



VEL/IP/14/08/2018

14th August, 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: - Investor Presentation

Dear Sir

Please find attached herewith Investor Presentation 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 LTD.
(Formerly Vikas Globalone Ltd.)

Inspire Growth



**Innovative
Technology
for a Safer
World**

Investor Presentation
July 2018

BSE 530961 | **NSE** VIKASECO | ISIN: INE806A01020



Disclaimer

- The information contained herein has been prepared to assist prospective investors in making their own evaluation of Vikas EcoTech Limited (hereinafter ‘the company’) and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire.
- This Information may include certain statements and estimates provided by the company with respect to the projected future performance of the company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be actually achieved.
- Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the company.
- This presentation may contain statements that are “forward looking statements.” The company’s actual future results may differ materially from those suggested by such statements, depending on various factors for which the company and its management does not take any responsibility.



Vikas EcoTech – India's Only Producer of Organotin PVC Stabilizer

20%

3-year revenue CAGR

50%

3-year EBITDA CAGR

15%+

EBITDA MARGIN

15+ years

specialty chemicals & compounds experience

20+

Export Destinations



Speciality Additives

Organotins

Plasticizers

Flame Retardants



Speciality Compounds

Thermoplastic Rubbers

Thermoplastic Elastomers

PVC, EVA & Polypropylene



Recycled Materials

Polyvinyl Chloride (PVC)



Vikas EcoTech – Key Supplier to Varied Industries & Customers

Industries

Infrastructure & Agriculture

Packaging

FMCG, Footwear & Other Consumer Goods

Organic & Inorganic Chemicals

Pharmaceuticals

Automotive

Medical Devices & Components

Customers

Prince Pipes, Supreme Industries, Apar Industries

Liberty Shoes, Relaxo Footwear, Action Footwear

OEMs of Bata, Hush Puppies, Clarks, Apex (Bangladesh)

PVC Compounds - Apollo Pipes, Prakash Industries

Key Certifications

FDA Approved PVC Additive

Intertek Deutschland GmbH, Germany

FICCI Research & Analysis Center



Vikas EcoTech – Overview



Employees – 125+

Exports to over 20 countries

B2B Sales Growing by 20% CAGR



Headquarters – New Delhi, India

R&D based Selection & Manufacturing of Products

High-end Specialty Chemicals & Polymers



Inception – 1984

From Trading & Distribution

Petroleum & Petrochemical Products



Uniquely positioned with broad portfolio of products, market access and R&D expertise



Game-changing growth drivers in the Chemical Industry

- India – emerging as a global hub for chemical manufacturing
- Presently, India is a net importer of chemicals
- With the GST roll out, the organized chemicals industry is gaining immensely

Growth will accelerate

Emerging markets will outgrow developed markets

Innovation gaining importance

Chemical innovation to replace traditional materials

Need for innovative sustainable solutions

Competitive Landscape will change

Integrated, specialized chemical companies will be cornerstone

Emerging market players will grow quickly

Investment Thesis

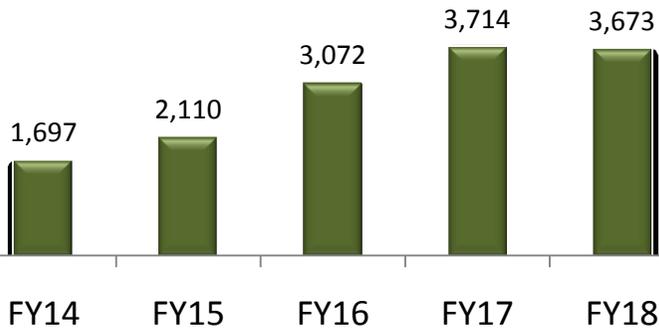
1. Fast-growing company with niche chemical products
2. R&D driven, environmentally safe products
3. Strong balance sheet
4. Well-stocked manufacturing facilities
5. Backward integration to improve margins



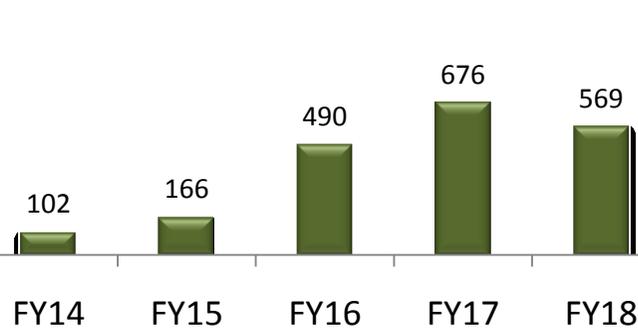
Vikas EcoTech's Growth Trajectory

All figures in INR Mn. except as stated

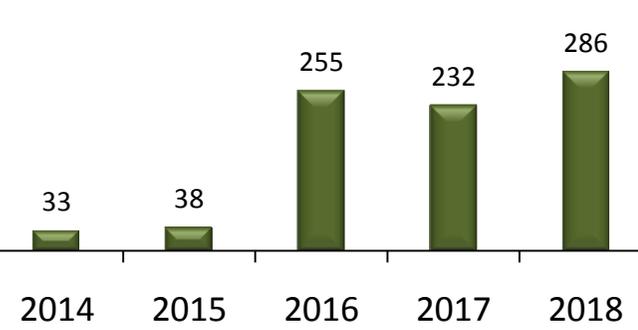
Revenue



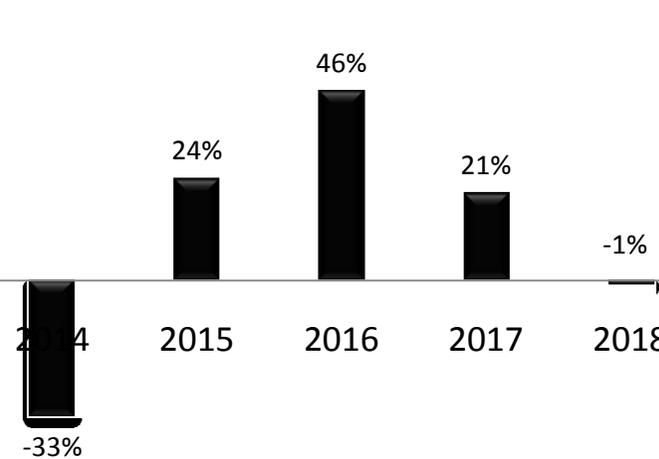
EBITDA



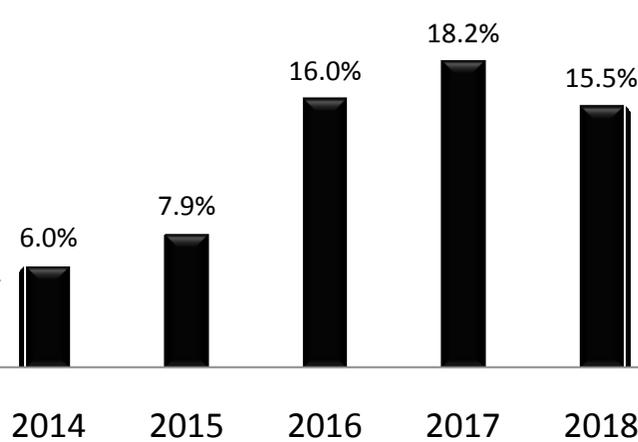
PAT



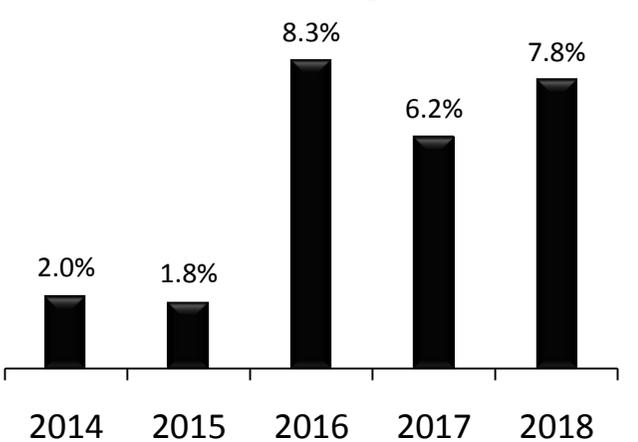
Revenue Growth



EBITDA margin



PAT margin



**FY18 financials disrupted due to 45 days of revenue loss

* FY 17 PAT includes abnormal loss on account of fire at plant (163 mn)

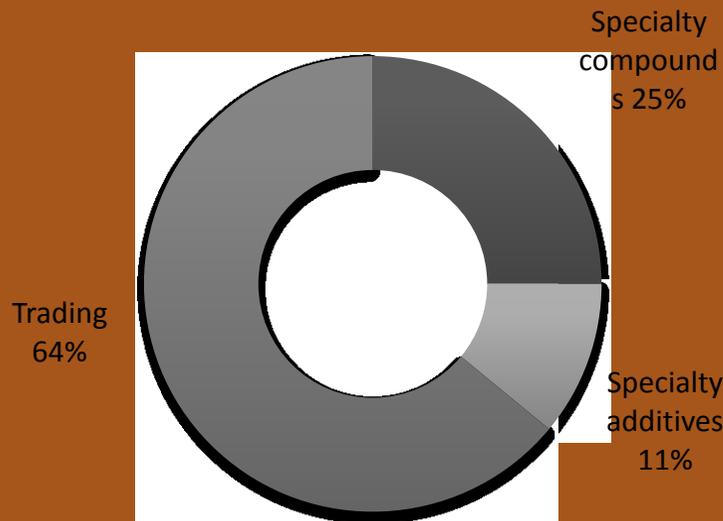


Successful Business Transformation

Trading Dominance

- Plastics, Polymers & Allied Products
- EBITDA margins of ~4% in FY13

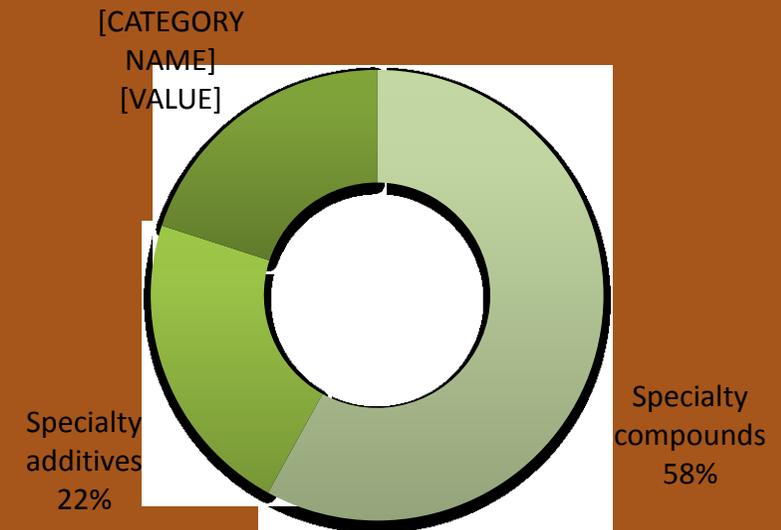
REVENUE MIX - FY13



Manufacturing Dominance

- Specialty Compounds & Additives
- EBITDA margins of 15%+ in FY18

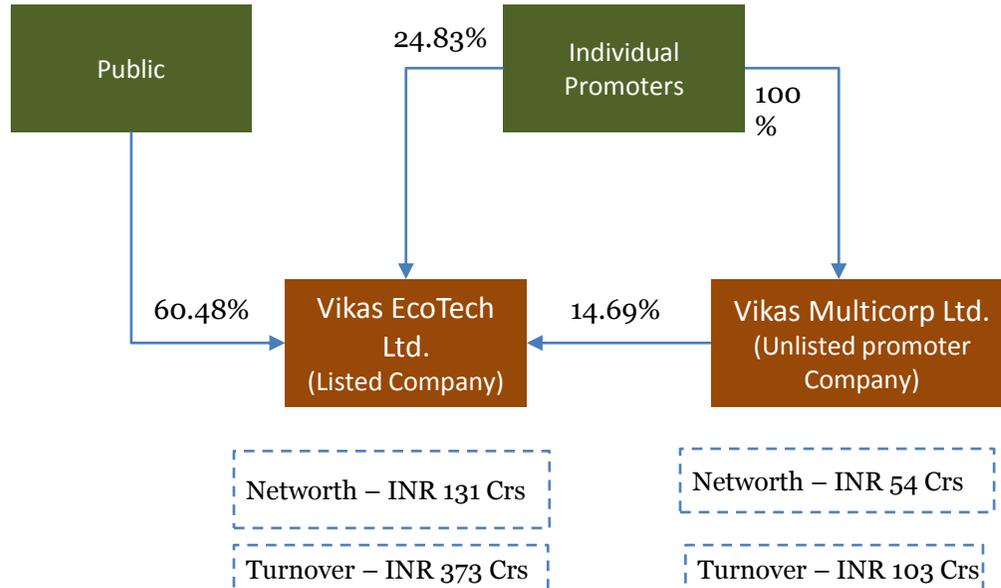
REVENUE MIX - FY18





Demerger – High Value and High Volume Business

Current Structure



In line with strategic vision and mission, VEL focus over the last two years has been on –

- 1. Offering eco-friendly and technologically superior products to the world*
- 2. Research and Production partnerships with premium Customers*
- 3. Specialty chemical manufacturing and R&D*
- 4. Entering new markets globally*

Over the life of the company, VEL has evolved two distinctive product category groups –

- 1. The High Value Group – Dealing in Specialty chemicals*
- 2. The High Volume Group – Dealing in Recycled compounds & Trading products*

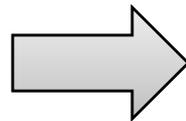


Demerging Low-Value Trading Segment

- Shareholders of Vikas EcoTech to receive shares of Vikas Multicorp in ratio 1:1
- NCLT's final hearing for scheme of arrangement is scheduled for September 6th, 2018. Demerger expected to be completed in FY19

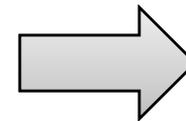
Consolidated Vikas EcoTech currently has following segments:

1. Specialty compounds
2. Specialty additives
3. Recycled compounds
4. Trading



To be demerged into 2 businesses:

Vikas EcoTech - High Value segments
&
Vikas Multicorp - High Volume segment

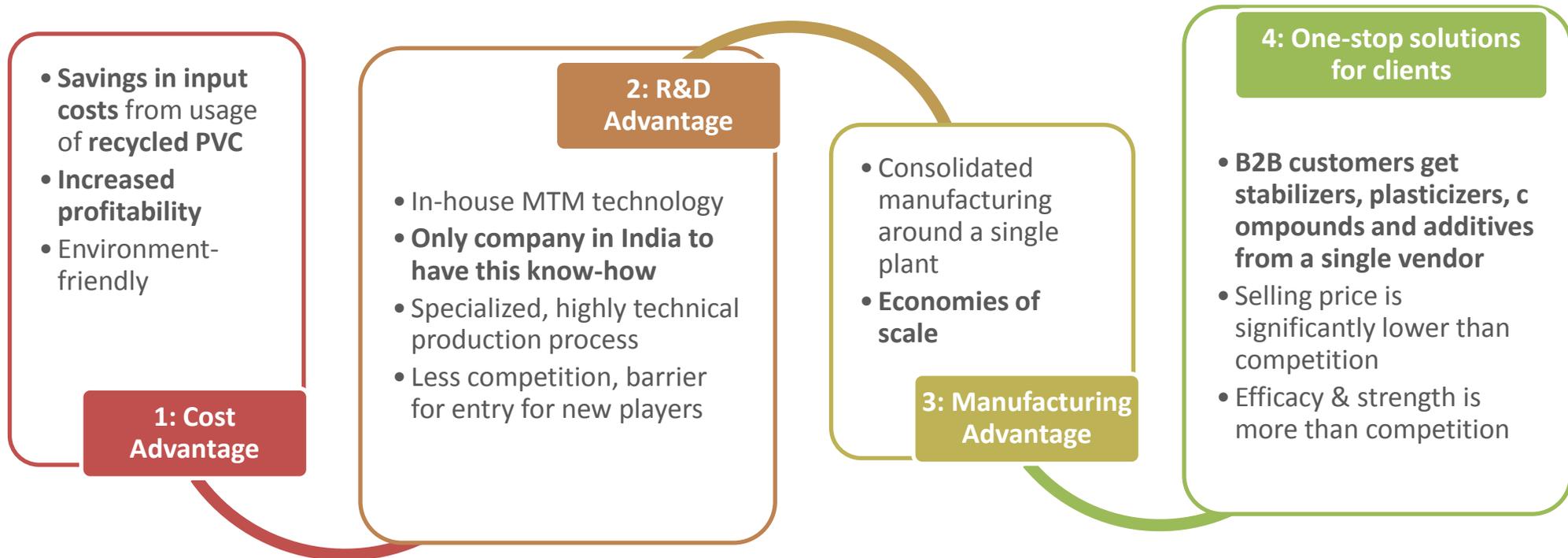


Separate listed firms:

- ✓ Vikas EcoTech - Specialty compounds & Specialty additives
- ✓ Vikas Multicorp – Recycled compounds & Trading segments



The Vikas EcoTech Strategic Advantage



FDA Certification

- **Environment-friendly operations** in plants & facilities
- Selecting **safe-use, futuristic & environment-friendly products**



R&D driven product composition

R&D - Our Backbone

- **Multi-dimensional R&D approach:** provide solutions to the most challenging problems faced by our customers while increasing their efficiencies.

Case Study:

The innovative use of thermoplastic elastomers (TPEs) instead of rubber or polyvinyl chloride (PVC) in car floor mats. Typically, PVC is dense and offers less grip. Replacing the material with TPE reduces the weight of floor mats in cars by 30%, enables better grip and contributes to the vehicular ecoefficiencies significantly

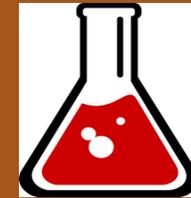


Environmental Stewardship

- **Science for Better Sustainability**
Our engineers and scientists have achieved significant milestones in creating high performance, low-value products from recycled raw materials.

Case Study:

Ready-to-use PVC pipe compound made by upcycling old PVC pipes. Formulation developed by our R&D team makes the upcycled PVC pipe compound equivalent in properties and strength to the one made from virgin materials. This has helped our customers in reducing their raw material costs without affecting the quality of their final products.



Innovative Products

- Our R&D team is constantly working to create innovative speciality chemicals for a greener, safer and amore efficient future.

Case Study:

Developing a One-Pack non-toxic product based on a combination of Organotin & CaZn stabilizers for the biggest application in India, 'PVC Pipes'. This combination is expected to be technically better then conventional Lead Based Stabilizers, currently being used in PVC pipes.



Strong balance sheet support

Balance Sheet

EQUITY & LIABILITIES	FY17	FY18	ASSETS	FY17	FY18
Share Capital	280	280	Tangible assets	275	283
Reserves and Surplus	1,050	1,318	Non Current Investments	0	48
Long term Borrowings	80	54	Long Term Loans and Advances	4	3
Long Term Provisions	2	4	Other Non-Current Assets	25	134
			Deferred Tax Assets	22	18
Short Term Borrowings	1,073	1,335	Inventories	566	876
Trade Payables	425	787	Trade Receivables	1,516	2,083
Other Current Liabilities	190	202	Cash and Bank Balances	267	89
Short Term Provisions	0	1	Other Current Assets	427	448
TOTAL	3,102	3,981	TOTAL	3,102	3,981

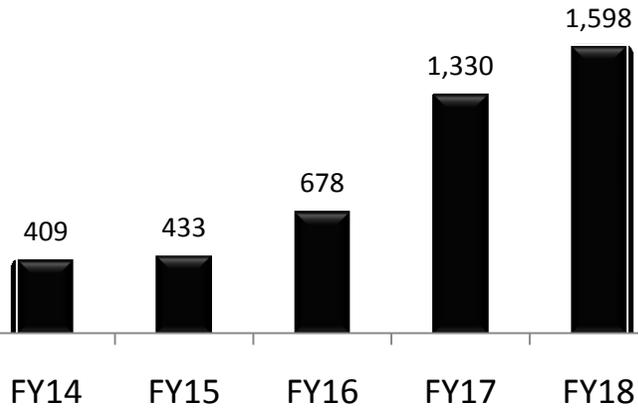
Strong Balance Sheet with Low Leverage



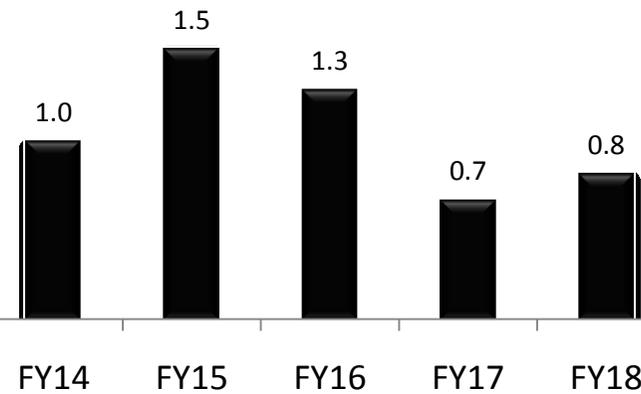
Balance Sheet Support

All figures in INR Mn except as stated

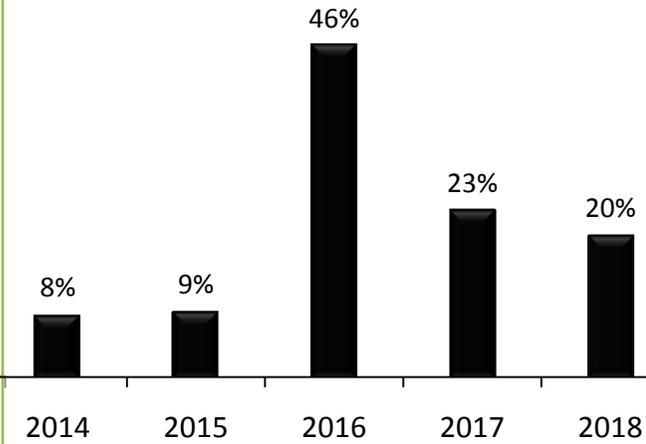
Net Worth



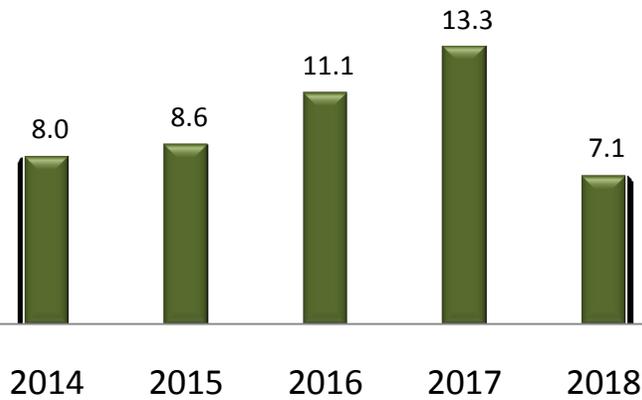
Net Debt/Equity (x)



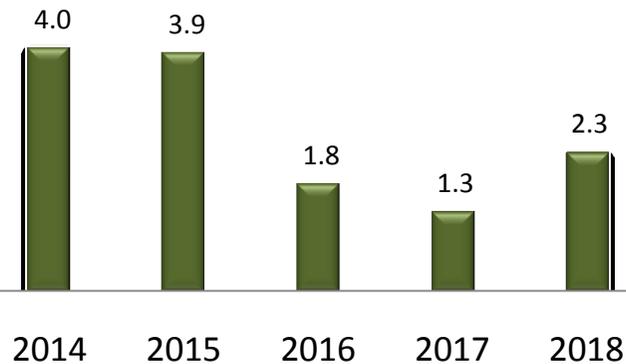
RoE



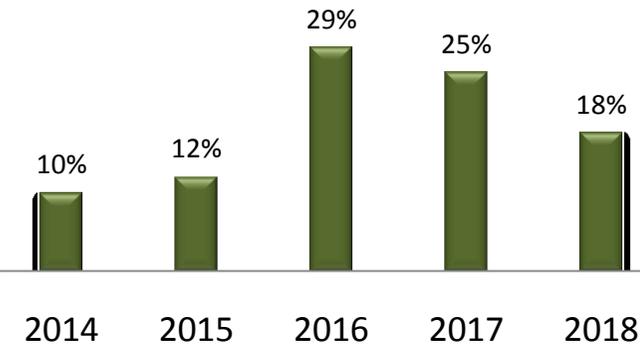
Asset turnover



Net debt to EBITDA



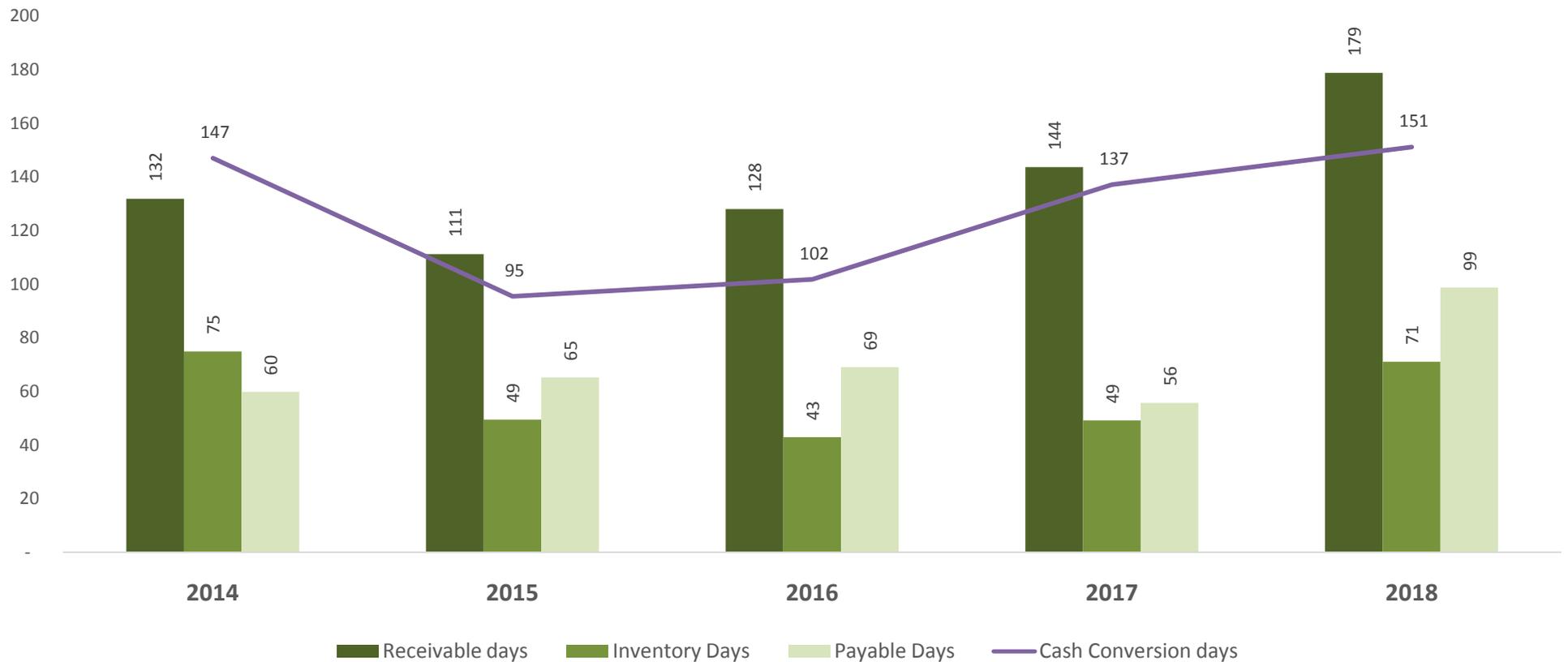
RoCE



**FY18 financials disrupted due to 45 days of revenue loss



Working Capital Cycle



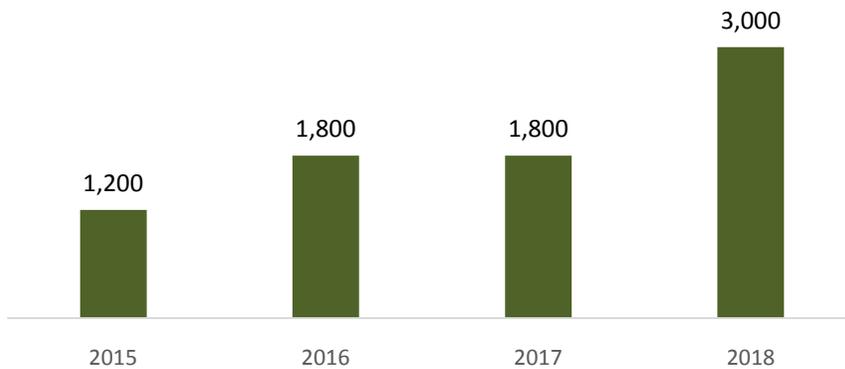
*FY18 disruption of production for 45 days led to WC increase, to reverse in FY19



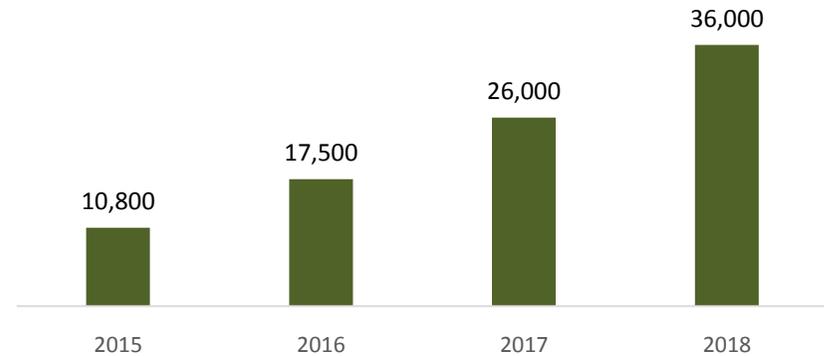
Well-stocked manufacturing facilities - Capacity Expansion

Figs. in Metric Tonnes p.a.

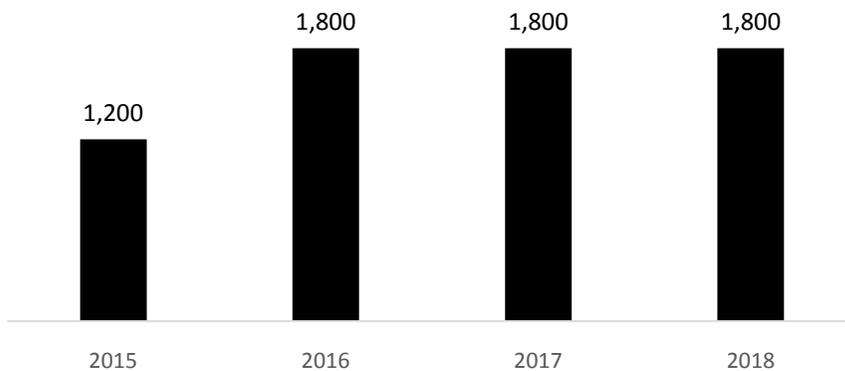
OrganoTin Stabilizers



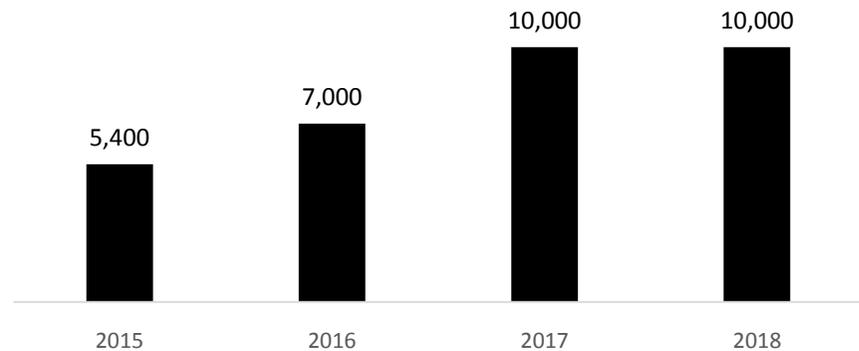
Polymer Rubber Compounds



Flame Retardants



Recycled Compounds





Manufacturing Edge

Key Facilities at Shahjahanpur (Rajasthan) and Noida SEZ (U.P.)

Purchased of new factory adjacent to present Shahjahanpur (Rajasthan) factory

New facility in immediate vicinity of Rajasthan's existing factory to further strengthen and increase operational & economical efficiencies

Additional facility commissioned at Noida SEZ and upcoming at Kandla SEZ to cater for export markets

A new advanced Manufacturing and Innovation Centre at Dahej for Organotins, 2-EHTG & Specialty Compounds



Dahej and Kandla units in Gujarat to supplement Export potential & new markets in Western and Southern states



Backward Integration

Opportunity

- Company is setting up a 2-Ethylhexyl Thioglycolate (2-EHTG) manufacturing plant at Dahej, Gujarat
- 2-EHTG is key raw material for Organotin; Vikas Ecotech is India's sole Organotin producer

Reason for Backward Integration

- Closure of manufacturing units in China due to non-compliance to new environmental norms, the supply of 2-EHTG is constrained

About The Plant

- Exclusive captive facility which is one-of-its-kind in India
- Plant will have a production capacity of 3,600 MT p.a. with ~70% captive use

Investment & Use

- Project to be set up at a cost of INR 350 million & will be completed over 12 months
- Company's captive requirement will be ~2,400 MT per annum; surplus will be sold in open market

Financial Benefit

- At full potential, product will generate revenues of ~INR 700 million



FY19: Strategic Priorities & Guidance

FY19 GROWTH FORECAST

- Production levels normalized in Q1 FY19, post temporary disruption in Q4 FY18
- Company to continue to grow in tandem with earlier revenue trajectory.
- Full year revenue boost expected from:
 - Innovation,
 - New products,
 - Better customer focus,
 - USA sales to aid revenues.

FY19 STRATEGIC FOCUS

- Detailed marketing strategy to capture meaningful market share in US market
- Ramp up production at Shahjahanpur & Noida SEZ facilities for catering to growing demand
- Complete demerger process for value unlocking for existing shareholders
- Shareholders of VEL to receive shares of demerged company Vikas Multicorp in ratio 1:1
- NCLT's final hearing for scheme of demerger of Vikas Ecoftech Limited from Vikas Multicorp Limited
- Commissioning of new manufacturing units at Kandla and Dahej



Promoter-Directors

Vikas Garg | Promoter & Managing Director

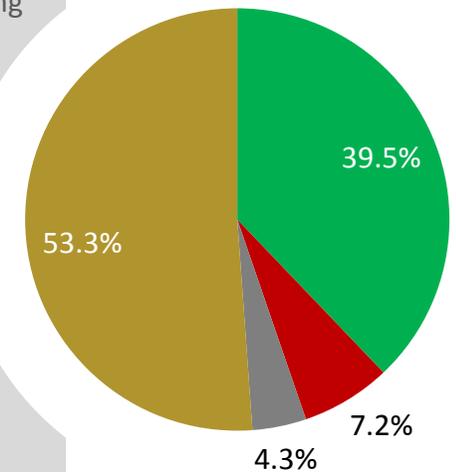


- More than **18 years of experience** in the line of polymer compounds and chemicals
- Spearheaded the group's diversification into polymer compounds and chemicals
- Instrumental in company's strategic shift from Trading & Distribution to Manufacturing
- Provides strategic direction and guidance to all the activities of the company

Vivek Garg | Promoter & Whole-time Director



- **16 years of rich experience** with an in-depth knowledge of the business
- Supervises the operations of the company pertaining to the Real Estate, Logistics, Administration and Purchase Segments
- Commerce Graduate from Delhi University



*Chairman - Prince Pipes Group



Key Management Team

- Mr. Ashutosh Verma – Director, CEO & Head R&D
- Mr. Amit Dhuria – Chief Financial Officer
- Mr. Sunil Dhameja – Sr. VP - Business Development
- Mr. Satish Kumar Gupta - VP - Plant Operations & Admin
- Mr. Rakesh Trikha - Head Impex Department
- Mr. Rajiv Malhotra - GM - Procurement & Admin
- Mr. Raj Kamal Khurana – GM - Technical Support & International Sales
- Mr. Siddharth Agarwal – Company Secretary



Corporate Governance

Mr. Ghyanendra Nath Bajpai

Chairman - Advisory Board



- Mr. Ghyanendra Nath Bajpai, a distinguished leader in Indian business, was the **Chairman of the Securities and Exchange Board of India (SEBI)**. Earlier Mr. Bajpai was Chairman of the **Life Insurance Corporation of India (LIC)**.

- Mr. Bajpai is known for his visionary leadership, exemplary integrity coupled with valuable boardroom experience and strategic advice.
- Mr. Bajpai holds a Master's Degree in Commerce from the University of Agra and a Degree in Law (LL B) from the University of Indore. Mr. Bajpai is an avid golfer.

Mr. Sunil Alagh

Vice Chairman - Advisory Board



- Mr. Sunil Alagh, Founder and Chairman of SKA Advisors.
- An alumnus of Indian Institute of Management Calcutta, he was earlier MD and CEO of Britannia Industries.

- 40 years of practical knowledge in building successful brands like Britannia Tiger.
- Mr. Alagh adds wealth of rich experience in marketing and brand building strategies.



Speciality Products: Organotin - Huge Upcoming Opportunity

- Organotins are a US FDA approved eco- friendly heat stabilizer for PVC; a substitute for health hazardous lead-based and other toxic metal stabilizers

- Across the progressive nations of USA, Europe and Asia, use of lead-based stabilizers in PVC pipe manufacturing was voluntarily ceased or banned over last 3 decades

- Indian manufacturers who are looking at exports or supplying to MNC clients have to adhere to lead-free stabilizer norms of EU, America and other progressive nations

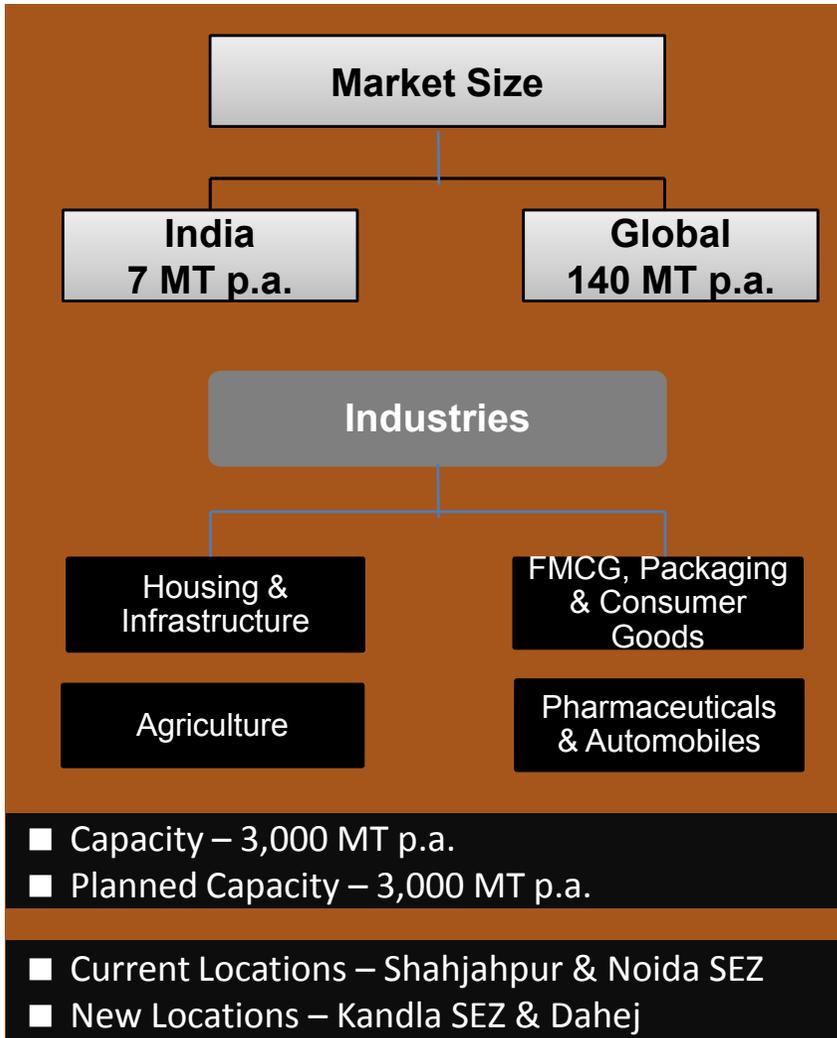
Advantages of Organotin stabilizers

- Strongest available heat stabilizer for PVC
- Non-toxic, safe and eco-friendly
- Only stabilizer used in CPVC pipes and transparent pvc films
- Sanctioned by most international legislations for potable water pipes and fittings
- Extensive global approvals for potable water and food contact applications

- USA: Banned use of lead stabilizers since 1986
- UK: Permission to use lead stabilisers in pvc pipes expired in 2003
- EU: Completely phased out lead stabilizers
- China: Banned use of lead stabilizers in potable water pipes in 2006
- All other developed & developing countries in process of banning the use of lead and other toxic metal based stabilizers in PVC pipes



Organotin - Well Positioned to Capitalise the Opportunity



- Only manufacturer of Organotins in India with in-house R&D
- Only 7 other producers globally
- Significant Regulatory Approvals in place
- Manufacturing process: begins with Tin metal to final liquid product i.e. Organo-Tin stabilizer
- Sent first shipment to the US market in Q4 FY18; working on detailed marketing strategy to capture meaningful market share in USA
- In India, National Green Tribunal (NGT) has passed a judgement to ban the use of lead in PVC pipes



Push to Global Exports – USA market

USA is the largest consumer of Organotin stabilizers

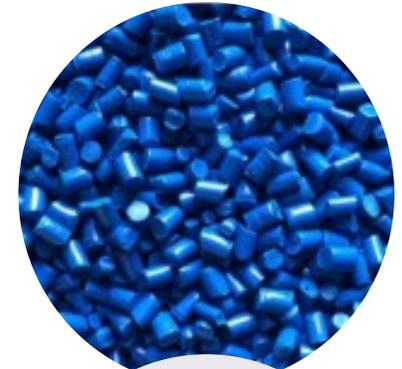
Methyl Tin Mercaptide (Organotin) is a FDA Compliant product

Vikas EcoTech is in the process of ramping up Organotin capacity

Entry into USA market for Vikas EcoTech's range of Organotins stabilisers

Opening up new avenues with huge potential

Increased acceptance as a global player with focus on US market





Q1FY19 Update



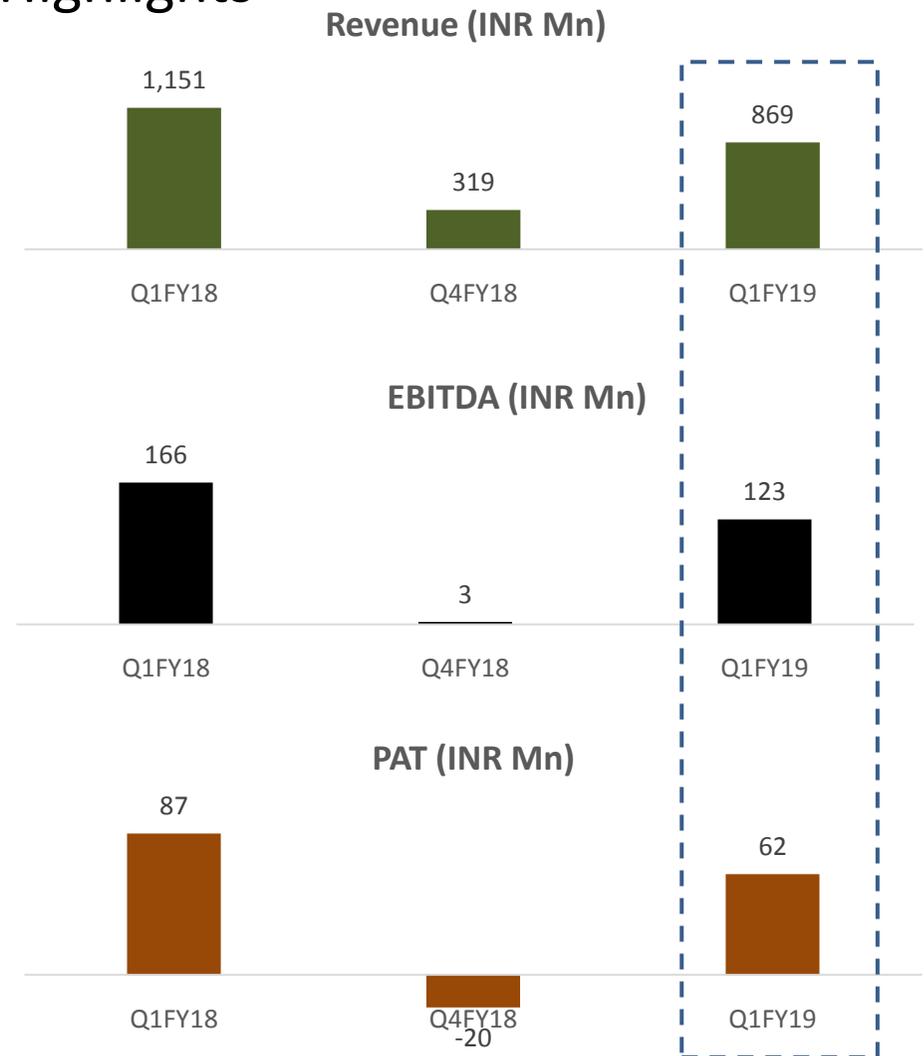
Q1FY19 Highlights

Operational & Financial Highlights

- Revenues increased by over 160% on a sequential basis
- EBITDA improved by over 440% QoQ with strong margins of 15%+
- Company posted bottomline profits as compared to a loss last quarter

Strategic Update

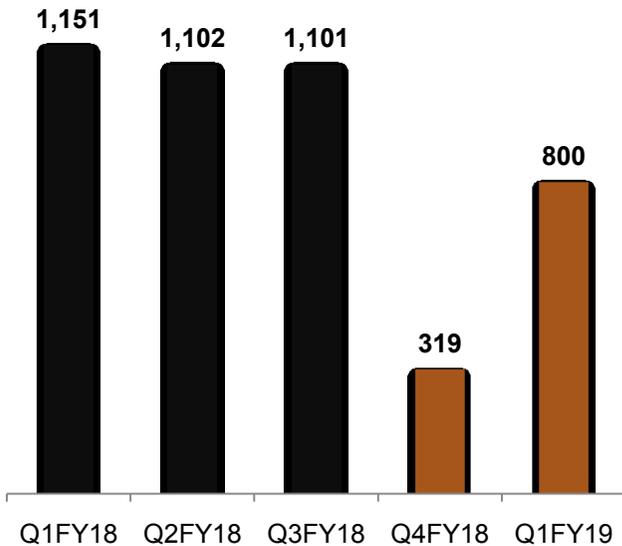
- Backward Integration: The company announced setting up of a manufacturing plant for its key raw material 2-EHTG at Dahej, Gujarat
- Facility to have production capacity of 3,600 MT per annum with near 80% captive use



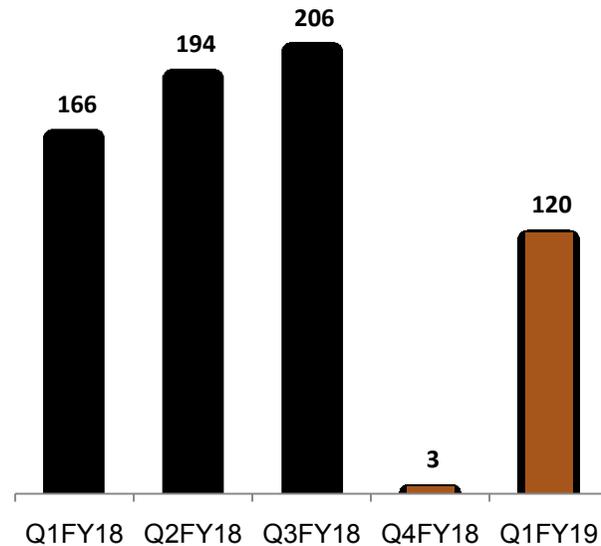


Q1FY19 – Key performance Indicators

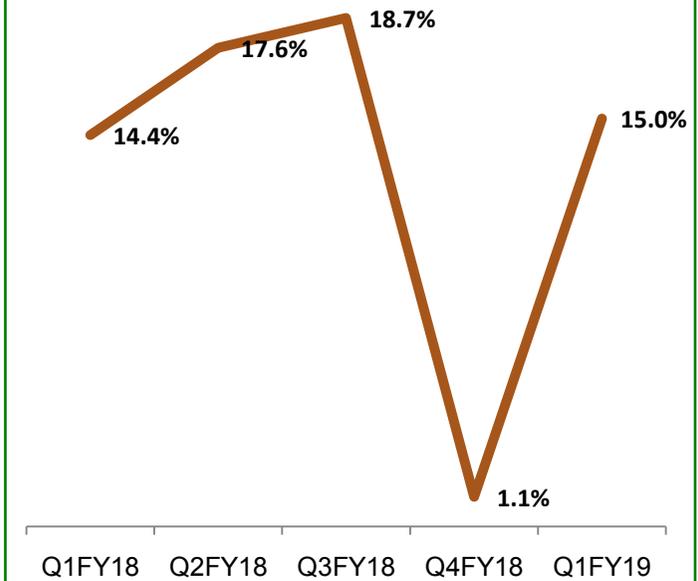
REVENUE (INR MN)



EBITDA (INR MN)



EBITDA Margin



After major production disruptions in Q4FY18, company on track towards achieving and subsequently surpassing previous growth trajectory



Q1FY19 Financials At a Glance

Income Statement	Jun-18	Mar-18	Jun-17	YoY(%)	QoQ(%)
Revenue	869	319	1,151	-24%	172%
COGS	699	271	953	-27%	158%
Gross Profit	170	48	198		
<i>Gross Margin</i>	<i>19.6%</i>	<i>15.1%</i>	<i>17.2%</i>		
Employee Benefits Expense	13	10	11	18%	33%
Other Expenses	34	35	21	64%	-1%
EBITDA	123	3	166		
<i>EBITDA Margin</i>	<i>14.1%</i>	<i>1.1%</i>	<i>14.4%</i>		
Depreciation	11	10	8	39%	12%
Finance Cost	35	48	32	9%	-27%
Total Expenses	792	373	1,024	-23%	112%
Other Income	17	22	4	292%	-22%
PBT	94	-32	131	-28%	511%
<i>PBT Margin</i>	<i>10.9%</i>	<i>-10.0%</i>	<i>11.4%</i>		
Tax Expense:	33	-12	44	-26%	473%
<i>Tax Rate</i>	<i>34.6%</i>	<i>37.3%</i>	<i>33.8%</i>		
PAT	62	-20	87	-29%	534%
<i>PAT Margin</i>	<i>7.1%</i>	<i>-6.3%</i>	<i>7.5%</i>		

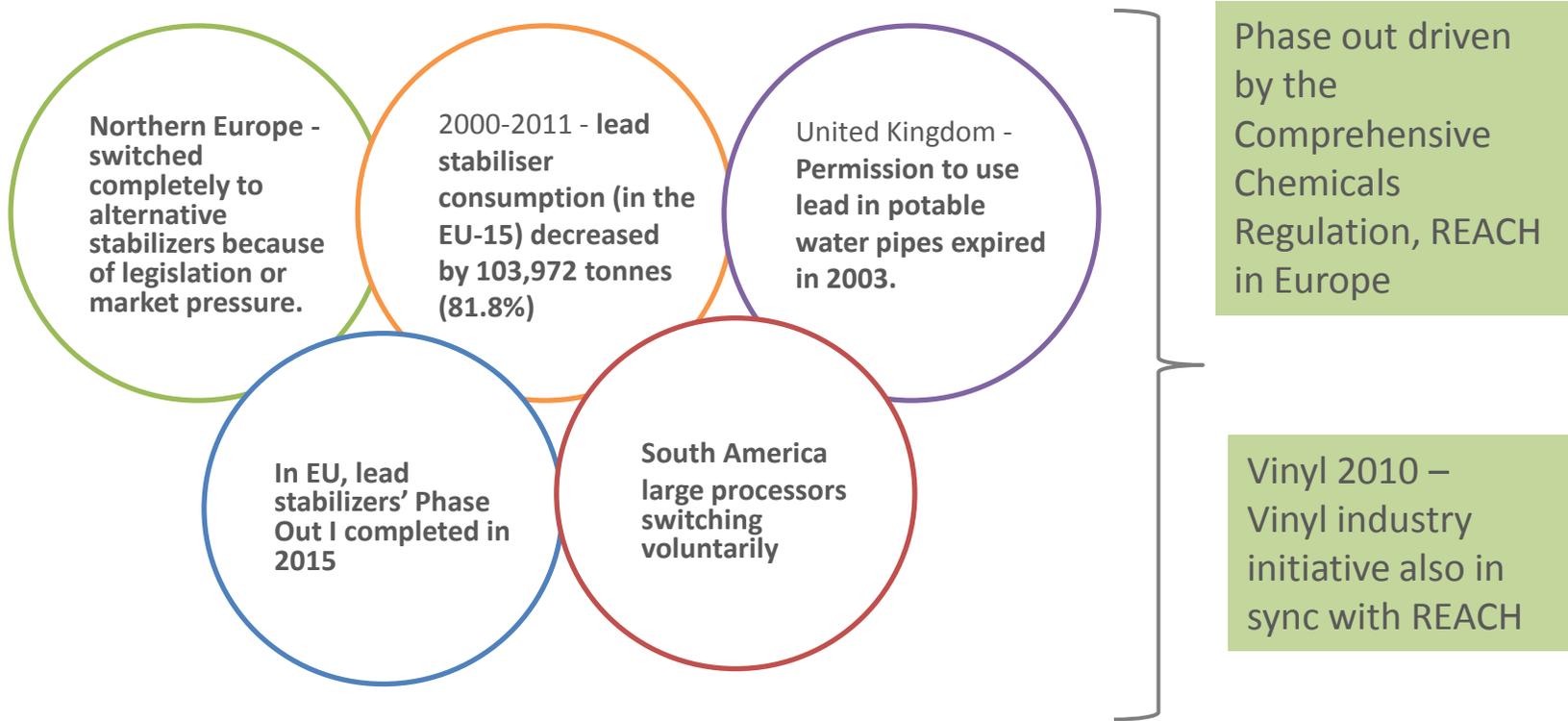


Appendix



Global phase out of Lead-based Stabilizers

A huge opportunity - PVC Stabilizer **Market: 3.8 billion USD** by 2020
 Asia-Pacific: Largest market registering 57.1% share in 2014





Lead in Drinking Water due to PVC Pipes

Investigations by the 'Quality Council of India'



33% of over **370** samples of water from the top **26 cities** of India tested positive for harmful content of lead.

2% of the samples failed to meet even the lenient Indian norms of **50 ppb**.

Out of these, **31%** of samples failed to adhere to the WHO standards of a lead content of less than **10 parts per billion (ppb)**

ALARMING	HIGH	MEDIUM	LOW
Kolkata	Delhi	Chennai	Bangalore
Kochi	Coimbatore	Ludhiana	Ahmedabad
Mumbai	Madurai	Surat	Hyderabad
Pune	Bhubaneswar	Ghaziabad	Indore
Nagpur		Jamshedpur	Bhopal
Guwahati			Chandigarh
			Lucknow
			Mangalore
			Mysore



Contamination due to PVC Pipes



Lead Contamination due to PVC pipes is one of the **major contributing factors of groundwater pollution in India.**



High content of lead found in ground water (bore well / well water), where as high as 41 % **samples were unfit for drinking.**



Over 15% of Municipal Water had a high content of lead.

Municipal Water With High Levels of Lead

ALARMING	ALARMING
Kolkata	100%
Kochi	60%
Ludhiana	50%
Bhubaneshwar	20%
Madurai	20%
Chennai	20%
Guwahati	20%



Toxic PVC Pipe vs. Safe PVC Pipe

Standard formulation of a PVC pipe

Toxic & Poor Quality PVC Pipe

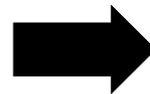
Non-Toxic & Good Quality PVC Pipe

	Composition		Composition
PVC Resin	100 Phr.	PVC Resin	100 Phr.
Calcium Carbonate	5 ~ 45 Phr.	Calcium Carbonate	5 ~ 45 Phr.
Misc. Additives & Chemicals		Misc. Additives & Chemicals	

Lead, Barium Cadmium, Barium Zinc, Potassium Zinc, Antimony based stabilizers more than 2.4 ~ 3.2 Phr.

Organotin stabilisers without Lead 0.8 ~ 1.2 Phr.

Lead
(Pb)



Tin
(Sn)



India – Awareness & Regulations



Impact of the Nestle Controversy → Increased Awareness about Lead Poisoning

India

Currently no legislative mandate to phase-out Lead-based heat stabilizers (~80% market share) in India

NGT wide an order passed on 25th May, 2017 has directed the **Ministry of Environment and Forests** to lay down standards for presence of Lead in PVC pipes within the next **4 months** and **draw up a programme for phasing out Lead as a stabiliser in PVC pipes**



National Green Tribunal

Progressive companies voluntarily opting for Lead free replacements



Supplying to a Diverse Range of Industries & Customers

FOOTWEAR



AUTOMOTIVE COMPONENTS



OEM supplier of Maruti Suzuki Ltd.

Avlight Automotive Ltd.

OEM supplier of Yamaha Motors

Pioneer Tooling Services Pvt Ltd

OEM supplier of Maruti and Ford India Ltd.

ELECTRICALS



PLASTIC POLYMER (PVC)





Supplying to a Diverse Range of Industries & Customers

HYGIENE & HEALTHCARE



CHEMICAL COMPANIES



STATIONERY



TEXTILES



SBM YARN DYEING





End Users – Premium Footwear brands

Omega Polymicrons



ZARA



Royal Polymers



ALDO



Suolificio Linea Italia



Bata

GEOX

Clarks

Hush Puppies

Euro Shoes



Indcoat Footwear



Bata



Alvin Leather Craft

Colorado

Unisal India

Clarks

GEOX

Wrangler



Capstan Rubber

MISS SIXTY

Capri



DSM Soles



Apex Footwear Limited

Multiple European Brands

F.B. Footwear





Ratings & Certifications



Export House Certificate

TWO STAR EXPORT HOUSE status holder from Directorate General of Foreign Trade, Ministry of Commerce & Industry, Government of India



Crisil Rating

Crisil Ratings, India assigned CRISIL BBB for Long Term Borrowings and CRISIL A3+ for Short Term Borrowings with stable outlook

The ratings indicate company's comfortable financial risk profile



FICCI Research & Analysis Centre (FRAC) has certified Vikas EcoTech's product, **Tinmate (Organotin PVC Stabilizer)**

as

Food grade and Food Contact Safe product



Intertek Deutschland GmbH, Germany certification for **Tinamate 201 LS, Organotin Stabilizer** for use as an additive in the production of food contact plastic materials as per EU Food contact regulations Framework Legislation and EU Regulation 10/2011





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