium carbonate, Activated calcium carbonate and others.***

***In the current quarter, we executed our Meghna Pulp & Paper Mills project as scheduled, which contributed in overall growth of this segment.***

***We believe that Gulshan is at a cusp of a transformational journey of becoming one of the leading player in all the solution it provides. We aim to grow by expanding our product base, reaching newer geographies and working efficiently towards Make in India program while being an environmental friendly company.***

***We would like to express our gratitude to our employees for their ongoing efforts and our investors/ stakeholders for their support and encouragement as we go forward in capturing the growth prospects that lay ahead of us.”***

### **Management Guidance**

- Revenue from operation to grow exponentially in FY24 over FY22, on back of significant capacity expansion in Ethanol (Bio-Fuel)/Distillery and Grain Processing segment.
- The management expects EBITDA margin to improve in Q4 FY23 due to softening of basic raw material prices and declining coal prices which will lower our power and fuel cost.

### **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 (Bio-Fuel)/Distillery & Mineral Processing. Gulshan is amongst one of the market leaders 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. The company shall augment operations from the 500 KLPD facility at Borgoan, Madhya Pradesh and further adding another 250 KLPD in Assam where the operations shall commence by FY25.

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 exports 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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