



Regd. Office:
2nd Floor, A-3 Shree Ganesh Nagar Housing Society,
Ramakaka Temple Road, Chhani, Vadodara-391740
Ph. : 0265 - 2773672, 2773535

Factory:
F-86 to F-90, RIICO Industrial Area,
Swaroopgunj, Dist. Sirohi, Rajasthan - 307023



E-mail : info@kotyark.com, kipl7722@gmail.com,
Website : www.kotyark.com

CIN : U24100GJ2016PLC094939 • GST : 08AAGCK3927K1Z7

Date: November 01, 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

OCTOBER 2023



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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 was commissioned 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.



>18%

Currently operating at >18% utilization levels, providing significant headroom to grow from existing plant



~25,550 MT

Glycerin Annual Production Capacity of ~25,550 MT.



Manufacturing Process



Inputs

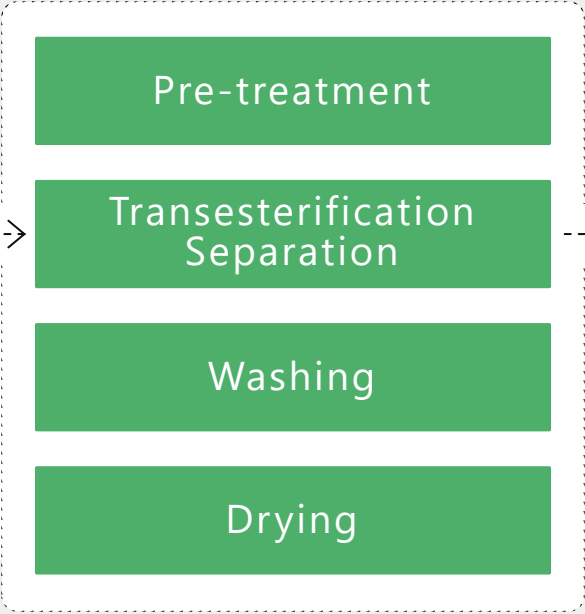
100 Liters
Vegetable Oil

+

14 Liters
Alcohol & Catalysts

METHANOL
& CATALYST

OIL & FATS



BIODIESEL

CRUDE GLYCERIN

Output (Yields up to 99%)

100 Liters
Biodiesel

+

14 Liters
Crude Glycerin

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. Dhruti Mihir Shah

WHOLE TIME DIRECTOR

Mrs. Dhruti 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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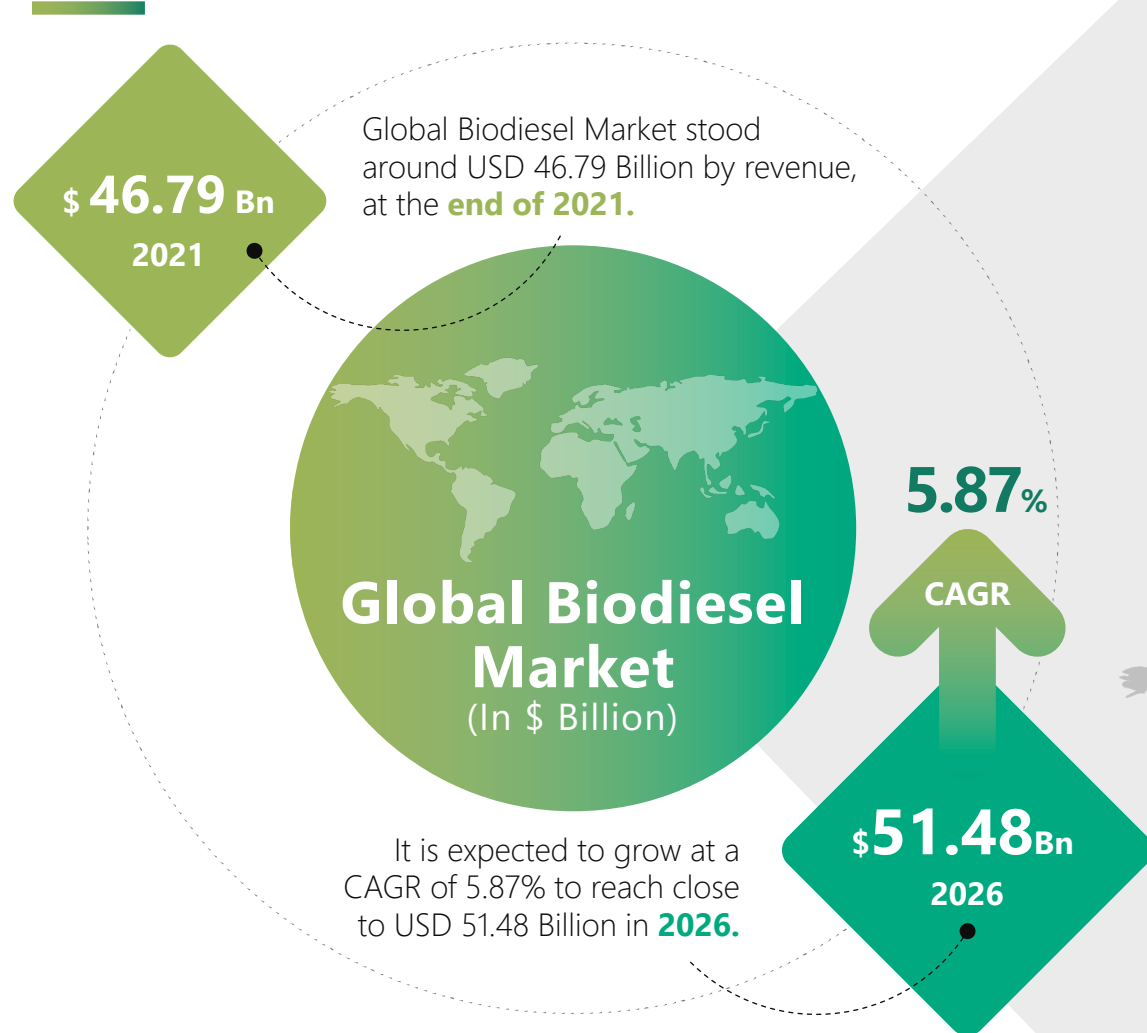
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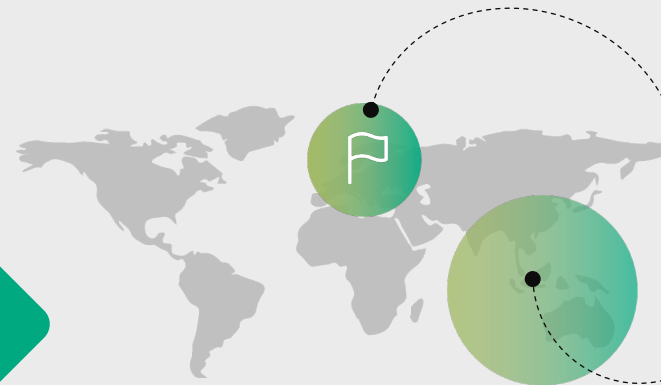
Global Biodiesel Opportunity



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, Jatropha, Mahua among others. The feedstock used in a country is dependent on crop availability.



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

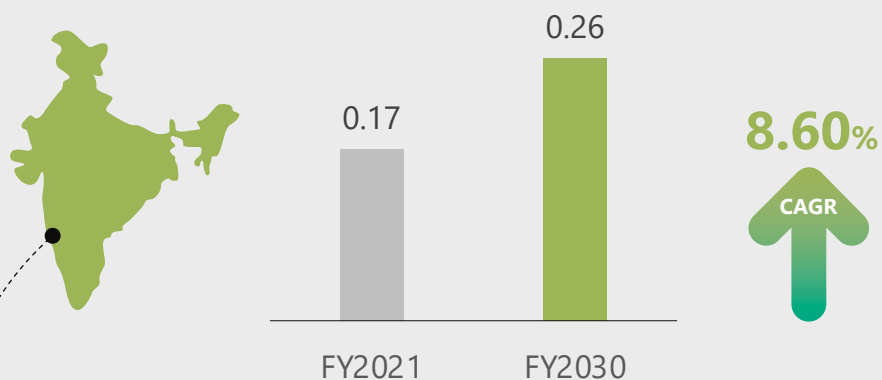
- Asia-Pacific** is projected to be the fastest-growing biodiesel market in the next decade.



Indian Biodiesel Opportunity

India's Biodiesel

Figures (in Million Tonnes)



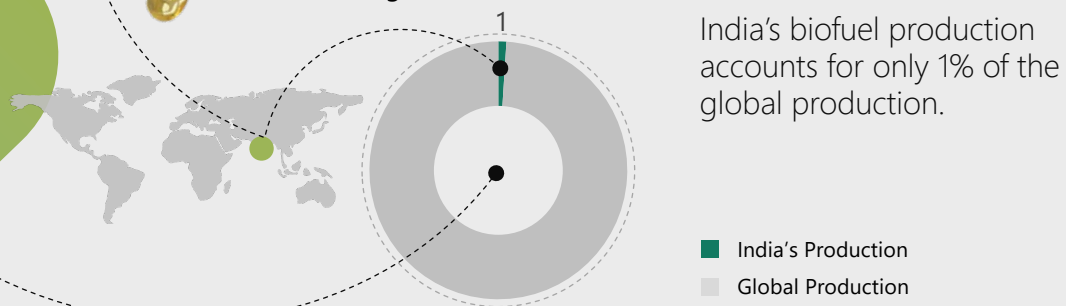
Biodiesel procurement by OMCs

Figures (in crores litres)



Biofuel Production

Figures (in %)



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.

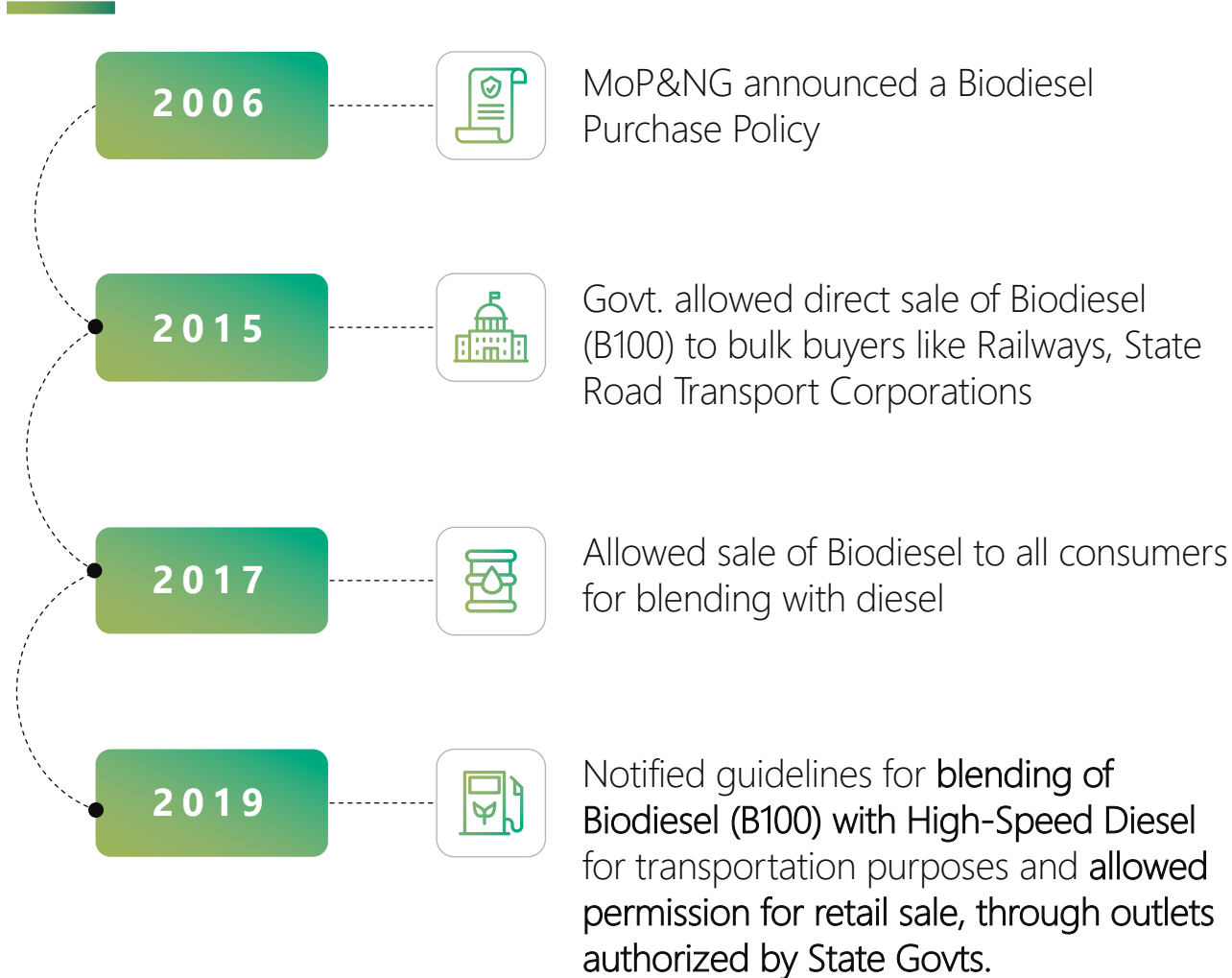


Raw Material Sourcing

- 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

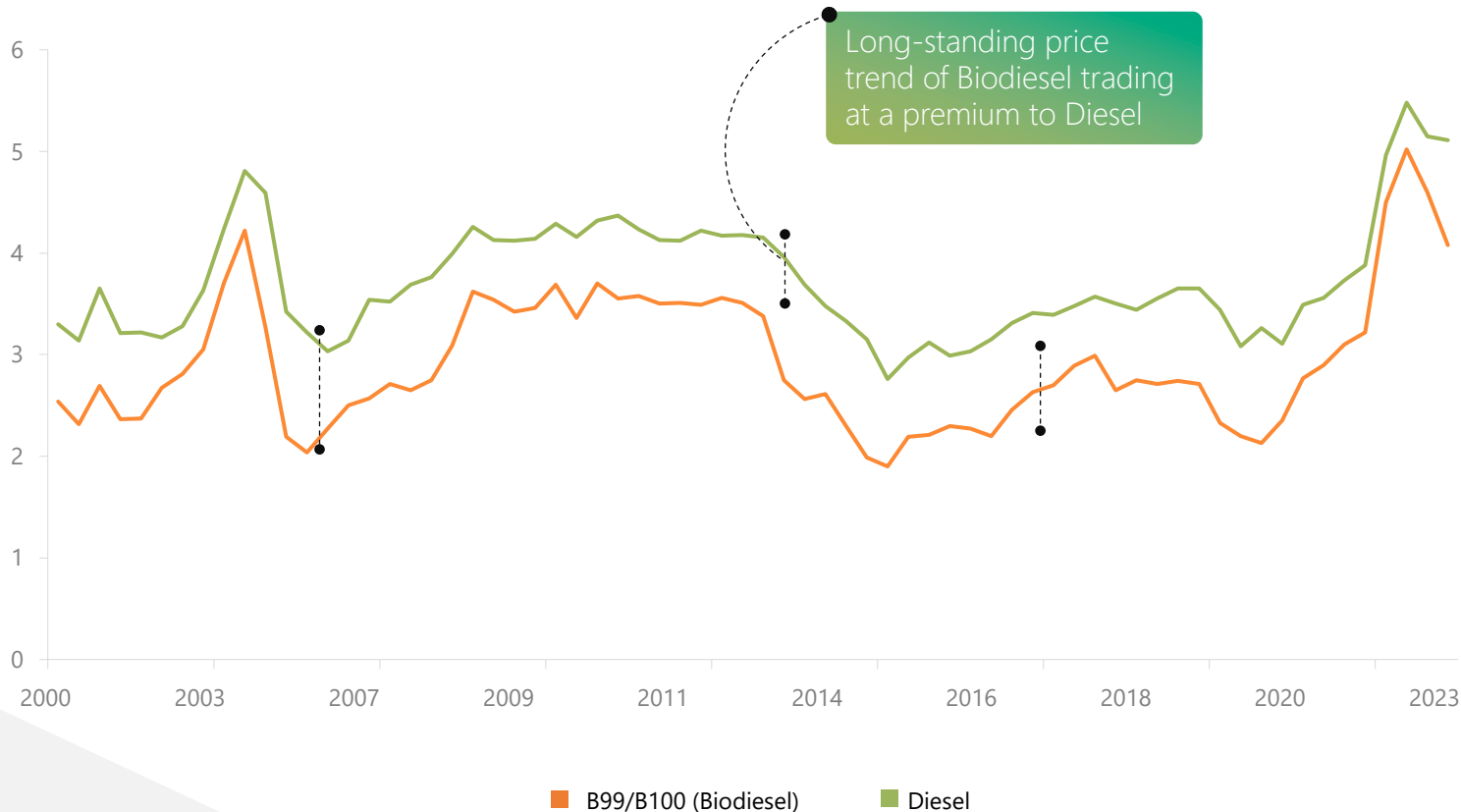




A use case for Biodiesel in India

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 2 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.



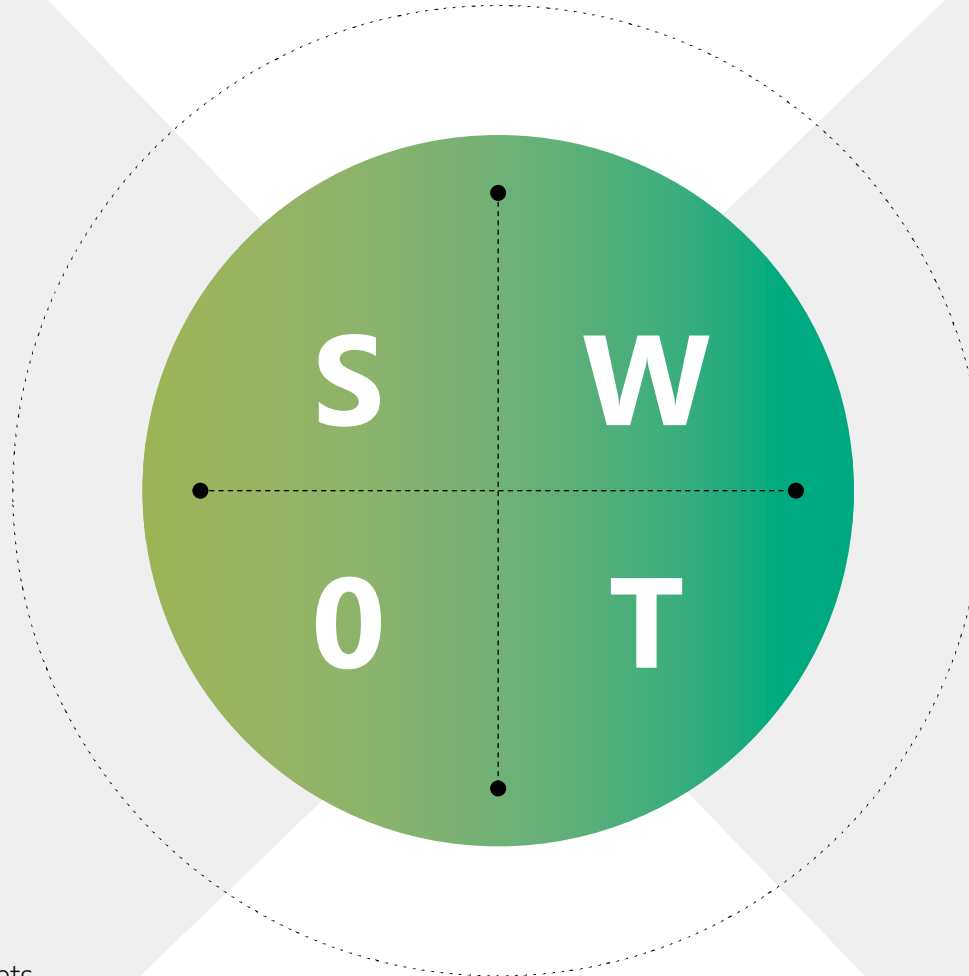
SWOT Analysis

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



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Financial Statements

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P&L Summary

(in ₹ Lakhs)

Particulars	FY20	FY21	FY22	FY23	H1FY24
Revenue from Operations	2,575.41	6,520.61	15,604.59	11,356.23	12,396.68
Total Income	2,578.12	6,529.07	15,634.10	11,356.99	12,397.06
Operating Expenses	2,383.06	6,230.20	14,332.27	9,571.16	10,824.01
EBITDA (excl. OI)	192.35	290.41	1272.32	1,785.07	1572.67
EBITDA %	7.5%	4.5%	8.2%	15.7%	12.7%
Finance Cost	50.22	71.87	46.45	141.24	192.09
Depreciation & Ammortization	76.82	87.79	98.75	92.64	128.73
Profit Before Tax	68.02	139.21	1156.63	1,551.95	1252.23
Profit After Tax	48.57	104.43	864.04	1,146.62	935.41
Earnings Per Share (₹)	1.68	3.61	14.26	13.48	10.71



Balance Sheet Summary

(in ₹ Lakhs)

Narration	FY20	FY21	FY22	FY23	H1FY24
Shareholders' Funds	214.00	318.43	2663.41	5675.07	6173.79
Non Current Liabilities	1,033.53	1,033.16	296.2	1052.12	1409.36
Long Term Borrowings	1,033.53	1,033.16	296.2	1043.22	1383.77
Current Liabilities	665.03	450.41	189.36	611.93	3313.65
Short Term Borrowings	316.59	336.55	69.12	322.41	2208.65
Trade Payables	315.57	15.99	0.00	0.00	663.98
Total Equity and Liabilities	1,912.56	1,802.00	3148.97	7339.12	10896.8
Non Current Assets	568.41	629.21	657.39	3922.45	4501.82
Tangible Assets	560.99	607.5	612.84	1031.22	4135.37
CWIP	0.00	0.00	0.00	688.61	32.96
Current Assets	1,344.15	1,172.79	2491.58	3416.67	6394.98
Inventories	712.59	714.71	853.19	2032.01	3230.62
Trade Receivables	553.61	26.19	718.67	1222.88	2566.76
Cash & Bank Balances	1.69	30.09	57.25	6.32	178.02
Total Assets	1,912.56	1,802.00	3148.97	7339.12	10896.8



Cash Flow Summary

(in ₹ Lakhs)

Narration	FY20	FY21	FY22	FY23	H1FY24
Cash from Operating Activities	(994.37)	199.31	(284.65)	177.20	-816.14
Cash from Investing Activities	(135.00)	(151.17)	(96.64)	-2982.11	-676.91
Cash from Financing Activities	1117.48	(26.34)	415.06	2753.98	1664.75
Net Cash Flow	(11.90)	21.79	33.77	-50.93	171.7
Cash at the Beginning of Year	13.59	1.69	23.48	57.25	6.32
Cash at the End of Year	1.69	23.48	57.25	6.32	178.02

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H1FY24 Result Discussion

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Profit & Loss Summary

(in ₹ Lakhs)

Particulars	H1FY24	H2FY23	H1FY23	YoY Change (%)	Sequential Change (%)
Revenue from Operations	12,396.68	6,513.68	4,842.55	156%	90%
Total Income	12,397.06	6,514.08	4,842.91	156%	90%
Operating Expenses	10,824.01	5,371.45	4,199.71	158%	102%
EBITDA (excl. OI)	1,572.67	1142.23	642.84	145%	38%
EBITDA %	12.7%	17.5%	13.3%	-59 BPS	-485 BPS
Finance Cost	192.09	79.37	61.87	210%	142%
Depreciation & Ammortization	128.73	48.97	43.67	195%	163%
Profit Before Tax	1,252.23	1014.29	537.66	133%	23%
Profit After Tax	935.41	728.58	418.04	124%	28%
Earnings Per Share (₹)	10.71	8.34	5.05	112%	28%

156%

H1FY24 Revenue from Operations at 12,396.68 Lakhs compared to 4,842.55 Lakhs in H1FY23

145%

H1FY24 EBITDA at 1,572.67 Lakhs compared to 642.84 Lakhs in H1FY23

124%

H1FY24 PAT at 935.41 Lakhs compared to 418.04 Lakhs in H1FY23



Management Commentary



**Mr. Gaurang
Rameshchandra Shah**

CHAIRMAN AND
MANAGING DIRECTOR

I am pleased to give you an update on Kotyark Industries Limited's financial performance during H1FY24. We are excited to share our achievements and key developments during this period. Kotyark Industries has reported a remarkable 156% YOY sales growth. This remarkable growth has allowed us to surpass the entire sales of the previous financial year in just the first half of FY24. It's a testament to the growing acceptance of Biodiesel in our country, and our team's efforts in capturing this opportunity.

This sales momentum was despite certain external challenges. We experienced a delay in the receipt of Purchase Orders against our allocation sheets from certain Oil Marketing Companies (OMCs), which has affected our top-line performance in H1. These delays began in Q1 and have spilled into Q2 as well as Q3. We want to reassure that the allocation from recent tenders will be recorded in coming time, and this is a temporary challenge that we are actively addressing.

*We would also like to highlight that the reported financial performance pertains solely to Kotyark Industries Limited and **does not include the financial numbers of Yamuna Bio Energy Private Limited**, which is slated for amalgamation with our Company, and is in final stages of the approval process. Yamuna Bio Energy Private Limited itself is in a growth stage, as indicated by the recent tender allocations.*

On the margin front, we did observe a normalisation as compared to the higher base of H2FY23 where we had witnessed some benefits of lower cost inventory and thus better margins. Additionally, we also incurred certain one-off logistic costs due to higher detention charges during the period under review, which impacted our margins to an extent.

Due to the aggressive growth phase in which the Company is currently present, there has been some increase in working capital requirements (i.e. higher inventories & debtors), which has impacted our Cash Flow from Operations in H1FY24, especially given that higher sales were made in Q2.

To support our growth and meet evolving industry standards, we have made some investments in our plant. For the Biodiesel product category, we have upgraded our facilities to align with the latest quality and purity specifications mandated by authorities in 2022 (as per B100: IS 15607-2022). This was a necessary step to ensure that our products remain compliant with regulatory requirements in terms of purity and quality. We also made some investments for material storage by investing in some tankers. Additionally, we commercialised our Glycerine processing unit, which is poised to enhance our product portfolio and further strengthen our market position. Importantly, all these investments have been financed through internal accruals, reflecting our strong financial discipline.

We would also like to inform our investors about a key leadership change in the company. Our former CFO tendered her resignation as she has decided to pursue higher studies abroad, and we fully support her aspirations for academic advancement. We are pleased to welcome Mr. Amish Shah as our new CFO, effective October 31. Mr. Shah brings over 30 years of experience to the team and will play a pivotal role in our continued growth journey.

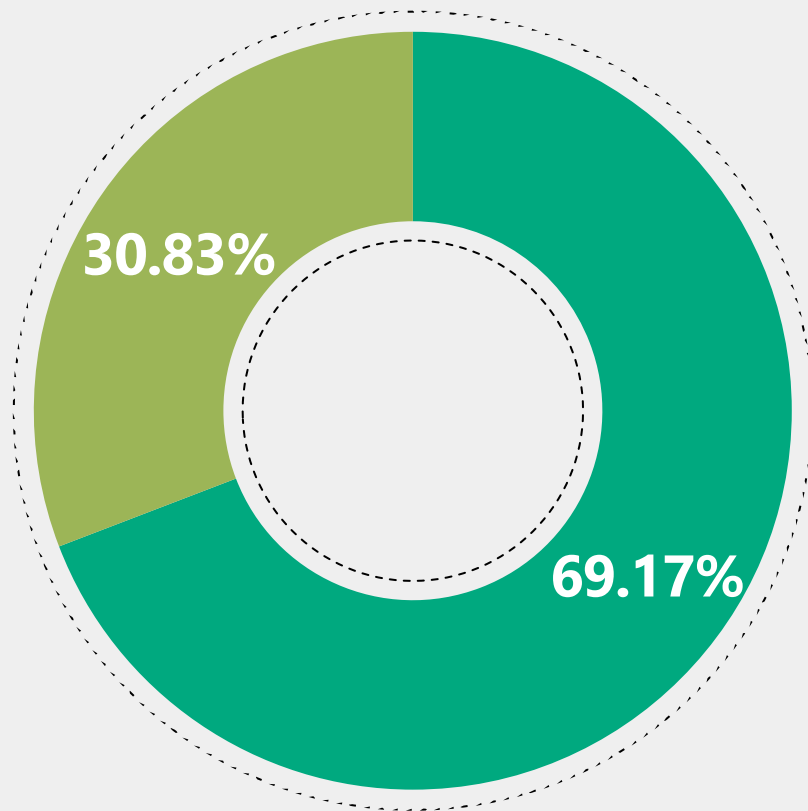
In conclusion, Kotyark Industries Limited is on a remarkable growth trajectory, despite certain temporary headwinds. We are confident in our ability to address these headwinds, capitalize on the opportunities, and deliver long-term value to our shareholders. We appreciate your continued support and trust in our Company.



Shareholding Pattern

Shareholding Pattern

(As of September 30, 2023)



Promoter Holding

Public Holding

Current Market Price

770.75

52 Week High/Low

950.00/261.75

Market Capitalization

673.20 Crores

Shares Outstanding

87.34 Lakhs

NSE Scrip Code

KOTYARK

(Market close price data as of October 30, 2023)

Get in Touch

GAURANG SHAH

Chairman & Managing Director
KOTYARK INDUSTRIES LIMITED

info@kotyark.com

Safe Harbor

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