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CIN : U24100GJ2016PLC094939 • GST : 08AAGCK3927K127

Date: August 29, 2022

To,  
Listing Compliance Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra East, Mumbai - 400051

Dear Sir,

Sub: 6<sup>th</sup> Annual Report of Kotyark Industries Limited

Ref: Kotyark Industries Limited (Symbol: KOTYARK)

Pursuant to Regulation 34 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith 6<sup>th</sup> Annual Report of Kotyark Industries Limited, in respect of Annual General Meeting No. 01/2022-23 of the Members of the Company to be held on Thursday, September 22, 2022 at 11:00 A.M. through Video Conference (VC) or Other Audio Visual Means (OAVM).

The Annual Report is being sent only through electronic mode to the members whose names appear in the Register of Members / List of Beneficial owners as received from National Securities Depository Limited and central Depository Services (India) Limited and whose email id is registered with the Company/Depositories, as on Friday, August 26, 2022.

The Annual Report is also available on the Company's website at www.kotyark.com

For, Kotyark Industries Limited

Urvi Shah

Company Secretary & Compliance Officer  
Membership No: A69342





**KOTYARK INDUSTRIES LIMITED**

# India's only listed pure play biodiesel Company

Annual Report 2021-22



Welcome to

# India’s only listed pure play biodiesel Company

₹ 15,605 Lakh  
REVENUE

₹ 1,272 Lakh  
EBITDA

₹ 864 Lakh  
PAT

₹ 2,663 Lakh  
SHAREHOLDERS’ FUNDS

## Index

CORPORATE OVERVIEW	
Company Overview	02
Product Portfolio	04
Core Competencies	06
Board of Directors	08
Industry Operating Environment	10
Key Performance Indicators	12
Letter to Shareholders	14
Strategic Priorities	16
Management Discussion and Analysis	18
STATUTORY REPORTS	
Corporate Information	23
Notice	25
Board’s Report	36
FINANCIAL STATEMENTS	
Independent Auditor’s Report	58
Balance Sheet	64
Statement of Profit and Loss	65
Cash Flow Statement	66
Notes to Financial Statement	69

**SAFE HARBOUR STATEMENT**  
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

*Sustainability is not just dry rules and regulations that one needs to follow, it is a state of mind. When one truly wishes to be sustainable, their daily actions emulate this mindset. At Kotyark, we enable the action of becoming sustainable by providing alternate and sustainable solutions to traditional fossil fuels, an obvious choice for a better tomorrow.*

We are proud to be the first and only pure-play listed biodiesel company in India that is changing the way the country imagines fuel. Kotyark’s inclination to prepare for the future, combined with its skills and core competencies, has not only helped the Company deliver proactive solutions ahead of its time but has also allowed it to orchestrate behavioural changes in many Indians. The Company firmly believes that this will prove to be a pivotal step in the right direction - for the country and for the earth. In a time when sustainability is the need of the hour, Kotyark is one of the few companies in India that is at the

vanguard of working towards safeguarding the environment, and that too in a very strong way. It believes that these actions that it has taken today will have a cascading effect in the years to come.

While this is an exciting new space, it comes with its own challenges - of acceptance and of awareness. In this regard, the Company is blessed to have received significant government support that adds strong winds to its sails. Kotyark aims to leverage these opportunities to remain at the head of the sustainability-driven industries in India.





## Company Overview

# Kotyark Industries: At a glance

Kotyark Industries Limited (Kotyark) is revolutionising the fuel industry by providing sustainable alternatives to fossil fuels. Incorporated in 2016, Kotyark is the only listed Indian Company that exclusively manufactures biodiesel and its by-products. The Company focuses on green energy and sustainable development of renewable resources (biofuel) through the adoption of environment-friendly technology, which is ultimately aimed at facilitating a net reduction of greenhouse gas emissions.



With its manufacturing unit at Swaroopgunj, District Sirohi, RICCO, Rajasthan, Kotyark is one of the key players in the state of Rajasthan in India. Its manufactured products find application in any and all industries that use diesel, primarily commercial vehicles and diesel generators. At present, the Company is capable of producing 500KL of biodiesel per day from multi feedstock.

Even though Kotyark is a fairly new company, it has its eyes set on establishing its name in the biofuels domain. The Company's rapid success in its six years of existence is a true embodiment of its capabilities, enthusiasm and its passion to make a difference. Moreover, governmental impetus and a general shift towards a sustainable outlook adds fuel to its deep desires of contributing to the sustainable development of the country and the world at large.

## India's only pure play listed Biodiesel company

**1,82,500 KL**  
Annual Production Capacity

**38**  
Committed workforce

**Zero Effluent**  
Discharge Company

**Diversified**  
revenue stream amongst  
OMC's, bulk buyers and  
mobile retail outlets

**NSE Emerge**  
Listed through  
an IPO in 2021

**Ingeniously  
Designed**  
manufacturing facility  
at Sirohi, Rajasthan

## Strong financial profile

**₹ 15,605 Lakh**  
Revenue from Operations for FY22

**61% CAGR**  
Revenue from Operations CAGR  
between FY19-22

**₹ 864 Lakh**  
PAT for FY22

**146% CAGR**  
Profit after Tax CAGR  
between FY19-22

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 in the biodiesel value chain, enables it to become one of the leading producers of green biodiesel in India



### Our Vision

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

### Our Mission

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 the latest technology, catering to countries worldwide.

### Key Milestones

**2016**

Incorporation of the Company, Kotyark Industries Private Limited, as a wholesale trader of Biofuel

**2019**

Commenced manufacturing of Biofuel of different variants

Transformed its business by shifting from a pure biodiesel trading Company to one of the most significant biodiesel manufacturers in Rajasthan with an ambition to go further

**2021**

First and only listed pure play biodiesel manufacturing company in India, through its IPO on NSE Emerge



# Sustainable products for a better tomorrow

Transport is one such sector that contributes massively to environmental degradation. In fact, it accounts for one-fifth of the total global CO2 emissions and is one of the major causes of concern when it comes to achieving sustainability.

In a highly consumer and technology-driven world, the need for fuel and energy never ceases to exist. While measures are being taken in all aspects to reduce emissions, when it comes to transportation, widespread adoption of biofuel is the only true solution to the problem.

Kotyark's excellent quality biodiesel not only satiates the need for a sustainable alternative but also provides an enhanced experience to its customers. Biodiesel's merits are plenty, and it is Kotyark's mission to make it common knowledge.



Biodiesel is an alternative fuel that has similar characteristics to conventional or fossil diesel. It is a liquid fuel, often referred to as B100 or neat biodiesel, in its pure and unblended form. It can be produced from vegetable oil, animal oil/fats, tallow and waste cooking oil, and the process used to convert these oils to biodiesel is called transesterification.

Further, it meets both the biomass-based diesel and overall advanced biofuel requirement of the Renewable Fuel Standard.

## Who can use biodiesel?

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. Apart from transportation, it can also be used to power diesel-run generators.

## How does it benefit the environment?

The most essential characteristic of biodiesel is its carbon neutrality, which essentially means that this type of fuel

produces no net output of carbon in the form of CO2. This effect primarily occurs because oil crops while growing absorb the same amount of CO2 that is released when the fuel is combusted. Being biodegradable and completely non-toxic, biodiesel also doesn't pose any significant risks when it comes to spillage. Further, its higher flash point than that of fossil diesel makes it reasonably safe in the event of any transport accident. Since the benefits outweigh the risks quite remarkably, biodiesel is certainly becoming the fuel of choice for the future.

## Biodiesel



Crude glycerine is a product obtained in a biodiesel production plant by processing the glycerine phase formed in the transesterification reactor. This product is used mainly as a feedstock to obtain high-purity glycerine in a refining unit.

For every 100 litres of biodiesel produced, approximately 14 litres of crude glycerin is produced as a by-product on average.

Crude glycerin, upon further processing, finds application in the food, pharmaceutical, cosmetic and carpet industries. Kotyark's crude glycerol is sold to large refineries that upgrade and supply the refined rendition to other end-use sectors.

## Crude Glycerin

*Biodiesel is Kotyark's core product, and in the process of manufacturing the same, the Company also produces Crude Glycerin.*



Core Competencies

# Excelling in its domain

In just six years, Kotyark Industries has uniquely positioned itself in the Indian biofuel industry through its strengths and capabilities. What makes Kotyark a success is its razor-sharp focus towards innovation and consistent value creation.



## Raw Material Sourcing

Raw materials are the crucial driving force for any business, and for biodiesel, it is all the more important given the scarcity of non-edible and used vegetable oil in India. The availability of raw materials such as non-edible vegetable oil at feasible prices is critical to the biodiesel manufacturing process. To that extent, the Company sources cost-effective quality raw materials from across the country, which enables it to manufacture world-class biodiesel at competitive prices.

What comes in handy in this process is the vast inter-generational experience of the Company’s promoters, who have a strong know-how of the vegetable oil trading industry. This experience becomes critical for Kotyark’s raw material sourcing, which in turn, pegs the Company high when it comes to manufacturing quality products.



**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 Facility

Kotyark is a unique company in many aspects - its products, its purpose and most importantly, its manufacturing infrastructure. The Company set up its own manufacturing unit at Swaroopgunj, Rajasthan, on a plot measuring 10,000 sq. mt., in the year 2019.

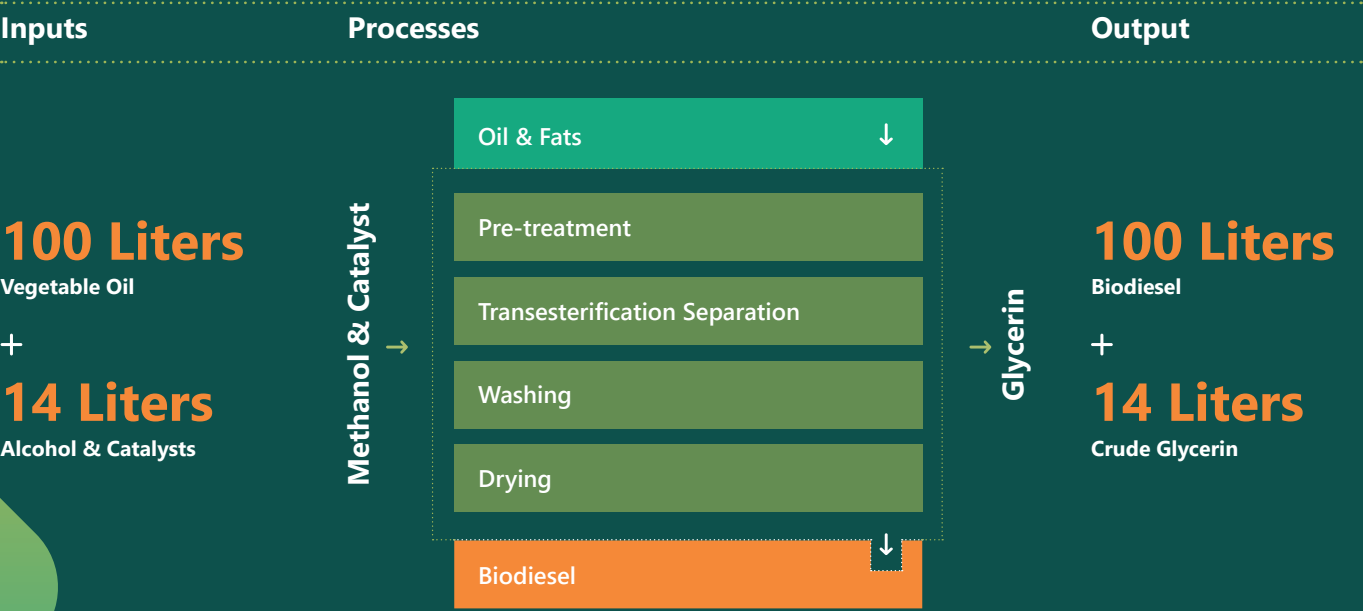
This indigenously designed manufacturing facility features one of the highest asset turns and output productivity across the industry.

With an annual production capacity of 1,82,500 KL, Kotyark’s state-of-the-art and fully integrated facility is equipped to handle end-to-end

manufacturing processes of biodiesel, including - feedstock pre-treatment, transesterification & separation, washing and drying. At present, the facility is operating at ~13% capacity, thereby leaving significant headroom to grow from the existing plant without any further CAPEX.

## Manufacturing Process

Yields up to 99%



## Diverse Clientele



**Oil Marketing Companies (OMC)**  
OMCs procure biodiesel to blend it with their diesel and premium category speed-diesel. At present, less than 1% of OMCs blend biodiesel in diesel. However, with the Indian Government setting a goal to take this level to 5% by 2030, this will prove to be a significant revenue stream for Kotyark in the near future.

Tender based business, requiring government approval to participate.

Receivable cycle is ~45 days



**Bulk Buyers**  
In India, biodiesel trades cheaper than diesel, therefore presenting bulk buyers with an opportunity to optimise their fuel costs. Further, since biodiesel falls under The GST Act, 2017, input credit of 12% can also be availed by commercial buyers including transport contractors, mining companies and industries.

Company supplies biodiesel to bulk buyers in its vicinity, such as the mining industry and industrial units.

Receivable cycle is ~15 days



**Mobile Retail Outlets (MRO)**  
The Company operates mobile retail outlets (MRO) of biodiesel under its brand ‘Green N Green’. At present, it is operating 25 such outlets through a dealership model, which are primarily located on highways in Rajasthan.

This model enables the Company to remain asset-light, while growing its business.

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

Receivable cycle is ~15 days



# Hands on team that steers performance

BOD  
COMMITTEE  
KEY

- Chairman
- Member

- A: Audit Committee
- N: Nomination & Remuneration
- S: Stakeholder Relationship Committee



**Mr. Gaurang Rameshchandra Shah**  
Chairman and Managing Director

Mr. Gaurang Shah holds a Bachelor of Commerce degree from the Maharaja Sayajirao University, Baroda. With over 24 years of experience in vegetable-oil trading and biofuels industry, he has been instrumental to the Company's journey in the last five years. He is responsible for the operations of the Company and has made notable contributions to it. His expertise lies in absorbing new concepts and implementing them in the running of the Company. Mr. Shah's dynamism and a zeal for innovation is a driving force for the Company.



**Mrs. Dhruti Shah**  
Whole Time Director

Mrs. Dhruti Shah is a recipient of a Masters' Degree in Commerce from Maharaja Sayajirao University as well as an MBA from Indira Gandhi National Open University. With over 8 years of experience, she has been a part of the Company's journey since its inception, having played a significant role even at the stage of conceptualization and planning. Her experience and expertise lies not only in her deep understanding of the operations of the Company but also in the biofuels industry and ecosystem as a whole. Her competence with respect to these technical aspects is magnified manifold by her acuity in business, which makes her invaluable to the Company.



**Mrs. Bhaviniben Gaurang Shah**  
Non Executive Director

Mrs. Bhaviniben Gaurang Shah holds a Diploma in Mechanical Engineering degree from Sardar Patel University. She has a rich experience of about seven years in the biofuels industry. At Kotyark, her contributions in have been of significant importance.



**Mr. Akshay Jayrajbhai Shah**  
Non Executive & Independent Director

Mr. Akshay Jayrajbhai Shah holds a Bachelors' Degree in Science and has a long experience of twelve years in this industry. He has contributed to Kotyark meaningfully in just a short period of time.



**Mr. Harsh Mukeshbhai Parikh**  
Non Executive & Independent Director

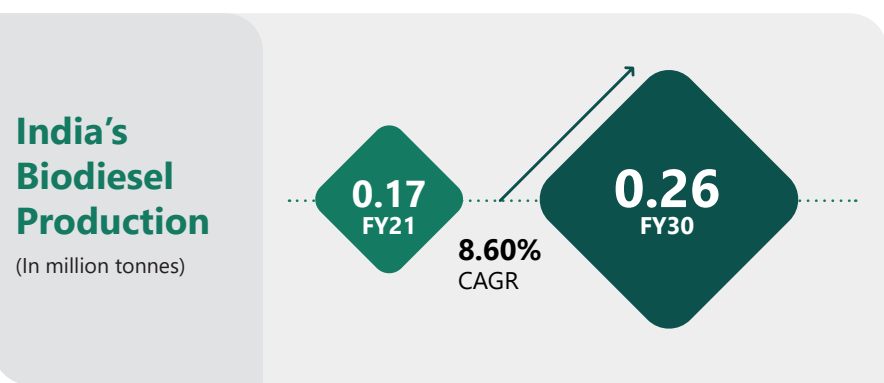
Mr. Harsh Mukeshbhai Parikh holds an MBA degree from Sikkim Manipal University. He has a strong experience of eighteen years in the Insurance industry. Ever since his joining, he has added reasonably to the Company's growth.



# The future of biodiesel in India

Asia-Pacific is projected to be the fastest-growing market for biodiesel in the coming decade, and India is expected to be at the helm of this growth. Further, the Indian biodiesel industry is at a nascent stage, with a vast potential to become one of the leaders in both production and consumption of biodiesel. India currently accounts for only 1% of the total global production. The transportation sector is one of the major consumers of biodiesel, followed by the energy and construction sectors, where biodiesel is used in operations.

As more and more Indians adopt alternative and sustainable fuels, the Indian biodiesel market is geared to rev up its production and bring in heavy revenues for its manufacturers in the years to come. Kotyark being the only listed pure-play biodiesel manufacturer in India, will undoubtedly benefit from the adoption of biodiesel and will also be in a position to lead industry-wide innovation.



## Factors driving growth in this sector

India's energy demands are projected to double in the next two decades, owing to its increasing and upwardly mobile consumer profile. The need for transportation is also clearly set to rise to cater to the growing demands. With this context, coupled with the ongoing debate on sustainability, cleaner fuel alternatives are increasingly being sought by industries and individuals alike. Companies like Kotyark stand to gain from this trend, as biodiesel sales are expected to witness a significant push in the decades ahead.

Just like fossil fuel, for biodiesel too, public and fiscal policies play decisive roles. The ever-increasing crude oil import bills have also incentivised the government to switch to domestic fuel alternatives, with biodiesel being the frontrunner. Among other measures, the Indian government has emphasised on improving the country's energy security by reducing import dependence.

It has its target set on reducing India's carbon footprint by at least 30-35% by the year 2030, and in order to achieve this, it has adopted a five-step strategy that includes - increasing domestic production, adopting biofuels and renewables, implementing energy efficiency norms, improving refinery processes and achieving demand substitution.

Further, with its National Policy on Biofuels in 2018, the government has institutionalised its steps towards sustainability, thus pushing the demand for biodiesel. These strong tailwinds from the Indian government are enabling many domestic and international players to enter the biofuel industry in India.



## Highlights of the National Policy on Biofuels, 2018

### Raw material sourcing

As a measure towards import substitution and in a bid to phase out imported palm stearin oil, which at present is the primary raw material for manufacturing biodiesel, the government is promoting domestically available used cooking oil (UCO) as the feedstock.

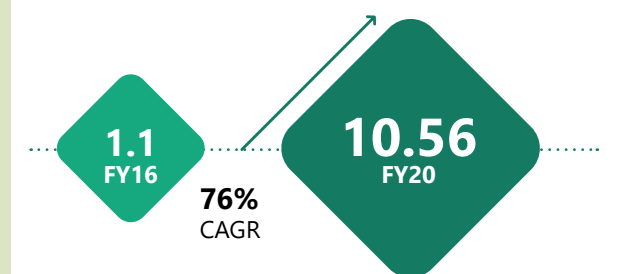
UCO is abundantly available and can be collected from bulk consumers such as hotels, restaurants, canteens, etcetera, for conversion.

### A mandatory blending of 5% biodiesel in diesel by 2030

The Indian government has proposed a target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030. While many OMCs are already working towards this goal, many more are expected to join this mission soon.

## Biodiesel Procurement by OMCs

In crores litres



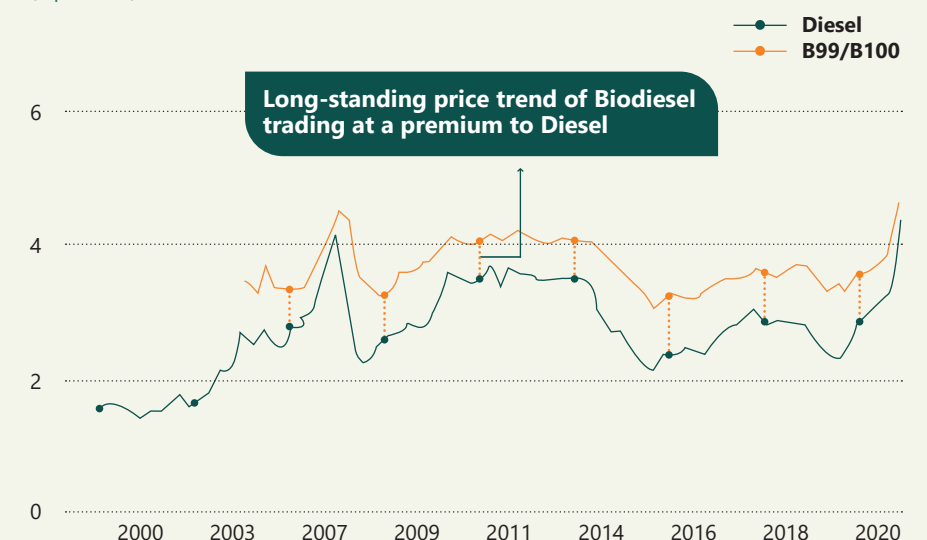
## A use case for Biodiesel in India

In developed markets such as the USA and Europe, biodiesel (B100) trades at a premium to diesel. However, consumers looking to support eco-friendly green fuels choose to buy biodiesel despite its premium pricing. While the biodiesel market is certainly not at par with the diesel market, yet, there is a reasonable level of acceptance of biodiesel among these consumers.

On the other hand, biodiesel still trades roughly at a 15-20% discount in India, which is significantly cheaper than diesel. Moreover, the Indian government extends a 12% GST input credit to commercial buyers of biodiesel. Yet, the uptake has not been as much as it should have, primarily due to the lack of awareness amongst the citizens. This certainly creates a strong use case for enhancing biodiesel demand in India. Further, Kotyark strongly believes that government policies and growing awareness about leading a sustainable life will bode well for biodiesel demand in the country in the years to come.

## Average retail Fuel Price in United States

(\$ per GGE)





## Key Performance Indicators

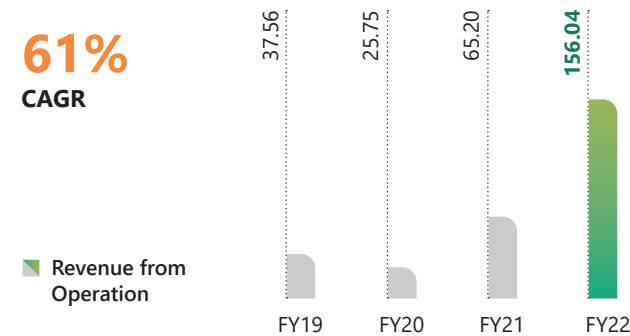
# Numbers that tell our story

Kotyark has had a spectacular year, reaching multiple goals and achieving a significant scale of operations, i.e. topline, and margins, i.e. bottom line and in FY22. The Company has surpassed expectations, and this performance has boosted its morale and validated its vision for the use case of biodiesel in India. Having been in the industry for just a short period of 6 years, this early success comes as an approving nod to what the Company truly stands for. Kotyark hopes to maintain this arc of growth through its strategic outlook and foresightedness.

### Revenue from Operation

(₹ in crores)

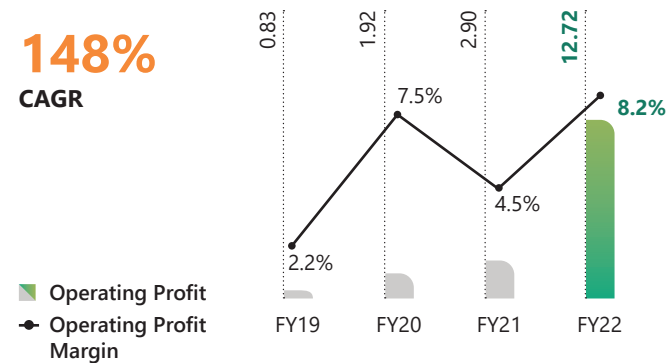
**61%**  
CAGR



### Operating Profit and Operating Profit Margin (%)

(₹ in crores)

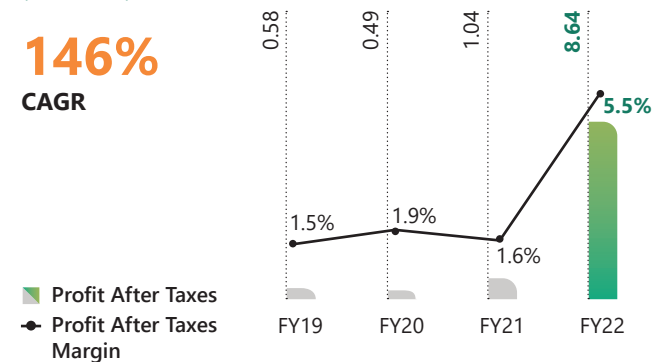
**148%**  
CAGR



### Profit After Taxes and Profit After Taxes Margin (%)

(₹ in crores)

**146%**  
CAGR



### Equity

(₹ in crores)

**153%**  
CAGR



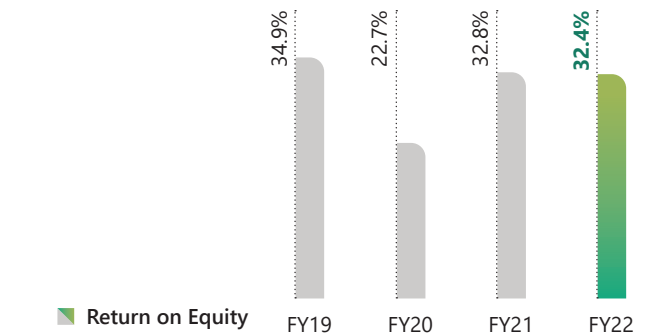
### Total Debt to Equity

(In times)



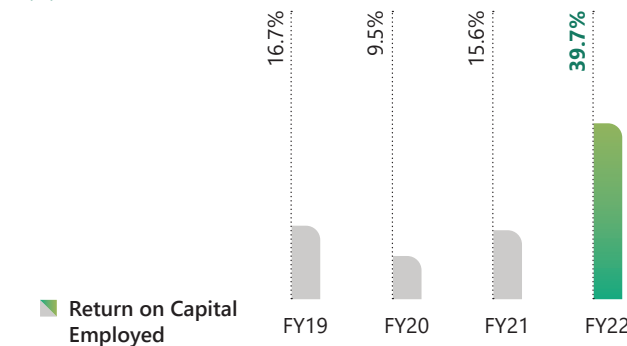
### Return on Equity

(%)



### Return on Capital Employed

(%)



# On a strong footing

## Dear Shareholders,

It gives me great pleasure to write to you and address you with the happenings at Kotyark in FY22, in our first-ever annual report as a listed Company. I would like to begin by expressing my gratitude and thanking each and every one of you for your immense support and encouragement throughout our journey leading up to the IPO. We hope to deliver on all your expectations and create a future-ready and sustainable Company together.



*Our financials validate our mission and strategies, enabling us to take on more challenges as we move ahead in this climb.*

Now before I take you through our FY22 performance, let me take this opportunity to briefly introduce Kotyark to all our new shareholders and stakeholders. We are a Company that is engaged in the manufacturing of biodiesel and its by-products, and are one of the key players across the state of Rajasthan, India. Our Company focuses on green energy and sustainable development of renewable resources (biofuel) through the adoption of environment-friendly technology. Our manufacturing unit at Swaroopganj, District Sirohi, RICCO, Rajasthan, has a capacity of producing 500 KL of biodiesel per day from multi feedstock. We are, at present, the only pure-play listed biodiesel company in India after we concluded our IPO just last year in 2021.

When we started our journey in 2016, little did we know that we would reach where we have today. While it swells us with pride and happiness, it also reminds us of the longer journey we have now embarked on, and in which we simply cannot falter. On that note, let me now share the news from our FY22 performance. We have met and exceeded our expectations this year and have delivered a robust performance on all fronts. Our Revenue from Operations stood at ₹156.05 crores in FY22, which is an increase of 139% on a year-on-year basis; it is noteworthy to mention that we delivered this growth despite a delayed rise in fuel prices during Q4FY22. All this while, our growth has primarily been driven by higher volumes and operating efficiency of our manufacturing facility. Resultantly, our Operating Profit margins for the year stood significantly higher at 8.2% in FY22 compared to 4.5% in FY21. This increase in margins, along with the increase in our topline, has led us to deliver a staggering 727% increase in our net profit for the year. Our financials validate our mission and strategies, enabling us to take on more challenges as we move ahead in this climb. We are happy and geared to see what's in store for us next.

Now on the operational side, and in line with our strategy to expand our presence and revenue through mobile retail outlets (MRO), we have added eight more MROs of biodiesel under our brand 'Green N Green' this year. With this, we now have 25 operational MROs as of FY22 and are planning to add another 50 by applying for licences. Meanwhile, we have also made notable progress in leveraging the benefits of carbon credits in our business by engaging necessary consultants to guide us through this process. Given the current scale of operations, we are projecting a potential ~4 lakh units of carbon credits. The significant milestone that I would like to share is our announcement of the recommended dividend of ₹2 per share to all our shareholders. This is, of course, subject to approval at the AGM, but the welcoming news is a testament to our hard work, our strengthened balance sheet and the robust financial performance we have delivered over the year.

**Given the current scale of operations, we are projecting a potential to generate up to ~4 lakh units of carbon credits.**

What seems to be working in our favour is a mix of opportunities in terms of tailwinds from the industry and governmental impetus, which, when combined with our strengths, enables us to fully capitalise on the said opportunities. Our strengths lie in our diversified revenue streams, which include bulk buyers, retailers as well as OMCs, and our large unutilised capacities, which will help us grow without any additional CAPEX. Further, our indigenously designed manufacturing facility also acts as a significant advantage, given the scope of tweaks and upgrades that we can undertake at our end. All of these factors coalesce and peg Kotyark ahead of its competitors, giving it a marked edge.

The opportunities provided by the Indian government act as a catalyst for us, as we are ready to take on the fuel industry and revolutionise it with sustainable and alternative energy. In this regard, I must mention that we are delighted with the direction that the Indian government has accorded and are confident that these policy changes, such as the mandatory 5% blending targets of biodiesel in diesel by 2030, will bode very well for us. It will help us enhance our performance in the coming years and add fuel to our vision of becoming the leading Indian biodiesel manufacturer. Our journey thus far only solidifies our belief in our abilities, and we strongly feel that we have what it takes to actualise our vision.

In closing, I would once again like to thank all our shareholders and stakeholders for their commitment and dedication towards our Company, and for this we are eternally grateful. With your continued support and enthusiasm, we hope to stand true on all our promises and deliver strong performances year after year.

**Your Sincerely,**

**Gaurang Shah**  
Chairman and Managing Director



# Kotyark's Strategic Roadmap

Being the only listed pure-play biodiesel manufacturer in India, Kotyark is uniquely positioned to leverage the multitude of opportunities available in the Indian biodiesel market. It has the potential to become the harbinger of change in the alternate, clean and green fuel industry. Kotyark also understands its strengths and acknowledges its weaknesses in this regard, and it aims to capitalise on its strengths and mitigate its weaknesses in the times to come.

## Strength

- Well established manufacturing unit
- Cost-effective production and timely fulfilment of orders
- Business from long standing relationships with customers
- Strong and enduring relationship with suppliers
- Experienced Promoter and Management

## Weakness

- Working capital intensive business
- Limited bargaining power with suppliers
- Adverse movement in diesel prices may impact realisations of biodiesel as well

## Internal

## Opportunities

- Scalable business model
- Potential to increase production in existing facility
- Developing markets in neighbouring Indian states
- Increasing awareness for alternatives to fossil fuels

## Threats

- Industry is significantly dependent on government policies
- Any material change in duties will adversely impact the Company's financials

## External

## Strategic Priorities

The Company has identified certain pivotal areas of improvement, and has deployed effective strategies to make it its strength going forward.



### Growing its retail outlet network

Kotyark intends to grow its mobile and static retail outlet network, from its current 25 outlets to 250, within the next 3 years. The Company plans to apply for 50 additional MRO licences in the coming financial year.



### Enhancing its capacity utilisation

As of FY22, Kotyark has a significant portion of un-utilised manufacturing capacity. This unutilized capacity offers Kotyark a significant headroom to grow in the coming few years without any additional CAPEX deployment. Kotyark is targeting to utilise its optimum capacity within the next 3 years.



### Addressing raw material availability concerns

The Company has evaluated its raw material sourcing channels, and is currently working on implementing projects that address the long-standing concerns about feedstock. To that extent, an MoU has been signed with the Government of Rajasthan to explore means for operationalising the same.



## What sets Kotyark apart from its peers

- One of the most efficient and productive biodiesel facilities in India
- Diversified revenue stream with exposure to OMCs, bulk buyers and retail consumers of biodiesel
- Large unutilised capacity offering headroom to grow without any CAPEX
- Strengthened and well-capitalised balance sheet after IPO





# Management Discussion and Analysis

## Global Biodiesel Industry

As per a market study conducted by Precedence Research, the global biofuel market is slated to achieve significant growth in the years to come. While in 2021, the global biofuels market was valued at USD 109.96 billion, it is predicted that in the next decade the market size would nearly double. With a CAGR of 8.3%, the market is expected to reach a size of approximately USD 201.21 billion. This phenomenal growth is slated to be buoyed significantly on account of the North American market, which not only has the largest aviation industry but is also home to a vast terrestrial transport network. These industries, which have been traditionally dependent on fossil fuels, have been at the frontlines of the global efforts to lower fossil fuel emissions and to limit the greenhouse effect.

## Key Growth Drivers

Despite the proliferation of various alternate logistics solutions, surface transport remains one of the key drivers in the freight and passenger markets. However, these industries have been highly reliant on fossil fuels, posing short and long-term challenges. While, on the one hand, there is the looming spectre of environmental degradation, with greenhouse gas emissions expected to reach 43 billion metric tonnes by 2040, on the other hand, crude oil prices have been scaling new heights every now and then. Given the goals of reducing greenhouse gas emissions, these industries have been looking for easily available, affordable and renewable energy sources that can effectively supplement and eventually supplant the dependence on fossil fuels.

Parallely, there have been growing regulatory trends worldwide whereby governments have sought to provide impetus to alternatives to fossil fuels, thereby increasing awareness about and adopting alternate liquid fuels.

In January 2022, the US Environmental Protection Agency came out with a programme for streamlining the review and approval process for biofuels and chemicals to replace higher GHG-emitting fossil fuels. As part of the Clean Fuel Standard program, the Canadian government aims to set a goal of introducing a 15% ethanol blending requirement in traditional fuels. It also proposes to increase carbon taxes by CAD 10 to CAD 50 per tonne of emissions, thereby disincentivizing higher GHG emitting fossil fuels. Earlier this year, the Stanlow liquid container terminal at the Ellesmere port in the UK announced that it would be developing the country's largest biofuel storage hub to tap into emerging opportunities resulting from the global effort to transition to a post-fossil-fuel world. Parallely in Asia, Malaysia is on track to complete the implementation of its B20 palm oil biofuel program – where there is a mandate to manufacture biofuel with a 20% palm oil component for the transport sector – by the end of this year. Elsewhere, in Indonesia, the government allocated USD 195 million from the state budget as a stimulus to producers of palm oil biodiesel to tide over the pandemic-induced downturn. Recently, the Brazilian Ministry of Economy has also announced its decision to waive its import tariff on ethanol till the end of the year to mitigate against growing inflation, which is expected to give a significant boost to ethanol blending in the fossil fuels market.

Source: Mordor Intelligence

## Indian Biodiesel Industry

The demand for biodiesel in the Indian market stood at 170,000 tonnes in FY2021. This demand is expected to grow at a robust CAGR of 8.6% till 2030, taking the demand to roughly 260,000 tonnes by the end of the decade. With over-reliance on the import of crude oil creating pressures on the exchequer, the government has been incentivised to explore alternative fuels which are manufactured domestically, including and especially biodiesel.

Source: Chemanalyst



## Government of India Policy on Biodiesel

The Indian Government has taken significant steps to push for the increased manufacturing and adoption of biofuels by way of certain recent amendments to the national policy in this regard. Amongst other steps, the amended policy allows for the use of more feedstock for the production of biofuels. It also aims to advance the 20% ethanol blending target, which was set for 2030, to 2025-26. The Government is also expected to announce a funding scheme of ₹ 50 billion for 2G ethanol biorefineries over six years, which would be in supplementation to additional tax incentives. Further, higher purchase prices as compared to 1G biofuels are also expected to invigorate the setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, used cooking oil and short gestation crops. The Government has also introduced the GOBAR (Galvanising Organic Bio-Agro Resources) DHAN scheme – which is geared towards the management and conversion of cattle dung and solid waste in agricultural and dairy farms for use as compost and its rendition to biogas and bio-CNG. The food safety regulator, FSSAI, has also launched the RUCO (Repurpose Used Cooking Oil) Scheme, through which used cooking oil can be collected and converted to biodiesel.

Source: Vikaspedia, Pib.gov.in

## Government of Rajasthan Policy on Biodiesel

The Government of Rajasthan has been the first to adopt the national policy for biofuels. It has also been instrumental in creating a practical framework for widespread biodiesel manufacturing. Towards this, the Government is aiming to increase the production of oilseeds, which would act as a significant raw material for biodiesel production. It is also looking to incentivise the establishment of supply chain mechanisms for the accelerated use of inedible oilseeds, used cooking oil and short gestation crops, in line with the national policy. It also seeks to tap into the vast pool of human resources in the form of women's self-help groups through the State Rural Livelihood Development Council, which may have avenues for higher incomes on account of integrating with the biodiesel supply chain.

To promote research and garner technical expertise in alternative fuels and energy resources, it also proposes establishing a Centre of Excellence in Udaipur.

Rajasthan was the first state in India to adopt the National Policy and create an implementable framework for Biodiesel production and manufacturing. Overall, it would focus on promoting and marketing biofuels, so that awareness about the same can be increased and adoption of the same can be institutionalised.

## Growth Enablers

The Government of India has announced a national biofuel policy with the aim of increasing the usage of biofuel in the energy and transportation sector of the country. The salient features of this policy are highlighted below:

- An indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030
- The policy also indicates a vital gap in funding for 2G ethanol Bio refineries of ₹ 5,000 crores spread across six years in addition to tax incentives
- Thrust on research, development and demonstration in the field of biofuels feedstock production and advanced conversion technologies from identified feedstock
- Develop a National Biomass repository by conducting an appraisal of biomass across the country
- Other government initiatives include Pradhan Mantri JI-VAN Yojana, 2019, which is aimed at creating an ecosystem for setting up commercial projects and to boost Research and Development in the 2G Ethanol sector
- GOBAR (Galvanizing Organic Bio-Agro Resource) focused on managing and converting cattle dung and solid waste in farms to useful biogas and bio-CNG
- The rising crude oil import bill is also a key driver that is incentivising the government to look for alternative fuel sources



# Management Discussion and Analysis

## Company Overview

Kotyark Industries Limited (Kotyark) is revolutionising the fuel industry by providing sustainable alternatives to fossil fuels. Incorporated in 2016, Kotyark is the only listed Indian company that exclusively manufactures biodiesel and its by-products. The Company focuses on green energy and sustainable development of renewable resources (biofuel), through the adoption of environment-friendly technology, which is ultimately aimed at facilitating net reduction of greenhouse gas emissions.

## FINANCIAL RATIOS

Ratios	FY21	FY22	% Change	Remarks
Total Debt to Equity	4.30	0.14	-97%	Driven by an increase in equity base and decrease in borrowings.
Current Ratio	2.60	13.16	405%	Driven by a proportionately higher increase in current assets due to trade receivables.
Interest Coverage Ratio	2.94	25.90	782%	Driven by significantly higher EBIT.
Debtors Turnover	22.49	41.90	86%	Driven by significantly higher Revenue from Operations.
Inventory Turnover	8.35	17.87	114%	Driven by significantly higher Revenue from Operations.
Operating Profit Margin	4.5%	8.2%	82%	Driven by higher gross margins and operating leverage.
Net Profit Margin	1.6%	5.54%	246%	Driven by higher sales, and operating margins.



## Outlook

We have a good business outlook for the coming few years, underpinned by factors such as a significant unutilised capacity, combined with our core competencies such as excellent raw material sourcing, indigenously designed manufacturing facilities, and a diverse clientele and revenue streams. This is supported by tailwinds from the industry and governmental impetus.

## Internal Control and Adequacy

The company has in place an adequate system of internal control commensurate with the size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded, reported correctly, and the business operations are conducted as per the prescribed policies and procedures of the company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps were taken to improve the same.

## Human Resource Development and Industrial Relations

Kotyark believes that its human resources are one of the most crucial assets and critical enablers of the Company's growth. To that extent, the Company engages with its employees to hone their skill sets and equip them with knowledge and know-how. It is also deeply invested in establishing its brand name to attract and retain the best talent in the market. During the period under review, employee relations continued to be healthy, cordial, and harmonious at all levels, and the Company aims to maintain such relations with the employees going forward as well. As on March 31, 2022 the Company has 38 permanent employees.

## Risks & Concerns

**Price Risk**

Any adverse movement in raw material prices, such as used vegetable oil or inedible vegetable oil, can impact the Company's profitability. In addition, any unfavourable movement in the prices of the competing product, i.e., Diesel, can also impact Biodiesel prices.

**Acceptance Risk**

Biodiesel is an environment-friendly substitute and cost-efficient to Diesel, but any prolonged delay in consumer acceptance of Biodiesel can impact the Company's performance.

**Policy Changes & Regulatory Risks**

Diesel and Biodiesel are heavily regulated industries governed by various government policies. Accordingly, any adverse change in government policy regarding biodiesel blending, retail usage, raw material sourcing, etcetera, can impact the Company's performance.

**Inconsistent State Policies**

Un-defined state policies, and differing state laws for Biodiesel as a fuel, especially for retail customers, create a difficult environment for the industry incumbents to have multi-state operations. Non-alignment of key states can prove to be cumbersome for the entire industry.

**Geographical Risk**

The Company derives most of its business from Rajasthan, thus naturally leading to a business concentration risk from the state.

## Cautionary Statement

Statements in the Management Discussion and Analysis and other parts of the report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries, in which the Company may operate. Other factors that may impact the Company's operations include volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not intend to update these statements.



# Glimpse of Kotyark's Listing Ceremony





# Corporate Information

**KOTYARK INDUSTRIES LIMITED**

**CIN:** L24100GJ2016PLC094939

## BOARD OF DIRECTORS:

Name	Designation
Mr. Gaurang Rameshchandra Shah	Chairman & Managing Director
Ms. Dhruvi Mihir Shah	Whole time Director
Ms. Bhavini Gaurang Shah	Non- Executive Director
Mr. Akshay Jayrajibhai Shah	Non- Executive Independent Director
Mr. Harsh Mukeshbhai Parikh	Non- Executive Independent Director

## KEY MANAGERIAL PERSONNEL:

Name	Designation
Ms. Nikita Boonlia*	Company Secretary and Compliance Officer
Ms. Urvi Shah**	Company Secretary and Compliance Officer
Mr. Parth Kansara***	Chief Financial Officer
Ms. Priyanka Atodaria****	Chief Financial Officer

\* (Appointed w.e.f 23/08/2021 and Resigned w.e.f. 06/07/2022)

\*\* (Appointed w.e.f 07/07/2022)

\*\*\* (Appointed w.e.f 23/08/2021 and Resigned w.e.f. 12/08/2022)

\*\*\*\* (Appointed w.e.f 13/08/2022)

## REGISTERED OFFICE

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

Tel No. +91 9510976154

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

Web: [www.kotyark.com](http://www.kotyark.com)

STATUTORY AUDITOR	SECRETARIAL AUDITOR
M/S. MANUBHAI & SHAH LLP	SCS and Co LLP
Chartered Accountants	Practicing Company Secretary
G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road Ellisbridge, Ahmedabad – 380006, Gujarat, India	Office No. 415, 4 <sup>th</sup> Floor, Pushpam Complex, Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad – 380015.

REGISTRAR & SHARE TRANSFER AGENT	BANKERS TO THE COMPANY
Kfin Technologies Limited	Indian Overseas Bank
Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032	
E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> ;	
Tel no. +91-40-6716-2222	

## COMMITTEES OF BOARD

### AUDIT COMMITTEE

Name	Designation
Mr. Akshay Jayrajibhai Shah	Chairperson
Mr. Harsh Mukeshbhai Parikh	Member
Mr. Gaurang Rameshchandra Shah	Member

**STAKEHOLDER'S RELATIONSHIP COMMITTEE**

<b>Name</b>	<b>Designation</b>
Mr. Harsh Mukeshbhai Parikh	Chairperson
Mr. Akshay Jayrajbhai Shah	Member
Ms. Dhruti Mihir Shah	Member

**NOMINATION & REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>
Mr. Akshay Jayrajbhai Shah	Chairperson
Mr. Harsh Mukeshbhai Parikh	Member
Ms. Bhavini Gaurang Shah	Member



# Notice of 6<sup>th</sup> Annual General Meeting

**NOTICE** is hereby given that the **6<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Kotyark Industries Limited will be held on Thursday, September 22, 2022 at 11:00 a.m. through Video Conferencing / Other Audio Visual Means for which purpose the Registered Office of the Company situated at 2<sup>nd</sup> Floor, A-3 Shree Ganesh Nagar Housing Society, Ramakaka Temple Road, Chhani, Vadodara, 391740 - Gujarat, shall be the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

## ORDINARY BUSINESS

**1.** To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon.

**2.** To declare final dividend of ₹ 2/- (Rupees Two only) per equity shares of ₹ 10/- each for the financial year ended on March 31, 2022.

**3.** To appoint a Director in place of Ms. Dhruti Shah (DIN 07664924), who retires by rotation and being eligible, offers herself for re-appointment.

**4.** To re-appoint M/s. Manubhai & Shah LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Manubhai & Shah LLP, Chartered Accountants, (FRN: - 106041W and Peer Review No. W100136) be and are hereby re-appointed as the Statutory Auditors of the Company for a term of 1 year, who shall hold office from the conclusion of this 6<sup>th</sup> Annual General Meeting till the conclusion of the 7<sup>th</sup> Annual General Meeting to be held in the year 2023 on such remuneration as may be decided by the Audit committee and Board of Directors in consultation with the Statutory Auditors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including its committee of Directors thereof, be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## SPECIAL BUSINESSES:-

**5. Ratification of Remuneration to M/s. Y. S. Thakar & Co., Cost and Management Accountants, Vadodara (Firm Registration No. 100463), Cost Auditor of the Company for the Financial Year ended on March 31, 2023.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent

of the Company be and is hereby accorded for the payment of remuneration of ₹ 60,000.00 (Rupees sixty thousand only) plus applicable taxes, to M/s. Y. S. Thakar & Co., Cost and Management Accountants, Vadodara (Firm Registration No. 100463) appointed by the Board of Directors of the Company in their meeting held on August 13, 2022, to conduct the audit of the cost records of the Company for the financial year 2022-23."

**RESOLVED FURTHER THAT** the Board of Directors of the Company including its committee of Directors thereof, be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 6. To alter Articles of Association of the Company:

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and rules thereof including any statutory modifications or re-enactments thereof for the time being in force and subject to approvals, permissions and sanctions from the appropriate authority, if any, the consent of the Members of the Company be and is hereby accorded to alter the Articles of Association of the Company in the manner set out herein below:

- The existing sub-clause (2) of Article No 14 be deleted from the Articles of Association of the Company.
- Clause 14 (3) be renumbered as Clause 14 (2)

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

## 7. Approval of the Material Related Party Transactions with Yamuna Bio Energy Private Limited:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be

and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Yamuna Bio Energy Private Limited, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 200 Crore for the financial year 2022- 23 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution."

By Order of the Board  
**For Kotyark Industries Limited**

**Registered Office**

2<sup>nd</sup> Floor, A-3 Shree Ganesh Nagar  
Housing Society, Ramakaka temple  
Road, Chhani, Vadodara-391740  
CIN: U24100GJ2016PLC094939  
e-mail: [kipl7722@gmail.com](mailto:kipl7722@gmail.com)

**Gaurang Rameshchandra Shah**  
Chairman and Managing Director

**Place:-** Vadodra,  
**Date:-** August 13, 2022



# Notes

## IMPORTANT NOTES

**1.** In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos.14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2022 dated May 5, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being conducted through VC / OAVM.

**2.** Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II is annexed hereto.

**3.** Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

**4.** Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [scsandcollp@gmail.com](mailto:scsandcollp@gmail.com) with copies marked to the Company at [info@kotyark.com](mailto:info@kotyark.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**5.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

**6.** Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

**7.** In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2021-22 has been uploaded on the website of the Company at [www.kotyark.com](http://www.kotyark.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**8.** Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:

- (a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@kotyark.com](mailto:info@kotyark.com).
- (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@kotyark.com](mailto:info@kotyark.com).
- (c) Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.
- (d) It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Kfin Technologies Limited, Selenium Tower-B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032, E-Mail ID : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by following the due procedure.
- (e) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Kfin Technologies Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.

**9.** It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.

**10.** Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at [info@kotyark.com](mailto:info@kotyark.com) on or before Thursday, September 15, 2022 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**11.** Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.

**12.** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

**13. Process and manner for members opting for voting through electronic means and participating at the annual general meeting through VC/OAVM:**

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Thursday, September 15, 2022 shall be entitled to avail the facility of remote e-voting as well as

e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Thursday, September 15, 2022, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- iv. The remote e-voting will commence on 9:00 A.M. on Monday, September 19, 2022 and will end on 5:00 P.M. on Wednesday, September 21, 2022. During this period, the members of the Company holding shares as on the Cut-off date i.e. Thursday, September 15, 2022, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Thursday, September 15, 2022.
- vii. The Company has appointed M/s. SCS and CO. LLP, Practicing Company Secretaries (ICSI Unique Code: L2020GJ008700), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

**INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING**

The remote e-voting period begins on Monday, September 19, 2022 at 9:00 A.M. and will end on Wednesday, September 21, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 15, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being i.e. Thursday, September 15, 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system:**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



App Store



Google Play



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

**Manner of holding shares i.e. Your User ID is:  
Demat (NSDL or CDSL) or Physical**

a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio



number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scsandcollp@gmail.com](mailto:scsandcollp@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E- VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [info@kotyark.com](mailto:info@kotyark.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [info@kotyark.com](mailto:info@kotyark.com).
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
4. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e- voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## CONTACT DETAILS:

<b>Company</b>	<b>Kotyark Industries Limited</b> A-3, 2 <sup>nd</sup> Floor, Shree Ganesh Nagar Housing Society, Ramakaka Temple Road, Chhani, Vadodara -391740Tel No. +91 281 2581152; Fax No. - E-Mail ID: <a href="mailto:info@kotyark.com">info@kotyark.com</a> Website : <a href="http://www.kotyark.com">www.kotyark.com</a>
<b>Registrar and Transfer Agent</b>	<b>KFIN TECHNOLOGIES LIMITED,</b> Selenium Tower-B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032, E-Mail ID : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Contact No.:+ 91 40 6716 2222, 79611000
<b>e-Voting Agency &amp; VC / OAVM</b>	Email: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> NSDL help desk 1800-222-990
<b>Scrutinizer</b>	<b>M/S. SCS AND CO. LLP</b> Ms. Anjali Sangtani (Membership No. 41942, CP NO. 23630) Partner Email: <a href="mailto:scsandcollp@gmail.com">scsandcollp@gmail.com</a> ; Tel No.: +918128156833

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE 6<sup>TH</sup> AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the 6<sup>th</sup> AGM is same as the instructions mentioned above for remote e- voting.
2. Only those Members/ shareholders, who will be present in the 6<sup>th</sup> AGM at the Registered Office of the Company or through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 6<sup>th</sup> AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [info@kotyark.com](mailto:info@kotyark.com). The same will be replied by the company suitably.

### INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
- i. Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. Thursday, September 15, 2022, and in respect of the shares held in dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- ii. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. In case the payment of dividend may not be made through electronic mode due to various reason, Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.
- iii. Shareholders are requested to register/ update their complete bank details with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents.



- iv. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020/Income Tax Act, 1961 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form).
- v. The Company has fixed Thursday, September 15, 2022 as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2021-22, if approved at the AGM. Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid on or before Friday, October 21, 2022, subject to applicable TDS.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [info@kotyark.com](mailto:info@kotyark.com) by September 15, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [info@kotyark.com](mailto:info@kotyark.com). The aforesaid declarations and documents need to be submitted by the shareholders by Thursday, September 15, 2022.

- vi. Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of which dividends are not encashed for the consecutive period of seven (7) years are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

- vii. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank

particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

# Explanatory Statement

Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings

**The following statement sets out all material facts relating to certain Ordinary Business and Special Business as mentioned in the accompanying Notice:**

## ITEM NO. 4

To re-appoint M/s. Manubhai & Shah LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration- **ORDINARY RESOLUTION**

Though not mandatory, this explanation is provided for reference.

M/s. Manubhai & Shah LLP (FRN: - 106041W and Peer Review Number. W100136), Chartered Accountants, were appointed as the Statutory auditors of the Company for One Year in the Annual General Meeting of the company held on July 13, 2021. Their term will end at the conclusion of this Annual General Meeting. On recommendation of Audit Committee and Board of Directors and on receipt of consent dated August 13, 2022 of M/s. Manubhai & Shah LLP, the Board of Directors hereby placed this resolution for re-appointment of Statutory Auditors for a further term of 1 year to hold office from the conclusion of 6<sup>th</sup> Annual General Meeting until the conclusion of 7<sup>th</sup> Annual General Meeting to be held in the calendar year 2023. The Board recommends the resolution at Item No. 4 for approval by the members. None of the Directors or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

## ITEM NO. 5

**To approve Cost Auditor's Remuneration for the Financial Year 2022-23: ORDINARY RESOLUTION**

The Board of Directors at its meeting held on August 13, 2022, upon the recommendation of the Audit Committee, approved the appointment of M/s. Y. S. Thakar & Co., Cost and Management Accountants, Vadodara (Firm Registration No. 100463), to conduct the audit of the Cost records of the Company for the Financial Year ending on March 31, 2023 at a remuneration of ₹ 60,000.00 (Rupees sixty thousand only) plus applicable taxes.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the

Cost Auditors, is required to be ratified by the Members of the Company.

The Board recommends the resolution set out under Item No. 5 for the approval of the Members by way of passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

## ITEM NO. 6 TO ALTER ARTICLES OF ASSOCIATION OF THE COMPANY: SPECIAL RESOLUTION

The Article number 14(2) provides that whenever Company proposes for increase in its subscribed Capital by issue of Further Shares the Notice of the same shall be dispatched to the Shareholders at least Three days before opening of the issue. Companies Act does not prescribe sending Notice at least three days before the opening of the Issue, therefore In order to align the Article as per Companies Act, 2013, it is proposed to delete the said clause. The approval of the members of the company is required, by way of special resolution pursuant to section 14 of The Companies Act, 2013 and accordingly the Board recommended the relevant resolution for the approval of members.

Brief of Proposed Amendment in Article of Association: -

- The existing sub-clause (2) of Article No 14 read as "The Notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before opening of the issue." be deleted from the Articles of Association of the Company.
- Clause 14 (3) be renumbered as Clause 14 (2)

None of the Directors and Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in this resolution.

## ITEM NO. 7 APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH YAMUNA BIO ENERGY PRIVATE LIMITED: ORDINARY RESOLUTION

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Yamuna Bio Energy Private Limited is related parties with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Yamuna Bio Energy Private Limited is likely to exceed the said threshold limit during the financial year 2022-23.



Accordingly transaction(s) entered with Yamuna Bio Energy Private Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder. Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Yamuna Bio Energy Private Limited in the financial year 2022-23. Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 as amended till date particulars of the transactions with Yamuna Bio Energy Private Limited are as follows:

Particulars	Remarks
Name of Related Parties	Yamuna Bio Energy Private Limited
Name of the Director or KMP who is related	Mr. Gaurang Shah, Mrs. Bhaviniben Shah & Mrs. Dhruti Shah
Nature of Relationship	
Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 200 Crores in the F.Y. 2022-23 with Yamuna Bio Energy Private Limited.
Nature materials terms and particulars of the Contracts/ arrangements	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both companies for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
Any advance paid or received for the contracts/ arrangements	As per industry norms customs and usages.
Tenure of contracts/arrangement	F.Y. 2022-23
Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

Except Mr. Gaurang Shah, Mrs. Bhaviniben Shah & Mrs. Dhruti Shah, their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution. Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution. The Board of Directors recommends passing of the resolution as set out item no. 6 of this Notice as Ordinary Resolution.

# Director's Report

Dear Shareholders,

The Board of Directors hereby submits 6<sup>th</sup> Director's Report of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Revenue From Operations	15,604.59	6,520.61
Other Income	29.51	8.46
<b>Total Income</b>	<b>15,634.10</b>	<b>6,529.07</b>
Operating expenditure before Finance cost, depreciation and amortization	14,332.27	6,230.20
Earnings before Finance cost, depreciation and amortization (EBITDA)	1,301.83	298.87
Less: Depreciation	98.75	87.79
Less: Finance Cost	46.45	71.87
<b>Profit Before Tax</b>	<b>1,156.63</b>	<b>139.21</b>
Less: Current Tax	294.75	38.40
Less: Short/Excess provision for Income Tax	3.03	-
Less: Deferred tax Liability (Asset)	(5.19)	(3.62)
<b>Profit after Tax</b>	<b>864.04</b>	<b>104.43</b>

## BUSINESS OVERVIEW:

### Financial performance:

During the financial year 2021-22 the revenue from operation stood at ₹ 15,604.59 Lakhs as compared to ₹ 6,520.61 Lakhs during the previous financial year 2020-21, revenue from operations increased by 139.31% in FY 2021-22 as compared to FY 2020-21. The other income of the Company stood at ₹ 29.51 Lakhs in the financial year 2021-22 as compared to ₹ 8.46 Lakhs in previous financial year 2020-21.

Further, during the financial year 2021-22, the total expenses have increase to ₹ 14,477.47 lakhs from ₹ 6,389.86 lakhs in the previous financial year 2020-21. The Net Profit for the financial year 2021-22, stood at ₹ 864.04 Lakhs in comparison to profit of ₹ 104.43 Lakhs in previous year 2020-21 i.e. Increase in net profit by 727.39% as compared to previous year.

### Dividend:

Keeping in view the current profitability of the Company, your Directors are pleased to recommend payment of dividend of ₹ 2.00 per equity share (@ 20% at par value of ₹ 10.00 each) subject to the approval of shareholders at the forthcoming Annual General Meeting. The dividend, when approved, will entail payment to shareholders of ₹ 165.50 lakhs. It will be tax free income in the hands of recipients till the amount of dividend does not exceed ₹ 5,000.00.

### Transfer to General Reserve:

The Directors do not propose to transfer any amount to the Reserves. Total amount of net profit is carried to the Reserves & Surplus as shown in the Balance Sheet of the Company. However, for the purpose of issue of Bonus shares amount of ₹ 404.46 Lakhs was apportioned from Reserve and surplus.

### Change in Nature of Business:

During the year, the Company has not changed its business or object and continues to be in the same line of business as per the main object of the Company.

### Share Capital:

During the year under review, no changes took places in the Authorized and Paid-up share capital of the Company.

### Authorized Capital

During the Year, Authorized Capital of the Company was increased from 2,50,00,000 (Two Crore and Fifty Lakhs) divided into 25,00,000 equity shares of ₹ 10/- each to ₹ 9,00,00,000 (Nine Crores) divided into 90,00,000 equity shares of ₹ 10/- each in Annual General Meeting held on July 13, 2021.

### Issued, Subscribed & Paid-Up Capital and Allotments

The details of Allotments made during the Financial Year 2021-22 are given as under:

1. The Board of Directors in their Meeting held on July 17, 2021, approved issue & Allotment of 4,81,500 Equity Shares of Face Value of ₹ 10/- each fully paid at Issue Price of ₹ 40/- in proportion of 1 equity shares for every 2 equity shares held on Right Issue Basis on July 10, 2021.
2. The Board of Directors in their Meeting held on July 19, 2021 approved issue & Allotment of 5,77,800 Equity Shares of Face Value of ₹ 10/- each fully paid at an Issue Price of ₹ 40/- in proportion of 4 equity shares for every 10 equity shares held on Right Issue Basis on July 17, 2021.
3. The Board of Directors in their Meeting held on July 24, 2021 approved issue & Allotment of 40,44,600 Bonus Equity Shares of Face Value of ₹ 10/- each fully paid in the



ratio of 2:1 i.e., 2 Bonus Equity Shares for each equity share held as on Record Date. Bonus Issue was approved in the EGM held on July 24, 2021.

Pursuant to the Initial Public Offer of Equity Shares as approved by the Members of the Company via resolution dated August 09, 2021, the Board of Directors, in their meeting held on October 29, 2021, has allotted total 22,08,000 Equity Shares ₹ 10/- each at price of ₹ 51/- per Equity Share to the successful allottees, whose list have been finalized by the Company, the Registrar to the issue and merchant banker in consultation with National Stock Exchange of India Limited.

### INITIAL PUBLIC OFFER AND LISTING OF EQUITY SHARES:

The Board of Directors had, in its meeting held on August 6, 2021, approved to create, offer, issue and allot not exceeding 22,08,000 equity shares via Initial Public Offer at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the issue in their Extra-ordinary General Meeting held on August 9, 2021. Pursuant to the authority granted

by the Members of the Company, the Board of Directors appointed Beeline Broking Limited as Lead Manager and Kfin Technologies Private Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue. The Company applied to National Stock Exchange of India Limited ("NSE") for in-principle approval for listing its equity shares on the Emerge Platform of the NSE. National Stock Exchange of India Limited has, vide its letter dated October 6, 2021 granted its In Principle Approval to the Company. The Company had filed Prospectus to the Registrar of the Company, Ahmedabad on October 14, 2021. The Public Issue was opened on Thursday, October 21, 2021 and closed on Monday, October 25, 2021. The Basis of Allotment was finalized by Company, Registrar to the issue and merchant banker in consultation with the NSE on October 29, 2021. The Company has applied for listing of its total equity shares to NSE and it has granted its approval vide its letter dated November 01, 2021. The trading of equity shares of the Company commenced on November 2, 2021 at Emerge Platform of NSE. The Equity Shares of the Company are listed on the Emerge Platform of NSE. The Company confirms that the annual listing fees to the stock exchange for the Financial Year 21-22 & 22-23 have been paid.

### Utilisation of IPO Proceeds:

The Company raised funds of ₹ 1,126.08 Lakhs through Initial Public Offering (IPO). The gross proceeds of IPO has been utilized in the manner as proposed in the Offer Document, the details of which are hereunder:-

(₹ in Lakhs)

Sr. No.	Original Object	Original Allocation	Funds Utilized
1.	To Meet Working Capital Requirement	830.00	830.00
2.	General Corporate Purpose	236.08	236.08
3.	Public Issue Expenses	60.00	60.00

Further, there is no deviation/variation in the utilization of the gross proceeds raised through IPO.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### Constitution of Board:

As on the date of this report, the Board comprises of the following Directors;

Name of Director	Category Cum Designation	Date of Original Appointment	Date of Appointment at current Term & designation	Total Directorships in other co.2	No. of Committee1		No. of Shares held as on March 31, 2022
					in which Director is Members	in which Director is Chairman	
Mr. Gaurang Rameshchandra Shah	Chairman and Managing Director	December 12, 2018	August 09, 2021 Chairman & Managing Director	1	1	-	41,93,025 Equity Shares
Mrs. Dhruti Shah	Whole time Director	December 30, 2016	August 09, 2021 Whole time Director	1	1	-	90,375 Equity Shares
Mrs. Bhavini Shah	Non-Executive Director	July 24, 2021	August 09, 2021 Non-Executive Director	1	1	-	8,68,200 Equity Shares
Mr. Akshay Shah	Non-Executive Independent Director	August 09, 2021	August 09, 2021 Non-Executive Director	1	2	1	-
Mr. Harsh Parikh	Non-Executive Independent Director	August 09, 2021	August 09, 2021 Non-Executive Independent Director	-	2	1	-

<sup>1</sup> Committee includes Audit Committee, and Shareholders' Grievances & Relationship Committee across all Public Companies including our Company.

<sup>2</sup> excluding Section 8 Company, Struck off Company, Amalgamated Company and LLPs.

During the year, the designation of Mrs. Bhaviniben Gaurang Shah was changed from Executive Director to Non-Executive Director of the Company w.e.f. August 09, 2021.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

#### Disclosure by Directors:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

None of the Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

#### Board Meeting

The Board of the Company regularly meets to discuss various Business opportunities. Additional Board meetings are convened, as and when required to discuss and decide on various business policies, strategies and other businesses.

During the year under review, Board of Directors of the Company met 21 (Twenty One) times as May 06, 2021, June 15, 2021, July 07, 2021, July 10, 2021, July 17, 2021, July 19, 2021, July 24, 2021, August 02, 2021, August 06, 2021, (10.00 AM), August 06, 2021, (05.00 PM), August 9, 2021, August 23, 2021, September 04, 2021, October 05, 2021, October 14, 2021, October 22, 2021, October 29, 2021, December 15, 2021, December 21, 2021, February 11, 2022, March 07, 2022.

The details of attendance of each Director at the Board Meetings are given below:

Name of Director	Date of Original Appointment	Date of Cessation	Number of Board Meetings Eligible to attend	Number of Board Meetings attended
Mr. Gaurang R. Shah	06/01/2018	-	21	21
Mr. Dhruvi Shah	30/12/2016	-	21	21
Mrs. Bhavini Shah	24/07/2021	-	14	14
Mr. Akshay Shah	09/08/2021	-	10	10
Mr. Harsh Parikh	09/08/2021	-	10	10

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

#### GENERAL MEETINGS:

During the year under review, the following General Meetings were held, the details of which are given as under:

Sr. No.	Type of General Meeting	Date of General Meeting
1.	Annual General Meeting	July 13, 2021
2.	Extra Ordinary General Meeting	July 24, 2021
3.	Extra Ordinary General Meeting	August 09, 2021

#### Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has two Non-Executive Independent Directors in line with the act. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. All the Independent Directors of the Company have registered themselves in the Independent Director Data Bank. Further, In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iiiia) of the Companies (Accounts) Rules, 2014.

A separate meeting of Independent Directors was held on March 07, 2022 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson

of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

#### Information on Directorate:

During the year under review, there was following change in constitution of the Board of Directors of the Company.

#### a) Change in Board Composition:

Changes in Board Composition during the financial year 2021-22 and up to the date of this report is furnished below:

- In the Board Meeting held on August 06, 2021:-
  - Mr. Gaurang Rameshchandra Shah (DIN: 03502841) Director of the company had given his consent to Re-appoint him as Chairman & Managing Director of the company. Board of directors approved the same subject to approval of members.



Approval of members was taken via Extra –Ordinary General Meeting for Re-appointment of Mr. Gaurang Rameshchandra Shah (DIN: 03502841) as Chairman & Managing Director of the company for further period of five (5) years with effect from August 09, 2021, not liable to retire by rotation.

Mrs. Dhruti Shah (DIN: 07664924) Whole Time Director of the company had given her consent to Re-appoint her as Whole Time Director of the company. Board of directors approved the same subject to approval of members.

Members of the Company accorded for Re-appointment of Mrs. Dhruti Shah (DIN: 07664924) as Whole Time Director of the company for further period of five (5) years with effect from August 09, 2021, liable to retire by rotation.

- Mrs. Bhavini Shah (DIN: 06836934) non-executive Director of the company had given her consent to Re-appoint her as non-executive Director of the company. Board of directors approved the same subject to approval of members,

Approval of members was taken for Re-appointment of Mrs. Bhavini Shah (DIN: 06836934) as non-executive Director of the company with effect from August 09, 2021, liable to retire by rotation.

#### **b) Retirement by rotation and subsequent re-appointment:**

- Mrs. Dhruti Shah (DIN: 07664924), Whole Time Director, is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and being eligible have offered herself for re-appointment.

Appropriate business for her re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the ensuing AGM of the Company.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard, of the person seeking re-appointment/ appointment as Director are also provided in Notes to the Notice convening the 6<sup>th</sup> Annual General meeting.

#### **Key Managerial Personnel:**

In accordance with Section 203 of the Companies Act, 2013, the Company has Mr. Gaurang Rameshchandra Shah who is acting as Chairman and Managing Director & Mrs. Dhruti Shah as Wholetime Director of the Company.

Company has appointed Mr. Parth Kansara as Chief Financial Officer of the company w.e.f. August 23, 2021 & the Company appointed Ms. Nikita Boonlia as a Company Secretary and Compliance Officer of the Company w.e.f. August 23, 2021.

#### **After closure of the year:**

- Mr. Parth Kansara tendered his resignation as Chief Financial Officer of the company w.e.f. August 12, 2022. The Company has in his place, appointed Ms. Priyanka Atodaria as a Chief Financial Officer of the Company w.e.f. August 13, 2022.
- Ms. Nikita Boonlia tendered her resignation w.e.f. July 06, 2022. The Company has in her place, appointed Ms. Urvi Bhupendra Shah as Company Secretary & Compliance Officer of the Company w.e.f. July 07, 2022.

#### **Change in Registered office:**

During the year, there was no change in Registered Office of the Company.

#### **Performance Evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manners;

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent Director being evaluated.

#### **Directors' Responsibility Statement:**

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- In preparation of annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and that no material departures have been made from the same;

- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts for the year ended March 31, 2022 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

### A. Audit Committee:

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013 on 23rd August, 2021.

During the year under review, Audit Committee met 4(Four) times viz on September 04, 2021, December 21, 2021, February 11, 2022 and March 07, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	Designation	Number of meetings during the financial year 2021-22	
			Eligible to attend	Attended
Mr. Akshay Jayrajibhai Shah	Non-Executive Independent Director	Chairperson	4	4
Mr. Harsh Mukeshbhai Parikh	Non-Executive Independent Director	Member	4	4
Mr. Gaurang Shah	Chairman & Managing Director	Member	4	4

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Company Secretary and Chief Financial Officer of the Company are the regular invitee at the Meeting.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board of Directors.

### Vigil Mechanism:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.kotyark.com](http://www.kotyark.com).

### B. Stakeholder's Grievance & Relationship Committee:

The Company has constituted Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants, etc. on 23rd August, 2021.

During the year under review, Stakeholder's Grievance & Relationship Committee met on February 11, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	Designation	Number of meetings during the financial year 2021-22	
			Eligible to attend	Attended
Mr. Harsh Mukeshbhai Parikh	Non-Executive Independent Director	Chairperson	1	1
Mr. Akshay Jayrajibhai Shah	Non-Executive Independent Director	Member	1	1
Mrs. Dhruvi Mihir Shah	Whole Time Director	Member	1	1

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2022.



### C. Nomination and Remuneration Committee:

The Company has formed Nomination and Remuneration committee on 23rd August, 2021, in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal.

During the year under review, Nomination and Remuneration Committee met on March 07, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	Designation	Number of meetings during the financial year 2021-22	
			Eligible to attend	Attended
Mr. Akshay Jayrajibhai Shah	Non-Executive & Independent	Chairperson	1	1
Mr. Harsh Mukeshbhai Parikh	Non-Executive & Independent	Member	1	1
Mrs. Bhavini Gaurang Shah	Non-Executive & Non-Independent	Member	1	1

### Nomination and Remuneration Policy:

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.kotyark.com](https://www.kotyark.com) and is annexed to this Report as **Annexure – A**.

### Remuneration of Director:

The details of remuneration paid during the financial year 2021-22 to directors of the Company is provided in Form MGT-7 available at website of the Company, i.e. [www.kotyark.com](https://www.kotyark.com).

### PUBLIC DEPOSIT:

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

### PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY:

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

### ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on [www.kotyark.com](https://www.kotyark.com).

### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the Related Party Transactions entered into during the financial year were on an Arm's Length basis and in the Ordinary Course of Business. the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is attached as **Annexure- D**

Further, prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were placed before the Audit Committee and the Board of Directors for their approval on quarterly basis.

The details of the related party transactions for the financial year 2021-22 is given in notes of the financial statements which is part of Annual Report.

The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company at <https://www.kotyark.com/>.

### DISCLOSURE OF REMUNERATION:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules will be available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company and the same will be furnished on request.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as an Annexure – B, which forms part of this Report.

### SUBSIDIARIES OF THE COMPANY:

During the year under review, the Company does not have any Subsidiaries. However, after closure of the year the Company has incorporated a wholly owned Subsidiary Company KOTYARK AGRO PRIVATE LIMITED on July 07, 2022 and Company is yet to commence operations.

### ASSOCIATES AND JOINT VENTURE OF THE COMPANY:

During the year under review, the Company does not have any Associate or Joint Venture.

## SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.

## MATERIAL CHANGES AND COMMITMENT:

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2022 to the date of this Report except:-

- Company has approved the Scheme of Amalgamation ("Scheme") of Yamuna Bio Energy Private Limited ("YBEPL") ("Transferor Company") with the Kotyark Industries Limited ("KIL") ("Transferee Company") and their respective shareholders pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("Listing Regulations") and in terms of SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2021/000000065 dated November 23, 2021 ("SEBI Circular").

The Scheme is subject to receipt of necessary approvals from the jurisdictional bench(es) of the National Company Law Tribunal, Stock Exchanges, the Securities and Exchange Board of India, shareholders and such other statutory and regulatory authorities, as may be required. The Scheme has been reviewed and recommended by the Audit Committee and Committee of Independent Directors of the Company at their Meetings held on August 10, 2022.

## SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints. Further, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2021-22, the Company has received nil complaints on sexual harassment, out of which nil complaints have been disposed off and nil complaints remained pending as of March 31, 2022.

## ENERGY CONSERVATION, TECHNOLOGY

### C. Foreign Exchange Earnings & Expenditure: NIL

#### i.) Details of Foreign Exchange Earnings:

(₹ in Lakhs)

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21
1.	Foreign Exchange Earnings	NIL	NIL

#### ii.) Details of Foreign Exchange Expenditure:

(₹ in Lakhs)

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21
1.	Foreign Exchange Expenditure	NIL	NIL

## ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 :

### Conservation of Energy:

In its endeavor towards conservation of energy, the Company ensures optimal use of energy, avoid wastages and conserve energy as far as possible.

#### i.) The steps taken or impact on conservation of energy:

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

#### ii.) The steps taken by the Company for utilizing alternate sources of energy:

The Company has not taken any step for utilizing alternate sources of energy.

#### iii.) The capital investment on energy conservation equipment:

During the year under review, Company has not incurred any capital investment on energy conservation equipment.

### A. Technology absorption –

#### i.) The effort made towards technology absorption:

The Company has not imported any technology and hence there is nothing to be reported here.

#### ii.) The benefit derived like product improvement, cost reduction, product development or import substitution:

None

#### iii.) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- The details of technology imported: None
- The year of import: None
- Whether the technology has been fully absorbed: None
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: None

### B. The expenditure incurred on Research and Development:

NIL

**SECRETARIAL STANDARDS OF ICSI:**

The Company is in compliance with the applicable Secretarial Standard issued by the Institute of Company Secretaries of India and approved by the Central Government.

**RISK MANAGEMENT:**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditors of the Company carry out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee.

The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

**CORPORATE GOVERNANCE:**

The Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review, Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as **Annexure – C**.

**STATUTORY AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (FRN: 106041W), were appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. M V Shah and Co. (FRN.109677W ), Chartered Accountants, for F.Y. 2021-22.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The

Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

**MAINTENANCE OF COST RECORD:**

Since the company is not falling under prescribed class of Companies, our Company is not required to maintain cost records. However on a voluntary basis and for good corporate governance, Company has appointed, M/S Y. S. Thakar & Associates Cost Auditors of the Company for FY 2022-23.

**SECRETARIAL AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/S SCS and Co. LLP is appointed as a Secretarial Auditor of the Company for the FY 2021-22. The Secretarial Audit Report for the financial year 2021-22 is annexed to this report as an **ANNEXURE – E**.

There have been few common annotations reported by the above Secretarial Auditors in their Report with respect to:-

**WEBSITE:**

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "[www.kotyark.com](http://www.kotyark.com)" containing information about the Company.

The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

During the Financial Year 2021-22, there was no application made and proceeding initiated /pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company. As on the date of this report, there is no application or proceeding pending against your company under the Insolvency and Bankruptcy Code, 2016.

**GENERAL DISCLOSURE:**

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review;

- (i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;



- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iii) Annual Report and other compliances on Corporate Social Responsibility;
- (iv) There is no revision in the Board Report or Financial Statement;
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (vi) Information on subsidiary, associate and joint venture companies.

#### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

By Order of the Board  
**For Kotyark Industries Limited**

#### **Registered Office**

2<sup>nd</sup> Floor, A-3 Shree Ganesh Nagar Housing Society,  
Ramakaka Temple Road, Chhani, Vadodara-391740

#### **Gaurang Shah**

Chairman & Managing Director  
DIN: 03502841

#### **Dhruti Shah**

Whole time Director  
DIN: 07664924

**Place:-** Vadodara,

**Date:-** August 13, 2022

# Annexure – A

## NOMINATION & REMUNERATION POLICY

### Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 read along with applicable rules thereto.

### Objectives of the Committee:

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
  2. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
  - iii. Devising a policy on Board diversity.
    1. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
    2. To provide to Key Managerial Personal and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
    3. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
  - vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
    1. To perform such other functions as may be necessary or appropriate for the performance of its duties.
    2. To develop a succession plan for the Board and to regularly review the plan.
- **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
  - **"Company"**:- Company means Kotyark Industries Limited.
  - **"Independent Director"**:- As provided under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee Director of the Company:
    1. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
    2. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - 1. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - 2. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - 3. who, neither himself nor any of his relatives —
  - 4. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - 5. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; of-
    - (A). a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate Company; or

### Definitions:

- **"Act"**:- Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- **"Board"**:- Board means Board of Directors of the Company.
- **"Director"**:- Directors means Directors of the Company.

(B). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two per cent or more of the total voting power of the Company; or

1. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or

2. who possesses such other qualification as may be prescribed under the applicable statutory provisions/ regulations

3. is a material supplier, service provider or customer or a lessor or lessee of the Company;

4. who is not less than 21 years of age.

• **“Key Managerial Personnel”:-** Key Managerial Personnel (KMP) means-

(i) the Chief Executive Officer or the managing Director or the manager;

(ii) the Whole-Time Director;

(iii) the Company Secretary;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the applicable statutory provisions/ regulations

• **“Senior Management”:-** The expression “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

• **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

• **“Policy or This Policy”** means, “Nomination and Remuneration Policy”.

• **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Guiding Principles

The Policy ensures that

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### Applicability:

The Policy is applicable to

1. Directors (Executive and Non-Executive)

2. Key Managerial Personnel

3. Senior Management Personnel

4. Employees

### Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Akshay Jayrajibhai Shah, Chairman  
(Non-Executive Independent Director)

2. Mr. Harsh Mukeshbhai Parikh, Member  
(Non-Executive Independent Director)

3. Mrs. Bhavini Gaurang Shah, Member  
(Non-Executive Director)

### Membership:

1. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

2. Minimum two (2) members shall constitute a quorum for the Committee meeting.

3. Membership of the Committee shall be disclosed in the Annual Report.

4. Term of the Committee shall be continued unless terminated by the Board of Directors.

### Chairman:

1. Chairman of the Committee shall be an Independent Director.

2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.



3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### Frequency of Meetings:

The Committee shall meet at such regular intervals as may be required.

#### Committee Members' Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### Secretary:

1. The Company Secretary of the Company shall act as Secretary of the Committee.

#### Voting:

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### General Appointment Criteria:

1. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
2. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
3. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
4. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director: – An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

#### Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

#### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### Criteria for Evaluation of the Board:

Following are the Criteria for evaluation of performance of the Board:

##### 1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time

##### 2. Non-Executive Director:

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;

- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the Company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

#### **Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and financially literate.

#### **Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

#### **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and April 01 in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**Minutes of Committee Meeting:**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**Deviations from this policy**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.



# Annexure –B

## PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

### 3A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

#### a) The ratio of remuneration of each Director to the median remuneration of employees for the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1	Gaurang Rameshchandra Shah	Chairman & Managing Director	Remuneration	108.53
2	Dhruti Shah	Whole time Director	Remuneration	12.03
3	Bhavini Gaurang Shah	Non-executive Director	Sitting Fees	Not Applicable
4	Akshay Jayrajibhai Shah	Independent Director	Sitting Fees	Not Applicable
5	Harsh Mukeshbhai Parikh	Independent Director	Sitting Fees	NIL

#### b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1	Gaurang Rameshchandra Shah	Chairman & Managing Director	Remuneration	No Change
2	Dhruti Shah	Whole time Director	Remuneration	71.43
3	Bhavini Gaurang Shah	Non-executive Director	Sitting Fees	Not Applicable
4	Akshay Jayrajibhai Shah	Independent Director	Sitting Fees	Not Applicable
5	Harsh Mukeshbhai Parikh	Independent Director	Sitting Fees	Not Applicable

As mentioned above, there has been increase in the remuneration of Ms. Dhruti Shah and no increase and decrease in remuneration of other directors and chief financial officer and Company Secretary of the Company over previous year.

#### c) The percentage increase/decrease in the median remuneration of employees in the financial year:

There is no change in median remuneration of Employees in F.Y 2021-22 from F.Y. 2020-21.

#### d) The number of permanent employees on the rolls of the Company: 35 Employees

#### e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is no change during the year in the average salary of the employees.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

By Order of the Board  
For Kotyark Industries Limited

#### Registered Office

2<sup>nd</sup> Floor, A-3 Shree Ganesh Nagar Housing Society,  
Ramakaka Temple Road, Chhani, Vadodara-391740

#### Gaurang Shah

Chairman & Managing Director  
DIN: 03502841

#### Dhruti Shah

Whole time Director  
DIN: 07664924

Place:- Vadodra,

Date:- August 13, 2022

# Annexure-C

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GLOBAL BIODIESEL INDUSTRY

As per a market study conducted by Precedence Research, the global biofuel market is slated to achieve significant growth in the years to come. While in 2021, the global biofuels market was valued at USD 109.96 billion, it is predicted that in the next decade the market size would nearly double. With a CAGR of 8.3%, the market is expected to reach a size of approximately USD 201.21 billion. This phenomenal growth is slated to be buoyed significantly on account of the North American market, which not only has the largest aviation industry but is also home to a vast terrestrial transport network. These industries, which have been traditionally dependent on fossil fuels, have been at the frontlines of the global efforts to lower fossil fuel emissions and to limit the greenhouse effect.

### KEY GROWTH DRIVERS

Despite the proliferation of various alternate logistics solutions, surface transport remains one of the key drivers in the freight and passenger markets. However, these industries have been highly reliant on fossil fuels, posing short and long-term challenges. While, on the one hand, there is the looming spectre of environmental degradation, with greenhouse gas emissions expected to reach 43 billion metric tonnes by 2040, on the other hand, crude oil prices have been scaling new heights every now and then. Given the goals of reducing greenhouse gas emissions, these industries have been looking for easily available, affordable and renewable energy sources that can effectively supplement and eventually supplant the dependence on fossil fuels.

Parallely, there have been growing regulatory trends worldwide whereby governments have sought to provide impetus to alternatives to fossil fuels, thereby increasing awareness about and adopting alternate liquid fuels. In January 2022, the US Environmental Protection Agency came out with a programme for streamlining the review and approval process for biofuels and chemicals to replace higher GHG-emitting fossil fuels. As part of the Clean Fuel Standard program, the Canadian government aims to set a goal of introducing a 15% ethanol blending requirement in traditional fuels. It also proposes to increase carbon taxes by CAD 10 to CAD 50 per tonne of emissions, thereby disincentivizing higher GHG emitting fossil fuels. Earlier this year, the Stanlow liquid container terminal at the Ellesmere port in the UK announced that

it would be developing the country's largest biofuel storage hub to tap into emerging opportunities resulting from the global effort to transition to a post-fossil-fuel world. Parallely in Asia, Malaysia is on track to complete the implementation of its B20 palm oil biofuel program – where there is a mandate to manufacture biofuel with a 20% palm oil component for the transport sector – by the end of this year. Elsewhere, in Indonesia, the government allocated USD 195 million from the state budget as a stimulus to producers of palm oil biodiesel to tide over the pandemic-induced downturn. Recently, the Brazilian Ministry of Economy has also announced its decision to waive its import tariff on ethanol till the end of the year to mitigate against growing inflation, which is expected to give a significant boost to ethanol blending in the fossil fuels market.

Source: Mordor Intelligence

### OPPORTUNITIES & THREATS:

#### Indian Biodiesel Industry

The demand for biodiesel in the Indian market stood at 170,000 tonnes in FY2021. This demand is expected to grow at a robust CAGR of 8.6% till 2030, taking the demand to roughly 260,000 tonnes by the end of the decade. With over-reliance on the import of crude oil creating pressures on the exchequer, the government has been incentivised to explore alternative fuels which are manufactured domestically, including and especially biodiesel.

Source: Chemanalyst

#### Government of India Policy on Biodiesel

The Indian Government has taken significant steps to push for the increased manufacturing and adoption of biofuels by way of certain recent amendments to the national policy in this regard. Amongst other steps, the amended policy allows for the use of more feedstock for the production of biofuels. It also aims to advance the 20% ethanol blending target, which was set for 2030, to 2025-26. The Government is also expected to announce a funding scheme of ₹ 50 billion for 2G ethanol biorefineries over six years, which would be in supplementation to additional tax incentives. Further, higher purchase prices as compared to 1G biofuels are also expected to invigorate the setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, used cooking oil and short gestation crops. The Government has also introduced the GOBAR (Galvanising Organic Bio-Agro Resources) DHAN scheme – which is geared towards the management and conversion of cattle dung and solid waste in agricultural and dairy farms for use as compost and its rendition to biogas and bio-CNG. The food safety regulator, FSSAI, has also launched the RUCO (Repurpose Used Cooking Oil) Scheme, through which used cooking oil can be collected and converted to biodiesel.

Source: Vikaspedia, Pib.gov.in

#### Government of Rajasthan Policy on Biodiesel

The Government of Rajasthan has been the first to adopt the national policy for biofuels. It has also been instrumental in creating a practical framework for widespread biodiesel manufacturing. Towards this, the Government is aiming to increase the production of oilseeds, which would act as a significant raw material for biodiesel production. It is also looking to incentivise the establishment of supply chain mechanisms for the accelerated use of inedible oilseeds, used cooking oil and short gestation crops, in line with the national policy. It also seeks to tap into the vast pool of human resources in the form of women's self-help groups through the State Rural Livelihood Development Council, which may have avenues for higher incomes on account of integrating with the biodiesel supply chain. To promote research and garner technical expertise in alternative fuels and energy resources, it also proposes establishing a Centre of Excellence in Udaipur.

Rajasthan was the first state in India to adopt the National Policy and create an implementable framework for Biodiesel production and manufacturing. Overall, it would focus on promoting and

marketing biofuels, so that awareness about the same can be increased and adoption of the same can be institutionalised.

#### Growth Enablers

The Government of India has announced a national biofuel policy with the aim of increasing the usage of biofuel in the energy and transportation sector of the country. The salient features of this policy are highlighted below:

- An indicative target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030
- The policy also indicates a vital gap in funding for 2G ethanol Bio refineries of ₹ 5,000 crores spread across six years in addition to tax incentives
- Thrust on research, development and demonstration in the field of biofuels feedstock production and advanced conversion technologies from identified feedstock

- Develop a National Biomass repository by conducting an appraisal of biomass across the country

Other government initiatives include Pradhan Mantri JI-VAN Yojana, 2019, which is aimed at creating an ecosystem for setting up commercial projects and to boost Research and Development in the 2G Ethanol sector

- GOBAR (Galvanizing Organic Bio-Agro Resource) focused on managing and converting cattle dung and solid waste in farms to useful biogas and bio-CNG
- The rising crude oil import bill is also a key driver that is incentivising the government to look for alternative fuel sources.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance for the year ended on March 31, 2022 is summarized below:

(₹ in Lakhs)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Revenue From Operations	15,604.59	6,520.61
Other Income	29.51	8.46
<b>Total Income</b>	<b>15,634.10</b>	<b>6,529.07</b>
Operating expenditure before Finance cost, depreciation and amortization	14,332.27	6,230.20
Earnings before Finance cost, depreciation and amortization (EBITDA)	1,301.83	298.87
Less: Depreciation	98.75	87.79
Less: Finance Cost	46.45	71.87
<b>Profit Before Tax</b>	<b>1,156.63</b>	<b>139.21</b>
Less: Current Tax	294.75	38.40
Less: Short/Excess provision for Income Tax	3.03	-
Less: Deferred tax Liability (Asset)	(5.19)	(3.62)
<b>Profit after Tax</b>	<b>864.04</b>	<b>104.43</b>

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Kotyark is a Public Limited Company engaged in manufacturing of Bio-diesel. Our company's total sale increased by 139.31% to ₹ 15,604.59 Lakhs against ₹ 6,520.61 Lakhs in FY 2021-22.

Kotyark is equipped with latest machineries, tools, skilled man power, handling equipment and various in house facilities for smooth operation and quality product. We have developed a sound infrastructure base that is subject to regular upgradation based on technology and working systems.

## COMPANY OVERVIEW

Kotyark Industries Limited (Kotyark) is revolutionising the fuel industry by providing sustainable alternatives to fossil fuels. Incorporated in 2016, Kotyark is the only listed Indian company that exclusively manufactures biodiesel and its by-products. The Company focuses on green energy and sustainable development of renewable resources (biofuel), through the adoption of environment-friendly technology, which is ultimately aimed at facilitating net reduction of greenhouse gas emissions.



## FINANCIAL RATIOS

Ratios	FY21	FY22	% Change	Remarks
Total Debt to Equity	4.30	0.14	-97%	Driven by an increase in equity base and decrease in borrowings.
Current Ratio	2.60	13.16	405%	Driven by a proportionately higher increase in current assets due to trade receivables.
Interest Coverage Ratio	2.94	25.90	782%	Driven by significantly higher EBIT.
Debtors Turnover	22.49	41.90	86%	Driven by significantly higher revenue from operations.
Inventory Turnover	8.35	17.87	114%	Driven by significantly higher revenue from operations.
Operating Profit Margin	4.5%	8.2%	82%	Driven by higher gross margins and operating leverage.
Net Profit Margin	1.6%	5.54%	246%	Driven by higher sales, and operating margins.

## OUTLOOK

We have a good business outlook for the coming few years, underpinned by factors such as a significant unutilised capacity, combined with our core competencies such as excellent raw material sourcing, indigenously designed manufacturing facilities, and a diverse clientele and revenue streams. This is supported by tailwinds from the industry and governmental impetus.

## INTERNAL CONTROL AND ADEQUACY

The company has in place an adequate system of internal control commensurate with the size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded, reported correctly, and the business operations are conducted as per the prescribed policies and

procedures of the company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps were taken to improve the same.

## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Kotyark believes that its human resources are one of the most crucial assets and critical enablers of the Company's growth. To that extent, the Company engages with its employees to hone their skill sets and equip them with knowledge and know-how. It is also deeply invested in establishing its brand name to attract and retain the best talent in the market. During the period under review, employee relations continued to be healthy, cordial, and harmonious at all levels, and the Company aims to maintain such relations with the employees going forward as well. As on March 31, 2022 the Company has 38 permanent employees.

## RISKS & RISK MITIGATION

<b>Price Risk</b>	RM price risk + Diesel price risk
<b>Acceptance Risk</b>	It is a substitute product to diesel, any prolonged delay in acceptance of biodiesel can impact company's performance
<b>Policy Changes &amp; Regulatory Risks</b>	Change in government policy with regards to biodiesel blending, retail usage, raw material sourcing, etcetera
<b>Inconsistent State Policies</b>	Un-defined state policies, and differing state laws for biodiesel - creating a difficult environment industry incumbents to have multi-state operations
<b>Geographical Risk</b>	Focused/concentrated only on Rajasthan

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and other parts of the report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries, in which the Company may operate. Other factors that may impact the Company's operations include volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not intend to update these statements.

# Annexure-D

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Yamuna Bio Energy Private Limited
b)	Nature of contracts/arrangements/transaction	Sale and Purchase of Goods
c)	Duration of the contracts/arrangements/transaction	April 01, 2021 to March 31, 2022
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per Agreement
e)	Date of approval by the Board	May 06, 2021
f)	Audit Committee Ratified the Sale & Purchase Transactions held prior to Formation of Audit Committee and given Omnibus Approval for Sale and Purchase of Goods to Yamuna Bio Energy private Limited for remaining part of the year.	September 04, 2021
g)	Amount paid as advances, if any	-
h)	Amount of contract or arrangement	₹ 4,262.81 Lakhs

By Order of the Board  
For Kotyark Industries Limited

**Gaurang Shah**  
Chairman & Managing Director  
DIN: 03502841

**Dhruti Shah**  
Whole time Director  
DIN: 07664924

# Annexure-E

## SECRETARIAL AUDIT REPORT

### Form No. MR-3

#### For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Kotyark Industries Limited,**  
A-3, 2<sup>nd</sup> Floor, Shree Ganesh Nagar  
Housing Society, Ramakaka Temple Road,  
Chhani Vadodara Vadodara-391740, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kotyark Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and circulars/guidelines/amendments issued thereunder;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/guidelines/amendments issued thereunder;

- c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Listing Agreement signed with national Stock Exchange of India Limited.
- vii. Revised Secretarial Standards issued by The Institute of Company Secretaries of India;

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been complied with by the Company Except:-

- Few forms filed with ROC are not properly filed and there are few forms filed after the due date with additional fees.
- Late compliance of Regulation 33 of SEBI LODR Regulations, 2015 for Quarter ending on September 30, 2021.

Financial results for the quarter ended September 30, 2021 was submitted on December 21, 2021. Fine amounting to ₹ 1,80,000 (One Lakh forty five thousand) plus GST considering the delay of 36 days (₹ 5000/- per day) was levied by Stock Exchange and the same has been paid by the Company.

We further report that the company being primarily engaged in the manufacturing of Bio Fuel which is an alternative source of energy and has the ability to replace and a good substitutes of traditional fossil fuels like coal, firewood, lignite, etc., We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the following law specifically applicable to company:-

- Explosives Act, 1884

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings; and
- ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - The Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Kfintech Technologies Limited as Registrar & Share Transfer Agent in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and circulars/ guidelines/Amendments issued there under;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

#### **We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director, Independent Directors and Woman Director. The changes in the composition of the Board of Directors / appointment / re-appointments of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. However no sitting fees is paid to any of the Non-Executive Directors of the Company.

Since none of the members have communicated dissenting views in the matters / agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

#### **We further report that -**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review—

1. Company was converted into Public Limited Company and consequently name of company was changed from “Kotyark Industries Private Limited” to “Kotyark Industries Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on July 24, 2021 and a fresh certificate of incorporation dated August 05, 2021 issued by the Registrar of Companies, Ahmedabad.
2. Authorized Capital of the Company was increased from 2,50,00,000 (Two Crore and Fifty Lakhs) divided into 25,00,000 equity shares of ₹ 10/- each to ₹ 9,00,00,000 (Nine Crores) divided into 90,00,000 equity shares of ₹ 10/- each in Annual General Meeting held on July 13, 2021.
3. The Board of Directors in their Meeting held on July 17, 2021, approved issue & Allotment of 4,81,500 Equity Shares of Face Value of ₹ 10/- each fully paid at Issue Price of ₹ 40/- in proportion of 1 equity shares for every 2 equity shares held on Right Issue Basis on July 10, 2021.
4. The Board of Directors in their Meeting held on July 19, 2021 approved issue & Allotment of 5,77,800 Equity Shares of Face Value of ₹ 10/- each fully paid at an Issue Price of ₹ 40/- in proportion of 4 equity shares for every 10 equity shares held on Right Issue Basis on July 17, 2021.
5. The Board of Directors in their Meeting held on July 24, 2021, approved issue & Allotment of 40,44,600 Bonus Equity Shares of Face Value of ₹ 10/- each fully paid in the ratio of 2:1 i.e., 2 Bonus Equity Shares for each equity share held as on Record Date. Bonus Issue was approved in the EGM held on July 24, 2021.
6. Company has passed a Special Resolution in the Extra-Ordinary General Meeting of the members held on August 09, 2021, authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of ₹ 100 Crore (Rupees Forty Crore only).
7. The Board of Directors had, in its meeting held on August 6, 2021, approved to create, offer, issue and allot not exceeding 22,08,000 equity shares via Initial Public Offer at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the issue in their Extra-ordinary General Meeting held on August 9, 2021. Pursuant to the authority granted by the Members of the Company, the Board of Directors appointed Beeline Broking Limited as Lead Manager and Kfin Technologies Private Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue. The Company applied to National Stock Exchange of India Limited (“NSE”) for in-principle approval for listing its equity shares on the Emerge Platform of the NSE. National Stock Exchange of India Limited has, vide its letter dated October 6, 2021 granted it's In Principle Approval to the Company. The Company had filed Prospectus to the Registrar of the Company, Ahmedabad on October 14, 2021. The Public Issue was opened on Thursday, October 21, 2021 and closed on Monday, October 25, 2021. The Basis of Allotment was finalized by Company, Registrar to the issue and merchant banker in consultation with the NSE on October 29, 2021. The Company has applied for listing of its total equity shares to NSE and it has granted its approval vide its letter dated November 01, 2021. The trading of equity shares of the Company commenced on November 2, 2021 at Emerge Platform of NSE. The Equity Shares of the Company are listed on the Emerge Platform of NSE.

**Place:** Ahmedabad  
**Date:** August 13, 2022

**Anjali Sangtani**  
Partner

**For SCS and Co. LLP**  
Company Secretaries

ACS No.: 41942 C P No.: 23630  
UDIN:A041942D000792538

ICSI Unique Code: - L2020GJ008700

**Note:** This Report is to be read with **Annexure 1** and it form integral part of this report.

# Annexure I

To,  
The Members,  
**Kotyark Industries Limited,**  
A-3, 2<sup>nd</sup> Floor, Shree Ganesh Nagar  
Housing Society, Ramakaka Temple Road,  
Chhani Vadodara Vadodara-391740, Gujarat.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Ahmedabad  
**Date:** August 13, 2022

**Anjali Sangtani**  
Partner  
ACS No.: 41942 C P No.: 23630  
UDIN:A041942D000792538

**For SCS and Co. LLP**  
Company Secretaries  
ICSI Unique Code: - L2020GJ008700

# Independent Auditor's Report

To the Members of Kotyark Industries Limited (Formerly known as "Kotyark Industries Private Limited")

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Kotyark Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### Other Matter

Comparative figures for the year ended / as at March 31, 2021 are as per financial statements prepared in connection with SME-IPO which was subject to our audit and we have expressed an unmodified opinion on the same vide our Audit Report dated September 4, 2021.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation having material effect on its financial position as at March 31, 2022;

## Independent Auditor's Report

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. As stated in Note 4.6 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year ended on March 31, 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Manubhai & Shah LLP**  
**Chartered Accountants**

ICAI Firm Registration No. 106041W/W100136

**(J. D. Shah)**  
**Partner**

Place: Vadodara  
Date: May 11, 2022

Mem. No.100116  
UDIN: 22100116AITWWT1246

# Annexure A to the Independent Auditors' Report

[Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on Financial Statements for the year ended March 31, 2022 to the members Kotyark Industries Limited]

## REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Kotyark Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Manubhai & Shah LLP**  
Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

(J. D. Shah)  
Partner

Place: Vadodara  
Date: May 11, 2022

Mem. No.100116  
UDIN: 22100116AITWWT1246



# Annexure B to the Independent Auditors' Report

[Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report on financial statements for the year ended March 31, 2022 to the members of Kotyark Industries Limited]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the company, the title deeds, of immovable properties which are freehold, is held in the name of the company. Further, based on the examination of the lease agreement in respect of immovable property where the Company is the lessee, we report that lease deed is duly executed in favour of the Company and such immovable property has been disclosed in the financial statement as Leasehold Land under the Property, Plant & Equipment.
- (d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) The company has not been sanctioned working capital limits in excess of ₹ 500 Lakhs at any point of time during the year from banks or financial institutions. Therefore, the provisions of clause 3(ii)(b) of the Order is not applicable to the company.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- iv. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product / services rendered by the Company.
- vii. (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

- (f) The Company does not have investment in any subsidiary or associates or joint ventures and hence, reporting under clause (ix)(f) of the Order is not applicable.
- x. (a) In Our opinion, money raised by way of initial public offer during the year have been, prima facie, applied by the company for the purpose for which they were raised.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit report issued to the Company during the year and covering the period October 1, 2021 to December 31, 2021 and the draft internal audit report where issued after the balance sheet date covering the period January 1, 2022 to March 31, 2022 for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement of paragraph 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Manubhai & Shah LLP**  
Chartered Accountants

ICAI Firm Registration No. 106041W/W100136

**(J. D. Shah)**  
Partner

Place: Vadodara

Mem. No.100116

Date: May 11, 2022

UDIN: 22100116AITWWT1246

# Balance Sheet

as at March 31, 2022

(Amount in ₹ Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	4	827.49	96.30
(b) Reserves and Surplus	5	1,835.92	222.13
		<b>2,663.41</b>	<b>318.43</b>
<b>(2) Non-Current liabilities</b>			
(a) Long term borrowings	6	296.20	1,033.16
		<b>296.20</b>	<b>1,033.16</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	69.12	336.55
(b) Trade payables			
(i) Total outstanding dues of micro enterprise and small enterprise		-	-
(ii) Total outstanding dues of trade Payables other than micro enterprise and small enterprise	9	-	15.99
(c) Other current liabilities	10	56.89	63.35
(d) Short-term provision	11	63.35	34.52
		<b>189.36</b>	<b>450.41</b>
<b>TOTAL</b>		<b>3,148.97</b>	<b>1,802.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current assets</b>			
(a) Property, Plant and Equipment and Intangible Assets	12		
(i) Property, Plant and Equipment		612.84	607.50
(ii) Intangible assets		0.03	0.06
(b) Deferred tax assets (net)	7	26.89	4.33
(c) Other non-current assets	13	17.63	17.31
		<b>657.39</b>	<b>629.20</b>
<b>(2) Current assets</b>			
(a) Inventories	14	853.19	714.71
(b) Trade receivables	15	718.67	26.19
(c) Cash and cash equivalents	16	57.25	30.10
(d) Short-term loans and advances	17	24.15	245.55
(e) Other current assets	18	838.32	156.25
		<b>2,491.58</b>	<b>1,172.80</b>
<b>TOTAL</b>		<b>3,148.97</b>	<b>1,802.00</b>
Significant accounting policies and Notes forming part of Financial Statements	1-45		

As per our report of even date attached

For **Manubhai & Shah LLP**  
Chartered Accountants  
ICAI Firm Reg. No. 106041W/W100136

**(J. D. Shah)**  
Partner  
Membership No. 100116

Place: Vadodara  
Date: May 11, 2022

For and on behalf of Board  
**Kotyark Industries Limited**

**Gaurang Shah**  
Chairman and Managing Director  
DIN : 03502841  
Place: Vadodara  
Date: May 11, 2022

**Parth Kansara**  
Chief Financial Officer  
Place: Vadodara  
Date: May 11, 2022

**Dhruvi Shah**  
Whole Time Director  
DIN : 07664924  
Place: Vadodara  
Date: May 11, 2022

**Nikita Boonlia**  
Company Secretary  
Place: Vadodara  
Date: May 11, 2022



# Statement of Profit and Loss

for the year ended March 31, 2022

(Amount in ₹ Lakhs)

Particulars	Note No.	For the year ended on	
		March 31, 2022	March 31, 2021
I. Revenue from Operations	19	15,604.59	6,520.61
II. Other Income	20	29.51	8.46
<b>III. Total Income (I + II)</b>		<b>15,634.10</b>	<b>6,529.07</b>
IV. Expenses:			
Cost of materials consumed	21	13,154.27	5,397.01
Purchase of stock-in-trade	22	116.49	261.01
Manufacturing Expenses	23	60.86	282.69
Changes in inventory of finished goods, Work-in Progress and Stock-in-Trade	24	676.10	18.84
Employee Benefits Expense	25	165.03	183.23
Finance cost	26	46.45	71.87
Depreciation and amortization expense	27	98.75	87.79
Operating and other expenses	28	159.52	87.42
<b>Total Expenses</b>		<b>14,477.47</b>	<b>6,389.86</b>
V. Profit before tax (III-IV)		<b>1,156.63</b>	<b>139.21</b>
VI. Tax expense:			
Current tax		294.75	38.40
Earlier year tax adjustments		3.03	-
Deferred tax		(5.19)	(3.62)
<b>Total Tax expense</b>		<b>292.59</b>	<b>34.78</b>
<b>VII. Profit/ after tax for the year (V-VI)</b>		<b>864.04</b>	<b>104.43</b>
Basic EPS & Diluted EPS (INR)	29	<b>14.26</b>	<b>3.61</b>
Significant accounting policies and Notes forming part of Financial Statements	1-45		

As per our report of even date attached

For **Manubhai & Shah LLP**  
Chartered Accountants  
ICAI Firm Reg. No. 106041W/W100136

**(J. D. Shah)**  
Partner  
Membership No. 100116

Place: Vadodara  
Date: May 11, 2022

For and on behalf of Board  
**Kotyark Industries Limited**

**Gaurang Shah**  
Chairman and Managing Director  
DIN : 03502841  
Place: Vadodara  
Date: May 11, 2022

**Parth Kansara**  
Chief Financial Officer  
Place: Vadodara  
Date: May 11, 2022

**Dhruti Shah**  
Whole Time Director  
DIN : 07664924  
Place: Vadodara  
Date: May 11, 2022

**Nikita Boonlia**  
Company Secretary  
Place: Vadodara  
Date: May 11, 2022

# Cash Flow Statement

for the year ended March 31,2022

(Amount in ₹ Lakhs)

Particulars	For the year ended on	
	March 31, 2022	March 31, 2021
<b>1 Cash Flows from Operating Activities</b>		
Profit before tax as per Statement of Profit & Loss	1,156.63	139.21
Adjusted for:-		
Depreciation & Amortisation expense	98.75	87.79
Interest on loans from bank and Financial Institution	44.49	65.83
Interest Income	(1.09)	(0.87)
<b>Operating Profit before Working Capital Changes</b>	<b>1,298.78</b>	<b>291.96</b>
Adjusted for:		
(Increase)/Decrease in Inventories	(138.48)	(2.12)
(Increase)/Decrease in Trade Receivables	(692.48)	527.42
(Increase)/Decrease in Loans & Advances	221.40	(245.55)
(Increase)/Decrease in Other current assets	(682.09)	(79.53)
Increase/(Decrease) in Trade Payables	(15.99)	(299.58)
Increase/(Decrease) in Other current liabilities	(6.84)	28.93
<b>Operating Profit after Working Capital Changes</b>	<b>(15.70)</b>	<b>221.53</b>
Taxes Paid(Net of Refund)	(268.95)	(22.22)
<b>Net cash generated from operating activities (A)</b>	<b>(284.65)</b>	<b>199.31</b>
<b>2 Cash Flows from Investing Activities:</b>		
Interest Income	1.11	0.43
(Investment)/Maturity in/of Fixed deposits	5.24	(12.50)
Purchase of Property, Plant and Equipment	(103.01)	(139.10)
<b>Net cash used in investing activities (B)</b>	<b>(96.64)</b>	<b>(151.17)</b>
<b>3 Cash flow from financing activities :</b>		
Proceeds from issue of shares	1,463.57	-
Proceeds from / (Repayment of) Loan Term Borrowing (net)	(736.96)	18.27
Proceeds from / (Repayment of) Short Term Borrowings (net)	(267.43)	19.97
Interest on loans from bank and Financial Institution	(44.12)	(64.58)
<b>Net cash used in financing activities (C)</b>	<b>415.06</b>	<b>(26.34)</b>
Net increase in cash and cash equivalents (A)+(B)+(C)	33.77	21.79
Cash and cash equivalents as at the beginning of the year	23.48	1.69
<b>Cash and cash equivalents as at end of the year</b>	<b>57.25</b>	<b>23.48</b>
Cash and cash equivalents as per Financial Statements		
Cash on Hand	22.44	21.00
Balance with Bank in Current Accounts	34.81	2.48
	<b>57.25</b>	<b>23.48</b>
Balance with Bank in Fixed Deposits held as Margin Money	-	6.62
<b>Cash and cash equivalents as at end of the year (Refer Note 16)</b>	<b>57.25</b>	<b>30.10</b>

## Notes:

1 Cash and cash equivalent include cash on hand and balances with bank in Current Accounts

2 The Cash Flow Statement has been prepared under the 'Indirect Method' as prescribed under AS 3.

3 Figures in the bracket represents cash outflows

As per our report of even date attached

For **Manubhai & Shah LLP**

**Chartered Accountants**

ICAI Firm Reg. No. 106041W/W100136

**(J. D. Shah)**

**Partner**

Membership No. 100116

Place: Vadodara

Date: May 11, 2022

For and on behalf of Board

**Kotyark Industries Limited**

**Gaurang Shah**

**Chairman and Managing Director**

DIN : 03502841

Place: Vadodara

Date: May 11, 2022

**Parth Kansara**

**Chief Financial Officer**

Place: Vadodara

Date: May 11, 2022

**Dhruti Shah**

**Whole Time Director**

DIN : 07664924

Place: Vadodara

Date: May 11, 2022

**Nikita Boonlia**

**Company Secretary**

Place: Vadodara

Date: May 11, 2022

# Significant Accounting Policies to the Financial Statement

## 1. CORPORATE INFORMATION

The Company was originally incorporated on December 30, 2016 as "Kotyark Industries Private Limited" vide Registration No. 094939/ 2016-2017 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Further, the Company was converted into Public Limited Company and consequently name of company was changed from "Kotyark Industries Private Limited" to "Kotyark Industries Limited" vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on July 24, 2021 and a fresh certificate of incorporation dated August 05, 2021 issued by the Registrar of Companies, Ahmedabad.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 2.1. Basis of preparation

The accompanying Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the requirements of Accounting Standards as specified under section 133 of the Companies Act, 2013(Act), read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. The accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hereto in use.

### 2.2. System of Accounting:

The Financial Statements are prepared on historical cost basis. The company follows the mercantile system of accounting and recognizes income and expenditure on the accrual basis.

### 2.3. Use of Estimates:

The preparation of Financial Information requires the management of the company to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liability as at the date of the financial information and reported amounts of income and expenses like useful lives of property, plant and equipment, provision for taxation, etc., during the year. Management believes the estimates used in the preparation of the financial information are prudent and reasonable. Future results may vary from these estimates.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### I. Property, Plant and Equipment and Intangible Assets:

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation. The cost of acquisition includes freight, installation cost, duties, taxes and other incidental expenses, identifiable with the asset, incurred during the installation / construction stage in order to bring the assets to their working condition for intended use, including borrowing costs capitalized, if any, but are net of Input Tax Credits availed for the relevant element in the Cost. Property, plant and equipment include Lease hold Land, which is amortized equally over the tenure of Lease. The value of Lease hold Land includes cost of

premium and other expenses incurred in order to meet the condition of lease agreement and get the Land on Lease.

Intangible assets comprises of Trademark.

### II. Depreciation and Amortisation:

Sr. No.	Nature of Asset	Asset Class	Useful Life (Years)
1	Storage Room	Buildings	25
2	Pressure Pumps	Plant & Machineries	8
3	Fire Extinguisher	Office Equipment	15
4	CCTV Camera	Office Equipment	6

On the additions / disposal during the year, depreciation is provided pro-rata on the basis of number of days for which the asset was used during the year.

Intangible assets are amortised over a period of 5 Years on straight line basis.

### III. Inventories:

Inventories of raw material and finished goods are valued at lower of the cost or net realizable value. Obsolete, defective and unserviceable Inventory, if any, are duly provided for.

### IV. Revenue Recognition:

Revenue from sale of products are recognised when the risk and rewards of ownership of products are passed on to the customers. Revenue is recorded exclusive of GST and net of trade and quantity discounts or rebates granted.

Income from Services rendered are booked based on agreements/ arrangements with the concerned parties.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised if the right to receive payment is established by the Balance Sheet date.

### V. Employee Benefits:

#### (a) Short term benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as privilege leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

#### (b) Post-employment benefits:

##### Defined contribution plan

The Company's provident fund scheme is defined contribution plan. The Company's contribution paid/payable under the schemes is recognised as expense in the statement of Profit and Loss during the period in which the employee renders the related service.



#### **IV. Goods and Service Tax:**

Goods and service tax is accounted for in the books of accounts in accordance with the provisions of the goods and service tax law for the time being in force, and the liability or the credits are accordingly disclosed in the financial information.

#### **V. Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition of qualifying assets are to be capitalized for the year until the asset is ready for its intended use. A qualifying asset being, an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are to be recognized as an expense in the year in which they are incurred.

#### **VI. Accounting for Taxes on Income :**

- (a) Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).
- (b) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty the assets can be realised in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realised.

#### **VII. Leases :**

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, are classified as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account on a straight-line basis over the lease term, considering the renewal terms, if appropriate.

#### **VIII. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the

estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

#### **IX. Contingencies / Provisions :**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably ascertained.

#### **X. Earnings Per Share (EPS) :**

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

#### **XI. Cash and Cash Equivalents :**

Cash and Cash Equivalents comprises Cash-in-Hand, Short term Deposits and Balance in Current Accounts with Banks. Cash equivalents are short –term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**XII.** Extra Ordinary items, if any, having a material bearing on the financial affairs of the Company are disclosed separately.

#### **XIII. General:**

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 4: SHARE CAPITAL

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
<b>Authorised</b>		
90,00,000 (as at March 31,2021 : 25,00,000) Equity Shares of ₹ 10/- each	900.00	250.00
<b>Issued, subscribed and paid up</b>		
82,74,900 (as at March 31,2021: 9,63,000) Equity Shares of ₹ 10 /- each fully paid up	827.49	96.30
<b>Total</b>	<b>827.49</b>	<b>96.30</b>

### Note 4.1: Reconciliation of the Number of Shares outstanding is set out below :

(No. of Shares)

Particulars	As at March 31,2022	As at March 31,2021
Equity Shares at the beginning of the year	9,63,000	9,63,000
<b>Shares Issued during the year</b>		
(i) Right Issue	10,59,300	-
(ii) Bonus Issue	40,44,600	-
(iii) Initial Public Offer	22,08,000	-
<b>Balance at the end of the year</b>	<b>82,74,900</b>	<b>9,63,000</b>

**Note 4.2:** The Company has a single class of equity shares which are having par value of ₹10/- per equity share. The shares issued, subscribed and paid up rank pari passu with reference to all rights, preference and restriction relating thereto. The equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

### Note 4.3: The Detail of shareholders holding more than 5 per cent of shares:

(Amount in ₹ Lakhs)

Name of Shareholder	As at March 31,2022	
	No. of Shares	% of Holding
Mr. Gaurang Rameshchandra Shah	41,93,025	50.67
Mrs. Bhaviniben Gaurang Shah	8,68,200.00	10.49
M/s. Gaurang Shah HUF	7,50,000.00	9.06
<b>Total</b>	<b>58,11,225</b>	<b>70.23</b>

(Amount in ₹ Lakhs)

Name of Shareholder	As at March 31,2021	
	No. of Shares	% of Holding
Mr. Gaurang Rameshchandra Shah	9,00,000	93.46
<b>Total</b>	<b>9,00,000</b>	<b>93.46</b>

### Note 4.4: Detail of Shares held by promoters at the end of the year

Promoter's Name	No. of shares	% of total shares	% change during the year
<b>As at March 31,2022</b>			
Mr. Gaurang Rameshchandra Shah	41,93,025	50.67	(42.79)
Mrs. Bhaviniben Gaurang Shah	8,68,200	10.49	6.39
M/s. Gaurang Shah HUF	7,50,000	9.06	100
Brijkumar Gaurang Shah	97,500	1.18	100
Vandan Gaurang Shah	67,500	0.82	100
<b>As at March 31,2021</b>			
Mr. Gaurang Rameshchandra Shah	9,00,000	93.46	No change
Mrs. Bhaviniben Gaurang Shah	39,500	4.10	No change

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 4.5: Aggregate number of Shares issued other than cash during the period of 5 years immediately preceding year:

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Aggregate number of shares allotted as fully paid up by way of bonus shares during the year 2021-2022	40,44,600	-

### Note:

During the year, pursuant to the approval of the shareholders through circular resolution dated July 24, 2021, the Company has allotted 40,44,600 bonus shares of ₹ 10 each fully paid-up on July 24, 2021. Consequently, the Company has capitalised a sum of ₹ 404.46 lakhs from "Retained earnings" and "Securities Premium".

**Note 4.6:** For the Financial Year ending on March 31, 2022, the Board of Directors of the Company have recommended a dividend of ₹ 2/- (par value of Equity Share of ₹ 10 each) per equity share. This payment is subject to the approval of shareholders in the ensuing General Meeting of the Company.

**Note 4.7:** On October 29, 2021 Company allotted 22,08,000 Equity shares of ₹ 10 each for cash at a price of ₹ 51 each (including a security premium of ₹ 41 per Equity Share) pursuant to IPO which was opened on October 21, 2021 and got closed on October 25, 2021. Company got listed on NSE Emerge (SME) platform on November 2, 2021.

(Amount in ₹ Lakhs)

Object as per Prospectus	Allocation as per Prospectus	Funds Utilization upto March 31, 2022	Balance as at March 31, 2022
To Meet Working Capital Requirements	830.00	830.00	-
General Corporate Expenses	236.08	236.08	-
Public Issue Expenses	60.00	60.00	-
<b>Total</b>	<b>1,126.08</b>	<b>1,126.08</b>	<b>-</b>

## Note 5: RESERVES AND SURPLUS

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Securities Premium</b>		
Balance as per the last financial statement	-	-
Add: Received during the year		
(i) On Right Issue of Equity shares	317.80	-
(ii) On Initial Public Offer of Equity shares	905.28	-
Less: Amount utilized for the issuance of Bonus shares (refer note 4.5)	(317.79)	-
Less: Share issue expense (net of Deferred Tax)	(68.87)	-
<b>Sub total (A)</b>	<b>836.42</b>	<b>-</b>
<b>Retained Earnings</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per the last financial statement	222.13	117.70
Add : Surplus for the year	864.04	104.43
Less: Amount utilized for the issuance of Bonus shares (refer note 4.5)	(86.67)	-
<b>Sub total (B)</b>	<b>999.50</b>	<b>222.13</b>
<b>Total (A+B)</b>	<b>1,835.92</b>	<b>222.13</b>



# Notes to Financial Statement

for the year ending March 31, 2022

## Note 6: LONG-TERM BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured borrowings</b>		
Term Loans		
a) From Banks	183.28	249.22
<b>Sub total (A)</b>	<b>183.28</b>	<b>249.22</b>
<b>Unsecured borrowings</b>		
a) From Directors	112.93	777.74
b) From Financial Institutions	-	6.20
<b>Sub total (B)</b>	<b>112.93</b>	<b>783.94</b>
<b>Total (A+B)</b>	<b>296.20</b>	<b>1,033.16</b>

### Note 6.1: Detailed Terms and Conditions of Borrowings:

#### (a) Outstanding Balances

##### As at March 31, 2022

(Amount in ₹ Lakhs)

Name of Bank/Individual/Institution	Non-Current	Current	Total
Indian oversea Bank (Term Loan)	150.13	38.52	188.65
Indian Overseas Bank (WCTL)	33.15	30.60	63.75
Dhruti Shah	7.00	-	7.00
Gaurang shah	105.93	-	105.93
<b>Total</b>	<b>296.20</b>	<b>69.12</b>	<b>365.32</b>

##### As at March 31, 2021

(Amount in ₹ Lakhs)

Name of Bank/Individual/Institution	Non-Current	Current	Total
Indian oversea Bank (Term Loan)	185.47	38.52	223.99
Indian Overseas Bank (WCTL)	63.75	25.50	89.25
Gaurang shah	455.74	-	455.74
Bhavini Gaurang Shah	322.00	-	322.00
Magma Fincorp Limitd	6.20	4.96	11.16
Bajaj Finance Ltd	-	11.87	11.87
Fullertone India Credit Co. Ltd.	-	12.26	12.26
Incred Financial Services Ltd	-	6.02	6.02
Shriram City Union Finance Ltd	-	12.08	12.08
<b>Total</b>	<b>1,033.16</b>	<b>111.22</b>	<b>1,144.38</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## (b) Detailed Terms and Condition of Borrowings

Name of Bank/Individual/Institution	Interest Rate	Security	Sanctioned Amount
Indian Overseas Bank (Term Loan)	RLLR + 1%	See Note (i)	250.00
Indian Overseas Bank (WCTL)	RLLR + 2.05%	See Note (ii)	91.70
Magma Fincorp Limitd	19%	Unsecured	15.14
Bajaj Finance Ltd	18%	Unsecured	24.20
Fullertone India Credit Co. Ltd.	17%	Unsecured	25.24
Incred Financial Services Ltd	19%	Unsecured	17.18
Shriram City Union Finance Ltd	18%	Unsecured	25.50
Dhruti Shah		See Note (iii)	
Gaurang Shah			

- (i) Secured against 2<sup>nd</sup> charge on hypothecation of stock and book debts outstanding upto 90days and assets created out of bank finance.
- (ii) Secured against hypothecation of stock and book debts outstanding upto 90days.
- (iii) Term Loan from directors are non-interest bearing and not repayable within twelve months from the end of financial year.

**Note 6.2:** The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

**Note 6.3:** The quarterly returns or statements filed by the Company for working capital limits with bank are in agreement with the books of account of the Company. The identified differences (due to change in valuation of inventory and netting off of advances ) have been rectified through submission of reconciliation to Bank.

**Note 6.4:** There were no charges or satisfaction yet to be registered with ROC beyond the statutory period.

**Note 6.5:** The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

**Note 6.6:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note 6.7:** The Company has not received any fund from any person or entity, including Foreign entities (Funding Party), with the understanding that the Company shall:

- (i) directly or indirectly lend or invest in other person or entities (Ultimate Beneficiary) by or on behalf of Funding Party
- (ii) or provides any guarantee or security on behalf of the Ultimate Beneficiary"

## Note 7: DEFERRED TAX (ASSETS)/LIABILITIES (NET)

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>(a) Related to Property Plant and Equipment</b>		
Balance at the beginning of year	(4.33)	(0.71)
Movement during the year	(5.20)	(3.62)
<b>Balance at the end of the year</b>	<b>(9.53)</b>	<b>(4.33)</b>
<b>(b) Related to Share issue expense</b>		
Balance at the beginning of year	-	-
Movement during the year	(17.36)	-
<b>Balance at the end of the year</b>	<b>(17.36)</b>	<b>-</b>
<b>Total</b>	<b>(26.89)</b>	<b>(4.33)</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 8: SHORT-TERM BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Secured Borrowings</b>		
<b>a) Loans repayable on demand</b>		
(i) From Banks	-	225.33
<b>b) Current maturities of Long term borrowings</b>		
(i) From Banks	69.12	64.02
(ii) from Other Financial Institutions	-	47.20
<b>Total</b>	<b>69.12</b>	<b>336.55</b>

**Note 8.1:** Loan repayable on demand are secured by hypothecation of stock of raw material, finished goods and work in progress along with book debts outstanding upto 90 days

## Note 9: TRADE PAYABLES

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
(i) Total outstanding dues of micro enterprise and small enterprise	-	-
(ii) Total outstanding dues of trade Payables other than micro enterprise and small enterprise	-	15.99
<b>Total</b>	<b>-</b>	<b>15.99</b>

## Note 10: OTHER CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Statutory Dues Payable	8.83	28.62
Employees dues Payable	12.15	-
Security Deposit	26.40	31.68
Expenses Payable	9.51	3.05
<b>Total</b>	<b>56.89</b>	<b>63.35</b>

## Note 11: SHORT-TERM PROVISIONS

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Provision for Taxation (Net of Advance Tax , TDS and TCS)	63.35	34.52
<b>Total</b>	<b>63.35</b>	<b>34.52</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## 12 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

(Amount in ₹ Lakhs)

As at 31-03-2022									
ASSETS	GROSS BLOCK			DEPRECIATION/ AMORTIZATION				NET BLOCK	
	Balance as at 1-04-2021	Additions during the year	Deduction during the year	Balance as at 31-03-2022	Balance as at 1-04-2021	For the Year	Adjustments	Balance as at 31-03-2022	Balance as at 31-03-2022
Tangible Assets									
(a) Lease hold Land	132.97	-	-	132.97	6.71	1.66	-	8.37	124.59
(b) Buildings	99.16	48.01	-	147.17	14.90	9.52	-	24.41	122.75
(c) Plant and Machinery	448.52	14.47	-	462.99	134.50	56.94	-	191.44	271.56
(d) Laboratory Equipments	3.36	-	-	3.36	1.30	0.53	-	1.83	1.53
(e) Electrical Installation	3.93	3.69	-	7.61	1.73	0.81	-	2.54	5.07
(f) Vehicle	90.14	6.04	-	96.19	14.12	25.48	-	39.60	56.58
(g) Office Equipments	2.31	1.09	-	3.39	0.64	0.48	-	1.13	2.26
(h) Furniture & Fixtures	0.37	22.61	-	22.98	0.06	0.40	-	0.47	22.52
(l) Computer	2.36	8.14	-	10.50	1.65	2.89	-	4.53	5.97
Total	783.12	104.05	-	887.17	175.61	98.72	-	274.33	612.84
Intangible Assets									
(a) Trade Mark	0.15	-	-	0.15	0.09	0.03	-	0.12	0.03
Total	0.15	-	-	0.15	0.09	0.03	-	0.12	0.03



# Notes to Financial Statement

for the year ending March 31, 2022

(Amount in ₹ Lakhs)

As at 31-03-2022						
ASSETS	GROSS BLOCK		DEPRECIATION/ AMORTIZATION		NET BLOCK	
	Balance as at 1-04-2021	Additions during the year	Deduction during the year	Balance as at 31-03-2022	Balance as at 1-04-2021	For the Year Adjustments Balance as at 31-03-2022
<b>Tangible Assets</b>						
(a) Lease hold Land	132.97	-	-	132.97	5.05	1.66 - 6.71 126.26
(b) Buildings	99.16	-	-	99.16	5.85	9.05 - 14.90 84.26
(c) Plant and Machinery	404.51	44.02	-	448.52	73.74	60.76 - 134.50 314.02
(d) Laboratory Equipments	3.36	-	-	3.36	0.58	0.72 - 1.30 2.06
(e) Electrical Installation	3.93	-	-	3.93	0.96	0.77 - 1.73 2.20
(f) Vehicle	0.69	89.45	-	90.14	0.05	14.07 - 14.12 76.02
(g) Office Equipments	2.31	-	-	2.31	0.28	0.36 - 0.64 1.66
(h) Furniture & Fixtures	0.37	-	-	0.37	0.03	0.03 - 0.06 0.31
(i) Computer	1.55	0.81	-	2.36	1.31	0.33 - 1.65 0.71
<b>Total</b>	<b>648.85</b>	<b>134.28</b>	<b>-</b>	<b>783.12</b>	<b>87.85</b>	<b>87.75 - 175.61 607.50</b>
<b>Intangible Assets</b>						
Trade Mark	0.15	-	-	0.15	0.60	0.03 - 0.09 0.06
<b>Total</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.60</b>	<b>0.03 - 0.09 0.06</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 13: OTHER NON-CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
In Fixed Deposit accounts held as Margin money		
In Fixed Deposit accounts held as Performance Bank Guarantee for setup of fresh Bio-Diesel Pumps in Rajasthan	13.88	12.50
Capital Advances	3.75	4.81
<b>Total</b>	<b>17.63</b>	<b>17.31</b>

## Note 14: INVENTORIES

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Raw Materials	838.05	23.47
Finished Goods	15.14	691.24
<b>Total</b>	<b>853.19</b>	<b>714.71</b>

## Note 15: TRADE RECEIVABLE

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>(Unsecured and Considered good)</b>		
a) Outstanding for more than six months	45.46	-
b) Others	673.21	26.19
<b>Total</b>	<b>718.67</b>	<b>26.19</b>

There are no dues from directors or other officers of the company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member.

## Note 16: CASH AND CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>Cash and cash equivalents</b>		
Cash on hand	22.44	21.00
<b>Balance with Bank</b>		
In current accounts	34.81	2.48
In Fixed Deposit accounts held as Margin money	-	6.62
<b>Total</b>	<b>57.25</b>	<b>30.10</b>

## Note 17: SHORT-TERM LOANS AND ADVANCES

(Amount in ₹ Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
<b>(Unsecured and Considered good)</b>		
Loans and advances to suppliers	24.15	245.55
<b>Total</b>	<b>24.15</b>	<b>245.55</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 18: OTHER CURRENT ASSETS

(Amount in ₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured and Considered good)</b>		
Balance with Government Authorities	811.14	147.74
Security Deposits	12.66	-
Interest Accrued on Bank Deposits	0.36	0.38
Other receivables	1.52	1.08
Prepaid Expenses	12.64	7.05
<b>Total</b>	<b>838.32</b>	<b>156.25</b>

## Note 19: REVENUE FROM OPERATIONS

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Sale of Products	15,572.63	6,496.61
Other Operating Revenues	31.96	24.00
<b>Total</b>	<b>15,604.59</b>	<b>6,520.61</b>

## Note 20: OTHER INCOME

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Interest - Income	1.09	0.87
Discount	8.57	4.33
Insurance Claim	19.85	3.26
<b>Total</b>	<b>29.51</b>	<b>8.46</b>

## Note 21: COST OF RAW MATERIALS AND STORES CONSUMED

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Opening Stock of raw materials	23.47	2.51
Add: Purchases	13,968.85	5,417.97
Less: Closing Stock of raw materials	838.05	23.47
<b>Total</b>	<b>13,154.27</b>	<b>5,397.01</b>
<b>Major Components of Raw Material Consumption</b>		
Light Diesel Oil	9,028.84	4,242.95
Veg Ester and its components	2,427.69	562.21
Base Oil	1,074.49	21.69
Others	623.25	570.16
	<b>13,154.27</b>	<b>5,397.01</b>

## Note 22: PURCHASE OF STOCK IN TRADE

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Purchases of Stock in Trade	116.49	261.01
<b>Total</b>	<b>116.49</b>	<b>261.01</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 23: MANUFACTURING AND OTHER DIRECT EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Carriage Inward	16.14	15.79
Factory Expenses	5.19	2.19
Power and fuel	6.51	4.86
Repairs to Machinery	2.85	1.37
Wages Expenses	26.76	14.39
Consumable stores	3.41	244.09
<b>Total</b>	<b>60.86</b>	<b>282.69</b>

## Note 24: CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
<b>Opening Stock</b>		
a) Finished Goods	691.24	710.08
<b>Closing Stock</b>		
a) Finished Goods	15.14	691.24
<b>Total</b>	<b>676.10</b>	<b>18.84</b>

## Note 25: EMPLOYEE BENEFIT EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Salaries and Bonus (incl. Director Remuneration)	151.55	176.60
Staff Welfare	12.71	6.63
Contribution to Provident and other funds	0.77	-
<b>Total</b>	<b>165.03</b>	<b>183.23</b>

## Note 26: FINANCE COSTS

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Interest on loans from bank and Financial Institution	44.49	65.57
Bank Processing & Other Charges	1.96	6.30
<b>Total</b>	<b>46.45</b>	<b>71.87</b>

## Note 27: DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Depreciation	98.72	87.76
Amortization	0.03	0.03



# Notes to Financial Statement

for the year ending March 31, 2022

<b>Total</b>	<b>98.75</b>	<b>87.79</b>
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## Note 28: OTHER EXPENSES

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
<b>(A) Administrative &amp; other expenses</b>		
Auditor Remuneration		
- Audit Fees	4.50	1.00
- Other capacity	-	0.50
- Out of Pocket Expenses	0.19	-
Computer maintenance	0.38	0.17
Power and fuel	1.84	0.92
Insurance	6.38	4.06
Legal Expense	8.53	1.94
Professional Expense	18.92	2.65
Travel Expenses	4.15	0.91
Repairs to Vehicles	14.76	15.11
Security Service	6.05	-
Software Charges	3.00	-
Rent, Rates and Taxes	1.79	10.01
Miscellaneous expenses	7.89	0.35
<b>Sub total (A)</b>	<b>78.38</b>	<b>37.62</b>
<b>(B) Selling &amp; Distribution expenses</b>		
Sales Commission	11.86	21.69
Transportation Expenses	67.03	27.28
Sales Promotion Expenses	2.25	0.83
<b>Sub total (B)</b>	<b>81.14</b>	<b>49.80</b>
<b>Total (A+B)</b>	<b>159.52</b>	<b>87.42</b>

## Note 29: EARNINGS PER SHARE (EPS)

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
Profit attributable to Equity Shareholders (A)	864.04	104.43
Weighted Average number of shares for Basic EPS (B)	60.57	28.89
Weighted Average number of shares for Diluted EPS (C)	60.57	28.89
<b>Basic EPS</b>	<b>14.26</b>	<b>3.61</b>
<b>Diluted EPS</b>	<b>14.26</b>	<b>3.61</b>

## Note 30: CONTINGENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	12.50	12.50
<b>Total</b>	<b>12.50</b>	<b>12.50</b>

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 31: RELATED PARTY DISCLOSURES

Related party disclosures as required under the Accounting Standard (AS) – 18 on “Related Party Disclosures” notified under Companies Act, 2013 are given below:

### (a) Name of the related parties and description of relationship :

Description of Relationship	Name of the Related Party	Designation
<b>Key Management Personnel and their relatives</b>	Gaurang Rameshchandra Shah	Chairman and Managing Director
	Dhruti Mihir Shah	Whole Time Director
	Bhavini Gaurang Shah (w.e.f. July 24,2021)	Non Executive Director
	Akshay Jayrajibhai Shah (w.e.f. August 9,2021)	Non Executive Independent Director
	Harsh Mukeshbhai Parikh (w.e.f. August 9,2021)	Non Executive Independent Director
	Parth Shantilal Kansara (w.e.f. August 23,2021)	Chief Financial Officer
	Nikita Boonlia (w.e.f. August 23,2021)	Company Secretary
	Vandan Shah	Relative of Director
<b>Enterprises over which Director has Significant Influence</b>	Hemant Patel	General Manager
	Yamuna Bio Energy Pvt Ltd	
	Khadayata Oleo Chem	

### (b) Details of Transactions with Related Parties during the year:

(Amount in ₹ Lakhs)		
For the Year ending on March 31		
	2022	2021
(i) Remuneration		
Gaurang Rameshchandra Shah	118.60	150.00
Dhruti Mihir Shah	13.30	8.50
Hemant Patel	2.50	5.50
Nikita Boonlia	1.78	-
(ii) Unsecured Loan Taken / (Repaid) (Net)		
Gaurang Rameshchandra Shah	(349.81)	(4.34)
Dhruti Mihir Shah	7.00	-
Bhavini Shah	(322.00)	-
(iii) Purchase from Yamuna Bio Energy Pvt Ltd	4,157.43	882.52
(iv) Sales to Yamuna Bio Energy Pvt Ltd	105.38	2,421.31
(v) Commission on sales to Vandan Shah	-	10.00

### (c) Balances Outstanding

(Amount in ₹ Lakhs)		
	As at March 31,2022	As at March 31,2021
i) Remuneration Payable		
Gaurang Rameshchandra Shah	10.00	-
Dhruti Mihir Shah	1.00	-
Nikita Boonlia	0.25	-
ii) Unsecured Loan		
Gaurang Shah	105.93	455.74
Dhruti Shah	7.00	-
Bhavini Shah	-	322.00
iii) Trade Payables		
Yamuna Bio Energy Pvt Ltd	-	6.24

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 32: TRADE PAYABLES AGEING SCHEDULE

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>As at March 31, 2021</b>					
(i) MSME	-	-	-	-	-
(ii) Others	15.99	-	-	-	15.99
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

## Note 33: TRADE RECEIVABLES AGEING SCHEDULE

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment / Invoice date					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>	673.21	43.31	2.17	-	-	718.67
(i) Undisputed Trade Receivable – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>As at March 31, 2021</b>						
(i) Undisputed Trade Receivable – considered good	26.19	-	-	-	-	26.19
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 34: STATEMENT OF ACCOUNTING RATIOS

(Amount in ₹ Lakhs)

Note 34.1	Sr No	Particulars	Ratio	March 31, 2022	March 31, 2021	Variance (%)	Reason
	(a)	Current Ratio (in times)	Current assets Current liabilities	13.16	2.60	405%	Refer Note (1) Below
	(b)	Debt-Equity Ratio (in times)	Total Debt Shareholder's Equity	0.14	4.30	-97%	Refer Note (2) Below
	(c)	Debt Service Coverage Ratio (in times)	Earning available for debt services Debt Service	6.95	1.77	293%	Refer Note (3) Below
	(d)	Return on Equity Ratio	Net Profit after taxes Average Shareholder's Equity	57.95%	39.23%	48%	Refer Note (4) Below
	(e)	Inventory turnover ratio (in times)	Cost of good sold Closing Inventory	17.87	8.35	114%	Refer Note (5) Below
	(f)	Trade Receivables turnover ratio (in times)	Net Sales Average Accounts Receivable	41.90	22.49	86%	Refer Note (5) Below
	(g)	Trade payables turnover ratio (in times)	Net Purchases Average Trade Payables	1761.51	34.26	5042%	Refer Note (5) Below
	(h)	Net capital turnover ratio (in times)	Net Sales Working Capital	7.29	5.03	45%	Refer Note (5) Below
	(i)	Net profit ratio	Net profit after tax Net Sales	5.54%	1.60%	246%	Refer Note (4) Below
	(j)	Return on Capital employed	Earning before interest & taxes (EBIT) Capital employed	41.70%	11.45%	47.74%	Refer Note (4) Below
	(k)	Return on investment	Income from Investment Average Investment	6.60%	6.77%	-3%	

### Note 34.2: Reasons for Variance more than 25%

- 1) Current Ratio has improved mainly because of increase in GST credit (which is grouped under other current assets) as company is having inverted credit structure where raw material is taxed at 18% against which finished goods are taxed at 12% under GST Law.
- 2) Reduction in Debt Equity ratio pertains to re-payment of borrowings and issue of new equity shares.
- 3) Increase in Debt Service Coverage Ratio is result of higher EBIT margin earned.
- 4) Ratios related to Profitability / return on Capital has improved mainly on account of significant increase in Sales as well as Profit margins. Profit margins are mainly dependent on Crude price. The variation in the same is due to change in Raw Material price and price of Finished Product in the open Market which governs the selling as well as buying rates.
- 5) Movement in Inventory, Trade Receivable and Trade Payable Turnover is mainly on account of significant increase in sales due to increased demand and corresponding increase in purchase of raw material.



# Notes to Financial Statement

for the year ending March 31, 2022

Note 34.3	Sr No	Particulars	Ratio	Numerator	Denominator
	(a)	Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	Current assets:- inventories + trade receivables + cash & cash equipments + short term loans & advances + other current assets	Current liabilities:- short term borrowings + trade payables + other current liabilities + short term provisions
	(b)	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$	Total Debt:- long term borrowings + short term borrowings + current maturities of long term borrowings	Shareholder's Equity:- Equity attributable to Equity Holders of the Company
	(c)	Debt Service Coverage Ratio	$\frac{\text{Earning available for debt services}}{\text{Debt Service}}$	Earning available for debt services:- Net profit after tax + Non cash operating expenses + Interest Expense	Debt Service:- Interest Payments + Principal Repayments during the year
	(d)	Return on Equity Ratio	$\frac{\text{Net Profit after taxes}}{\text{Average Shareholder's Equity}}$	Net Profits after taxes	Average Shareholder's Equity
	(e)	Inventory turnover ratio (in times)	$\frac{\text{Cost of good sold}}{\text{Closing Inventory}}$	Cost of Goods Sold:- Cost of Material Consumed + Changes in Inventory + Stores and Spares Consumption	Average Inventory (Simple Average)
	(f)	Trade Receivables turnover ratio (in times)	$\frac{\text{Net Sales}}{\text{Average Accounts Receivable}}$	Net Sales:- Revenue from operations	Average Trade Receivables
	(g)	Trade payables turnover ratio (in times)	$\frac{\text{Net Purchases}}{\text{Average Trade Payables}}$	Net Purchases:- Purchase During the Year	Average Trade Payables
	(h)	Net capital turnover ratio (in times)	$\frac{\text{Net Sales}}{\text{Working Capital}}$	Net Sales:- Revenue from operations	Working Capital:- Current Assets - Current Liabilities
	(i)	Net profit ratio	$\frac{\text{Net profit after tax}}{\text{Net Sales}}$	Net Profits after taxes	Net Sales:- Revenue from operations
	(j)	Return on Capital employed	$\frac{\text{Earning before interest \& taxes (EBIT)}}{\text{Capital employed}}$	Earning before interest & taxes (EBIT) :- Profit/(loss) before tax + Interest Expense	Capital employed: - Shareholder's Equity + Total Debt - Intangible Assets - Deferred Tax Assets + Deferred Tax Liability
	(k)	Return on investment	$\frac{\text{Income from Investment}}{\text{Average Investment}}$	Gain / (loss) on Sale of Investment + Dividend and Interest Income on Investments	Average Investment (Simple Average)

# Notes to Financial Statement

for the year ending March 31, 2022

## Note 35

(Amount in ₹ Lakhs)

Particulars	For the year ended on March 31	
	2022	2021
(i) CIF value of Imports	Nil	Nil
(ii) Expenditure in Foreign Currency	Nil	Nil
(iii) FOB Value of Export	Nil	Nil

**Note 36:** The Company is engaged primarily in the business of manufacturing bio-diesel and all its operations are in India only. Accordingly, there is no separate reportable segment as per AS 17 on 'Segment Reporting' in respect of the Company.

## Note 37: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

(Amount in ₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
i) Out of parties identified as MSME, the Company owes to micro and small enterprise for more than 45 days as at March 31.	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. The auditor has relied on the same.

**Note 38:** Comparative figures for the year ended / as at March 31, 2021 are derived from financial statements prepared in connection with SME-IPO which was subject to audit by Peer Reviewed Auditors and they have expressed an unmodified opinion on the same vide their Audit Report dated September 4, 2021.

**Note 39:** The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment.

The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

**Note 40:** The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note 41:** The Company has not made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

# Notes to Financial Statement

for the year ending March 31, 2022

**Note 42:** The Company has not traded or invested in Crypto Currency or Virtual Currency.

**Note 43:** The code on Wages, 2019 and Code on Social Security, 2020 ("the Code") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes becomes effective.

**Note 44:** The Company has no such transactions that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**Note 45:** Previous year's figures have been regrouped / reclassified, where necessary, to confirm to current year's presentation.

As per our report of even date attached

For **Manubhai & Shah LLP**  
Chartered Accountants  
ICAI Firm Reg. No. 106041W/W100136

**(J. D. Shah)**  
Partner  
Membership No. 100116

Place: Vadodara  
Date: May 11, 2022

For and on behalf of Board  
**Kotyark Industries Limited**

**Gaurang Shah**  
Chairman and Managing Director  
DIN : 03502841  
Place: Vadodara  
Date: May 11, 2022

**Parth Kansara**  
Chief Financial Officer  
Place: Vadodara  
Date: May 11, 2022

**Dhruti Shah**  
Whole Time Director  
DIN : 07664924  
Place: Vadodara  
Date: May 11, 2022

**Nikita Boonlia**  
Company Secretary  
Place: Vadodara  
Date: May 11, 2022



## **Kotyark Industries Limited**

### **Registered Office**

2<sup>nd</sup> Floor, A-3 Shree Ganesh Nagar Housing Society,  
Ramakaka Temple Road, Chhani,  
Vadodara – 391740. Gujarat, India  
Email: [info@kotyark.com](mailto:info@kotyark.com)

ESTER 15 TK GR  
VIREPOT FISCAL  
RABOT 15 TK