



**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: February 11, 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.

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**

**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



FEBRUARY 2023



# Inside the Presentation

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- 02.** Industry Scenario
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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**

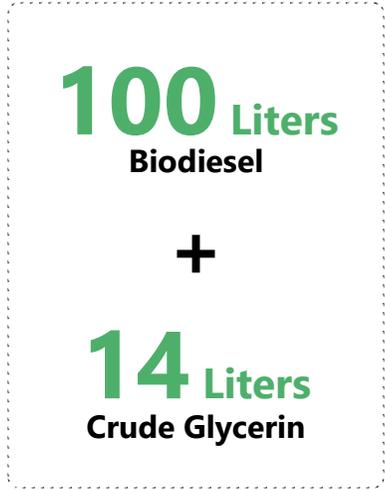


**GLYCERIN**

**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. 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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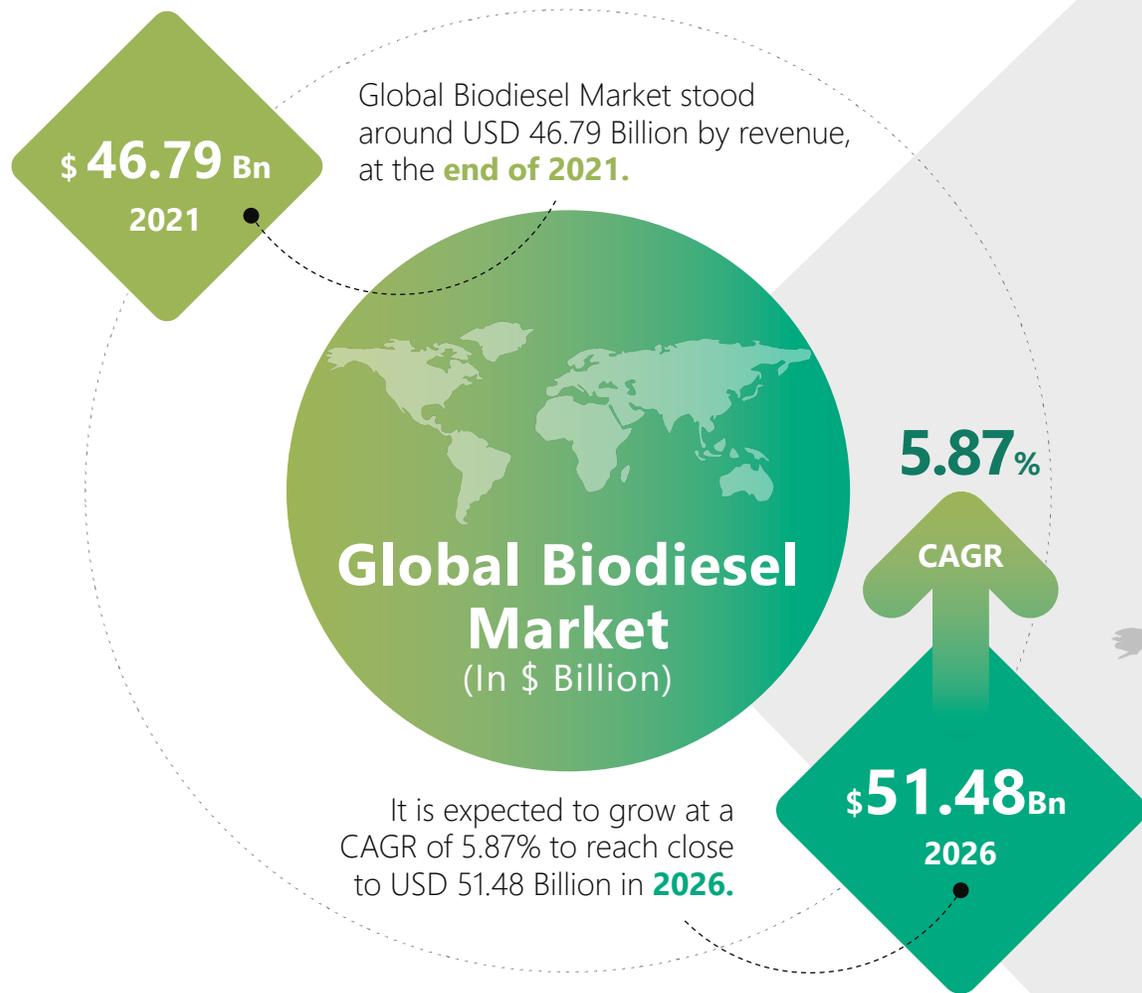
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# Global Biodiesel Opportunity



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, 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



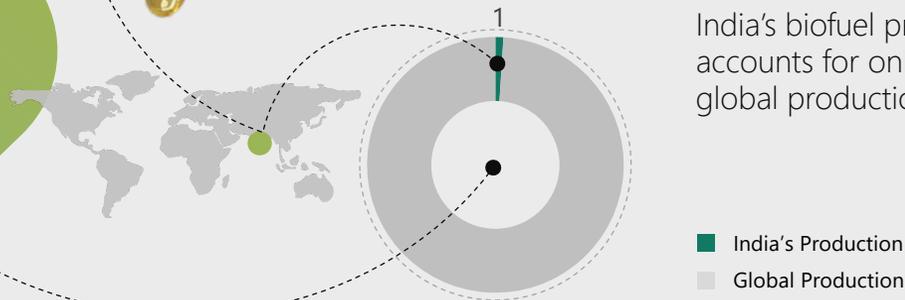
## India's Biodiesel

Figures (in Million Tonnes)



## Biofuel Production

Figures (in %)



## Biodiesel procurement by OMCs

Figures (in crores litres)



## 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.

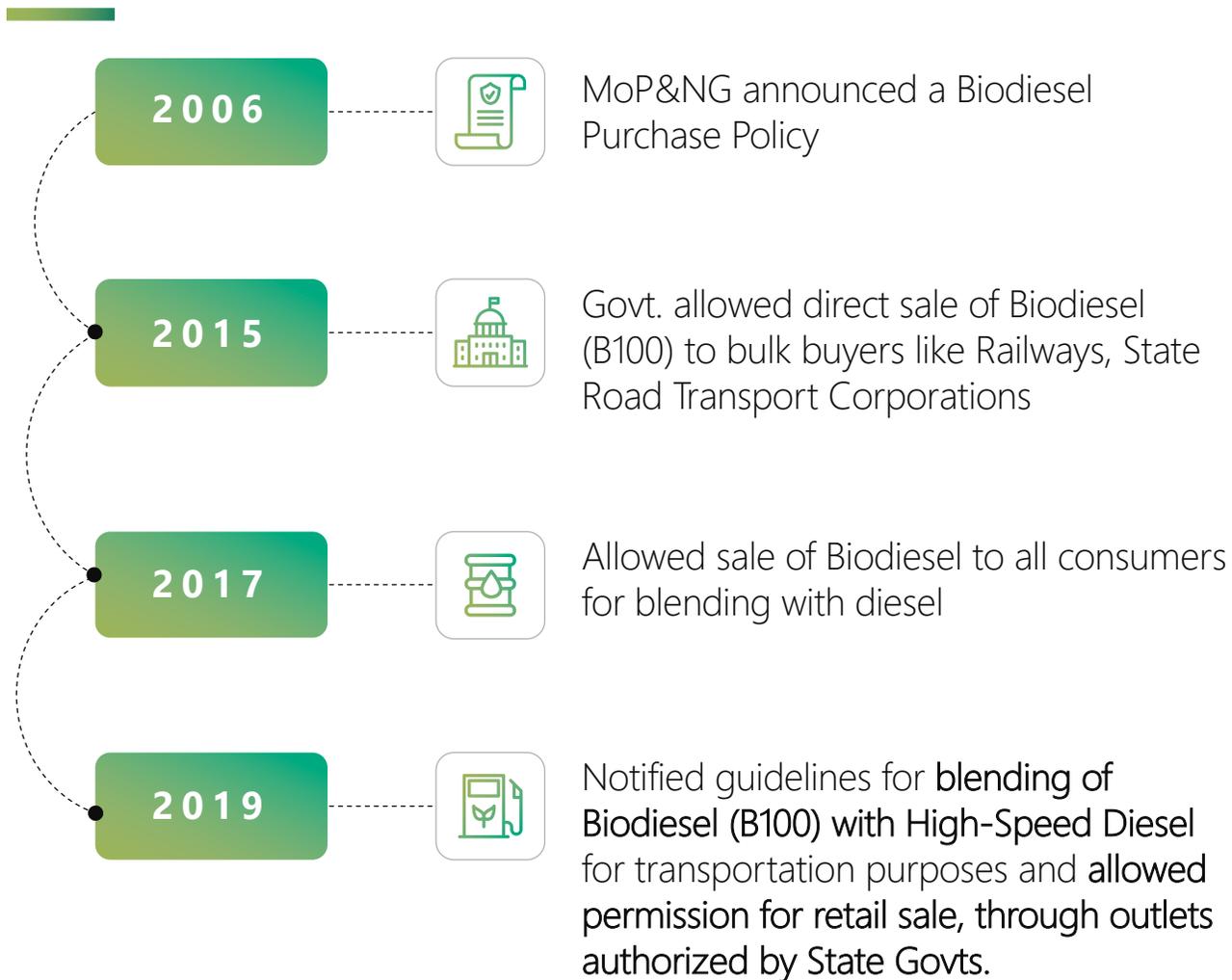


## Raw Material Sourcing

- 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

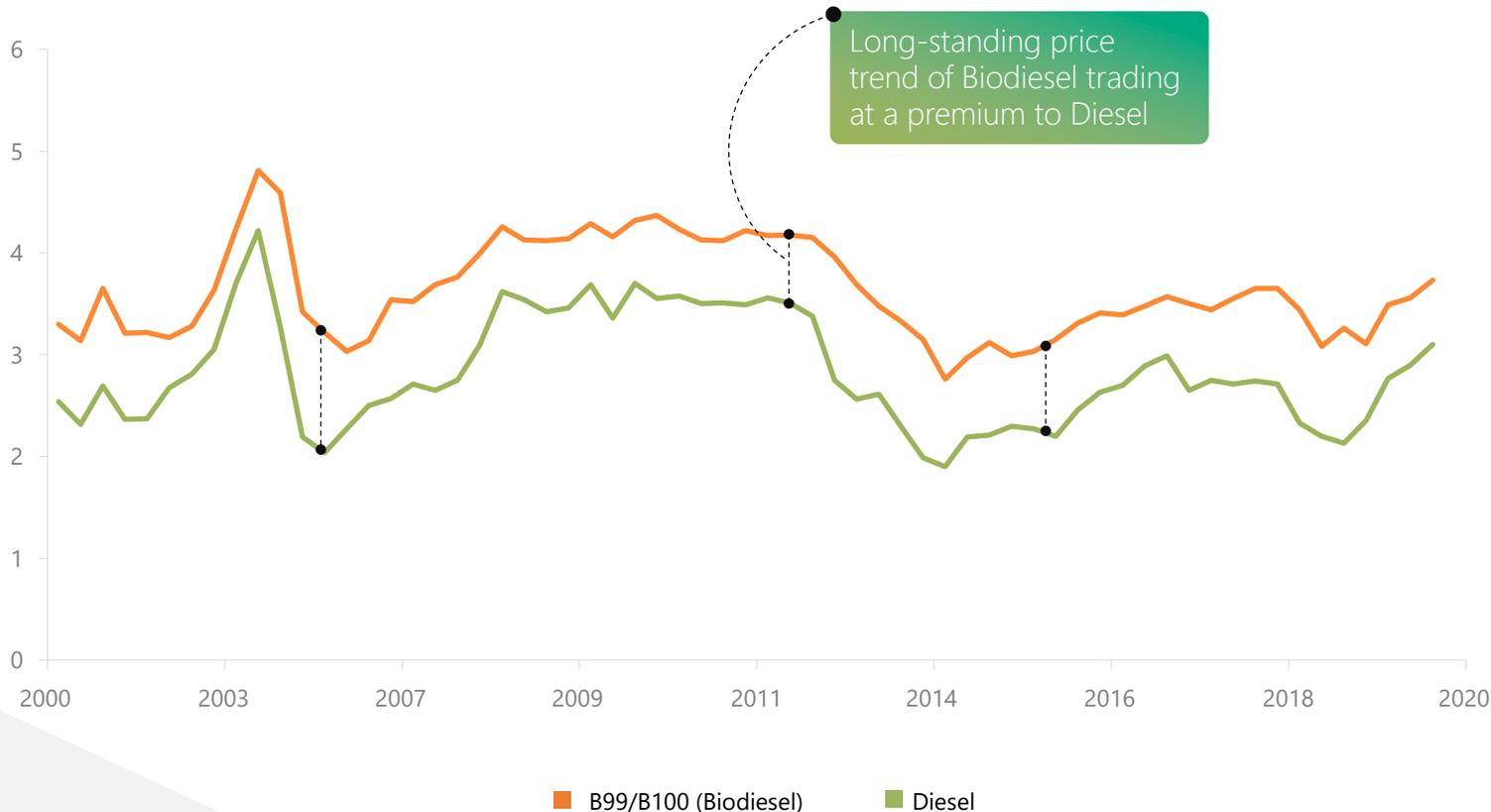




# A use case for Biodiesel in India

## 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

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# Strategic Overview

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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.



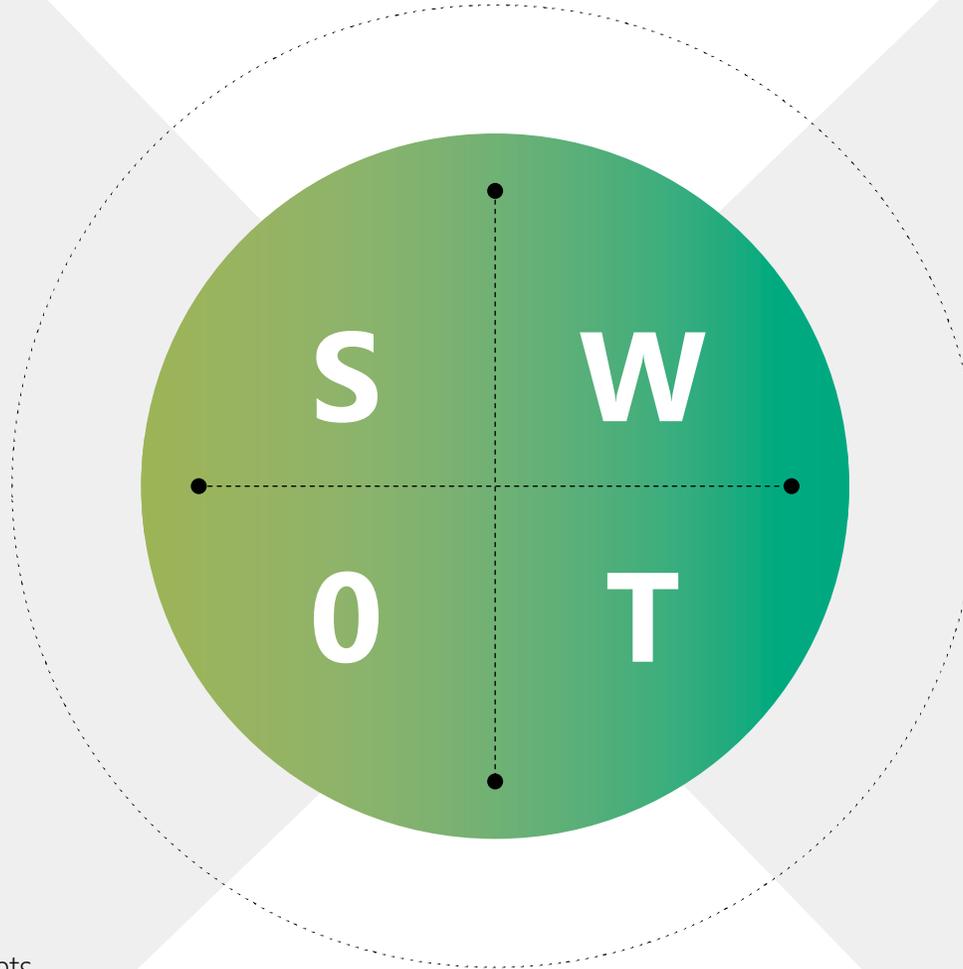
# SWOT Analysis

## 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



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# Financial Statements

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# P&L Summary

(in ₹ Lakhs)

Particulars	FY19	FY20	FY21	FY22
<b>Revenue from Operations</b>	<b>3,756.70</b>	<b>2,575.41</b>	<b>6,520.61</b>	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
<b>EBITDA %</b>	<b>2.2%</b>	<b>7.5%</b>	<b>4.5%</b>	<b>8.2%</b>
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
<b>Shareholders' Funds</b>	<b>165.43</b>	<b>214.00</b>	<b>318.43</b>	<b>2663.41</b>
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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# Q3FY23 Result Discussion

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# Profit & Loss Summary

(in ₹ Lakhs)

Particulars	Q3FY23	Q2FY23	Q3FY22	YoY Change (%)	QoQ Change (%)
<b>Revenue from Operations</b>	<b>3,564.94</b>	<b>1,432.00</b>	<b>4,790.80</b>	<b>-26%</b>	<b>149%</b>
Total Income	3,564.94	1,432.36	4,791.13	-26%	149%
Operating Expenses	2,940.21	1,342.34	4,310.62	-32%	119%
EBITDA (excl. OI)	624.73	89.66	480.18	30%	597%
<b>EBITDA %</b>	<b>17.5%</b>	<b>6.3%</b>	<b>10.0%</b>	7.50%	11.26%
Finance Cost	38.49	51.24	11.00	250%	-25%
Depreciation & Ammortization	22.02	22.27	24.97	-12%	-1%
Profit Before Tax	564.22	16.51	444.54	27%	3317%
Profit After Tax	425.93	31.83	329.17	29%	1238%
Earnings Per Share (₹)	4.88	0.38	5.90	-17%	1184%

**(26%)**

Q3FY23 Revenue from Operations at 3,564.94 Lakhs compared to 4,790.80 Lakhs in Q3FY22

**30%**

Q3FY23 EBITDA at 624.73 Lakhs compared to 480.18 Lakhs in Q3FY22

**29%**

Q3FY23 PAT at 425.93 Lakhs compared to 329.17 Lakhs in Q3FY22



# Management Commentary



**Mr. Gaurang  
Rameshchandra Shah**

CHAIRMAN AND  
MANAGING DIRECTOR



*"We have made a good comeback in our Q3FY23 performance. As communicated during our last earnings disclosures, H1FY23 and more specifically Q2FY23 performance was impacted on account of some delays in Purchase Orders from OMCs, thus leading to revenue spillover to Q3FY23. We have started supply as per these Purchase Orders in Q3, and expect to continue doing so in the coming quarters as well. Another reason for timid Q2FY23 performance was a selective & conscious decision to forego some lower profitability business, which is bearing fruit in the current quarter, as is evident from our latest EBITDA and Net Profitability margins. On a QoQ basis, we witnessed a 149% increase in Revenue from Operations which stood at 3,564.94 Lakhs, while EBITDA margins improved to 17.5% as compared to 6.3% in the previous quarter.*

*During the quarter, we witnessed a sequential increase in volumes as well as average realisations. Our volumes have not recovered all the way back to the corresponding period of*

*the previous financial year i.e. Q3FY22, however, we are confident of improving on this front as well. We see good opportunities in our OMC customer segment. The Government of India's push for higher blending of biodiesel offers immense opportunities for the industry as a whole. Apart from PSUs, which are currently our dominant customers in the OMC segment, we also expect the private sector to participate in this industry trend going forward. This industry trend, and the Government's clear policy roadmap offers good opportunities to biodiesel manufacturers like Kotyark Industries who have a ready capacity to service the same.*

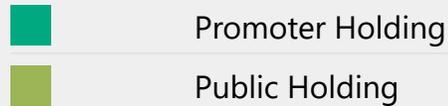
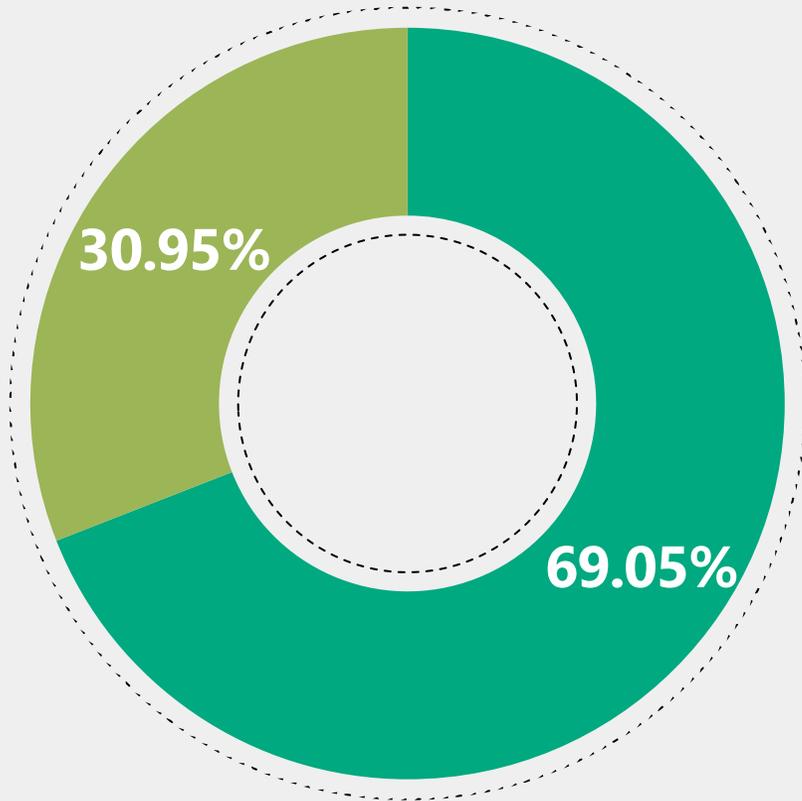
*Going forward as well, the Company will be focusing on higher profitability business, to improve further on its capital return ratios. We are progressing on the strategic decision of amalgamating our sister concern "Yamuna Bio Energy Private Limited", which is in the same line of business as Kotyark Industries Limited."*



# Shareholding Pattern

## Shareholding Pattern

(As of September 30, 2022)



### Current Market Price

**394.65**

52 Week High/Low

857.90/220.50

Market Capitalization

343.34 Crore

Shares Outstanding

0.87 Crore

NSE Scrip Code

KOTYARK

(Market price data as of February 9, 2023)



# Get in Touch

**GAURANG SHAH**

Chairman & Managing Director  
KOTYARK INDUSTRIES LIMITED

[info@kotyark.com](mailto:info@kotyark.com)

## Safe Harbor

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