



CIN: L24231UP2000PLC034918

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

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Q2 & H1 FY24 – Earnings Update

Revenue from Operations reported at **₹3,078.3 Mn in Q2 FY24 and ₹6,013.0 Mn for H1 FY24**

EBITDA stands at **₹202.1 Mn in Q2 FY24 and ₹358.1 Mn for H1 FY24**

PAT at **₹22.4 Mn in Q2 FY24 and ₹66.3 Mn for H1 FY24**

New Delhi, 7th November, 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 7th November, 2023 has inter-alia considered and approved the Unaudited Financial Results for the second quarter and first half year ended on 30th September 2023 as one of its agenda.

Financial Statement Highlights for Q2 FY24 v/s Q2 FY23 v/s Q1 FY24:

Particulars (INR Mn)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24
Revenue from Operations	3,078.3	2,763.8		2934.7
Other Income	39.8	13.5		37.8
Total Revenue	3,118.1	2,777.3	12.3%	2972.6
Total Expenses Excluding Depreciation, Amortization and Finance costs	(2,916.0)	(2,573.4)		(2816.5)
EBITDA*	202.07	203.9	(0.9%)	156.1
EBITDA Margin (%)	6.6%	7.4%		5.3%
Depreciation	(95.3)	(71.2)		(87.8)
Finance Cost	(39.3)	(14.9)		(21.2)
PBT before Exceptional Item	67.4	117.8		47.1
Exceptional Items	0.0	0.0		0.0
PBT	67.4	117.8		47.1

Q1 FY24 Earnings Update

Tax	(45.1)	(26.9)		(3.1)
PAT	22.4	90.9	-75.4%	43.9
PAT Margin %	0.7%	3.3%		1.5%
Other comprehensive profit / loss	4.7	(0.1)		(0.5)
Net PAT	27.1	90.8		44.4
Diluted EPS	0.4	1.5		0.7

**EBITDA includes other income*

Financial Performance Comparison – Q2 FY24 v/s Q2 FY23:

- Revenue from Operations increased by **11.4%** from ₹2,763.8 Mn in Q2 FY23 to ₹3,078.3Mn in Q2 FY24. The revenue growth was led by commissioning of new Ethanol plant.
- EBITDA decreased by **0.9 %** from ₹203.9 Mn in Q2 FY23 to ₹202.01 Mn in Q2 FY24 and margins from 3.3% to 0.7% owing to elevated raw material prices.
- PAT stood at ₹22.4 Mn in Q2 FY24, compared to ₹ 90.9 Mn in Q2 FY23 recording a decline of **75.4 %** due to operational factors as mentioned above and raised finance cost and depreciation consequent to on-going expansions.

Financial Statement Highlights for H1 FY24 v/s H1 FY23

Particulars (INR Mn)	H1 FY24	H1 FY23	YoY%
Revenue from Operations	6,013.0	5,465.7	
Other Income	77.7	18.2	
Total Revenue	6,090.7	5,483.8	11.1%
Total Expenses Excluding Depreciation, Amortization and Finance costs	(5,732.6)	(5,062.1)	
EBITDA*	358.1	421.8	-15.1%
EBITDA Margin (%)	6%	7.7%	
Depreciation	(183.1)	(141.8)	
Finance Cost	(60.5)	(25.8)	
PBT before Exceptional Item	114.5	254.2	
Exceptional Items	0.0	0.0	
PBT	114.5	254.2	
Tax	(48.2)	(61.4)	
PAT	66.3	192.7	-65.6%
PAT Margin %	1.1%	3.5%	-
Other comprehensive profit / loss	5.2	0.0	

Q1 FY24 Earnings Update

Net PAT	71.5	192.8	
Diluted EPS	1.1	3.1	-

Financial Performance Comparison – H1 FY24 v/s H1 FY23

- Revenue from operations has **increased from ₹ 5,465.7 Mn in H1 FY23 to ₹6,013.0 Mn in H1 FY24.**
- COGS/Input costs have increased by 1.5% as compared to same period YoY considering the increased raw material cost
- Subsequently the EBITDA margins declined from 7.7% in H1 FY23 to 6% in H1 FY24
- PAT stood at ₹66.3 Mn in H1 FY24, compared to ₹ 192.7 Mn in H1 FY23 and margins decreased to 1.1% in H1 FY24 from 3.5% in H1 FY23

Balance Sheet and Cash Flow Statement

Particulars (₹ in Mn)	H1 FY24	H1 FY23
Net Cash Generation from operation	617.8	89.7
Net Cash Generated/ (Used in) investing activity	(1573.9)	(1,814.2)
Net Cash Generated/ (Used) from Financing activity	992.9	607.4
Net Increase in Cash and Cash Equivalents	36.8	(1,117.1)

Particulars (₹ in Mn)	As at 30 th Sep 23	As at 30 th Sep 22	Particulars (₹ in Mn)	As at 30 th Sep 23	As at 30 th Sep 22
Liabilities			Assets		
Shareholders Fund	5,790.9	5,494.5	Non-Current Assets	6,628	4,878.6
Share Capital	62.4	52.0	Property Plant & Equipment	5,237.1	2,256.6
Other Equity	5,728.5	5,442.6	Capital work-in-progress	1,047.6	2,042.2
			Investment Property	27.1	27.2
Non-Current Liabilities	2,253.1	1,168.2	Intangible assets	0.6	0.6
Borrowings	2,014.7	991.3	Financial Assets		
Other Financial liabilities	43.1	49.0	<i>-Investments</i>	33.9	263.8
Provisions	9.9	0.0			
Deferred Tax Liabilities	185.4	128.0	<i>-Loans</i>		
Current Liabilities	3,072.1	2,134.6	<i>-Other Financial assets</i>	132.5	118.0
Borrowings	1,551.0	813.6	Other Non-Current Assets	134.2	170.1
			Non Current Tax Assets (Net)	15.0	0.0

Trade payables			Current Assets	4,488.2	3,918.7
-O/S dues of micro & small enterprises	95.2	42.8	Inventories	1,037.4	1,195.9
-O/S dues of creditors other than above	667.3	574.8	Financial Assets		
Other Financial liabilities	339.4	231.0	Investments	927	668.6
Lease Liabilities	4.4	0.1	Trade receivables	1,425.1	1,230.8
Provisions	1.3	55.2	Cash and cash equivalents	87.7	9.0
Other Current Liabilities	413.5	350.2	Other Bank Balance	58.7	143.9
Liabilities for current tax	0.0	67.1	Other Current assets	905.5	670.5
			Current Tax Assets (Net)	46.7	0.0
TOTAL LIABILITIES	11,116.2	8,797.4	TOTAL ASSETS	11,116.2	8,797.4

Financial Performance Comparison – H1 FY24 v/s H1 FY23

- Current Asset stood at **₹4,488.2 Mn in H1 FY24, compared to ₹3,918.7 Mn in H1 FY23.**
- Long-term borrowings stood at **₹2014.7Mn in H1 FY24, compared to ₹ ₹991.3 Mn in H1 FY23**, due to disbursal of loan from HSBC for proposed Capex
- Debt Equity ratio has **increased to 0.5x in H1 FY24 compared to 0.3x in H1 FY23**
- Cash flow from operations stands at **₹617.80 Mn**

Business Updates:

- The Company has successfully achieved another milestone by running commercial operations of its 500 KLPD Grain based Ethanol Plant at Boregaon, Distt. Chhindwara, Madhya Pradesh at 25% capacity utilization to begin with.
- The company has declared a final dividend of ₹0.50/- on face value of ₹1/- each for the FY 2023 during H1 FY24.
- Due to rice supply halted by the Food Corporation of India (FCI) for ethanol production, the ethanol segment witnessed a marginal disruption in its operations.
- The Company has entered into Long term Contract with Western Coalfields Limited for procurement of Coal for its plant at Madhya Pradesh for 84000 metric ton p.a to get stability in coal price procurement.
- The Company has completed more than 70% capex of its total requirement for its 250 KLPD in Assam and is expected to commission by the end of H2 FY24.
- In current quarter, the Oil Marketing Companies have declared a relief amount of Rs. 4.75 per litre on Ethanol along with additional incentive amount of Rs. 3.71 per litre on Ethanol produced from Damaged Food Grain, in view of the embargo on release of Surplus Rice by FCI.

- **Management Comments:**

Commenting on the performance of Q2 FY24, the management team of the Company states that, "We are happy to share with you our financial and business performance for Q2 FY24 and H1 FY24, Revenue from operations stood at ₹3,078.3 Mn in Q2 FY24 from ₹2,763.8 Mn in Q2 FY23.

The Company continue to face pressure on account of Raw Material Prices across Grain Processing and Ethanol Division. The Food Corporation of India (FCI) has halted rice supply to Distilleries and now the Company is dependent on Open Market for purchase of Damage Food Grain to produce ethanol.

Further, On the ESG front, we continue to transform lives of the community around us and are consistently focused on sustainability in all our operational and growth planning.

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 healthy 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.

Ethanol (Biofuel/Distillery) Segment:

- *Our 500 KLPD Grain Based Ethanol manufacturing unit has started commercial operations and now successfully running at 25 % capacity utilization, which should go upto 50% capacity utilization in coming quarter.*
- *Further, the development of our Assam unit is also progressing well on expected timelines and it will be commissioned by the end of March 2024.*

With the above capex coming on-board, 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.

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."

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 started the operations of 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

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