

**FAIRNESS OPINION REPORT**

**FOR THE PROPOSED AMALGAMATION OF  
YAMUNA BIO ENERGY PRIVATE LIMITED  
(CIN: U40106GJ2014PTC079753)  
(TRANSFEROR COMPANY)**

**AND**

**KOTYARK INDUSTRIES LIMITED  
(CIN: U24100GJ2016PLC094939)  
(TRANSFeree COMPANY)**

**As At August 10, 2022**

**Prepared by**



**BEELINE CAPITAL ADVISORS PRIVATE LIMITED**

**Email Id- [mb@beelinemb.com](mailto:mb@beelinemb.com)**

**Web: [www.beelinemb.com](http://www.beelinemb.com)**

**Report Date: August 10, 2022**

**SEBI Registered Category I Merchant Banker**

**SEBI Registration No: INM000012917**



(CATEGORY I MERCHANT BANKER)

Date: August 10, 2022

To,  
Kotyark Industries Limited  
A-3, 2nd Floor, Shree Ganesh Nagar Housing  
Society Ramakaka Temple Road,  
Chhani Vadodara Gujarat 391740 India

To,  
Board of Directors  
Yamuna Bio Energy Private Limited  
A – 3 Shree Ganesh Nagar Chhani  
Vadodara Gujarat 390002 India

Dear Sir/Madam,

**Sub: Fairness Opinion on Equity Shares Exchange Ratio Pursuant to the Proposed scheme of Arrangement for Amalgamation of Kotyark Industries Limited and Yamuna Bio Energy Private Limited**

We, Beeline Capital Advisors Private Limited (SEBI Registered Category I Merchant Banker), have been appointed by **Yamuna Bio Energy Private Limited** and **Kotyark Industries Limited**, to provide a Fairness Opinion on the share exchange ratio certified by Mr. Abhishek Chhajed, Registered Valuer, dated August 10, 2022 along with confirmation letter dated August 10, 2022 in connection with the proposed amalgamation of Yamuna Bio Energy Private Limited (Transferor Company) with Kotyark Industries Limited (Transferee Company), pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter, all comments as contained herein must be read in conjunction with the caveats to this opinion, The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as "**Listing Regulations**") read with SEBI Master Circular no SEBI/HO/CFD/DIL/CIR/P/2021/0000000665 dated November 23, 2021, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **Beeline Capital Advisors Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

Yours faithfully,

For, Beeline Capital Advisors Private Limited

Nikhil Shah

Director

DIN: 02507020

Place: Ahmedabad



BEELINE CAPITAL ADVISORS PRIVATE LIMITED

CIN: U67190GJ2020PTC114322

SEBI Registration No.: INM000012917

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CONTENT OF REPORT

1.	CONTEXT:.....	4
2.	BRIEF ABOUT COMPANIES:.....	4
3.	SHARE EXCHANGE RATIO FOR AMALGAMATION: .....	7
4.	LIMITATIONS/DISCLAIMERS:.....	8
5.	CONCLUSION: .....	9

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## 1. CONTEXT:

The amalgamation of the Transferor company with Transferee Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- The business activities of the Transferor Company and the Transferee Company are similar in nature, it would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
- The Scheme will result in consolidation of the value of stakeholders which is in the interest of the shareholders, creditors and employees of the Amalgamating Company and the Amalgamated Company.
- The proposed amalgamation of YBPL (Transferor Company) into KIL (Transferee Company) is in accordance with the Scheme of Amalgamation would enable both the companies to realize the substantial benefits of greater synergies among their businesses and would enable them to avail the financial resources as well as the managerial, technical, man power, distribution and marketing resources of each other, leading to a reduction in costs.
- The Amalgamation contemplated in this Scheme will help avoid duplication of administrative functions, resources, systems, skills and processes, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, eliminate multiple record-keeping, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Amalgamated Company.
- Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the companies.
- It will lead to cost savings owing to more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- It will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
- it would enhance operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources and ultimately enhancing overall shareholders value;
- it would achieve synergies in costs (particularly in respect of customer relationship management and establishing sales and marketing channels), operations, stronger and wider capital and financial base for future growth;
- it would allow for an integrated and coordinated approach to investment strategies and more efficient allocation of capital and cash management;
- it would prevent overlap of sales and marketing channels of the Transferor Company and the Transferee Company;
- it would consolidate administrative and managerial functions and elimination of multiple record-keeping, *inter alia*, other expenditure and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs thus resulting in reduced expenditure.

## 2. BRIEF ABOUT COMPANIES:

- A) **Yamuna Bio Energy Private Limited (“Transferor Company” or “YBPL”)** is private limited company incorporated under the Companies Act, 2013 on June 11, 2014, having its registered office

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*Nikhil*



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at A – 3 Shree Ganesh Nagar Chhani Vadodara Gujarat 390002 India. The Company Identification Number (CIN) of the company is U40106GJ2014PTC079753. Website of the company is [www.yamunabio.com](http://www.yamunabio.com).

➤ **Main Objects of Company,**

- To takeover the running proprietorship business of Yamuna Industries and to carry on the business of manufacturing, trading, import, export & other wise deal in Bio-Diesel, Bio-fuels, Oils and fats, De-oiled cakes, Bio-fertilizers, Bio-gas, Bio-mass, Electricity, used oils, fats, organic products, Bio-cosmetics and its related products & to import, export, trade and to establishing and developing of bio methanation- solar waste heat recovery based green energy projects, renewable energy projects, power projects, bio methanation plants, recycling plants, desalination plants and also offering operation and maintenance.

➤ **Audited Balance sheet of Yamuna Bio Energy Private Limited as at 31<sup>st</sup> March, 2022:**

Particulars	Amount (Rs. in Lakh)
Share capital	649.44
Reserve and Surplus	1059.12
Non-current Liabilities	979.17
Current Liabilities (Including Deferred tax Liabilities)	1782.42
<b>Equities &amp; Liabilities</b>	<b>4470.15</b>
Non-Current Assets	1548.62
Current Assets	2921.53
<b>Total Assets</b>	<b>4470.15</b>

➤ **Audited Statement of Profit and Loss of Yamuna Bio Energy Private Limited as at 31<sup>st</sup> March, 2022:**

Particulars	Amount (Rs. in Lakh)
Revenue from operations	7791.33
Other income	26.01
<b>Total Revenue</b>	<b>7817.34</b>
Operating Expenses	7,326.77
<b>EBITDA</b>	<b>490.16</b>
Depreciation & Amortization	98.15
<b>EBIT</b>	<b>392.01</b>
Finance cost	221.62
<b>Profit before Tax (PBT)</b>	<b>170.39</b>
Tax	43.44
<b>Profit After Tax (PAT)</b>	<b>126.95</b>

➤ **Capital Structure of the Company**

Authorised capital	Paid-up Capital
70,00,000 Equity Shares of face value of Rs. 10 each amounting to Rs. 7,00,00,000.	64,94,400 Equity Shares of face value of Rs. 10 each amounting to Rs. 6,49,44,000.

➤ **Shareholding**

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Sr. No	Names of Shareholders	No of Shares	%
1.	Mr. Gaurang Rameshchandra Shah	6366510	98.03
2.	Mr. Bhaviniben Gaurang Shah	112050	1.73
3.	Mrs. Dhruvi Mihir Shah	15840	0.24
<b>Total</b>		<b>6494400</b>	<b>100</b>

➤ **Board of Directors**

Sr. No	Name	DIN
1.	Mr. Patel Hemantkumar	02093945
2.	Mr. Gaurang Rameshchandra Shah	03502841
3.	Mrs. Bhaviniben Gaurang Shah	06836934
4.	Mrs. Dhruvi Mihir Shah	07664924
5.	Mr. Brijkumar Gaurang Shah	08160187
6.	Mr. Shah Vandan Gaurang	09329435

**B) Kotyark Industries Limited (“Transferee Company” or “KIL”)** is Public limited company Incorporated under the Companies Act, 2013 on December 30, 2016, having its registered office at A-3, 2nd Floor, Shree Ganesh Nagar Housing Society Ramakaka Temple Road, Chhani Vadodara Gujarat 391740 India. The Company Identification Number (CIN) of the company is U24100GJ2016PLC094939. Equity Shares of KIL are listed on emerge platform of National Stock Exchange of India Limited. Website of KIL is [www.kotyark.com](http://www.kotyark.com).

➤ **Main Objects of Company,**

- To manufacture, produce, refined, process, formulate, buy, sell, export, import or otherwise dealing in all types of heavy and light chemicals, chemical elements, compounds including without limiting the generally fोगging laboratory and scientific chemical or any nature used capable of being used in the pharmaceutical industries, agricultural chemical fertilizers, petrochemicals, industries chemicals or any mixtures, derivatives and compound thereof.
- To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate, and to do business as transporters and carriers of goods, things, merchandise, commodities of all kinds and descriptions, in any part of India and/or abroad, subject to law of the place in force, in all its tranches on land, water, rail or road and air or by any means of conveyance whatsoever, as an agent or in its own name.

**Audited Balance sheet of Kotyark Industries Limited as at 31<sup>st</sup> March, 2022:**

Particulars	Amount (Rs. in Lakh)
Share capital	827.49
Reserve and Surplus	1835.92
Non-current Liabilities	365.33
Current Liabilities	120.24
<b>Equities &amp; Liabilities</b>	<b>3148.98</b>
Non-Current Assets	657.39
Current Assets	2491.59
<b>Total Assets</b>	<b>3148.98</b>

**Audited Statement of Profit and Loss of Kotyark Industries Limited as at 31<sup>st</sup> March, 2022:**

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*Nikhil*

Particulars	Amount (Rs. in Lakh)
Revenue from operations	15604.59
Other income	29.51
<b>Total Revenue</b>	<b>15634.10</b>
Operating Expenses	14332.27
<b>EBITDA</b>	<b>1301.83</b>
Depreciation & Amortization	98.75
<b>EBIT</b>	<b>1203.08</b>
Finance cost	46.45
<b>Profit before Tax (PBT)</b>	<b>1156.63</b>
Tax	292.59
<b>Profit After Tax (PAT)</b>	<b>864.04</b>

➤ **Capital Structure of the Company**

Authorised capital	Paid-up Capital
90,00,000 Equity Shares of face value of Rs. 10 each amounting to Rs. 9,00,00,000.	82,74,900 Equity Shares of face value of Rs. 10 each amounting to Rs. 8,27,49,000.

➤ **Shareholding**

Sr. No	Names of Shareholders	No of Shares	%
1.	Mr. Gaurang Rameshchandra Shah	4193025	50.67
2.	Gaurang R Shah HUF	750000	9.06
3.	Mrs. Bhaviniben Gaurang Shah	868200	10.49
4.	Mr. Vandan Gaurang Shah	67500	0.82
5.	Mr. Brijkumar Gaurang Shah	97500	1.18
6.	Public Shareholders	2298675	27.77
<b>Total</b>		<b>8274900</b>	<b>100</b>

➤ **Board of Directors**

Sr. No	Name	DIN
1.	Mr. Akshay Jayrajbhai Shah	02305337
2.	Mr. Gaurang Rameshchandra Shah	03502841
3.	Mrs. Bhaviniben Gaurang Shah	06836934
4.	Mrs. Dhruvi Mihir Shah	07664924
5.	Mr. Harsh Mukeshbhai Parikh	09260282

**3. SHARE EXCHANGE RATIO FOR AMALGAMATION:**



*Nikhil*

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Valuation Approach	Kotyark Industries Limited		Yamuna Bio Energy Private Limited	
	Value	Weights	Value	Weights
Market Approach	356.42	1	42.00	1
Cost Approach	NA	NA	NA	NA
Income Approach	443.00	1	73	1
<b>Weighted Total</b>	<b>799.42</b>	<b>2</b>	<b>115.00</b>	<b>2</b>
Weighted Average Total	399.71		57.50	
<b>Fair Exchange Ratio (Rounded Off)*</b>	<b>0.14</b>		<b>1</b>	
<b>Exchange ratio for 100 shares*</b>	<b>14</b>		<b>100</b>	

\*KIL will issue and allot fourteen new share for every one hundred shares of YBPL (Transferor Company) held by shareholders of YBPL.

On the basis of above analysis, the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose names are recorded in the Register of Members/ List of Beneficial Owners for shares in dematerialized form of the Transferor Company on the Record Date.

The Registered Valuer has further issued a Confirmation letter dated August 10, 2022 stating that in terms of Chapter V of SEBI ICDR Regulations, the minimum Price of the Equity Shares of YBPL, considering August 10, 2022, i.e., the date of proposed board meeting of YBPL for approving the Scheme as relevant date, is INR 356.42 per share. As this Price is less than the fair value per share of YBPL as determined in the Report dated August 10, 2022, the share exchange ratio as determined in his Report is valid.

#### 4. LIMITATIONS/DISCLAIMERS:

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other publicly available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Restructured Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that

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*Nikhil*





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the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness opinion.

**5. CONCLUSION:**

In case of a merger valuation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

**Judicial Pronouncements: -**

**Hindustan lever Employees' Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC).**

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

The Hon'ble Supreme Court held "*We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds.*"

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. Present and prospective competition, yield on comparable securities, and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

Based on the facts of the case, Mr. Abhishek Chhajed has valued Equity Shares of YBPL (Transferor Company) as per Discounted Cash Flow (DCF) Method and Comparable Companies Multiple (CCM) Method and KIL (Transferee Company) as per Discounted Cash Flow (DCF) Method and Market Price Method (90 Days – 10 Days).

*"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23,2021, we have reviewed the proposed Scheme of Arrangement for Amalgamation, the Valuation Report doted 10<sup>th</sup> August, 2022 and the Confirmation Letter dated 10<sup>th</sup> August 2022 of Mr. Abhishek Chhajed Registered Valuer. with respect to the share exchange ratio aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies "*

**For, Beeline Capital Advisors Private Limited**

**Nikhil Shah**  
**Director**  
**DIN: 02507020**



**Place: Ahmedabad**

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