



Vikas Ecotech delivers steady Q3 performance with INR 85 crores top line and INR 7.46 crores bottom-line withstanding demonetization challenges

Key highlights:

- Revenues maintained at INR 84.84 crores from last quarter (Q2) of INR 83.68 crores; revenue of same quarter of previous year was INR 84.53 crores
- During the quarter the company launched a new range of Polypropylene compounds that are widely used in white goods industry. The compounds have received quality approvals along-with initial orders from leading Brands and their OEMs.
- Crisil Ratings assigned **CRISIL BBB for company's Long-Term Borrowings & CRISIL A3+ for the Short-Term Borrowings with stable outlook.**

Feb. 13th, 2017, New Delhi:

1. Financials: In spite of the immediate effects of demonetization, the company maintained a steady top line and similar bottom-line.

(in INR crore)

Particulars	Q3 FY 17	Q2 FY 17	Q3 FY16
Net Revenues	84.84	83.68	84.53
EBIDTA	15.23	15.16	20.08
PAT	7.46	7.41	11.07
EPS	0.29	0.29	0.44

The company was able to withstand the effects of demonetization and recorded net revenues of INR 84.84 crore similar to INR 84.53 crores in the corresponding period of previous year. Company's manufacturing revenue in third quarter grew by 17% to INR 64.41 crs. from INR 55.03 crores achieved in Q3 of last year. Profit before Interest, Depreciation and Tax was at INR 15.23 crores as compared to INR 20.08 crores in the same period of the previous year.

While demonetization stunted sales in the immediate effect, the company was able to withstand the pressure by realizing steady sales numbers. In the long term, the company believes that effects of demonetization would be helpful for the Indian industry and largely beneficial to organized players like Vikas Ecotech.

2. Management comment: **Vikas Garg, Managing Director**

“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 Modiji 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.”

3. New Business Initiatives: **Entry into Polypropylene compounds for White Goods Sector**

Our relentless R&D & Innovation saw us launch new Polypropylene compounds that are widely used in white goods industry – water coolers, washing machines, ACs, electric irons, etc.). It has received quality approvals from leading Brands and their OEM’s.

With India’s consumption story picking up steam, we see our entry into the White Goods Sector as another sustainable and profitable revenue source. The benefits of this will start showing in the next quarters.

4. CRISIL Credit Rating: **Crisil, a S & P Global Company** rated Vikas Ecotech’s banking facilities and assigned ratings of **CRISIL BBB for Long Term Borrowings and CRISIL A3+ for Short Term Borrowings** with stable outlook.

The ratings indicate Vikas Ecotech’s comfortable financial risk profile and is in line with company’s strategy of profitable growth and improvement in quality of its financial parameters through better operational performance. The rating reinforces the company’s practice for financial transparency and reporting.

5. CAPEX: **New Manufacturing plant at Noida SEZ**

The company has started preliminary construction work on a new manufacturing unit at Noida SEZ exclusively for exports. This facility will initially manufacture Organotin heat stabilizers and PVC compounds for the export markets. The plant shall start operations by March’ 2017.

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About Vikas Ecotech Limited (www.vikasecotech.com)

Vikas Ecotech is an emerging player in the global arena of the high-end specialty chemicals players. An integrated, multi-specialty product solutions company, it produces a wide variety of superior quality, eco-friendly additives and rubber-plastic compounds. Its additives and rubber-plastic compounds are process critical and value enabling ingredients used to manufacture a varied cross-section of high-performance, environment-neutral and safety-critical products. From agriculture to automotive, cables to electrical, hygiene to healthcare, polymers to packaging, textiles to footwear, the company's products serve a diverse range of global industry needs.

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