



VEL/IP/14/02/2017

14<sup>th</sup> February, 2017

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

Dear Sir

Please find attached herewith Investors Presentation w.r.t. Quarterly Results for the quarter and nine months ended on 31<sup>st</sup> December, 2016 for your record and further dissemination.

Kindly place it on record and update your website.

Thanking you

**For Vikas EcoTech Limited**

  
(Siddharth Agarwal)  
Company Secretary & Compliance officer

**Regd. Office :** Vikas House, 34/1, East Punjabi Bagh, New Delhi- 110026 (INDIA)

**Plant 1 :** Industrial Grpwth Centre, Phase-I, SIDCO Complex, Distt. Sambe-187 121 (J&K)

**Plant 2 :** G-24-30, Vigyan Nagar, RIICO Indl. Area, Shahjahanpur, Distt. Alwar -301 706 (Raj)



**VIKAS ECOTECH LTD.**  
(Formerly Vikas Globalone Ltd.)

*Inspire Growth*



**Innovative  
Technology  
for a Safer  
World**

**Q3 & 9M FY2017  
Earnings Presentation**

**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.



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**Commenting on the results, Mr. Vikas Garg, M.D, Vikas Ecotech Ltd. said :**

*“We performed tepidly during the quarter due to the effects of demonetization in the country. However, in spite of this massive challenge, we were able to hold on to our revenue and profitability parameters as compared to the immediate last quarter. This clearly shows our agility to quickly adapt and react to any adverse business situation in minimum time.*

*I congratulate our Honorable PM Shri Narendra Modi ji for this bold step as it is good for the country’s economy in the long run. We as part of the organized sector will reap the benefits of this step in the future.”*





## Key Highlights – Q3 FY17 v/s Q2 FY17

1.5%



**Revenue**

Rs 84.8 crore

1.4%



**EBITDA**

Rs 15.2 crore

(3)bps



**EBITDA Margin**

17.9%

0.7%



**Profit Before Tax**

Rs 11.4 crore

0.7%



**Profit After Tax**

Rs 7.5 crore

(7)bps



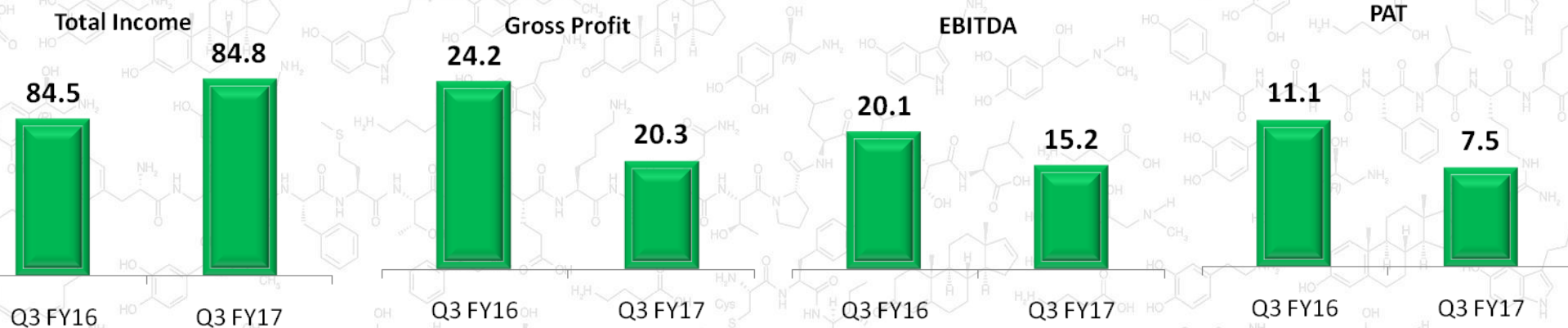
**PAT Margin**

8.8%



In Rs. Crores

## Financial Highlights (Q3 FY17 v/s Q3 FY16)



Key ratios (%)	Q3 FY17	Q3FY16
Gross Margin	23.9%	28.6%
EBITDA Margin	17.9%	23.8%
Net Margin	8.8%	13.1%
Raw Material/ Total Revenues	76.1%	71.4%
Staff cost/ Total Operating income	1.7%	0.9%
Other Expenditure/ Total Operating Income	4.3%	3.4%
EPS (Rs.)	<b>0.29</b>	<b>0.44</b>



## Profitability Highlights

Rs. in Crore	Q3 FY17	Q2 FY17	QoQ	Q3 FY16
<b>Revenue from Operations</b>	<b>84.1</b>	<b>83.2</b>		<b>82.7</b>
Other Income	0.7	0.2		1.8
<b>Total Income</b>	<b>84.8</b>	<b>83.5</b>	<b>1.5%</b>	<b>84.5</b>
Raw Material & Fuel costs	64.5	63.7		60.4
Employee Cost	1.4	1.2		0.8
Other costs	3.7	3.7		3.3
Total Expenditure	69.6	68.5		64.4
<b>EBITDA</b>	<b>15.2</b>	<b>14.9</b>	<b>1.4%</b>	<b>20.1</b>
<b>EBITDA Margin (%)</b>	<b>17.9%</b>	<b>17.9%</b>	<b>(3) bps</b>	<b>23.8%</b>
Other Income	0.1	0.2		0.0
Depreciation	1.1	1.1		0.9
Interest	2.7	2.8		3.3
Exceptional	0.0	0.0		0.2
<b>Profit Before Tax</b>	<b>11.4</b>	<b>11.3</b>		<b>16.1</b>
Tax	3.9	3.9		5.0
<b>Profit After Tax</b>	<b>7.5</b>	<b>7.4</b>	<b>0.7%</b>	<b>11.1</b>
<b>PAT Margin (%)</b>	<b>8.8%</b>	<b>8.9%</b>	<b>(7) bps</b>	<b>13.1%</b>
<b>EPS (Rs.)</b>	<b>0.29</b>	<b>0.29</b>		<b>0.44</b>





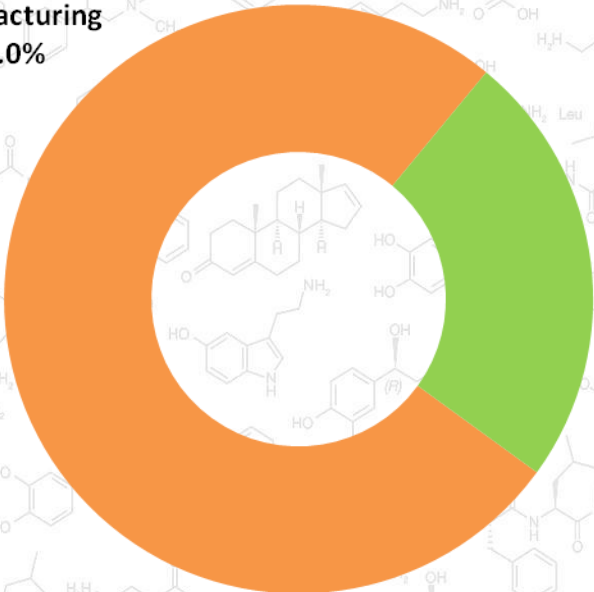
# Segmental Breakup- Q3 FY17 v/s. Q3 FY16

As per Revenue

Q3 FY17

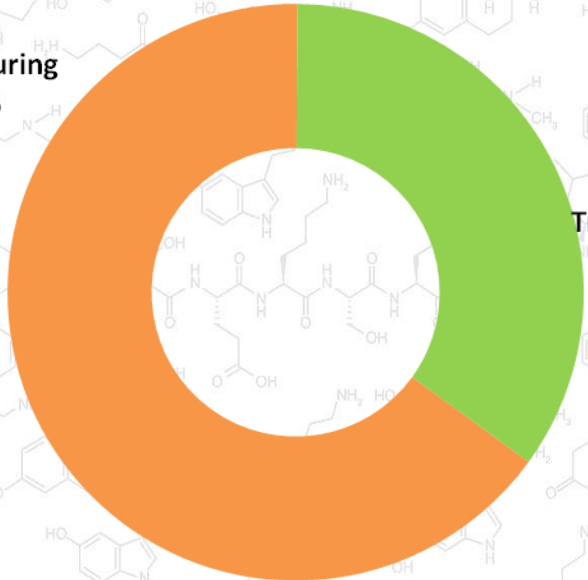
Q3 FY16

Manufacturing  
76.0%



Trading 24.0%

Manufacturing  
65.1%



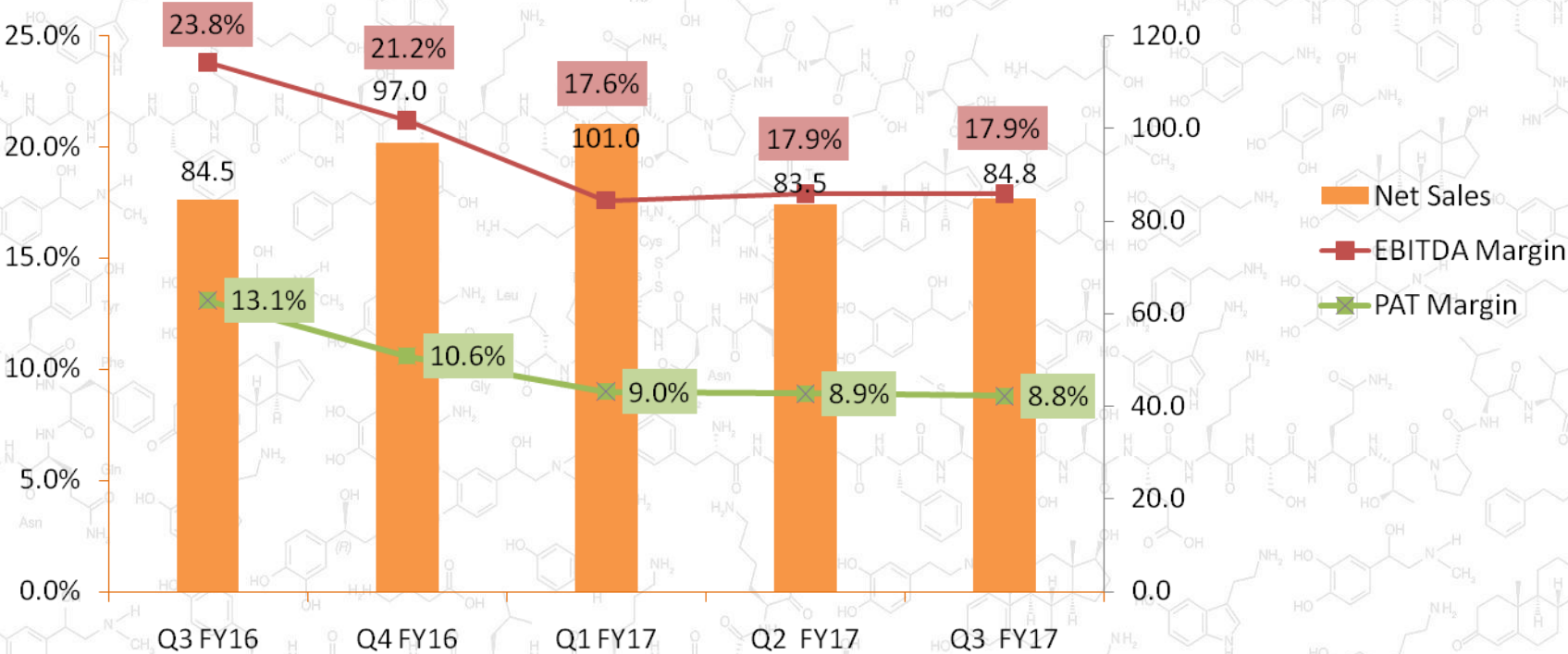
Trading 34.9%

**Shift in focus from low margin trading business to high margin manufacturing business**



# Financial Snapshot (graphical presentation)

In Rs. Crores





## Key Highlights – 9M FY17 v/s 9M FY16

25.2% ↑

**Revenue**

Rs 269.2 crore

44.2% ↑

**EBITDA**

Rs 47.9 crore

234 bps ↑

**EBITDA Margin**

17.8%

64.9% ↑

**Profit Before Tax**

Rs 36.7 crore

57.2% ↑

**Profit After Tax**

Rs 24.0 crore

182 bps ↑

**PAT Margin**

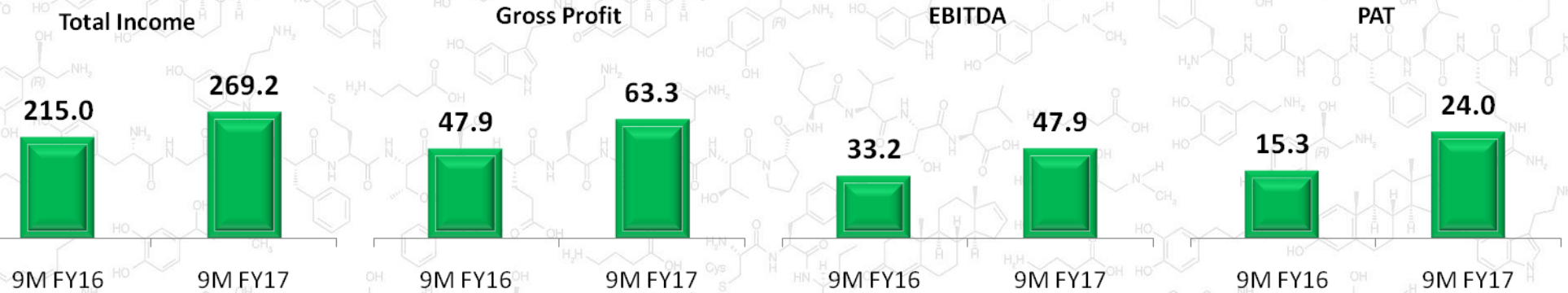
8.9%





## Financial Highlights (9M FY17 v/s. 9M FY16)

In Rs. Crores



Key ratios (%)	9M FY17	9M FY16
Gross Margin	23.5%	22.3%
EBITDA Margin	17.8%	15.5%
Net Margin	8.9%	7.1%
Raw Material/ Total Revenues	76.5%	77.7%
Staff cost/ Total Operating income	1.4%	1.2%
Other Expenditure/ Total Operating Income	4.4%	5.6%
EPS (Rs.)	0.94	0.60



## Profitability Highlights

Rs. in Crore	9M FY17	9M FY16	YoY
<b>Revenue from Operations</b>	<b>268.0</b>	<b>211.4</b>	
Other Income	1.2	3.6	
<b>Total Income</b>	<b>269.2</b>	<b>215.0</b>	<b>25.2%</b>
Raw Material & Fuel costs	205.9	167.1	
Employee Cost	3.6	2.6	
Other costs	11.7	12.0	
Total Expenditure	221.3	181.8	
<b>EBITDA</b>	<b>47.9</b>	<b>33.2</b>	<b>44.2%</b>
<b>EBITDA Margin (%)</b>	<b>17.8%</b>	<b>15.5%</b>	<b>234 bps</b>
Other Income	0.3	0.0	
Depreciation	3.1	2.5	
Interest	8.3	9.0	
Exceptional	(0.1)	0.5	
<b>Profit Before Tax</b>	<b>36.7</b>	<b>22.3</b>	
Tax	12.7	7.0	
<b>Profit After Tax</b>	<b>24.0</b>	<b>15.3</b>	<b>57.2%</b>
<b>PAT Margin (%)</b>	<b>8.9%</b>	<b>7.1%</b>	<b>182 bps</b>
<b>EPS (Rs.)</b>	<b>0.94</b>	<b>0.60</b>	



## Profitability Highlights

Rs. in Crore	FY16	FY15	YoY
<b>Revenue from Operations</b>	<b>307.2</b>	<b>211.0</b>	
Other Income	3.3	1.8	
<b>Total Income</b>	<b>310.5</b>	<b>212.8</b>	<b>46%</b>
Raw Material	237.2	176.0	
Employee Cost	3.3	3.7	
Other costs	17.7	14.4	
Total Expenditure	258.2	194.1	
<b>EBITDA</b>	<b>52.3</b>	<b>18.7</b>	<b>180%</b>
<b>EBITDA Margin (%)</b>	<b>16.8%</b>	<b>8.8%</b>	<b>800 bps</b>
Other Income	1.5	1.9	
Depreciation	3.4	3.4	
Interest	11.3	10.7	
Exceptional	0.2	(0.2)	
<b>Profit Before Tax</b>	<b>39.3</b>	<b>6.2</b>	
Tax	13.7	2.4	
<b>Profit After Tax</b>	<b>25.5</b>	<b>3.8</b>	<b>574%</b>
<b>PAT Margin (%)</b>	<b>8.2%</b>	<b>1.8%</b>	<b>640 bps</b>
<b>EPS (Rs.)</b>	<b>1.00</b>	<b>0.20</b>	





## Balance Sheet Highlights

Rs. in Crore	Mar -16	Mar - 15
<b>Shareholder's Funds</b>	<b>66.2</b>	<b>43.3</b>
Share Capital	25.4	25.4
Reserves & Surplus	40.8	17.9
<b>Non-Current Liabilities</b>	<b>9.8</b>	<b>7.7</b>
Long Term Borrowings	9.7	7.5
Defer Tax Liabilities	0.0	0.0
Other Long-Term Liabilities	0.1	0.2
Long-Term Provisions	0.0	0.0
<b>Current Liabilities</b>	<b>151.7</b>	<b>96.3</b>
Short Term Borrowings	81.5	58.7
Trade Payables	44.9	31.4
Other Current Liabilities	10.5	2.5
Short-Term Provisions	14.8	3.7
<b>Total Equities &amp; Liabilities</b>	<b>227.7</b>	<b>147.3</b>

Rs. in Crore	Mar -16	Mar - 15
<b>Non-Current Assets</b>	<b>28.3</b>	<b>21.4</b>
Fixed Assets	27.9	21.0
Non-Current Investments	0.0	0.0
Long-Term Loans & Advances	0.2	0.3
Deferred tax assets	0.2	0.0
Other Non-Current Assets	0.0	0.0
<b>Current Assets</b>	<b>199.4</b>	<b>125.9</b>
Current Investments	0.0	0.0
Inventories	37.6	27.9
Trade Receivables	140.6	74.8
Cash & Cash Equivalents	4.4	0.8
Short-Term Loans & Advances	16.7	22.2
Other Current Assets	0.1	0.2
<b>Total Assets</b>	<b>227.7</b>	<b>147.3</b>



## Key Developments during the Quarter

- **Credit Rating Assignment- Crisil**
  - ✓ Assigned Company's Long Term rating to BBB
  - ✓ Assigned Company's Short Term rating to A3+
- **New manufacturing facility at Noida SEZ**
  - ✓ To manufacture Organotin heat stabilizers & PVC compounds
  - ✓ New facility exclusively for Exports
- **New product launch**
  - ✓ Entry into **Polypropylene compounds** for **White Goods** sector
  - ✓ Widely used in water coolers, washing machines, A.Cs, electric irons etc.
  - ✓ Received quality approvals from leading Brands and their OEM's



# Vikas Ecotech – Overview



## VIKAS ECOTECH LTD.

(Formerly Vikas Globalone Ltd.)



**Incorporated in 1984**

**Headquartered in New Delhi**



**State of the Art Manufacturing facilities in Sahajahanpur**

**Expansion in Dahej, Gujarat and Noida SEZ to supplement Export potential and new markets**



**Robust Exports**

**Exports to over 20 countries and B2B Sales Growing at 60% CAGR**



**Technological Advantage**

**Only Company in India with know-how of Organotin technology**



**R&D based Selection & Manufacturing of Products**

**High-end Specialty Chemicals & Polymers**



**Supplies to diverse range of industries**

**Caters to Automobile, Footwear, Agriculture, Wires & Cables. Pharma, Polymers etc. industries**



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





## Product Lines

**Rubber-Plastic  
Compounds**

Thermoplastic Rubber (TPR) Compounds

Thermoplastic Elastomer (TPE) Compounds

Ethylene Vinyl Acetate (EVA) Compounds

Poly Vinyl Chloride (PVC) Compounds

Polyethylene Terephthalate (PET) Compounds

**Rubber-  
Plastic  
Additives**

Organotin  
Stabilizers  
MTM/  
Tinmate

Plasticizers  
ESBO

Flame  
Retardants  
ATH





# Supplying to a Diverse Range of Industries



**Agriculture**



**Automobile**



**Wires & Cables**



**Organic & Inorganic Chemicals**



**Polymers**



**Pharma**



**Packaging**



**Artificial Leather**



**Footwear**





# The Vikas Ecotech Strategic Advantage

- **Savings in input costs** from usage of recycled PVC
- **Increased profitability**
- **Environment-friendly**

## 1: Cost Advantage

## 2: R&D Advantage

- In-house MTM technology
- **Only company in India to have this know-how**
- Specialized, highly technical production process
- Less competition, barrier for entry for new players

## 3: Manufacturing Advantage

- Consolidated manufacturing around a single plant
- **Economies of scale**

## 4: One-stop solutions for clients

- **B2B customers get stabilizers, plasticizers, compounds and additives from a single vendor**
- Selling price is significantly lower than competition
- Efficacy & strength is more than competition

## FDA Certification



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



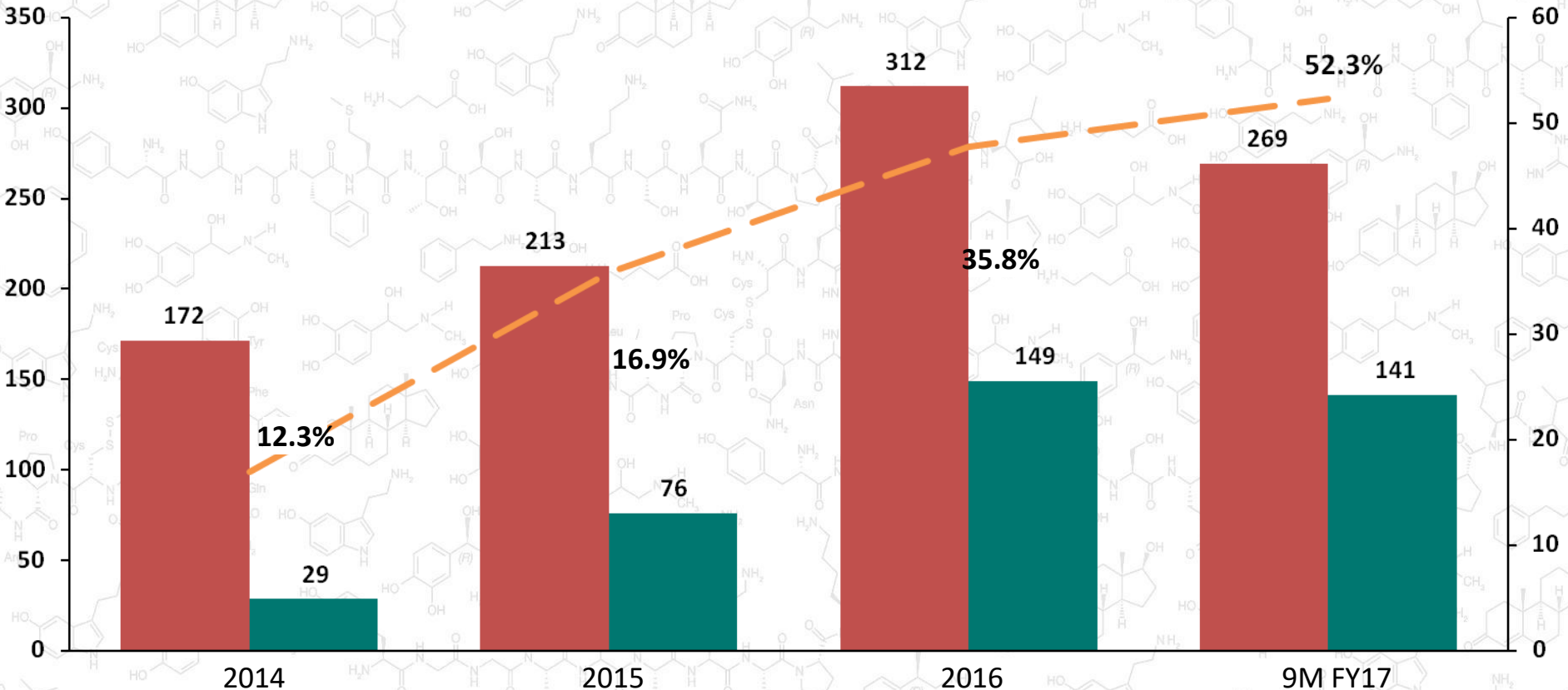
**'Approved Manufacturer of Organotin Stabilizers' - underway**





# Robust Exports

Income from operations    Income from Exports    % of Exports



**Export Turnover of Rs. 141 cr. In 9M FY17. Robust increase in export income on account of higher acceptability of products**



## Drivers for Improved Performance and Profits

1. Benefitting from increased manufacturing capacity

Decreased cost of production from capacity ramp-up and macro factors

State of the art new manufacturing plant

Macro-economic factors helped in reduced procurement costs

2. Brand recognition & premium

MTM/ Organotin Stabilizers & Other products having technology-edge

Clients ready to pay premium

3. Robust exports and domestic demand

Increased export demand due to quality, marketing & business development

**Profitability & Business performance are sustainable in the near, mid and long-term**



Vikas Ecotech Limited



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