



VIKAS ecOTECH LTD.
(Formerly Vikas Globalone Ltd.)

Inspire Growth



**Innovative
Technology
for a Safer
World**

**Q1 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.
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Table of Contents

MD's Message

Financial Highlights

Segment-wise Breakup

Business Overview

Developments During the Quarter



Managing Director's Message

"I am very pleased to share that, during the quarter we achieved a good growth in revenue and profits. Our products have been very well received by global leaders due to our high standards of quality and efficiencies. This has resulted in winning orders of new clients from Latin America, Europe, Middle East and India. Our growth strategy continues to be driven by the 3 pillars of- Innovation, R&D driven product development and Capacity enhancement. We believe this will help us not only meet the market demand but also win new customers across the world."



Key Highlights – Q1 FY17

73%↑

Revenue

Rs 101.0 crore

269%↑

EBITDA

Rs 17.8 crore

940bps↑

EBITDA Margin

17.6%

910%↑

Profit Before Tax

Rs 14.0 crore

962%↑

Profit After Tax

Rs 9.1 crore

750bps↑

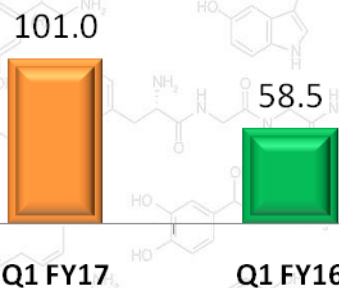
PAT Margin

9.0%

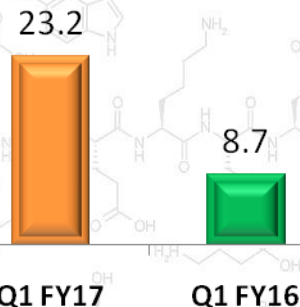


Financial Highlights (Q1 FY17 v/s Q1 FY16)

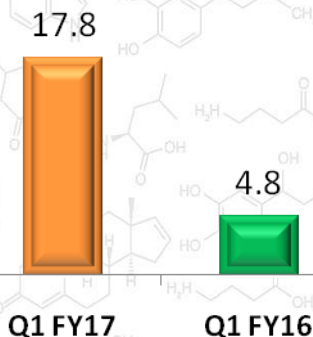
Total Income (Rs. Crore)



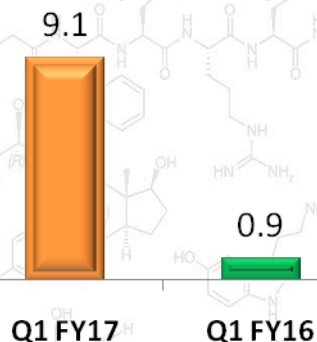
Gross Profit



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Key ratios (%)	Q1 FY17	Q1 FY16
Gross Margin	22.9%	14.9%
EBITDA Margin	17.6%	8.2%
Net Margin	9.0%	1.5%
Raw Material/Total Revenues	77.2%	85.8%
Staff cost/Total Operating income	1.0%	1.6%
Other Expenditure/ Total Operating Income	4.3%	5.1%
EPS (Rs.)	0.36	0.03



Profitability Highlights

Rs. in Crore	Q1 FY17	Q1 FY16	YoY	Q4 FY16	QoQ	FY16
Revenue from Operations	100.7	58.0		95.8		307.2
Other Income	0.3	0.5		1.1		3.3
Total Income	101.0	58.5	73%	96.9	4%	310.5
Raw Material & Fuel costs	77.8	49.8		70.1		237.2
Employee Cost	1.0	0.9		0.6		3.3
Other costs	4.4	3.0		5.7		17.7
Total Expenditure	83.2	53.7		76.4		258.2
EBITDA	17.8	4.8	269%	20.5	(13%)	53.8
EBITDA Margin (%)	17.6%	8.2%		21.2%		16.8%
Depreciation	1.0	0.7		0.9		3.4
Interest	2.8	2.8		2.3		11.3
Exceptional	0.0	0.0		-0.3		0.0
Profit Before Tax	14.0	1.4	910%	17.0	(18%)	39.3
Tax	4.8	0.5		6.7		13.7
Profit After Tax	9.1	0.9	962%	10.3	(11%)	25.5
PAT Margin (%)	9.0%	1.5%		10.6%		8.2%

Increased growth in Revenues on account of new client additions and better realisations
Improved margins due to operational efficiencies



Segmental Breakup

Revenue

Products	Q1 FY17	Q4 FY16	Q1 FY16
Manufacturing	71.9	86.0	46.8
Trading	29.0	10.9	11.8
Grand Total	100.9	97.0	58.6

EBIT

Products	Q1 FY17	Q4 FY16	Q1 FY16
Manufacturing	16.7	19.1	4.0
Trading	0.1	0.5	0.1
Grand Total	16.8	19.6	4.1



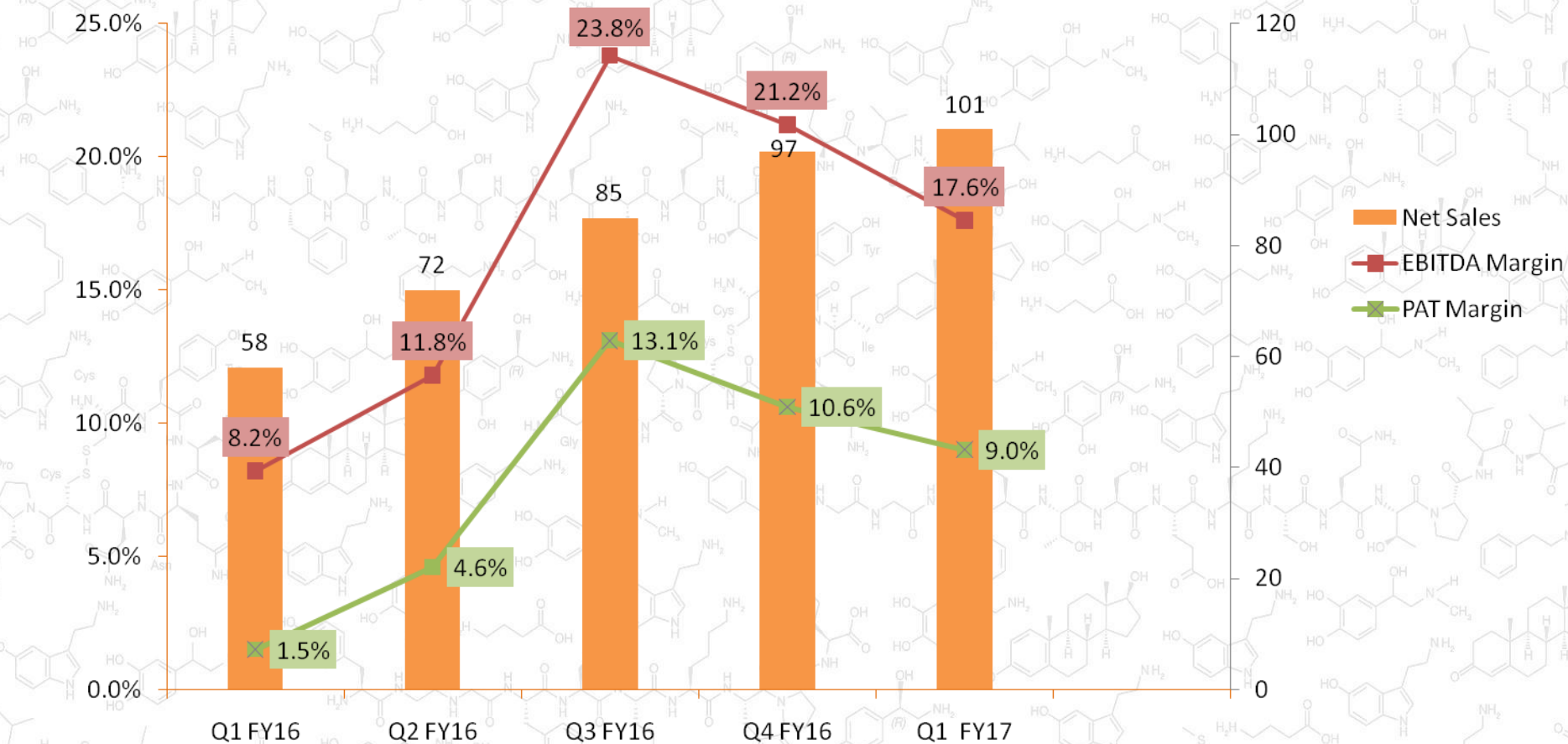
Balance Sheet Highlights

Rs. in Crore	Mar-16	Mar-15
Shareholder's Funds	66.2	43.2
Share Capital	25.4	25.4
Reserves & Surplus	40.8	17.8
Non-Current Liabilities	9.8	7.6
Long Term Borrowings	9.7	7.4
Defer Tax Liabilities	0.0	0.0
Other Long-Term Liabilities	0.8	0.2
Long-Term Provisions	0.0	0.0
Current Liabilities	151.6	96.3
Short Term Borrowings	81.4	58.7
Trade Payables	44.8	31.4
Other Current Liabilities	10.5	2.5
Short-Term Provisions	14.7	3.7
Total Equities & Liabilities	227.5	147.2

Rs. in Crore	Mar-16	Mar-15
Non-Current Assets	28.2	21.4
Fixed Assets	27.9	21.0
Non-Current Investments	0.0	0.0
Long-Term Loans & Advances	0.1	0.3
Other Non-Current Assets	0.0	0.0
Current Assets	199.4	125.8
Current Investments	0.0	0.0
Inventories	37.5	27.8
Trade Receivables	140.6	74.7
Cash & Cash Equivalents	4.3	0.8
Short-Term Loans & Advances	16.7	22.1
Other Current Assets	0.0	0.2
Total Assets	227.5	147.2



Financial Snapshot (graphical presentation)



In Rs. Crores



Developments during the Quarter

• New Client Acquisitions

- ✓ In India, acquired new clients from PVC pipes and molding industry, footwear sole manufacturers, automobiles and packaging sectors, to supply specialty additives and plastic compound applications
- ✓ Focus on R&D - increasingly lead to meeting international standards of quality resulting in several interests from Latin America market
- ✓ Initiated trial orders for one of Mexico's leading petrochemical giants for Organotin Stabilizers

• Expansion of Manufacturing Capacity

- ✓ Commenced construction of its 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
- ✓ Planned investment of Rs. 30 crores

• Process Improvement

- ✓ Regulatory certification process for products in key international markets like USA and other developed countries at advanced stages, With these certifications /approvals- can make headway in advanced economies



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**

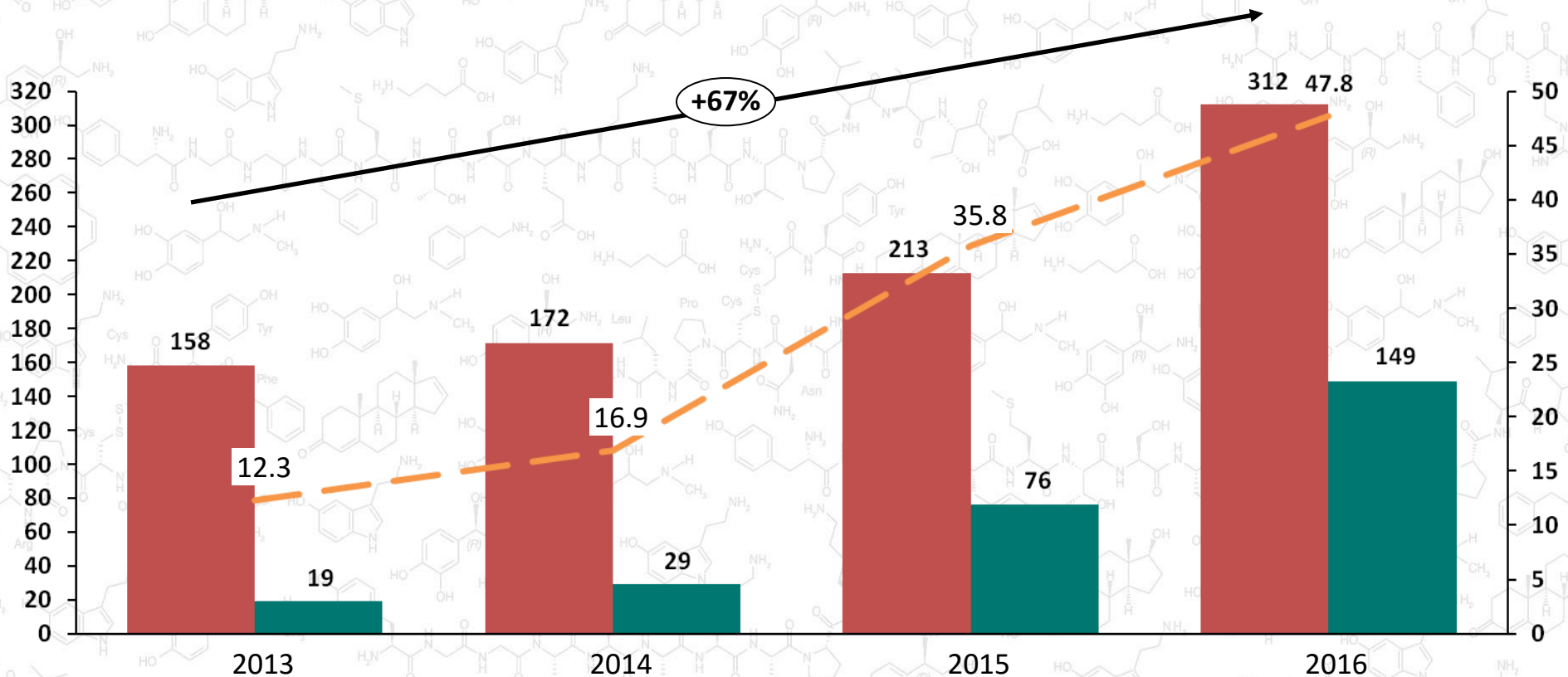


'Approved Manufacturer of Organotin Stabilizers'- underway



Robust Exports

Income from operations Income from Exports % of Exports



Export Turnover of Rs.149 cr. for FY16 as against Rs.76 cr. during FY15. Robust increase in export income with CAGR of 67%



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

2. Brand recognition & premium

MTM/ Organotin Stabilizers & Other products having technology-edge

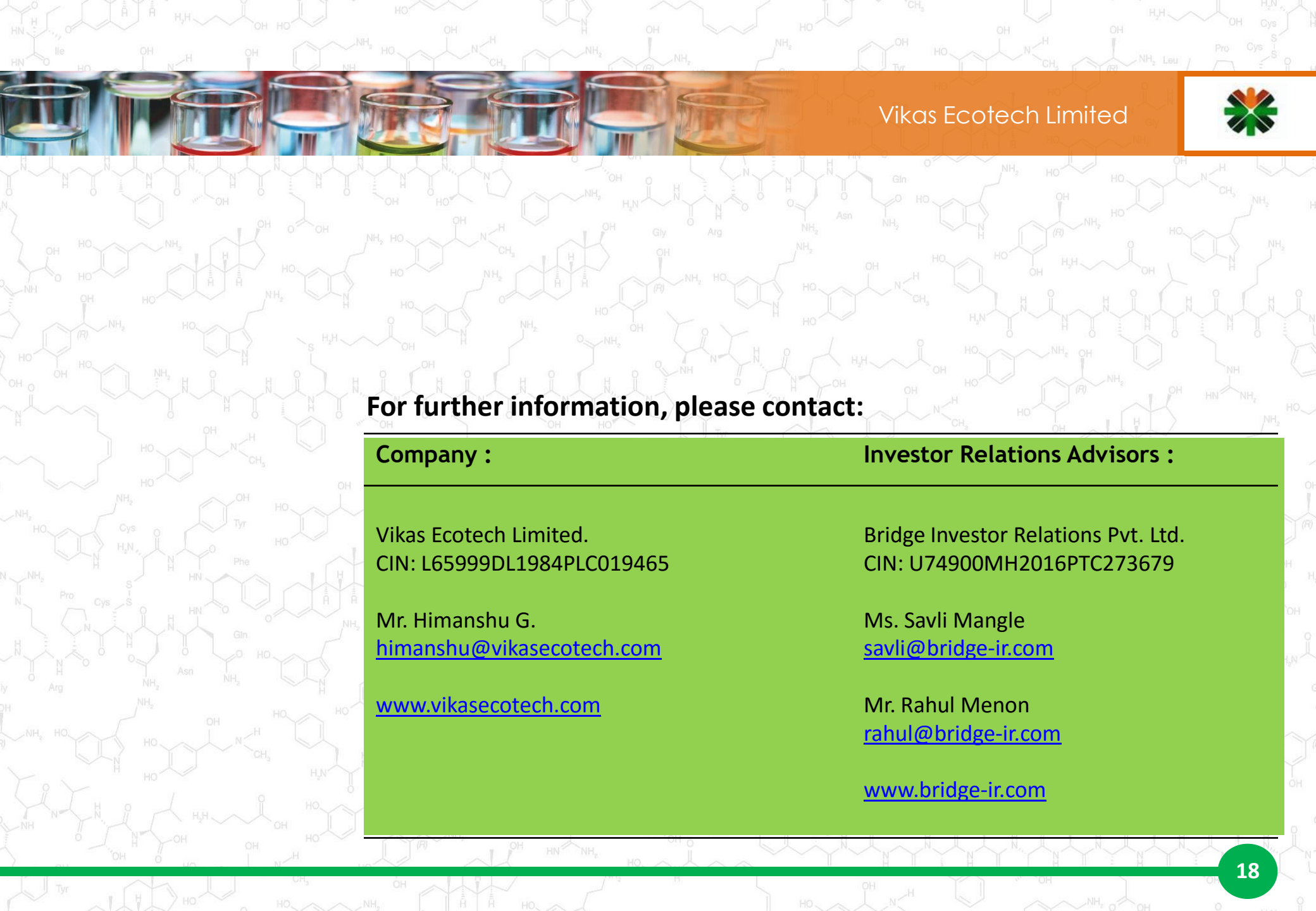
Clients ready to pay premium

3. Robust exports and domestic demand

Increased export demand due to quality, marketing & business development

Macro-economic factors helped in reduced procurement costs

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



Vikas Ecotech Limited



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