



VEL/PR/11/08/2017

11th August, 2017

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: - Press Release

Dear Sir

Please find attached herewith Press Release 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 Growth Centre, Phase-I, SIDCO Complex, Distt. Samba-187 121 (J&K)

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



Vikas Ecotech / Press Release / Quarter I Results

Vikas Ecotech delivers 10% increase in Q1 FY18 revenues

EBITDA and profit margins remain stable despite GST transition

Key Highlights

- 9.5% y-o-y increase in net revenues to INR 115.54 cr. in Q1 FY18 as compared to INR 105.51 cr. during Q1 FY17 inspite of transitional GST preparations and subdued supply of raw materials
- EBITDA and PAT were stable at INR 17.08 cr. and INR 8.60 cr. in Q1 FY18 as compared to INR 17.87 cr. and INR 9.20 cr. respectively achieved during Q1 FY17; due to increased efficiency and a premium R&D-led product pipeline
- Construction work commenced at the new Kandla and Dahej facilities in Gujarat. The Kandla factory to be operational by December, 2017 while the Dahej unit would be operational by the end of current fiscal year

11 August 2017, New Delhi

Financials

Vikas Ecotech registered a y-o-y increase in revenues of 9.5% during the last quarter despite headwinds of the GST transition and subdued raw material availability. The company's revenue grew to INR 115.54 cr. in Q1 FY18 as compared to INR 105.51 cr. in Q1 FY17. Earnings before interest, tax, depreciation and amortization (EBITDA) and net profit during Q1 FY18 were steady despite the preparations for the roll out of Goods and Service Tax (GST).

(In INR Crores)

Particulars	Q1FY18	Q1FY17	Difference (Q1 FY18 v/s Q1 FY17)
Revenues	115.55	105.51	9.5%
EBITDA	17.08	17.87	(4.5%)
PAT	8.60	9.20	(6.6%)
EPS	0.31	0.36	(13.9%)

EBITDA was at INR 17.08 cr. as compared to INR 17.87 cr. achieved during the last fiscal. Profit after tax during the quarter was at INR 8.60 cr. in Q1 FY18 as compared to INR 9.20 cr. earned in the corresponding period of previous year.

GST had an immediate nationwide and industry wide impact hitting the sales momentum and disruption on the logistics front. In preparation for its implementation from 1st July, distributors and importers de-stocked inventories and it resulted in a decelerated production strategy.

Management Comment

Mr. Vikas Garg, Managing Director: "We were able to deliver healthy top-line growth and sustain margins in our Q1 FY18 quarter. GST has affected the entire industry slowing down sales and I believe that the speed shall pick-up in the immediate next months and this evolution would bear fruits in the succeeding quarters. In the long run, it will benefit organised and R&D-led innovative players like us in a significant manner. I congratulate Government of India and the Honourable Prime Minister for bringing to reality a gigantic yet long-term indirect tax reform."



The company's ability to maintain profitability and margins show our constant endeavour towards efficient production and introduction of R&D-led products with better margins. We see a steady improvement of our performance across all parameters during the rest of the year. "

New Business Initiatives

A. Construction in full swing at Kandla & Dahej facilities: Work at our new state-of-the-art manufacturing facilities at Kandla and Dahej, both located in the state of Gujarat, commenced during the last quarter. The Kandla facility is expected to be operational during Q3 FY18 and the manufacturing unit at Dahej will start operations by the end of current fiscal year.

B. Production Loss from Fire Incident minimized and compensation to be received during this FY:

The company has successfully shifted the production loss from the recent fire to other machines. Additionally, it has increased output through better capacity utilisation, almost neutralising the production losses from Q2 onwards. The insurance claims have been submitted and the compensation should be received during the current financial year, helping recoup the asset and material losses.

Capex

A. Purchase of New Machinery for Compounds Production: During the quarter, Vikas Ecotech invested in additional state-of-the-art machinery, plant & equipment with the objective of increasing its capacity for compound production. The new machinery will add 10,000 metric tonnes (MT) annually to the company's existing manufacturing capacity. The setup is currently under installation in a new unit adjacent to company's existing factory at Shahjahanpur in Rajasthan.

Key Macro Trends

A. GOI guidelines for phasing out Lead based stabilizers: The Ministry of Environment and Forests is in the process of finalizing the guidelines for phasing out the use of lead-based stabilizers in the Poly Vinyl Chloride (PVC) pipes industry. This measure will give a fillip to eco-friendly lead-free PVC stabilizer manufacturers and ultimately provide enhanced safety and health to every Indian.

For editorial queries, please contact:

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About Vikas Ecotech Limited (www.vikasecotech.com)

Vikas Ecotech is an emerging player in the global arena of high-end specialty chemicals. 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-friendly and safety-critical products. From agriculture to automotives, cables to electricals, 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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