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CIN : U24100GJ2016PLC094939 • GST : 08AAGCK3927K1Z7

Date: May 22, 2023

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

Subject: Investor Presentation and Performance Note for Investors

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

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Dear Sir/Ma'am,

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.

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**

Bhavesh Nagar
Company Secretary and Compliance officer
Mem No.: A62546

Place: Vadodara

Encl.: A/a

KOTYARK INDUSTRIES LIMITED

India's only
pure play listed
Biodiesel company

INVESTOR PRESENTATION



MAY 2023



Inside the Presentation

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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

Biodiesel 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.



Glycerin

Glycerin is the key 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.
- The Company recently commissioned a 4 MT per day glycerin processing pilot plant in January 2023. Based on the success of the initial project, the Company has announced further CAPEX for a larger 70 MT plant, which is expected to commission in Q1FY24.

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

Biodiesel Annual Production Capacity of 1,82,500 KL.



<10%

Currently operating at <10% utilization levels, providing significant headroom to grow from existing plant



~25,550 MT

Glycerin Annual Production Capacity of ~25,550 MT.



Manufacturing Process

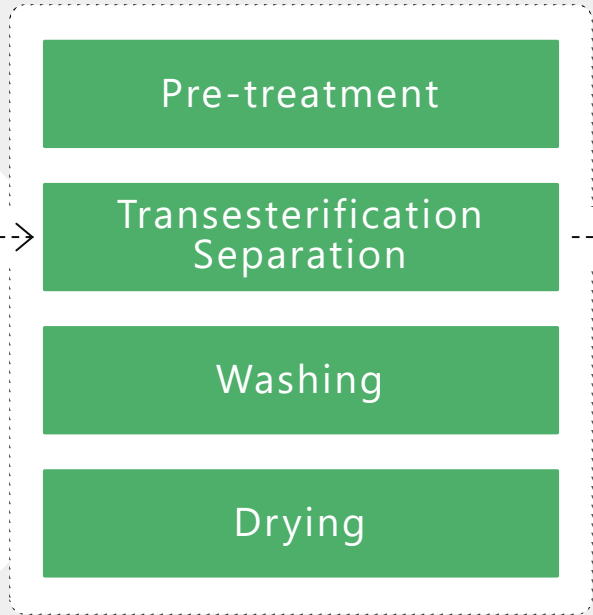


Inputs



**METHANOL
& CATALYST**

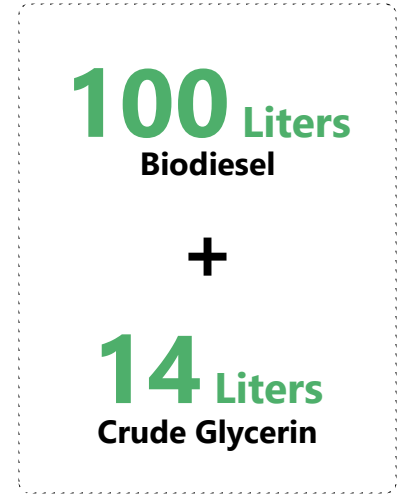
OIL & FATS



CRUDE GLYCERIN

BIODIESEL

Output (Yields up to 99%)



Glycerin Processing
Plant

GLYCERIN



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 <30 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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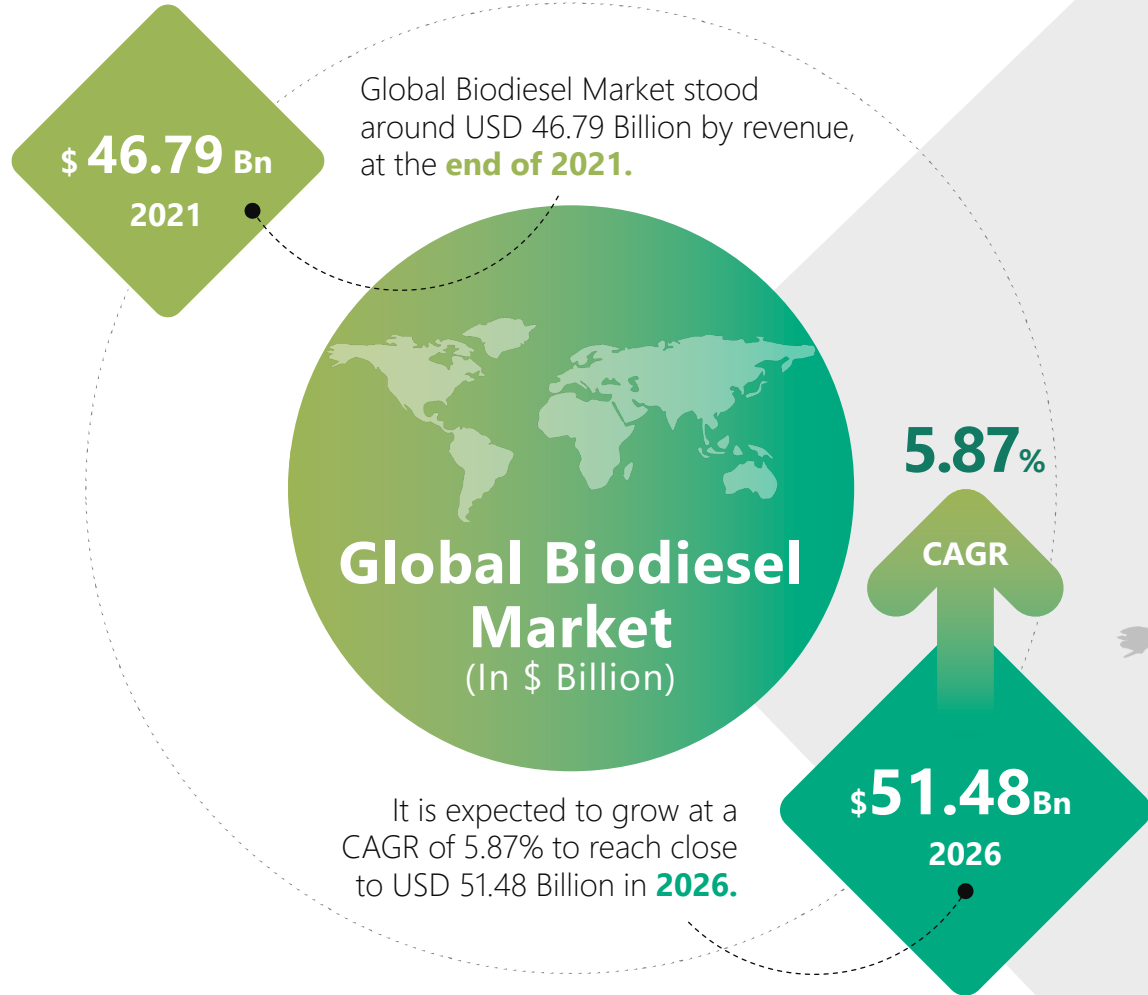
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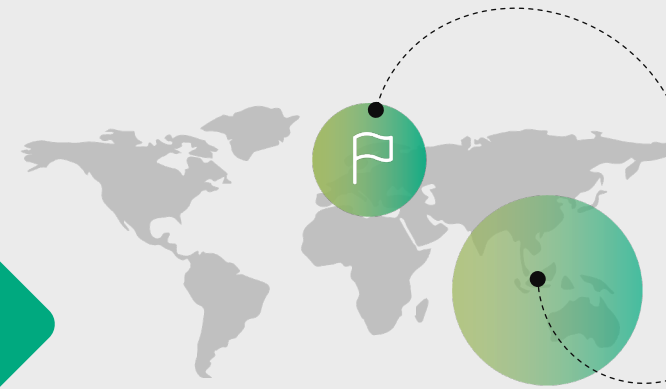
Global Biodiesel Opportunity



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.

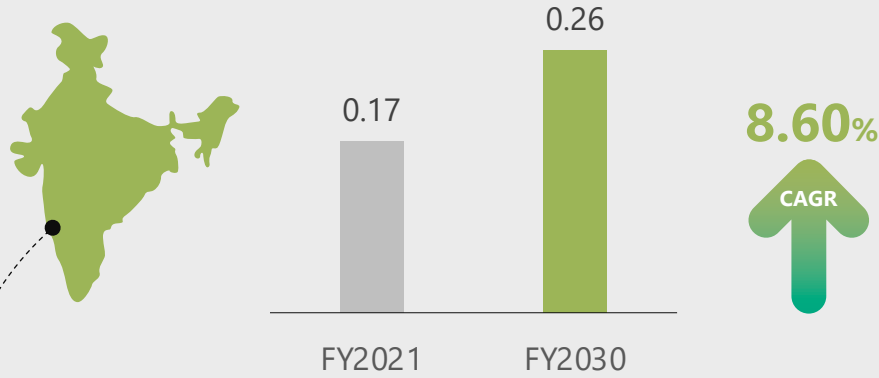


Indian Biodiesel Opportunity



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.

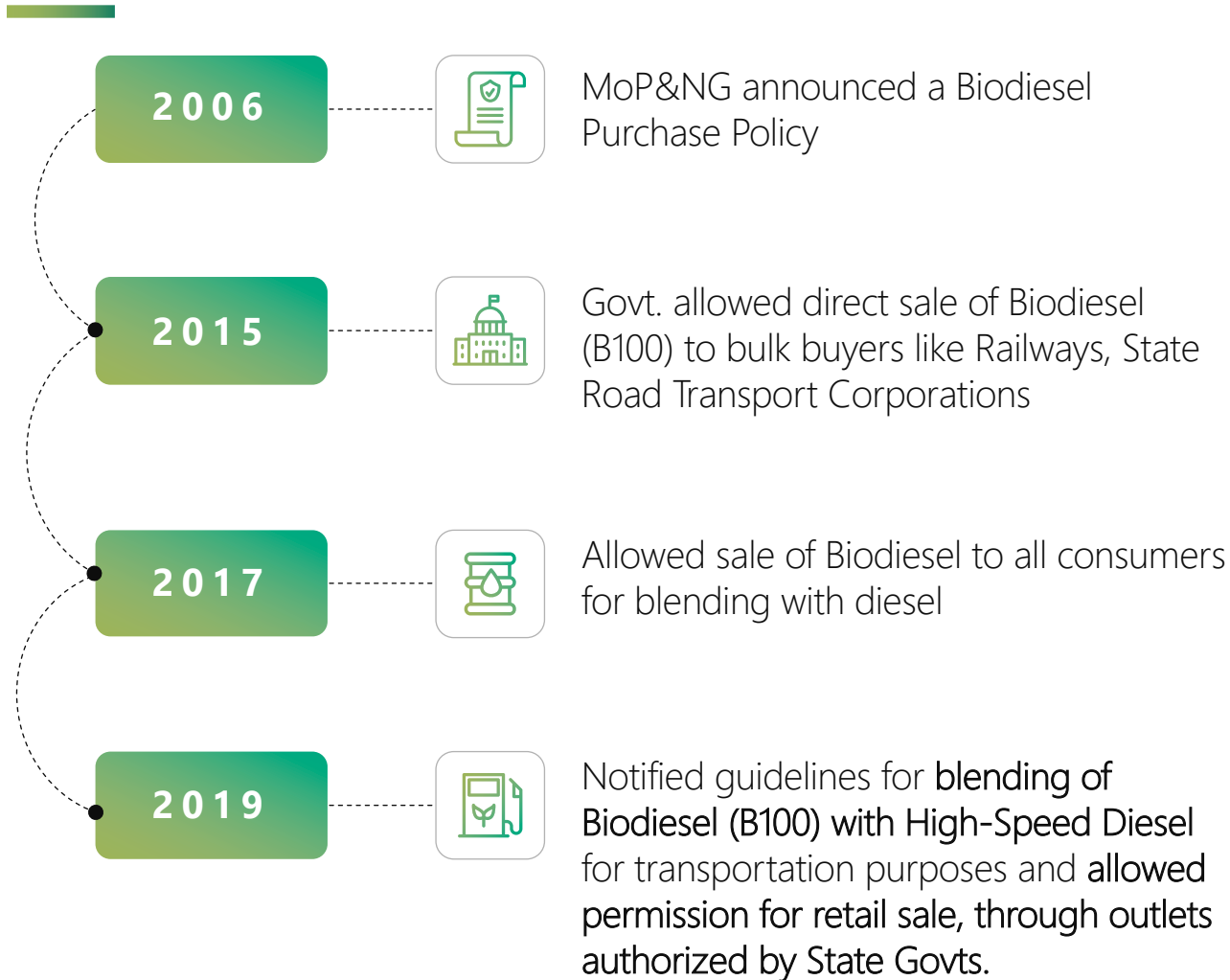


Raw Material Sourcing

- 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.
 - Recently in Sep'22, GOI came out with a **gazette proposing a penalty on OMCs of ₹ 3.8/liter & ₹ 6.2/liter** (respective for without brand name & with brand name) **for not blending biodiesel with diesel.** This is expected to boost biodiesel blending by OMCs.



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

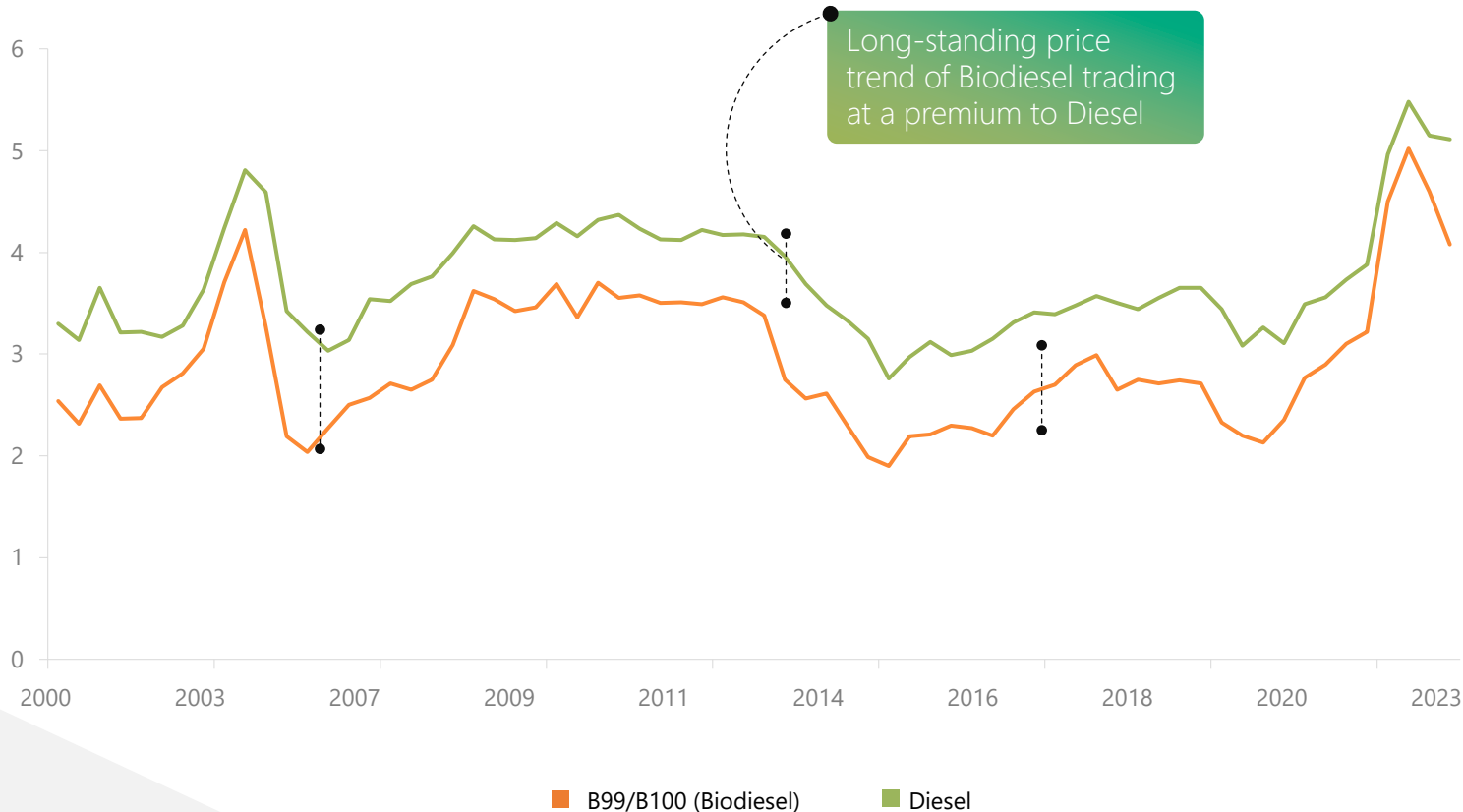




A use case for Biodiesel in India

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.



Servicing OMCs needs

The Company is gearing up for servicing the growing demand of OMCs for blending biodiesel in diesel. This has been accelerated by the policies & recent gazette notifications by the GOI.



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.



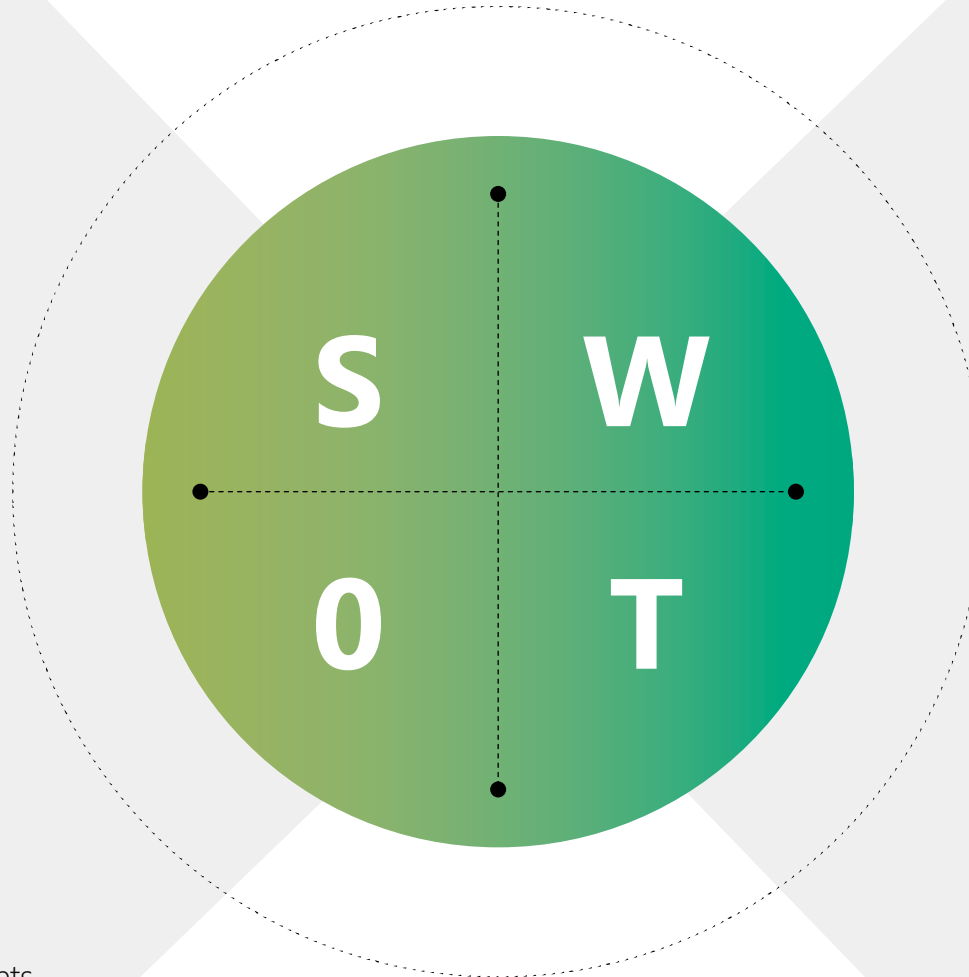
SWOT Analysis

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

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P&L Summary

(in ₹ Lakhs)

Particulars	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	3,756.70	2,575.41	6,520.61	15,604.59	11,356.23
Total Income	3,756.71	2,578.12	6,529.07	15,634.10	11,356.99
Operating Expenses	3,673.15	2,383.06	6,230.20	14,332.27	9,571.16
EBITDA (excl. OI)	83.55	192.35	290.41	1272.32	1,785.07
EBITDA %	2.2%	7.5%	4.5%	8.2%	15.7%
Finance Cost	0.11	50.22	71.87	46.45	141.24
Depreciation & Ammortization	9.19	76.82	87.79	98.75	92.64
Profit Before Tax	74.26	68.02	139.21	1156.63	1,551.95
Profit After Tax	57.77	48.57	104.43	864.04	1,146.62
Earnings Per Share (₹)	2.00	1.68	3.61	14.26	13.48



Balance Sheet Summary

(in ₹ Lakhs)

Narration	FY19	FY20	FY21	FY22	FY23
Shareholders' Funds	165.43	214.00	318.43	2663.41	5675.07
Non Current Liabilities	279.77	1,033.53	1,033.16	296.2	1052.12
Long Term Borrowings	278.40	1,033.53	1,033.16	296.2	1043.22
Current Liabilities	403.10	665.03	450.41	189.36	611.93
Short Term Borrowings	0.00	316.59	336.55	69.12	322.41
Trade Payables	372.4	315.57	15.99	0.00	0.00
Total Equity and Liabilities	848.30	1,912.56	1,802.00	3148.97	7339.12
Non Current Assets	509.20	568.41	629.21	657.39	3922.45
Tangible Assets	475.58	560.99	607.5	612.84	1031.22
CWIP	33.50	0.00	0.00	0.00	688.61
Current Assets	339.10	1,344.15	1,172.79	2491.58	3416.67
Inventories	173.36	712.59	714.71	853.19	2032.01
Trade Receivables	81.32	553.61	26.19	718.67	1222.88
Cash & Bank Balances	13.59	1.69	30.09	57.25	6.32
Total Assets	848.30	1,912.56	1,802.00	3148.97	7339.12



Cash Flow Summary

(in ₹ Lakhs)

Narration	FY19	FY20	FY21	FY22	FY23
Cash from Operating Activities	86.94	(994.37)	199.31	(284.65)	177.20
Cash from Investing Activities	(367.54)	(135.00)	(151.17)	(96.64)	-2982.11
Cash from Financing Activities	278.31	1117.48	(26.34)	415.06	2753.98
Net Cash Flow	(2.28)	(11.90)	21.79	33.77	-50.93
Cash at the Beginning of Year	15.87	13.59	1.69	23.48	57.25
Cash at the End of Year	13.59	1.69	23.48	57.25	6.32

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Profit & Loss Summary

(in ₹ Lakhs)

Particulars	H2FY23	H1FY23	H2FY22	YoY Change (%)	Sequential Change (%)
Revenue from Operations	6,513.68	4,842.55	8,974.83	-27%	35%
Total Income	6,514.08	4,842.91	8,981.13	-27%	35%
Operating Expenses	5,371.45	4,199.71	8,018.78	-33%	28%
EBITDA (excl. OI)	1,142.23	642.84	956.05	19%	78%
EBITDA %	17.5%	13.3%	10.7%	688 BPS	426 BPS
Finance Cost	79.37	61.87	21.46	270%	28%
Depreciation & Ammortization	48.97	43.67	51.44	-5%	12%
Profit Before Tax	1014.29	537.66	889.45	14%	89%
Profit After Tax	728.58	418.04	666.66	9%	74%
Earnings Per Share (₹)	8.34	5.05	9.54	-13%	65%

(27%)

H2FY23 Revenue from Operations at 6,513.68 Lakhs compared to 8,974.83 Lakhs in H2FY22

19%

H2FY23 EBITDA at 1142.23 Lakhs compared to 956.05 Lakhs in H2FY22

9%

H2FY23 PAT at 728.58 Lakhs compared to 666.66 Lakhs in H2FY22



Management Commentary



**Mr. Gaurang
Rameshchandra Shah**

CHAIRMAN AND
MANAGING DIRECTOR



"FY23's performance has been a result of the Company's strategic decision of participating less in the low margin customer segment, and supply more to the OMC customer segment. While this has resulted in lower top line, the Company reported robust margins and net profit as a result of this successful strategic move. Going forward, there are several promising factors that indicate a positive outlook for the Company.

Both Kotyark Industries Limited and Yamuna Bio Energy Private Limited have secured significant tenders recently, amounting to a total volume of 20,731 KL. We have already commenced dispatches against these tenders. Securing these tenders not only provides a boost to the company's sales volume but also bodes well for the blended realisations. Furthermore, the company anticipates securing additional tenders in the future, further strengthening its growth prospects.

In addition to the tender wins, the government's proactive approach towards increasing the adoption of higher blending, such as the gazette proposing penalties on OMCs for not blending biodiesel, is a favourable factor for the biofuels industry. The visible support from the Government of India towards this initiative aligns

well with the company's focus on producing biodiesel. Both Kotyark Industries and Yamuna Bio Energy are well-prepared to leverage this opportunity and effectively meet the growing demand for biodiesel in India.

Our merger of Kotyark Industries Limited & Yamuna Bio Energy Private Limited is on track, with a shareholders & creditors meeting scheduled on 9th June 2023 for approval of the merger.

The Company may consider to increase its biodiesel manufacturing capacities considering growing industry demand and taking into account the opportunity of biofuels in India and abroad.

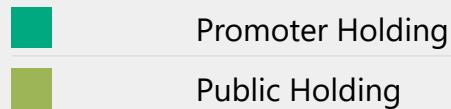
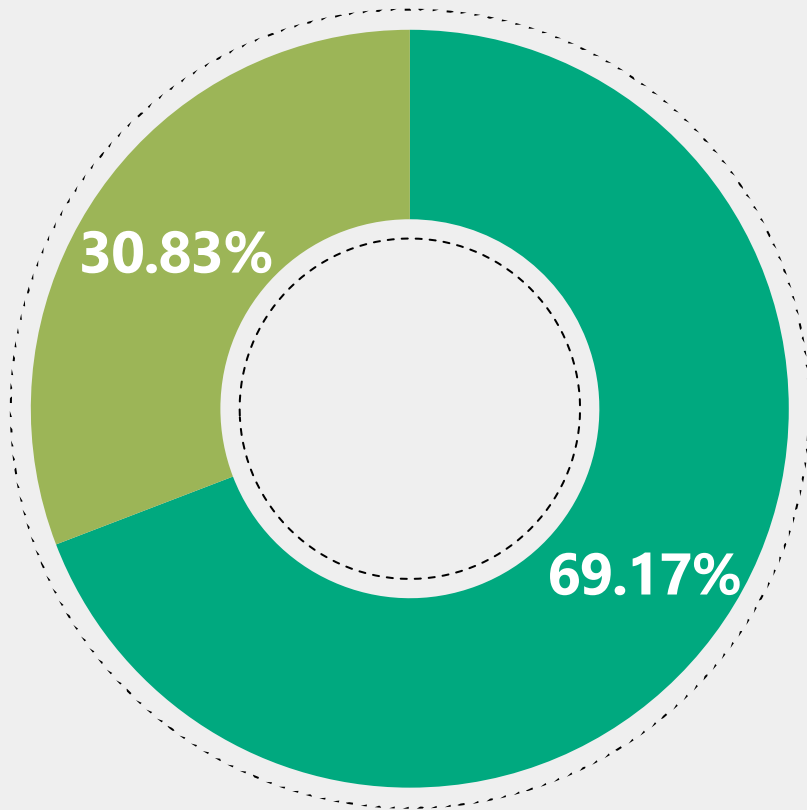
Looking ahead, the Company remains optimistic about its outlook for FY24. The tender wins, combined with the government's commitment to promoting biofuels, provides the solid foundation for expansion in profitability margins. The company's ability to secure additional tenders and capitalise on the increasing demand for biodiesel positions it well for sustained growth and success."



Shareholding Pattern

Shareholding Pattern

(As of March 31, 2023)



Current Market Price

475.95

52 Week High/Low

857.9/242.0

Market Capitalization

415.71 Crores

Shares Outstanding

87.34 Lakhs

NSE Scrip Code

KOTYARK

(Market close price data as of May 19, 2023)



Get in Touch

GAURANG SHAH

Chairman & Managing Director
KOTYARK INDUSTRIES LIMITED

info@kotyark.com

Safe Harbor

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