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Website : www.kotyark.com

CIN : U24100GJ2016PLC094939 • GST : 08AAGCK3927K1Z7

Date: November 18, 2022

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Dear Sir/Ma'am,

Subject: Investor Presentation and Performance Note for Investors

Ref: Kotyark Industries Limited (Symbol/ISIN: KOTYARK/INE0J0B01017)

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the Investor Presentation and Note for Investors on Performance of Company.

Presentation presented before the Investors is attached herewith.

Further, the above information is also available on the Company's website at www.kotyark.com under the head of Investor.

You are requested to kindly take the aforesaid information on record.

Thanking you,

Yours faithfully,
For, **Kotyark Industries Limited**

Gaurang Rameshchandra Shah
Chairman & Managing Director
DIN: 03502841

Place: Vadodara

Encl: A/a

KOTYARK INDUSTRIES LIMITED

India's only
pure play listed
Biodiesel company

INVESTOR PRESENTATION



NOVEMBER 2022



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Company Overview

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Snapshot

Kotyark Industries Limited, incorporated in 2016, is engaged in the manufacturing of biodiesel and its by-products, and is one of the key players across the state of Rajasthan in India. The Company focuses on **green energy** and sustainable development of **renewable resources (biofuel)** through the adoption of environmentally friendly technology. It's manufacturing unit at Swaroopganj, District Sirohi, RICCO, Rajasthan has a capacity of producing 500 KL of biodiesel per day from multi feedstock.



1,82,500 KL

Annual Production Capacity



NSE Emerge

Listed via IPO in 2021



Only Pure Play Listed

Biodiesel Company in India



38

Total Team Strength



Diversified

Revenue Streams



Zero Effluent Discharge

Company



Indigenously Designed

Manufacturing Facility





Corporate Ethos



Our Vision

Is to become a responsible and impactful leader in the manufacturing of biofuels.



Our Mission

Is to become a leading biodiesel manufacturing company in India with a keen focus on R&D, deploying state-of-the-art facilities to achieve a varied product mix enabled with latest technology, catering to countries worldwide.



Kotyark is positioned as a **socially responsible entity** with zero effluent discharge. The Company's sharp focus on R&D and technological enhancement coupled with its strong relationships with various stakeholders enables it to become one of the **leading producer of green biofuels in India.**



Products

Our core product is Biodiesel and in the process of manufacturing the same, the Company also produces Crude Glycerin.



Biodiesel

It is a liquid fuel, often referred to as B100 or neat biodiesel, in its pure and unblended form.

- Any vehicle that has a diesel engine can be powered by biodiesel easily, without any modifications. It is just like petroleum diesel, which can be used to fuel compression-ignition engines.
- Biodiesel meets both the biomass-based diesel and overall advanced biofuel requirement of the Renewable Fuel Standard.



Crude Glycerin

Crude glycerin is a major by-product in the biodiesel manufacturing process. On average, for every 100 liters of biodiesel produced, approximately 14 liters of crude glycerin is produced as a by-product.

- On further processing, it finds application in food, pharmaceutical and cosmetic industries.
- However, Kotyark's crude glycerol is usually sold to large refineries for upgradation, who in turn supply the refined version to the end-industries.

Core Competencies

Within its six years of existence, Kotyark Industries has carved out a niche for itself in the Indian biofuel industry, by riding on its strengths and capabilities. The Company believes that its ability to solve problems innovatively sets it apart from its peers.



Raw Material Sourcing
Slide 08



Indigenously Designed
Manufacturing Plant
Slide 09



Diverse Clientele
Slide 11



Raw Material Sourcing



- Kotyark prides itself on its ability to source quality raw materials in a cost-competitive manner from across the country.
- Raw material availability, particularly of non-edible vegetable oil, is a critical aspect in biodiesel manufacturing.
- Vast inter-generational experience of the promoters of the Company in the vegetable oil trading industry, serves as critical know-how for the Company.



Vegetable Oil

Non-edible vegetable oils are the primary raw material



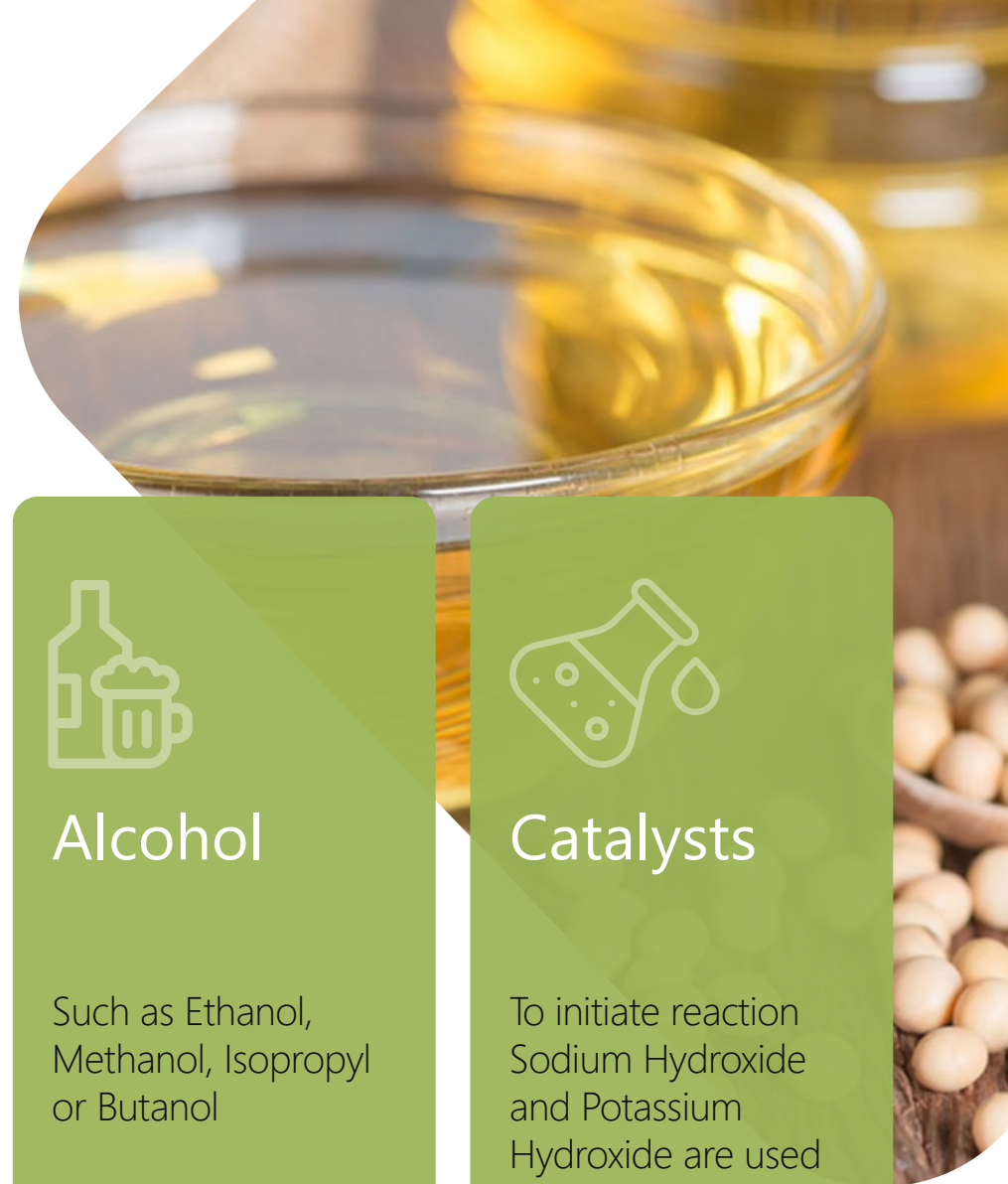
Alcohol

Such as Ethanol, Methanol, Isopropyl or Butanol



Catalysts

To initiate reaction Sodium Hydroxide and Potassium Hydroxide are used





Indigenously Designed Manufacturing Plant



10,000 Sq. Mt.

Manufacturing unit is located at Sirohi, Rajasthan on a plot admeasuring 10,000 Sq. Mt



State-of-the-art facilities

Equipped with state-of-the-art facilities, capable of conducting all steps, such as

**Feedstock
Pre-treatment**

**Transesterification
& Separation**

Washing

Drying



Indigenously designed

Indigenously designed unit, featuring one of the highest asset-turns and output productivity across the industry



1,82,500 KL

Annual production capacity of 1,82,500 KL.



~13%

Currently operating at ~13% utilization levels, providing significant headroom to grow from existing plant



Manufacturing Process

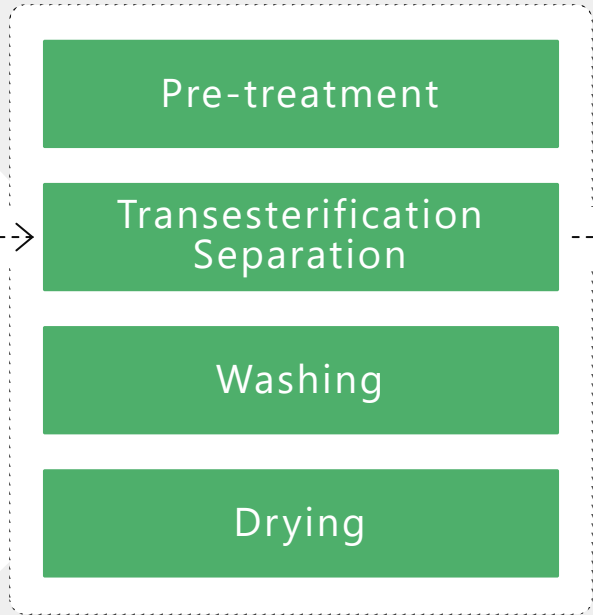


Inputs



**METHANOL
& CATALYST**

OIL & FATS

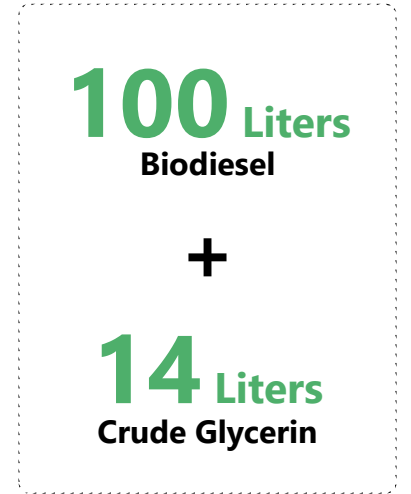


GLYCERIN

BIODIESEL

Output

(Yields up to 99%)





Diverse Clientele



Oil Marketing Companies



OMC's procure biodiesel for blending in diesel and premium category speed-diesel. At present **blending in biodiesel less than 1%**, with Indian Government setting a goal to **take this level to 5% by 2030**.

Tender based business, requiring government approval to participate

Receivable cycle is ~45 days

Bulk Buyers



Bulk buyers include transport contractors, mining companies and industries. Traditionally, biodiesel trades cheaper than diesel in India, offering bulk buyers an opportunity to cut costs. Further, since biodiesel falls under The GST Act, 2017, **input credit of 12%** can be availed by buyers.

Company supplies biodiesel to bulk buyers in its vicinity

Receivable cycle is ~15 days

Mobile Retail Outlets



The Company operates mobile retail outlets (MRO) of biodiesel under its brand 'Green N Green'. It has been operating 25 outlets for now, via a dealership model, hence remaining asset-light. These outlets are primarily located on highways in Rajasthan.

The Company has **approvals to operate 25 outlets**, and plans to apply for additional 50 licenses.

Receivable cycle is ~15 days



Management Team



**Mr. Gaurang
Rameshchandra Shah**

CHAIRMAN AND MANAGING
DIRECTOR

Mr. Gaurang Shah was appointed on the Board of the Company on December 12, 2018 and was further designated as the Chairman and Managing Director of the Company on August 09, 2021. He holds a Graduate degree in Commerce from MS University.

He spearheads the leadership team and manages the Company's operations. His contributions to the Company has been noteworthy, and it is his ability to proficiently research and learn about new concepts, that make him a huge asset to the Company.



Mrs. Dhruati Mihir Shah

WHOLE TIME DIRECTOR

Mrs. Dhruati Shah was appointed on the Board of the Company on December 30, 2016 and was further designated as the Whole Time Director of the Company on August 09, 2021. She holds a Masters' degree in Commerce and an MBA degree.

She has been associated with the Company from its initial days of conceptualization and planning. Her knowledge of the operations, biofuels industry, and her invaluable business acumen makes her an incredible asset to the Company.

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Industry Opportunity

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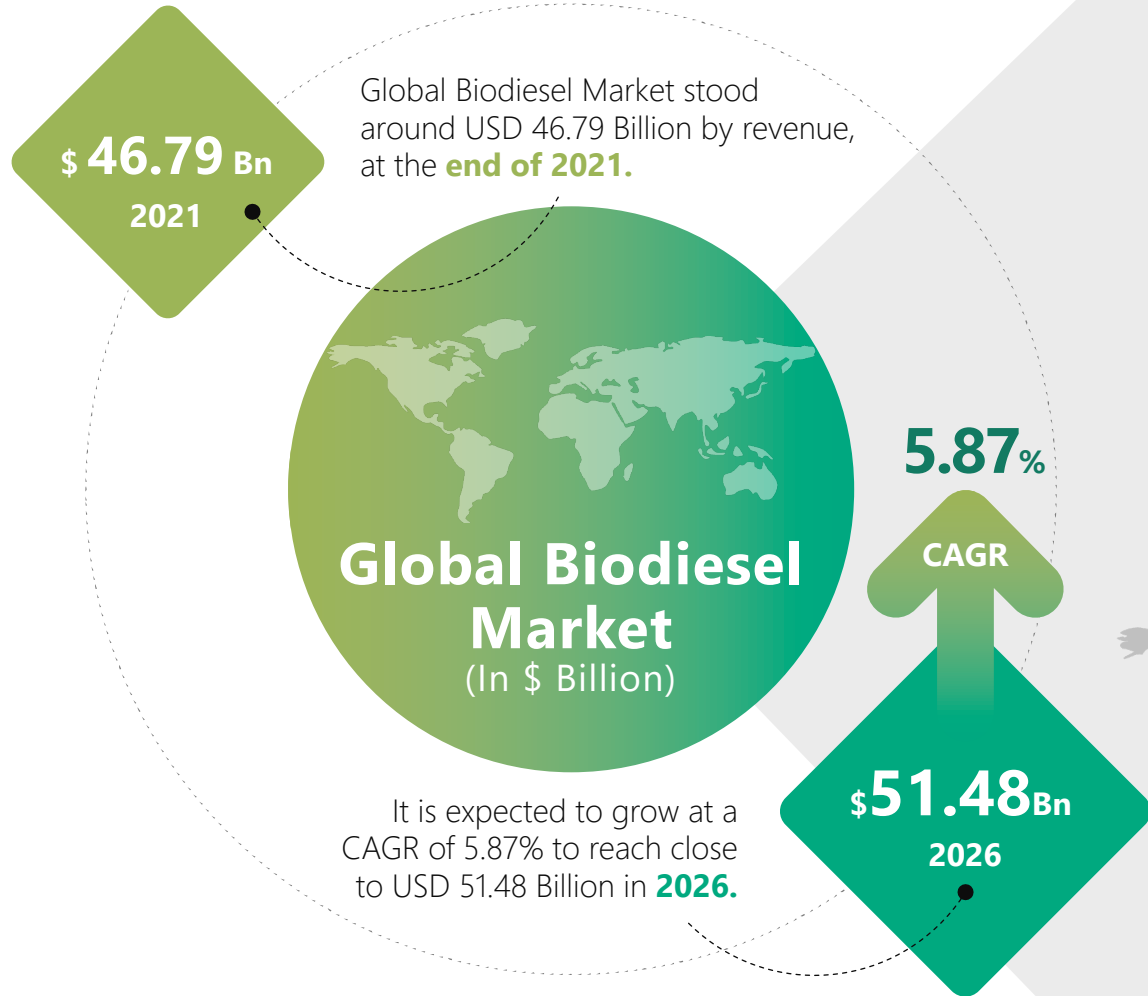
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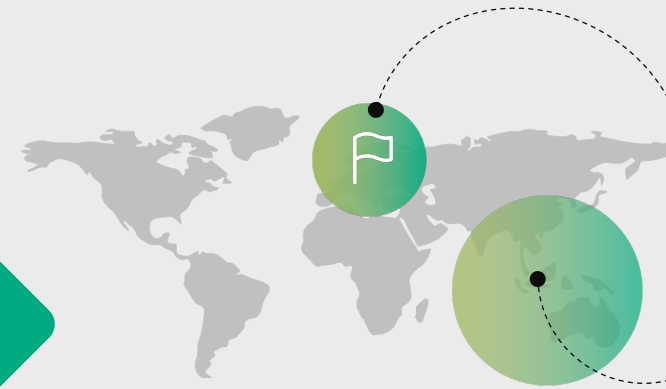
Global Biodiesel Opportunity



Fuel application accounts for majority of biodiesel consumption, in categories such as marine, automotive, railway and agriculture industries.



The majority of biodiesel is made from vegetable oils like Soyabean, Palm, Jetropha, Mahua among others. The feedstock used in a country is dependent on crop availability.



Globally, **Europe** is the leading market of biodiesel.

Asia-Pacific is projected to be the fastest-growing biodiesel market in the next decade.

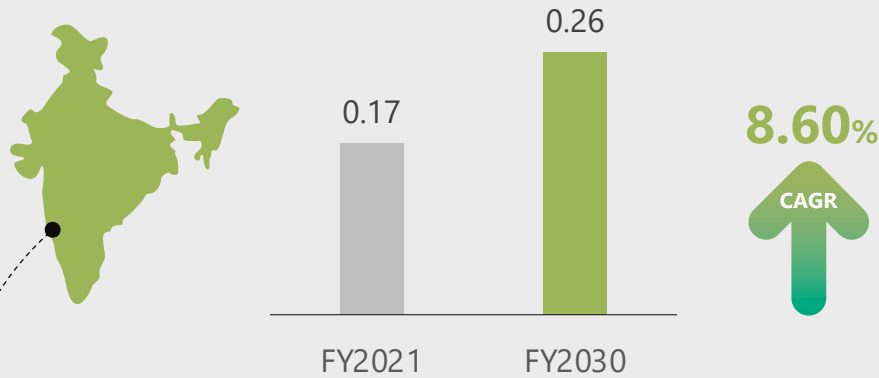


Indian Biodiesel Opportunity



India's Biodiesel

Figures (in Million Tonnes)



Biodiesel procurement by OMCs

Figures (in crores litres)



Biofuel Production

Figures (in %)



India's biofuel production accounts for only 1% of the global production.

- India's Production
- Global Production



Transportation Sector

The transportation sector is one of the major consumers of biodiesel, followed by the energy and construction sector, where it is used in operations.

Source: Chemanalyst India Biodiesel Market



Indian Biodiesel Opportunity (cont.)



Growth Drivers

- 01 As India's primary energy demand is all set to double in the next two decades, the usage of cleaner fuel alternatives will continue to push the sales of biodiesel.
- 02 Increasing crude oil import bills made the Indian government switch to domestic fuel alternatives, with biodiesel being the frontrunner.
- 03 Initiation of the National Policy on Biofuels in 2018 will push the demand for Biodiesel in the coming years.

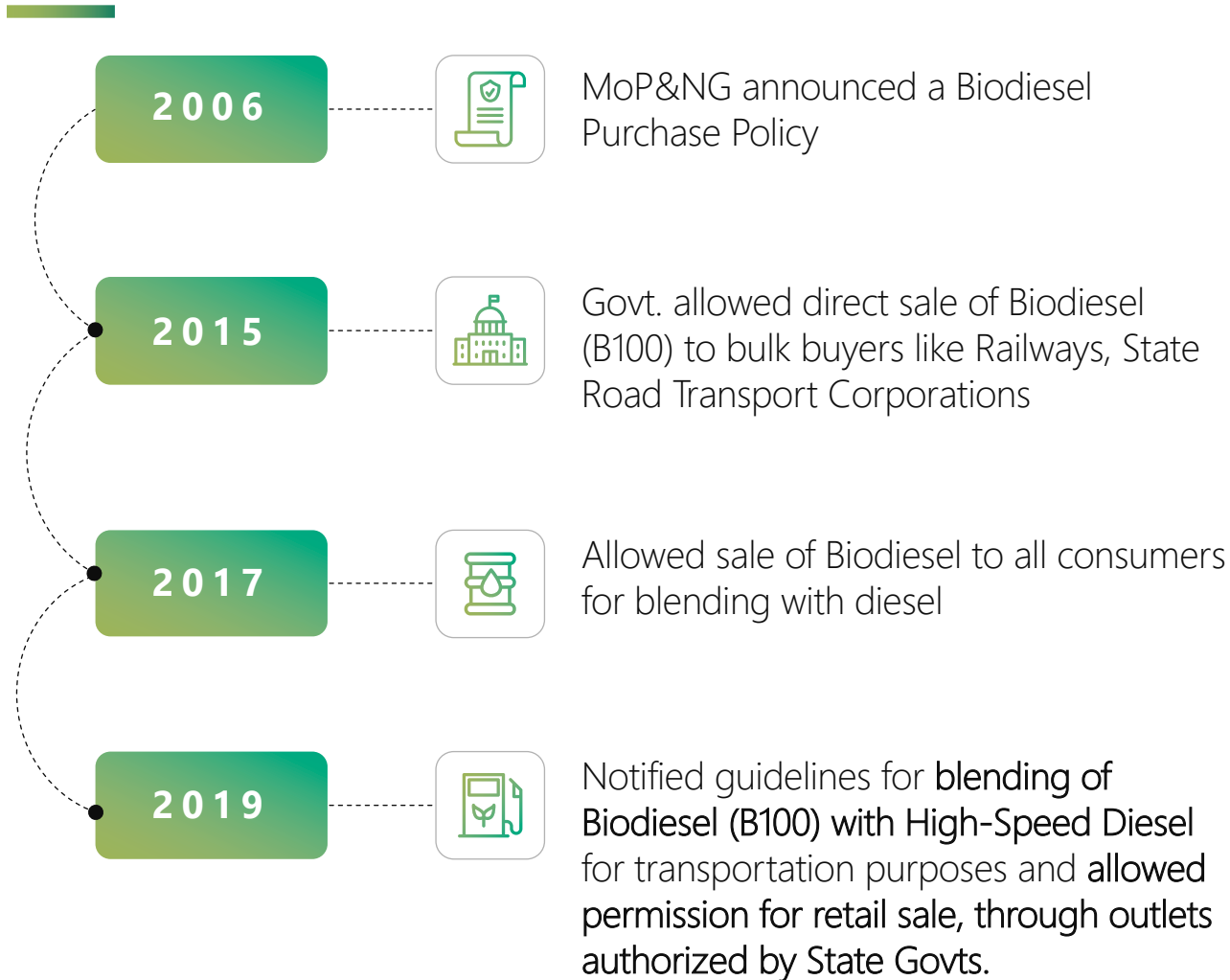


Raw Material Sourcing

- 01 Presently, biodiesel is being produced in the country primarily from imported palm stearin oil.
- 02 In order to phase-out palm stearin, and as a measure towards import substitution, it has been decided to promote domestically available used cooking oil (UCO) as the feedstock.
- 03 UCO has been identified as a potential raw material for biodiesel production in National Policy on Biofuels, 2018. It can be collected from bulk consumers such as hotels, restaurants, canteens, etc. for conversion.



Indian Government Policy on Biodiesel



- The Indian Government has emphasized on improving energy security by, among other measures, reducing import dependence, with a target of decreasing fossil fuels use by 10% from current levels by the year 2022; it also targets reducing the country's carbon footprint by 30-35% by the year 2030.

These targets will be achieved through a five-pronged strategy which includes:

1. Increasing domestic production
 2. Adopting biofuels and renewables
 3. Implementing energy efficiency norms
 4. Improving refinery processes
 5. Achieving demand substitution
- The Indian government, in its National Policy on Biofuels, 2018, has proposed a target of 20% blending of ethanol in petrol and **5% blending of biodiesel in diesel by 2030.**
 - These strong tailwinds from the Indian government is enabling many domestic and international players to enter the biofuel industry in India.



Rajasthan Government Policy on Biodiesel

Rajasthan was the first state in India to adopt the National Policy and created an implementable framework for Biodiesel production and manufacturing.

The state has decided to:



Focus on increasing **production of oilseeds**



Establish a Centre of Excellence in Udaipur to **promote research** in the fields of alternative fuels and energy resources



Promote **marketing of biofuels** and raise awareness about the same



Encourage **setting up of supply chain** mechanisms for biodiesel production from non-edible oilseeds, used cooking oil and short gestation crops



Moreover, the State Rural Livelihood Development Council aims to encourage **women's self help groups** to explore the scope for additional income through the supply of biodiesel

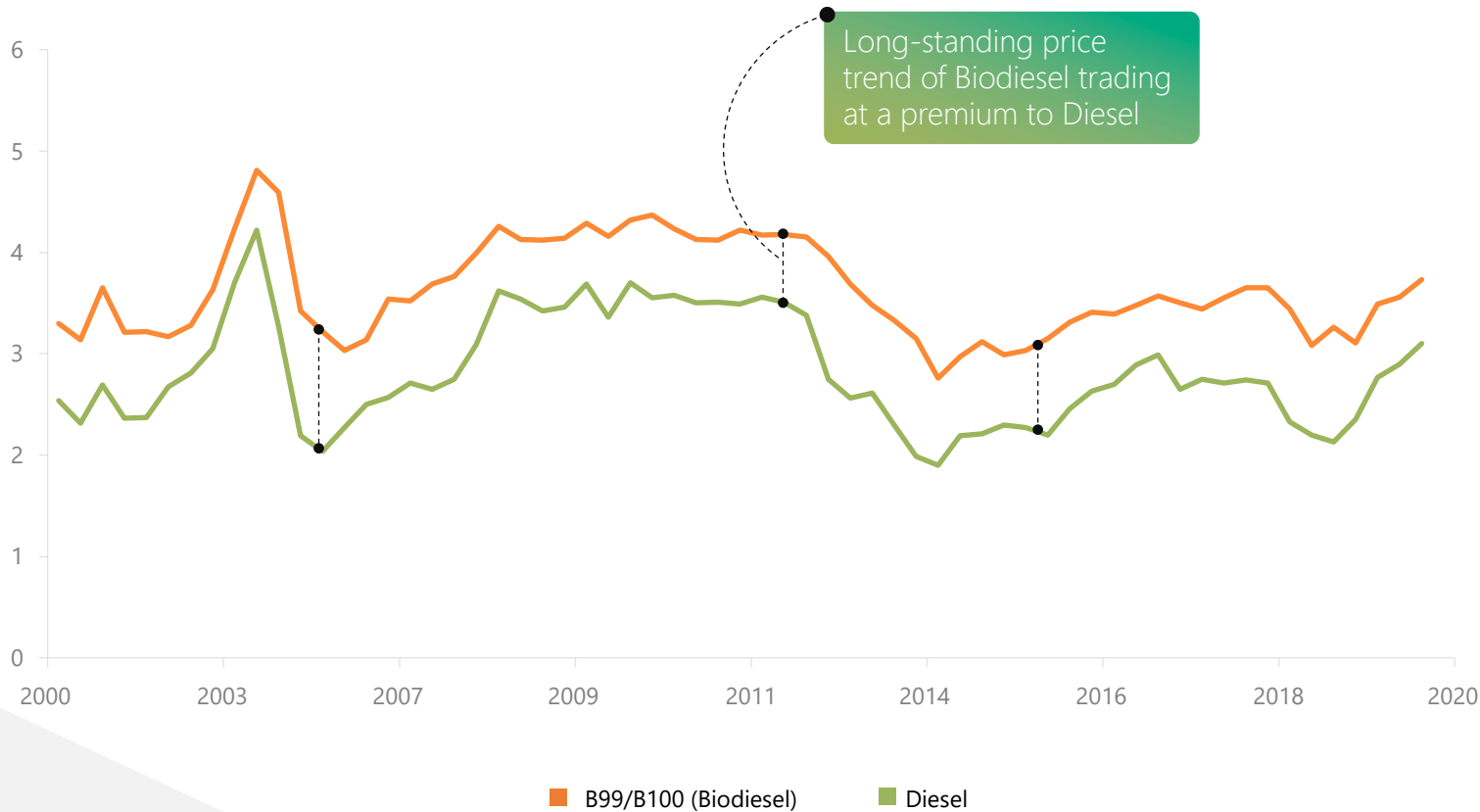




A use case for Biodiesel in India

Average Retail Fuel Prices in the United States

\$ per GGE



Source: Clean Cities Alternative Fuel Price Reports (AFDC)

- Globally, in markets like US & EU, Biodiesel (B100) trades at a premium to Diesel
- Despite premium prices there is a decent consumers acceptance to support environment friendly green fuels
- In India, as of 2022, Biodiesel still trades roughly at a 15-20% discount, whilst not including the 12% GST input credit advantage available to commercial buyers
- This creates a strong use case for growing biodiesel demand in the country

03

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Strategic Priorities



Increasing capacity utilization

The company intends to reach optimum capacity utilization in coming 3 years.



Growing retail outlet network

The company intends to grow mobile & static retail outlets network to a total of 250 in the coming 3 years, from the current 25.



Addressing raw material availability

The company has evaluated and is working on implementing projects that address the long-term raw material sourcing for its biodiesel feedstock. A **MoU has been signed with the Rajasthan Government** to explore potential avenues for this project.



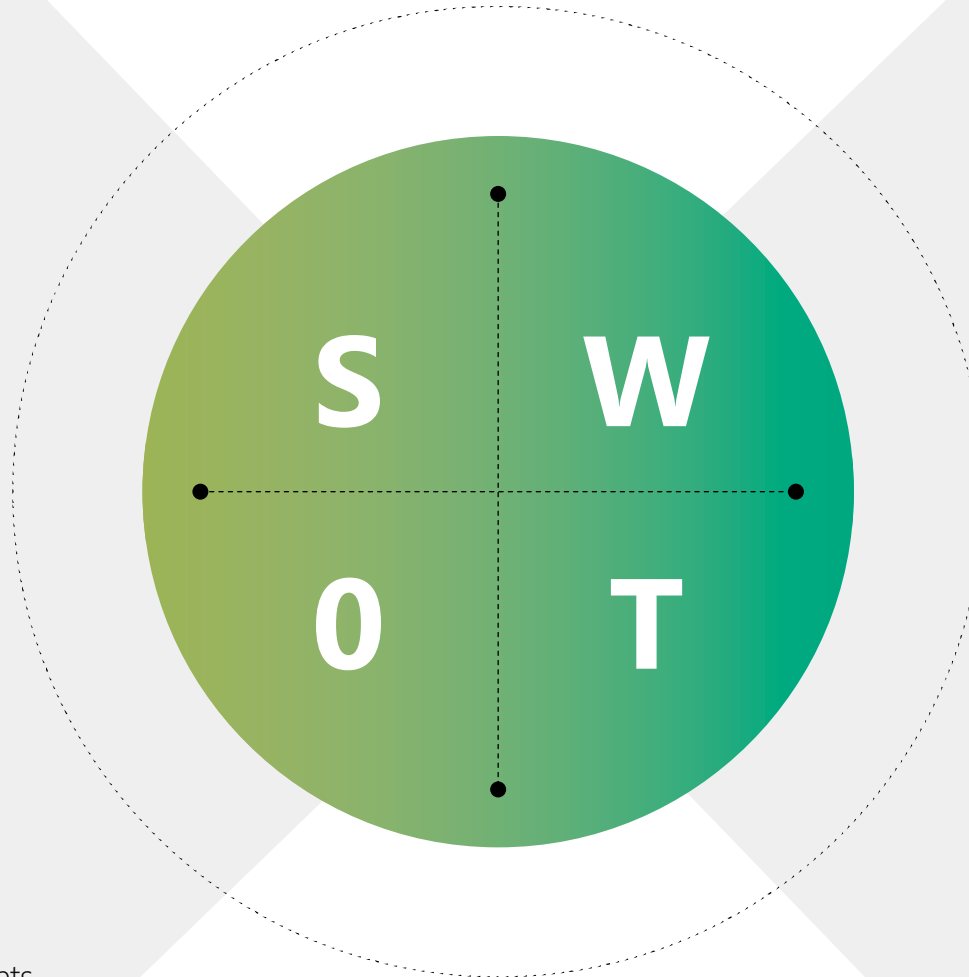
SWOT Analysis

Strengths

- Diversified revenue stream
- Indigenously designed manufacturing facility
- Experienced promoters with a knack for raw material sourcing

Opportunities

- Large unutilised manufacturing capacity
- Long-standing price arbitrage between diesel and biodiesel in India, offering consumer a chance for cost-savings
- Growing acceptance of biodiesel
- Higher blending targets (5% by 2030)
- Exploring the potential of leveraging carbon credits, initial research & expert estimates points to a potential of up to 4 Lakh units annually



Weakness

- Less entry barriers to the industry
- Un-defined state policies, and differing state laws for biodiesel
- Working capital intensive operations

Threats

- Change in government policy with regards to biodiesel blending, retail usage, raw material sourcing, etcetera
- Competition from other biofuels, renewable sources of energy



Investment Case



04

Financial Statements

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P&L Summary

(in ₹ Lakhs)

Particulars	FY19	FY20	FY21	FY22
Revenue from Operations	3,756.70	2,575.41	6,520.61	15,604.59
Total Income	3,756.71	2,578.12	6,529.07	15,634.10
Operating Expenses	3,673.15	2,383.06	6,230.20	14,332.27
EBITDA (excl. OI)	83.55	192.35	290.41	1272.32
EBITDA %	2.2%	7.5%	4.5%	8.2%
Finance Cost	0.11	50.22	71.87	46.45
Depreciation & Ammortization	9.19	76.82	87.79	98.75
Profit Before Tax	74.26	68.02	139.21	1156.63
Profit After Tax	57.77	48.57	104.43	864.04
Earnings Per Share (₹)	2.00	1.68	3.61	14.26



Balance Sheet Summary

(in ₹ Lakhs)

Narration	FY19	FY20	FY21	FY22
Shareholders' Funds	165.43	214.00	318.43	2663.41
Non Current Liabilities	279.77	1,033.53	1,033.16	296.2
Long Term Borrowings	278.40	1,033.53	1,033.16	296.2
Current Liabilities	403.10	665.03	450.41	189.36
Short Term Borrowings	0.00	316.59	336.55	69.12
Trade Payables	372.4	315.57	15.99	0.00
Total Equity and Liabilities	848.30	1,912.56	1,802.00	3148.97
Non Current Assets	509.20	568.41	629.21	657.39
Tangible Assets	475.58	560.99	607.5	612.84
CWIP	33.50	0.00	0.00	0.00
Current Assets	339.10	1,344.15	1,172.79	2491.58
Inventories	173.36	712.59	714.71	853.19
Trade Receivables	81.32	553.61	26.19	718.67
Cash & Bank Balances	13.59	1.69	30.09	57.25
Total Assets	848.30	1,912.56	1,802.00	3148.97



Cash Flow Summary

(in ₹ Lakhs)

Narration	FY19	FY20	FY21	FY22
Cash from Operating Activities	86.94	(994.37)	199.31	(284.65)
Cash from Investing Activities	(367.54)	(135.00)	(151.17)	(96.64)
Cash from Financing Activities	278.31	1117.48	(26.34)	415.06
Net Cash Flow	(2.28)	(11.90)	21.79	33.77
Cash at the Beginning of Year	15.87	13.59	1.69	23.48
Cash at the End of Year	13.59	1.69	23.48	57.25

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H1FY23 Result Discussion

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Profit & Loss Summary

(in ₹ Lakhs)

Particulars	H1FY23	H2FY22	H1FY22	YoY Change (%)	Sequential Change (%)
Revenue from Operations	4,842.55	8,974.83	6,629.76	-27%	-46%
Total Income	4,842.91	8,981.13	6,652.97	-27%	-46%
Operating Expenses	4,199.71	8,018.78	6,313.49	-33%	-48%
EBITDA (excl. OI)	642.84	956.05	316.27	103%	-33%
EBITDA %	13.3%	10.7%	4.8%	850 bps	262 bps
Finance Cost	61.87	21.46	24.99	148%	188%
Depreciation & Ammortization	43.67	51.44	47.31	-8%	-15%
Profit Before Tax	537.66	889.45	267.18	101%	-40%
Profit After Tax	418.04	666.66	197.39	112%	-37%
Earnings Per Share (₹)	5.05	9.54	4.72	7%	-47%

(27%)

H1FY23 Revenue from Operations at 4,842.55 Lakhs compared to 6,629.76 Lakhs in H1FY22

103%

H1FY23 EBITDA at 642.84 Lakhs compared to 316.27 Lakhs in H1FY22

112%

H1FY23 PAT at 418.04 Lakhs compared to 197.39 Lakhs in H1FY22



Management Commentary



**Mr. Gaurang
Rameshchandra Shah**

CHAIRMAN AND
MANAGING DIRECTOR



"The performance for H1FY23 has started on a softer note, with our Revenue from Operations standing at 48.43 Crores, registering a 27% decrease YoY and 46% sequentially. The key reason for this decline has been a strategic decision from the Company's end to forego some of the more competitive, less profitable business prospects in the first half of FY23. A conscious decision to have a higher-mix of more profitable business has led to a deferral in Revenue from Operations from H1FY23 to H2FY23. Further, the Company also witnessed deferral in Revenue from H1 to H2 due to delayed Purchase Order's from OMCs, in the recently awarded tenders. The supply for order has commenced in Q3, nonetheless. Given the business visibility & orders in hand (from some of the leading OMCs) we expect to do much better in H2, both, in terms of topline as well profitability.

This strategic decision to pivot towards better profitability business over the existing one, coupled with our enhanced capital base post the preferential issue puts us in a solid position to deliver a better H2. Despite lower sales volumes, the Company has been able to secure better EBITDA margins in H1FY23 which stands at 13.3%, compared to 10.7% in H2FY22 and 4.8% in H1FY22. Subsequently our PAT for the first-half stands at 4.18 Crores, up 112% YoY and a decline of 37% sequentially.

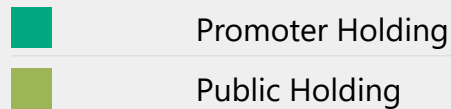
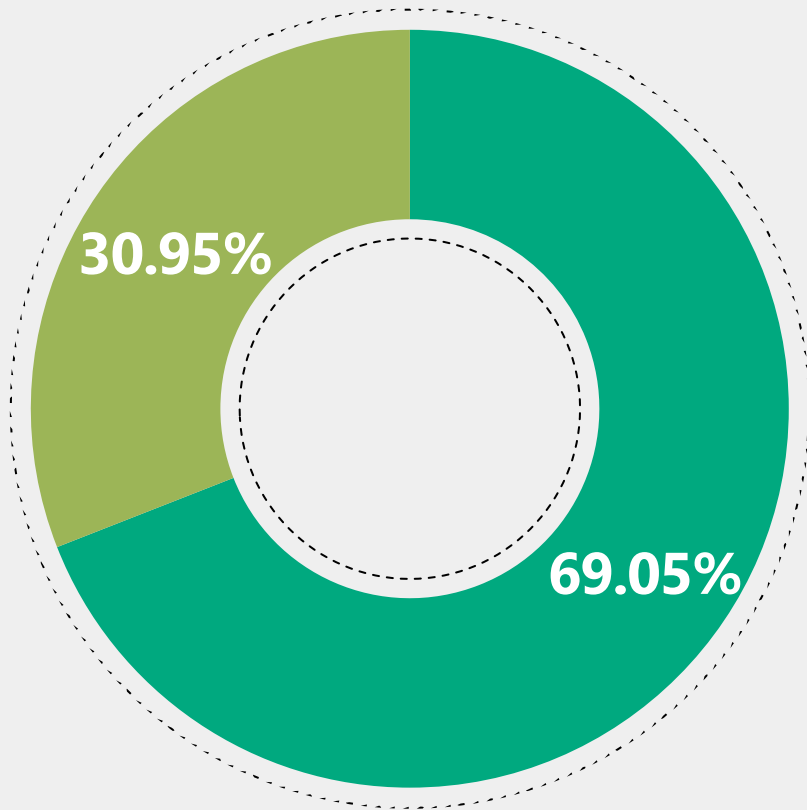
Another strategic decision post our last communication to you has been to amalgamate our sister concern "Yamuna Bio Energy Private Limited", which is in the same line of business as Kotyark Industries Limited. Post all the necessary approvals from NCLT & Stock Exchanges, this amalgamated entity will benefit from complementary businesses, streamlined costs, and a solid industry positioning in the Indian biofuels industry."



Shareholding Pattern

Shareholding Pattern

(As of September 30, 2022)



Current Market Price

473.40

52 Week High/Low

857.90/67.90

Market Capitalization

413.28 Crore

Shares Outstanding

0.87 Crore

NSE Scrip Code

KOTYARK

(Market price data as of November 14, 2022)



Get in Touch

GAURANG SHAH

Chairman & Managing Director
KOTYARK INDUSTRIES LIMITED

info@kotyark.com

Safe Harbor

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Certain matters discussed in this Document may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company assumes no obligation to update any forward-looking information contained in this Document. Any forward-looking statements and projections made by third parties included in this Document are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

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