



VIKAS ecOTECH LTD.

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VEL/PR/14/02/2019

14th February, 2019

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
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Sub: - Press Release

Dear Sir,

Please find attached herewith Press Release of the Company w.r.t. Quarterly Results of third quarter ended on 31st December 2018 of the Company for your record and further dissemination.

Kindly place it on record and update your website.

Thanking you

For Vikas Ecotech Limited



Preeti Rai
Compliance Officer

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Results for the Third Quarter ended 31st December, 2018

14th February, 2019, New Delhi: Vikas Ecotech Limited (“VEL” or the “Company”) announced its results for the Third Quarter (“Q3”) FY19 today.

Quarter Highlights

- Signed distribution agreement with **Yuntinic Resources Inc., USA** - a wholly-owned subsidiary of the world’s largest producer and exporter of Tin metal, **Yunnan Tin Group of China**.
- Q3 witnessed strong revenue growth of ~42% QoQ led by strong revenue growth in Organotins & Specialty Compounds.
- One-time Impact on COGS was seen in Q3 from higher raw material costs, led by volatility in Dollar, Tin metal and Crude oil based basic chemical prices.

De-Merged Financials (INR Crs.)	Q3 FY19	Q2 FY19
Revenues	69.0	48.7
EBITDA	6.4	12
EBITDA Margin (%)	9.3	24.6
PBT	1.2	8.8
PAT	1.08	6.9

Signed a distribution agreement with Yuntinic Resources Inc., USA

VEL entered into a distribution agreement with Yuntinic Resources Inc., USA subsidiary of Yunnan Tin Co. Ltd. of China for distribution of its Organotin range of PVC heat stabilisers in the USA and North American markets. USA is the world’s largest consumer of Organotins, accounting for over 50% of the global demand. This agreement with Yuntinic will provide Vikas EcoTech access to the lucrative US market.

Vikas EcoTech’s Organotin sample shipments have already been approved by consumers in the US. VEL expects to reach an additional export run-rate of 1,000 tonnes per annum of Organotin by FY20. Accordingly, the company expects Organotin capacity utilization to rise significantly in FY20. The signing of this distribution agreement with one of the largest Organotin manufacturers in the world endorses Vikas EcoTech’s high quality of products being accepted & approved in the international market.

NCLT Approves De-Merger of the high volume Recycled compounds and Trading Business

In November 2018, The National Company Law Tribunal approved the De-merger of VEL’s High-volume ‘Trading and Recycled Compounds Division’ and its subsequent amalgamation with Vikas Multicorp Limited (“VML”). VML will be listed as a separate entity on the stock exchanges. Shareholders of VEL have received one equity share of VML for every one equity share held in VEL. VML is expected to be listed in Q4 FY19.

Strong Focus on Backward Integration

The Company is exploring strategic tie ups to improve raw material security and subsequently stabilise production of Organotins. VEL has tied-up with a leading German company to produce 2-EHTG which is the key raw material for production of Organotins. The company is also pursuing an opportunity to acquire established manufacturing facility to reduce lead time to the market.

Vikas Garg, M.D., Vikas EcoTech comments:

“In the third quarter our revenues witnessed strong 40%+ growth on a sequential basis on account of marketing push and higher demand for our products. Margins in this quarter have suffered as we were carrying high cost inventory at the end of 2nd quarter. Cost of the base chemicals used in manufacturing of Speciality compounds and additives are mostly based on Crude oil prices. Crude oil and commodity prices had appreciated in Q1 and Q2 while falling sharply in Q3. We were not able to pass on these elevated raw material costs to our customers in Q3 due to the rapid drop and hence, led to one-time impact on the COGS. This current fall in crude oil and commodity prices along with the more stable rupee, has led to lower raw material prices in the near term and should aid the company going forward.

We are also excited about future prospects given the agreement with Yuntinic Resources, which provides us access to the largest Organotin market of USA & Northern America. We are happy about the endorsement that Vikas EcoTech’s Organotins have received in the international market.”

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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.