

VEL/IP/19/11/2018

19th November, 2018

The General Manager-Listing National Stock Exchange Limited Exchange Plaza, Bandra-Kurla Complex Bandra(E) Mumbai-400051 Fax:- 022-26598235/36 NSE Symbol- VIKASECO	The General Manager-Listing Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Fort, Mumbai-400001 Scrip Code:- 530961
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Sub: - Q2 FY19 Earnings Presentation

Dear Sir/ Madam,

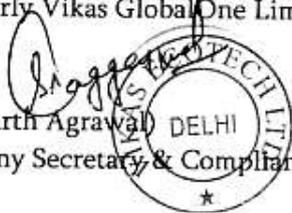
Please find attached herewith Earnings Presentation for the 2nd quarter and Half year FY 2018-19 results of the Company for your record and further dissemination.

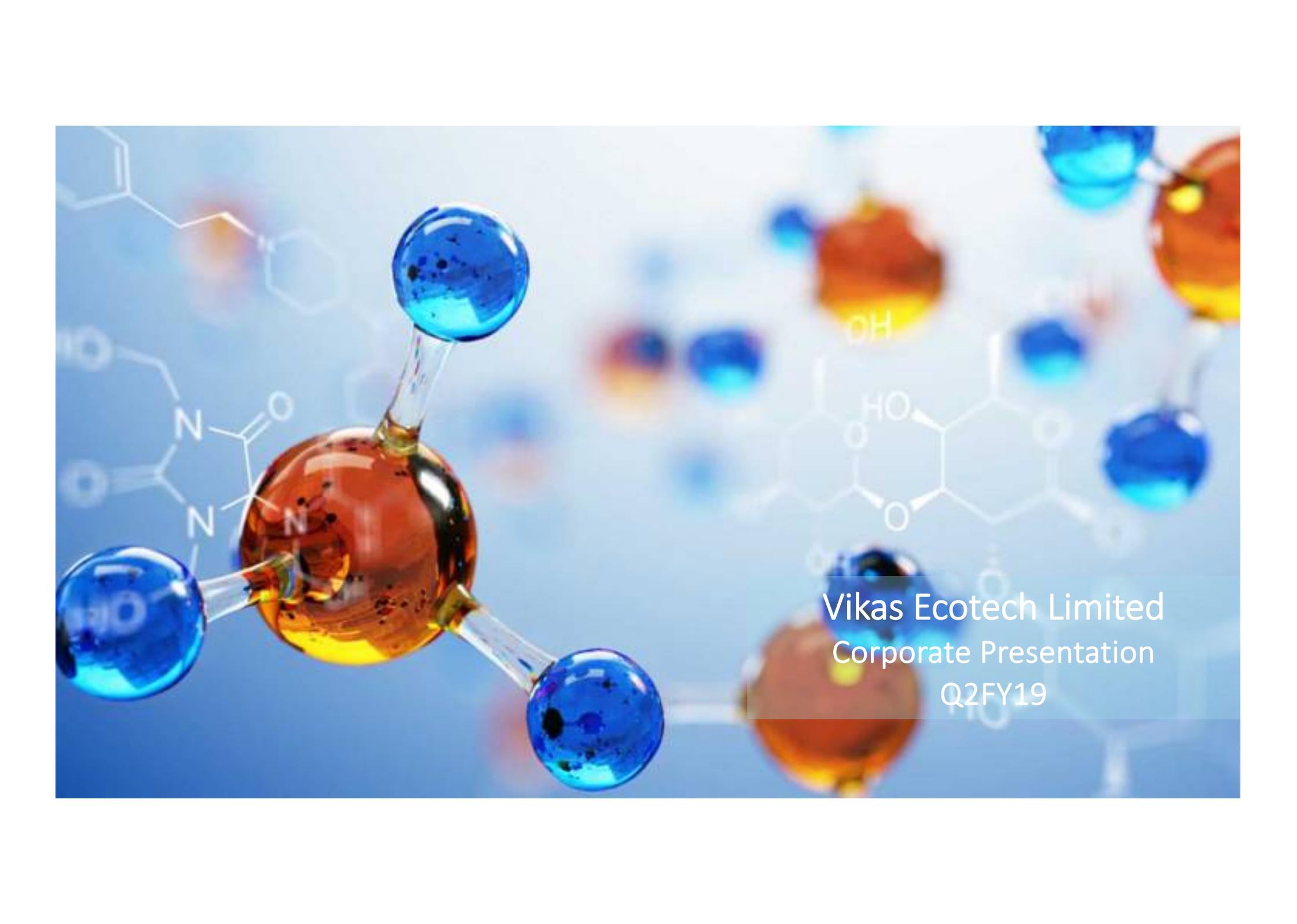
Kindly place it on record and update your website.

Thanking you

For Vikas EcoTech Limited
(Formerly Vikas GlobalOne Limited)

(Siddharth Agrawal)
Company Secretary & Compliance Officer





Vikas Ecotech Limited
Corporate Presentation
Q2FY19

Shareholder Value Creation through a De-Risked Business Model

New Product Development

- R&D team innovating several new compounds for testing & eventual introduction in the market
- Introduced new alternative to lead stabiliser, apart from Organotins: Calcium Zinc stabiliser

Vertical Integration

- Demerger approval by NCLT complete; Low margin entity 'Vikas Multicorp Ltd.' to be listed separately at exchanges

Geographical Expansion

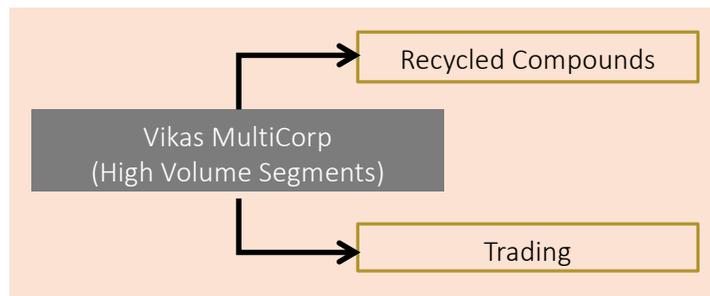
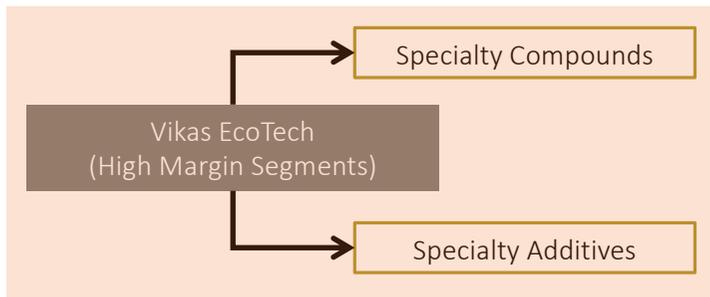
- Low availability of key raw material (2-EHTG) continues to hamper Organotin production
- New deals & agreements constituted to ensure stable environment going forward

Shareholder Value Creation

- Tapping newer clients in pvc pipes, footwear, automotive, pharma, etc. sectors with presence across India
- First sales to USA for Organotin stabilisers marked new exposure to largest international market



De-Merger to Significantly Unlock Value



KEY BENEFITS FROM DEMERGER

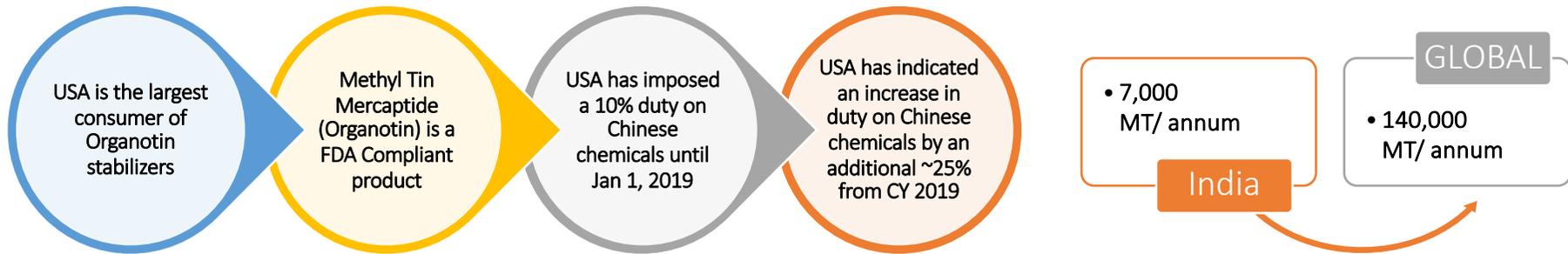
- Higher EBITDA margins for Vikas EcoTech from concentrated focus on specialty chemicals
- Lower revenue fluctuations in standalone business as trading segment gets separated
- Increased focus on R&D to create eco-friendly & technologically superior products
- Concentrated & individual business strategy and expansion plan for each entity
- Greater management control & higher transparency in every business



Backward Integration to ensure Scalable Organotin Production



Exploring Options to Increase US Sales



JV with Chinese Partner

- One of World's largest producer for Tin metal & Tin chemicals
- Among the Top 10 group enterprises prioritised by Provincial Govt.

As a result of increased US duties, the Chinese producers of Organotins are exploring supply possibilities from India. They are considering moving manufacturing operations overseas and are exploring strategic tie-ups for US market sales.

Talks ongoing for long-term agreement with Chinese partner for sale of Organotins to USA under a joint brand + technical support.



Other Strategic Updates

National Green Tribunal ruling on Lead in PVC pipes

- NGT has Instructed Ministry of Environment, Forests & Climate Changes (MoEF & CC) to finalise standards for usage of Lead in PVC pipes along with Bureau of Indian Standards (BIS) and implement a complete phase out of Lead in PVC pipes within a specified time-frame

Government Action

- In May 2018, the MoEF & CC proposed draft rules to regulate the use of lead stabilizers in the manufacture of PVC pipes and fittings.
- The guidelines have indicated timelines of 1-3 years for phasing out lead stabilizers in most of the PVC pipes.
- Proposed ruling is expected shortly from the ministry along with the new BIS standards laying down the guidelines for use of Lead stabilizers.

Fire Insurance Claim

- Insurance Surveyor has submitted the final report of company's claim to Oriental Insurance Co. Ltd. in November, 2018. Company expects the settlement of claim during the current Financial Year.



Q2FY19: Stable Performance Amid Supply Constraints

INR Mn	Q2 FY19	Q1 FY19	H1 FY19	FY18
Net Revenues	487	589	1,075	2,402
Expenses	367	462	829	1,838
EBITDA	120	127	246	564
<i>EBITDA Margin</i>	<i>24.6%</i>	<i>21.5%</i>	<i>22.9%</i>	<i>23.5%</i>
Depreciation	11	11	22	36
Finance Cost	20	29	49	108
PBT	88	87	175	420
<i>PBT Margin</i>	<i>18.2%</i>	<i>14.7%</i>	<i>16.3%</i>	<i>17.5%</i>
Tax Expense:	19	31	51	145
PAT	69	56	125	275
<i>PAT Margin</i>	<i>14.2%</i>	<i>9.5%</i>	<i>11.6%</i>	<i>11.4%</i>
Basic EPS	0.25	0.20	0.45	0.98

Demerged financial statements

Standalone Balance Sheet

ASSETS (INR Mn)	H1 FY19	FY18	EQUITY AND LIABILITIES (INR Mn)	H1 FY19	FY18
Non-current assets			Equity		
Property, plant and equipment	290	272	Equity share capital	280	280
Financial assets			Other equity	1,138	1,012
Loans	5	5			
Investments	-	48	Non-current liabilities		
Deferred tax assets (net)	18	18	Financial liabilities		
Other non-current assets	190	134	Borrowings	43	54
			Provisions	1	4
Current assets			Current liabilities		
Inventories	957	786	Financial liabilities		
Financial assets			Borrowings	1,220	1,335
Trade receivables	1,217	1,391	Trade payables	263	296
Cash and cash equivalents	3	33	Other financial liabilities	26	27
Other bank balances	131	56	Provisions	0	1
Other financial assets	3	1	Other current liabilities	43	37
Assets Held for Sale	-	33	Current tax liabilities (net)	184	134
Other current assets	386	400			
TOTAL	3,200	3,178	TOTAL	3,200	3,178

Demerged financial statements



For further information, please contact -

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