



VIKAS ecOTECH LTD.

(Formerly Vikas GlobalOne Ltd.)

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VEL/IP/09/11/2016

09th November, 2016

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

Sub: - Investor Presentation

Dear Sir

Please find attached herewith Investor Presentation of the Company w.r.t. Quarterly 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

(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**

**Q2 & H1 FY2017
Earnings Presentation**

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



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- 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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Managing Director's Message

“Second quarter being traditionally slow on demand for the entire industry, our robust performance shows the resilience that has been built in our business. Our long-term strategy of reducing our dependency on trading turnover saw genuine results this quarter. We are on track to achieve our yearly growth targets in all parameters of operational efficiency, new business wins and financial goals. We are committed to achieving profitable growth that is Ring – fenced with world class governance rigor.”



Key Highlights – Q2 FY17

16% ↑

Revenue

Rs 83.5 crore

87% ↑

EBITDA

Rs 14.9 crore

670bps ↑

EBITDA Margin

17.9%

138% ↑

Profit Before Tax

Rs 11.3 crore

122% ↑

Profit After Tax

Rs 7.4 crore

420bps ↑

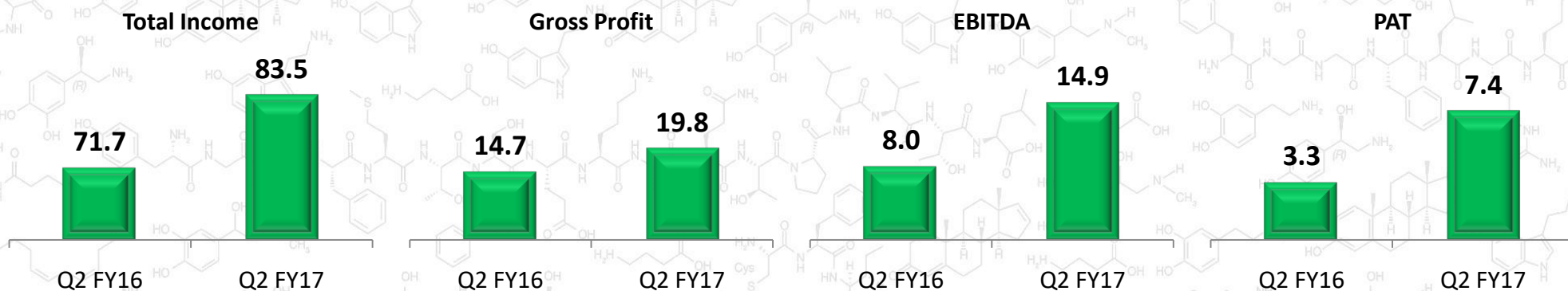
PAT Margin

8.9%



Financial Highlights (Q2 FY17 v/s Q2 FY16)

In Rs. Crores



Key ratios (%)	Q2 FY17	Q2 FY16
Gross Margin	23.7%	20.5%
EBITDA Margin	17.9%	11.2%
Net Margin	8.9%	4.7%
Raw Material/Total Revenues	76.3%	79.5%
Staff cost/Total Operating income	1.4%	1.3%
Other Expenditure/ Total Operating Income	4.4%	8.1%
EPS (Rs.)	0.29	0.13



Profitability Highlights

Rs. in Crore	Q2 FY17	Q2 FY16	YoY	Q1 FY17
Revenue from Operations	83.2	70.6		100.7
Other Income	0.2	1.0		0.3
Total Income	83.5	71.7	16%	101.0
Raw Material & Fuel costs	63.7	57.0		77.8
Employee Cost	1.2	0.9		1.0
Other costs	3.7	5.8		4.4
Total Expenditure	68.5	63.6		83.2
EBITDA	14.9	8.0	87%	17.8
EBITDA Margin (%)	17.9%	11.2%	670 bps	17.6%
Other Income	0.2	0.2		0.0
Depreciation	1.1	0.8		1.0
Interest	2.8	2.9		2.8
Exceptional	0.0	0.3		(0.1)
Profit Before Tax	11.3	4.8		14.0
Tax	3.9	1.4		4.8
Profit After Tax	7.4	3.3	122%	9.1
PAT Margin (%)	8.9%	4.7%	420 bps	9.0%
EPS (Rs.)	0.29	0.13		0.36



Segmental Breakup

Revenue

In Rs. Crores

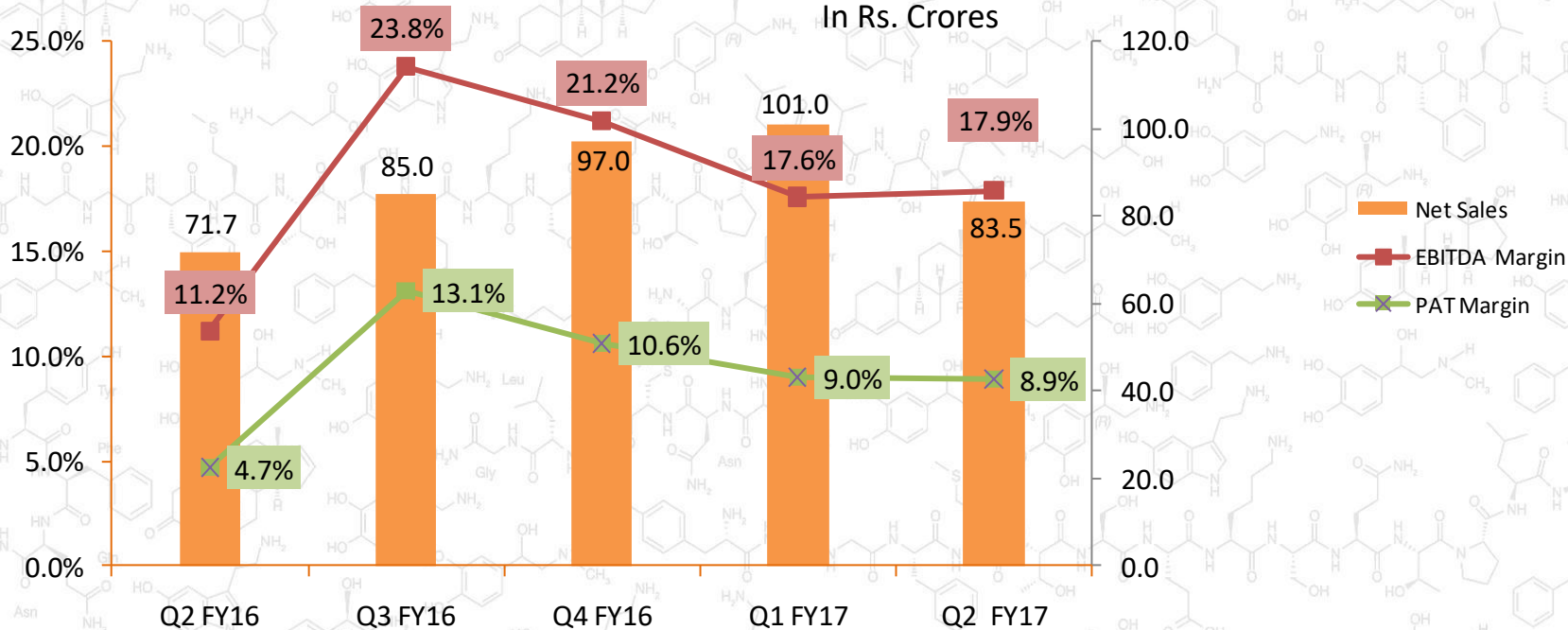
Products	Q2 FY17	Contribution	Q2 FY16	Contribution	YoY%
Manufacturing	66.1	79.1%	53.9	75.2%	22.6%
Trading	17.4	20.9%	17.8	24.8%	(2.0)%
Grand Total	83.5		71.7		

EBIT

Products	Q2 FY17	Contribution	Q2 FY16	Contribution	YoY%
Manufacturing	13.6	98.0%	7.0	96.8%	95.6%
EBIT Margins	20.6%		12.9%		
Trading	0.3	2.0%	0.2	3.2%	50.0%
EBIT Margins	1.6%		1.3%		
Grand Total	13.9		7.2		



Financial Snapshot (graphical presentation)





Key Highlights – H1 FY17

42%



Revenue

Rs 184.4 crore

155%



EBITDA

Rs 32.7 crore

790bps



EBITDA Margin

17.8%

311%



Profit Before Tax

Rs 25.3 crore

294%



Profit After Tax

Rs 16.5 crore

580bps



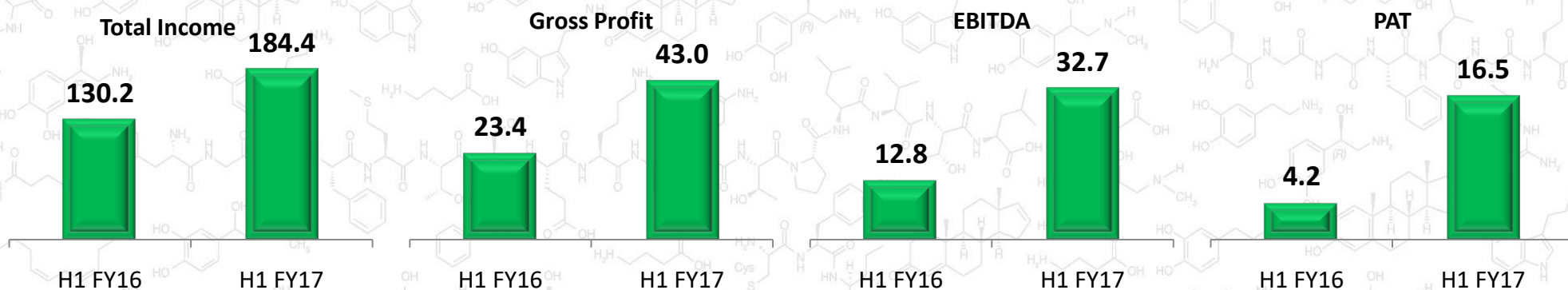
PAT Margin

9.0%



Financial Highlights (H1 FY17 v/s H1 FY16)

In Rs. Crores



Key ratios (%)	H1 FY17	H1 FY16
Gross Margin	23.3%	18.4%
EBITDA Margin	17.8%	9.9%
Net Margin	9.0%	3.2%
Raw Material/Total Revenues	76.7%	82.0%
Staff cost/Total Operating income	1.2%	1.4%
Other Expenditure/ Total Operating Income	4.3%	6.7%
EPS (Rs.)	0.65	0.16



Profitability Highlights

Rs. in Crore	H1 FY17	H1 FY16	YoY
Revenue from Operations	183.9	128.7	
Other Income	0.5	1.5	
Total Income	184.4	130.2	42%
Raw Material & Fuel costs	141.5	106.7	
Employee Cost	2.2	1.8	
Other costs	8.0	8.8	
Total Expenditure	151.7	117.3	
EBITDA	32.7	12.8	155%
EBITDA Margin (%)	17.8%	9.9%	790 bps
Other Income	0.2	0.3	
Depreciation	2.1	1.6	
Interest	5.6	5.7	
Exceptional	(0.1)	0.3	
Profit Before Tax	25.3	6.1	
Tax	8.8	2.0	
Profit After Tax	16.5	4.2	294%
PAT Margin (%)	9.0%	3.2%	580 bps
EPS (Rs.)	0.65	0.16	



Balance Sheet Highlights – September 16

Rs. in Crore	Sep-16	Sep-15
Shareholder's Funds	82.8	47.5
Share Capital	25.4	25.4
Reserves & Surplus	57.4	22.1
Non-Current Liabilities	9.0	9.2
Long Term Borrowings	8.9	9.0
Defer Tax Liabilities	0.0	0.01
Other Long-Term Liabilities	0.1	0.2
Long-Term Provisions	0.0	0.0
Current Liabilities	200.1	126.6
Short Term Borrowings	91.9	79.3
Trade Payables	77.1	39.6
Other Current Liabilities	7.5	4.1
Short-Term Provisions	23.5	3.5
Total Equities & Liabilities	291.8	183.3

Rs. in Crore	Sep-16	Sep-15
Non-Current Assets	33.2	22.4
Fixed Assets	32.8	22.2
Non-Current Investments	0.04	0.04
Long-Term Loans & Advances	0.2	0.1
Deferred tax assets	0.2	0.0
Other Non-Current Assets	0.0	0.0
Current Assets	258.6	160.9
Current Investments	0.0	0.0
Inventories	52.9	33.0
Trade Receivables	150.5	90.2
Cash & Cash Equivalents	4.9	0.4
Short-Term Loans & Advances	49.4	37.3
Other Current Assets	1.0	0.1
Total Assets	291.8	183.3



Profitability Highlights

Rs. in Crore	FY16	FY15	YoY
Revenue from Operations	307.2	211.0	
Other Income	3.3	1.8	
Total Income	310.5	212.8	46%
Raw Material	237.2	176.0	
Employee Cost	3.3	3.7	
Other costs	17.7	14.4	
Total Expenditure	258.2	194.1	
EBITDA	52.3	18.7	180%
EBITDA Margin (%)	16.8%	8.8%	800 bps
Other Income	1.5	1.9	
Depreciation	3.4	3.4	
Interest	11.3	10.7	
Exceptional	0.2	(0.2)	
Profit Before Tax	39.3	6.2	
Tax	13.7	2.4	
Profit After Tax	25.5	3.8	574%
PAT Margin (%)	8.2%	1.8%	640 bps
EPS (Rs.)	1.0	0.15	



Balance Sheet Highlights

Rs. in Crore	Mar -16	Mar - 15
Shareholder's Funds	66.2	43.3
Share Capital	25.4	25.4
Reserves & Surplus	40.8	17.9
Non-Current Liabilities	9.8	7.7
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
Current Liabilities	151.7	96.3
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
Total Equities & Liabilities	227.7	147.3

Rs. in Crore	Mar -16	Mar - 15
Non-Current Assets	28.3	21.4
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
Current Assets	199.4	125.9
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
Total Assets	227.7	147.3



Key Developments during the Quarter

■ Improved Credit Rating

- ✓ Brickworks - Upgraded Company's rating to BBB+ from BBB-
- ✓ Dun & Bradstreet - Upgraded the Company's rating to 5A2 from the previous 4A3

■ Growth with Governance

- ✓ Appointed Grant Thornton as internal auditors to ensure best standards of risk management and operational efficiency
- ✓ Formed an Advisory Board led by Shri G. N. Bajpai, ex-SEBI & LIC chief as its first Chairman

■ Increasing Customer Base both in India and Globally

- ✓ "K – Trade Fair", Germany – Participated in the International fair to explore avenues for tie-ups and appointment of channel partners for distribution of products in Europe and other global markets



Vikas Ecotech – Overview



Incorporated in 1984

Headquartered in New Delhi

State of the Art Manufacturing facilities in Sahajahanpur

Expansion in Dahej, Gujarat 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 MTM 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

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

3: Manufacturing Advantage

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**

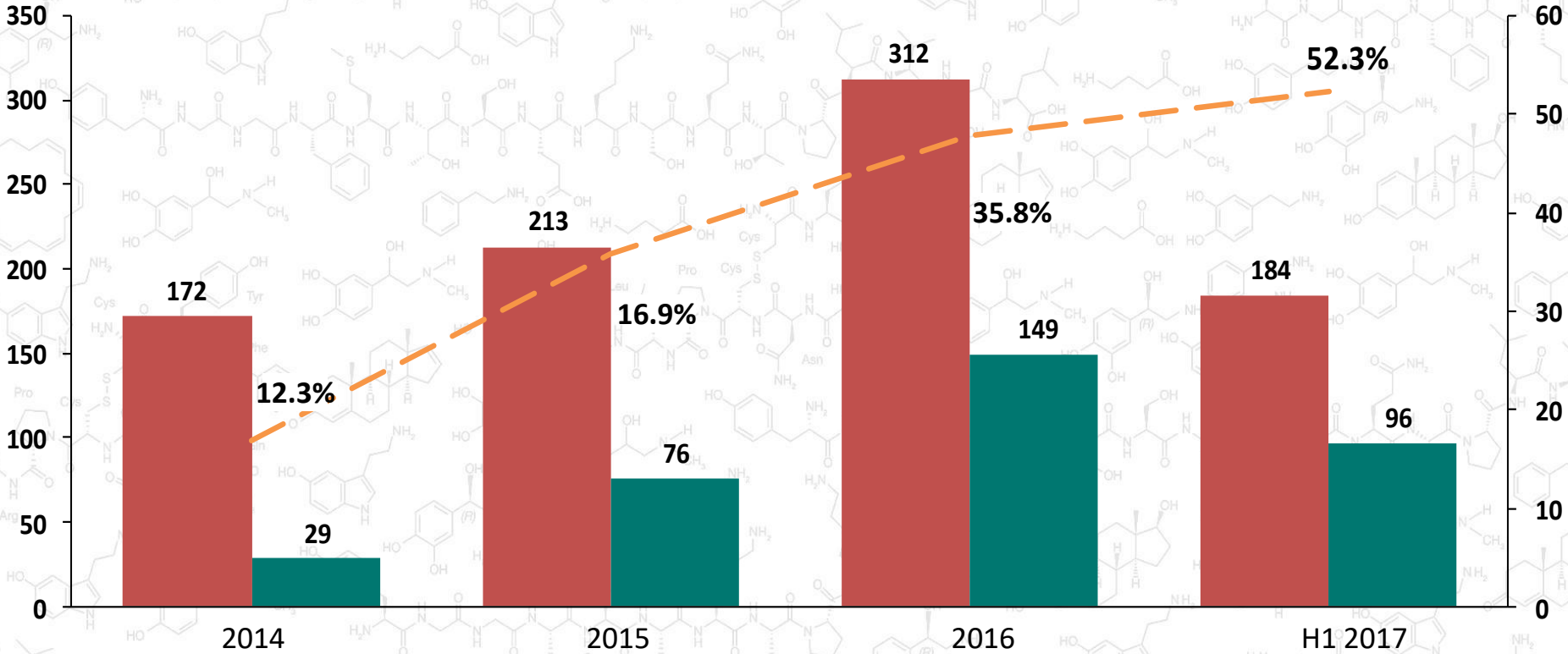


'Approved Manufacturer of Organotin Stabilizers' - underway



Robust Exports

Income from operations Income from Exports % of Exports



Export Turnover of Rs. 96.4 cr. In H1 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



For further information, please contact:

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