

The

VIKAS ecOTECH LTD.

Annual Report 2016-2017

Catalysts

Vikas Journal of Specialty Chemicals

06

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Highlights**

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Director's
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**Management
Discussion &
Analysis**

**Specialty
Chemicals**

Green Chemistry for a
Healthier Future.

Forward-looking statement

This Annual Report contains certain forward-looking statements with respect to the financial condition, results of operations and business of Vikas Ecotech Ltd. (VEL) and certain of the plans and objectives of VEL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our business. Forward-looking statements can be identified generally as those containing words such as “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “should”, “will”, “will likely result”, “forecast”, “outlook”, “projects”, “may” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include, but are not limited to, domestic & global economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where VEL operates, industry consolidation and competition. As a result, VEL’s actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements.

Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made and are based upon the knowledge of and information available to the Directors on the date of the 2017 Annual Report.

The information in this report does not constitute an offer to sell or an invitation to buy shares in the company or an invitation or inducement to engage in any other investment activities. Past performance cannot be relied upon as a guide to future performance.

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Management Discussion & Analysis

Global Trends in the Specialty Chemicals Industry

The global specialty chemicals market was valued at over USD 1.16 trillion in 2016. Experts forecast it to increase globally at a compounded annual growth rate (CAGR) of 4% by 2024.

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Specialty Additives

Our Solutions Reinforce & Enhance Performance

Our specialty additives segment encompasses intensive research & development capabilities supported by world-class technology.

Vikas Ecotech at a glance

Our Footprint



20 countries

4 continents



Our Performance

Sales Growth at CAGR of
32% over last 3 years

EBIDTA Growth at CAGR of
83% over last 3 years

Our Strengths



Research &
Development

Customer-centric
Innovation

Technology
Leadership

Manufacturing
Excellence

As India's leading
high-end **specialty
chemicals** player



We focus on **eco-friendly chemicals, performance enhancing additives**, new age polymer compounds and import replacement products

Used in the manufacture of
high-performance, environment-friendly
and **high value** end-products.



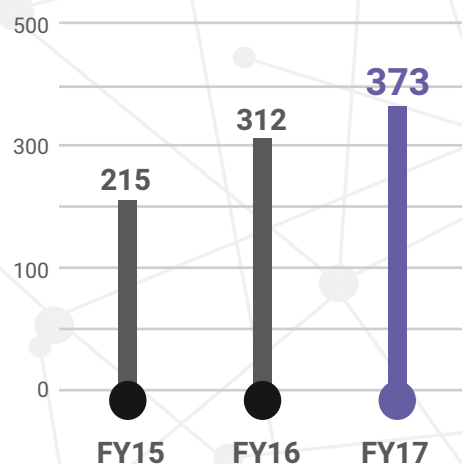
Our **technologically innovative** workforce creates value for our customers by offering products with the **right attributes** at the **right price** at the **right time**.

Financial performance

Revenues

INR ₹ 373 crore

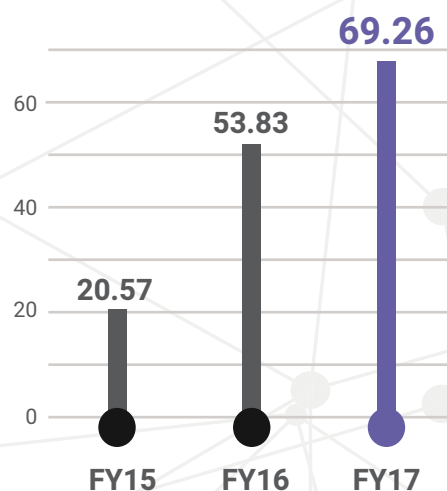
in ₹ crore



EBIDTA

INR ₹ 69.26 crore

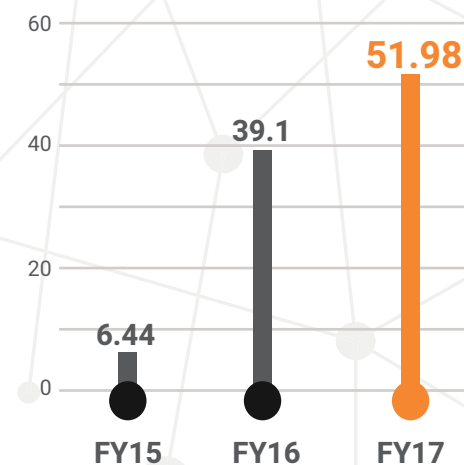
in ₹ crore



Profit Before Tax*

INR ₹ 51.98 crore

in ₹ crore

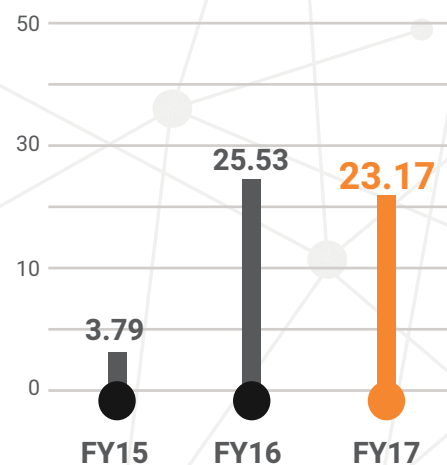


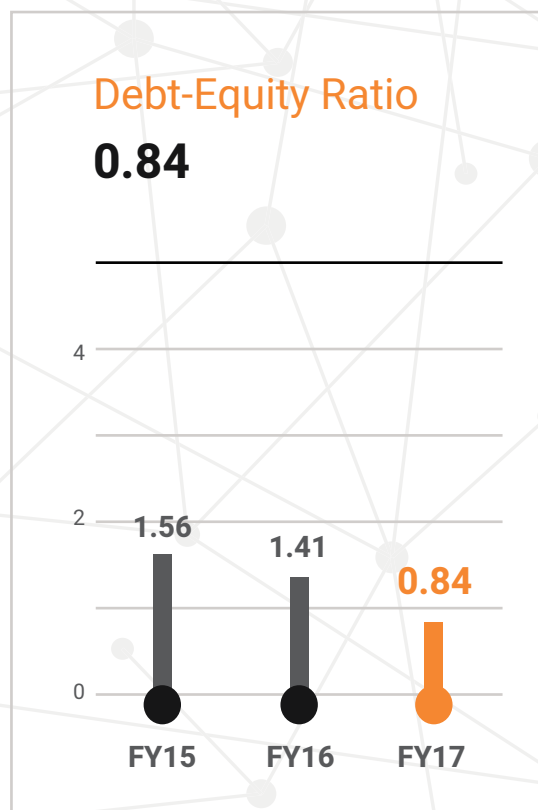
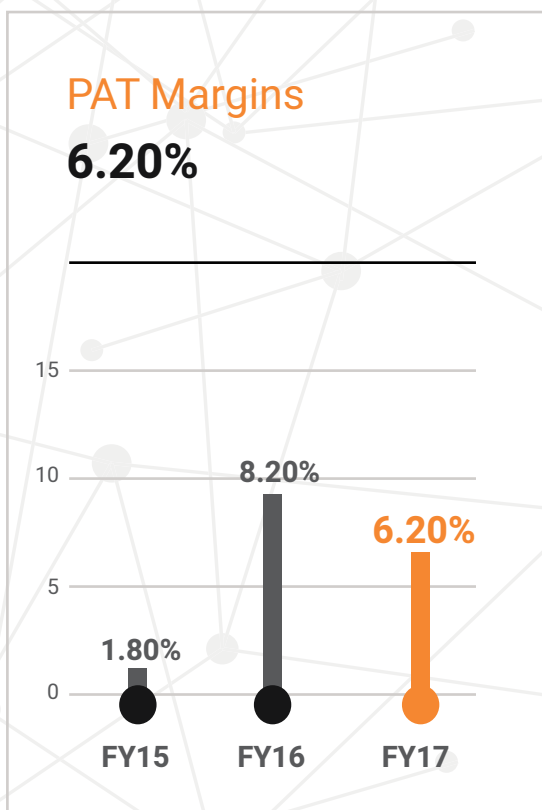
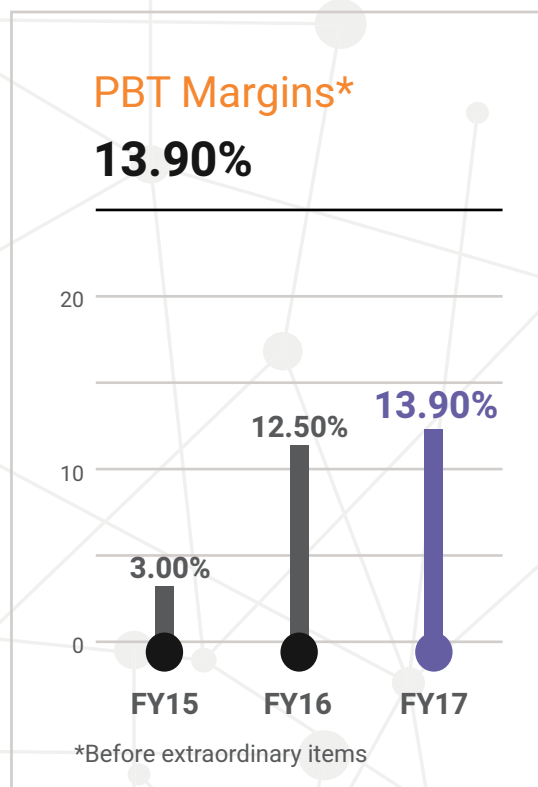
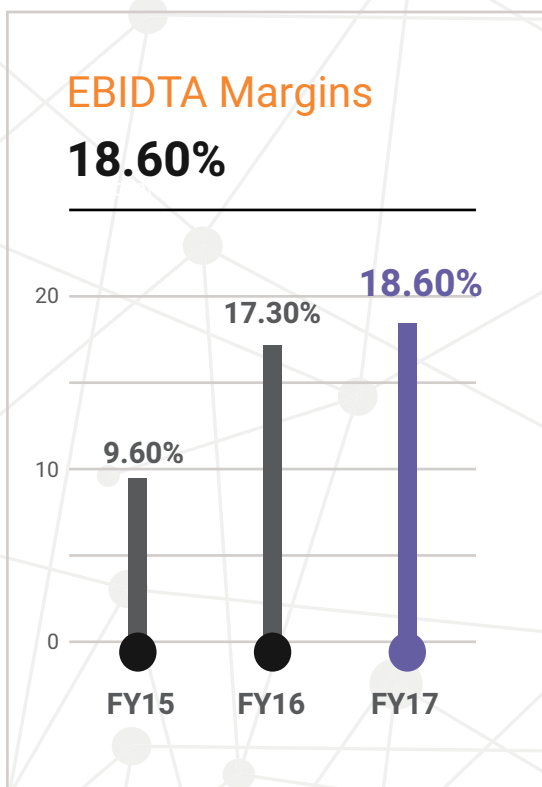
*Before extraordinary items

Profit After Tax

INR ₹ 23.17 crore

in ₹ crore





Company Information

KEY MANAGERIAL PERSONNEL

Mr. Vikas Garg | **Managing Director**

Mr. Vivek Garg | **Whole-time Director**

Mr. Ashutosh Kumar Verma | **CEO & Whole-time Director**

Mr. Devender Kumar Garg | **Whole-time Director (Finance)**

Mr. Sumit Garg | **Chief Financial Officer**

Mr. Siddharth Agrawal | **Company Secretary**

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Sumer Chand Tayal

Mr. Manoj Singhal

Mr. Kapil Gupta

Mrs. Vibha Mahajan

STATUTORY AUDITORS

M/s KSMC & Associates
G-5, Vikas Apartments, 34/1,
East Punjabi Bagh,
New Delhi - 110026.

REGISTERED OFFICE

Vikas Apartments, 34/1,
East Punjabi Bagh,
New Delhi - 110026.
Website: www.vikasecotech.com

COST AUDITORS

M/s JSN & Co.
E-47A, Qutub Vihar, Phase-1,
New Delhi - 110071.

INTERNAL AUDITORS

M/s. Grant Thornton India LLP,
21st Floor, DLF Square, Jacaranda
Marg,
DLF Phase II, Gurgaon - 122002.

SECRETARIAL AUDITORS

M/s AAA & Associates
105, C-2/4 Pragati Market,
Ashok Vihar Phase II,
New Delhi - 110052.

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited
4E/2, Alankit House,
Jhandewalan Extension, Delhi - 110055.

MANUFACTURING PLANTS JAMMU & KASHMIR

Industrial Growth Centre,
Phase-I, SIDCO Complex
Dist. Samba,
Jammu & Kashmir - 184121.

RAJASTHAN

G-24-30, and F-7 & F- 8, Vigyan Nagar,
RIICO Industrial Area, Shahjahanpur,
Dist., Alwar - 301706, Rajasthan.

NOIDA SEZ

SDF J-06, Noida Phase-II, Noida Specific
Economic Zone, SEZ, Noida,
Dist. Gautam Budh Nagar.

BOARD COMMITTEES & THEIR COMPOSITION

AUDIT COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**
Mr. Manoj Singhal | **Member**
Mrs. Vibha Mahajan | **Member**

EXECUTIVE COMMITTEE

Mr. Vikas Garg | **Chairman**
Mr. Vivek Garg | **Member**
Mr. Ashutosh Kumar Verma | **Member**

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**
Mr. Vivek Garg | **Member**
Mr. Vikas Garg | **Member**

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sumer Chand Tayal | **Chairman**
Mrs. Vibha Mahajan | **Member**
Mr. Manoj Singhal | **Member**

EQUITY WARRANT COMMITTEE

Mr. Manoj Singhal | **Chairman**
Mr. Sumer Chand Tayal | **Member**
Mr. Kapil Gupta | **Member**

COMPENSATION COMMITTEE

Mr. Manoj Singhal | **Chairman**
Mr. Sumer Chand Tayal | **Member**
Mr. Vikas Garg | **Member**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Kapil Gupta | **Chairman**
Mr. Sumer Chand Tayal | **Member**
Mr. Vikas Garg | **Member**

Key events during the year

New Customers



Mexichem

Mexichem SAB de CV, Mexico



Supreme
People who know plastics best

Supreme Industries Limited, India



BÄRLOCHER

Baerlocher Italia Spa, Italy

New Expansions

Capacity expansion of Rajasthan unit

ORGANOTIN STABILIZERS **1,200 MT** per annum

SPECIALTY COMPOUNDS **8,500 MT** per annum

Commissioning of new export-oriented unit at Noida SEZ, National Capital Region

Construction commenced for new plants at Kandla and Dahej, Gujarat to augment exports and explore new domestic markets

New Recognitions

Quality certifications that recognize our Organotin stabilizer, Tinmate, as safe for use in food-grade applications

- Intertek Deutschland GmbH, Germany
- FICCI Research & Analysis Center (FRAC), India

Upgradation of company ratings indicating improved fundamentals

- Brickworks ratings – from BBB- to BBB+
- Dun & Bradstreet – from 4A3 to 5A2
- Crisil – BBB (long-term borrowings) and A3+ (short-term borrowings) with stable outlook

New Technologies

MoU with Nafigate Corporation, Czech Republic to transfer Hydal technology

Commenced production of Polypropylene compounds for use in the white-goods industry

New Strategies

Initiation of demerger of the high volume and low margin business from Vikas Ecotech Limited (VEL) and subsequent amalgamation with Vikas Multicorp Limited (VML)

New Gurus

- **Formation of new advisory board to fine-tune the strategic growth direction of the company:**
Mr. G. N. Bajpai, Chairman (former SEBI chief)
Mr. Sunil Alagh, Vice Chairman (former MD of Britannia Industries)
- **Minority stake acquisition by Mr. Jayant Chheda (CMD of Prince Pipes and pioneer of the Indian PVC pipe industry)**

History & Timeline

2017

- Mexichem, the global leader in PVC piping comes on board as a customer
- Our Organotin stabilizer Tinmate is certified by Intertek Deutschland GmbH, Germany

2015

- Added facility to manufacture Organotin stabilizers in Rajasthan
- Rebranded the company as Vikas Ecotech Ltd. with a focus on eco-friendly specialty chemicals
- Upgraded to 2 Star Export house status

2016

- Commenced construction of state-of-the-art manufacturing plant and Innovation (R&D) Center at Dahej, Gujarat
- Capacity to produce 6,000 MT of Organotin stabilisers (MTM) and 5,000 MT of special polymer compounds annually

2014

- Offered ESOP to its employees
- Issued Bonus Shares in the ratio 3:2 to all its shareholders
- Received Star Export house status

1998

- Started trading and distribution of petrochemical products

2009

- Commissioned production facility to manufacture Bio Plasticizers

2011

- Established the export division
- Vikas Garg took over as Managing Director
- Ranked as India's fastest growing mid-sized company by Inc. 500

1995

- Listed on BSE & NSE

1984

- Founded a Non Banking Finance Company – Vikas Leasing

2008

- Backward integration into manufacturing. Commissioned 2 units in Jammu for TPR compounds and Organotin stabilizers
- Commissioned production facility to manufacture Mineral fillers for Rubbers & Plastics in Rajasthan
- Name changed to Vikas Globalone Ltd.