



January 23, 2024

Listing Compliance Department
National Stock Exchange of India Limited.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai 400051
Fax: 022-26598235/36

Listing Compliance Department
BSE Limited.
Phirozee Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

NSE Symbol: VIKASECO

Scrip Code: 530961

Sub: Media Release :

Vikas Ecotech Ltd. acquires 100% Equity of M/s Shamli Steel at an enterprise value of INR 1600 Mn in a Share Swap Deal

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Media Release titled "Vikas Ecotech Ltd. acquires 100% Equity of M/s Shamli Steel at an enterprise value of INR 1600 Mn in a Share Swap Deal".

We request you to kindly take the above information on record and oblige.

Yours Faithfully,

for Vikas Ecotech Limited

Rajeev Kumar
Executive Director
DIN: 10271754



Media Release

Vikas Ecotech Ltd. acquires 100% Equity of M/s Shamli Steel at an enterprise value of INR 1600 Mn in a Share Swap Deal.

New Delhi, 23' January'24. Vikas Ecotech Limited is pleased to announce that the company has signed the agreement to acquire 100% Equity of M/s Shamli Steel Private Limited, a company engaged in manufacturing Infrastructural Steel (Bars & Raw Material) at a negotiated enterprise value of INR 1600 Million from its existing shareholders in a Share Swap deal. Apart from the aforementioned, The Company has also provided Shamli Steels a working capital assistance of INR 150 Million while Signing the Agreement and will further induce more cash for the working capital requirements in the tune of about INR 350~500 Million during the first 3~6 Months after taking over the operations of the plant.

Vikas Ecotech in the quest to expand its business interests ventured into the Infrastructure Development related products during FY 2021~22 with supplying Infrastructural steel to renowned Civil & Public construction companies in the Northern Indian Region. While the infrastructure business division contributed INR 1166 Million Approx. to the company's topline during FY 2022~23, while demonstrating a healthy growth of about 11 % as compared to the preceding year. Having gathered immense experience and confidence to expand its foothold in the business based on the foundation of the consistent and growing business build in the infra segment during the recent two years, Vikas Ecotech has been eying the opportunities to venture into manufacturing of infrastructural steel.

The new acquisition is capable of contributing an additional INR 9000 Million to the Gross Revenue of the company which is a huge leap from the current levels while on the other hand has the potential to generate INR 150~200 Million of Gross Profits er Annum.

Nevertheless, Vikas Ecotech has evaluated, decided and approved the enhancement of the Power Supply Connection via a fresh CAPEX of about INR 90 Million Approx, while adding a private Electric Sub Station for Shamli Steel Unit, which in turn will improve the Gross Margins for Shamli Steels by a significant 50~60% as compared to the profits generated by Shamli during recent years. This will definitely provide an edge to the company while expanding its footprint in the regional market but also opens the possibilities to target the market potential in the adjoining geographical regions which shall contribute positively to trigger the process for a faster growth, leading to better economies resulting in even better commercial results.

About Shamli Steel Pvt Ltd:

Shamli Steel Pvt Ltd is an ISO 9001:2015; ISO 14001:2015; ISO 45001:2015 certified company producing Steel Bars and Billets located at Shamli, Uttar Pradesh, India. Shamli Steel has the capacity to produce about 2.5 Lac MT of Thermo Mechanically Treated Bars (TMT bars), Corrosion Resistant Steel Bars (CRS Bars), MS Rounds and MS Billets Per Annum.

Shamli Steel manufacturing plant is a State-of-The-Art facility having duly granted the license to use The Thermex Quenching System and Technology of M/s Hennigsdorfer Sathl Engineering GmbH, Germany, to produce High Strength Thermex Quenched and Self Tempered (QST) Rebars having mechanical properties as per IS 1786 : 2008 Grades: Fe 415, Fe 415D, Fe 500, Fe 500D, Fe 550, Fe 550D and Fe 600 in sizes 8 to 20 mm & Grades Fe 415, Fe 415D, Fe 500, Fe 500D, Fe 550 and Fe 550D in size 25 to 32 mm.

Shamli Steel Manufacturing Unit holds a host of Certifications and Licenses:

Certificates:

- TNV for ISO 9001:2015
- TNV for ISO 14001:2015
- TNV for OHSAS 45001:2018

Licenses:

- BIS 1786: 2008
- BIS 2830: 1992
- BIS 2062:2011

Some of the major customers Shamli Steel has been catering to:

- Delhi Metro Rail Corporation
- Eldeco County
- HIPPO Stores
(Retail arm of Dalmia Cement)
- M3M Developers
- Wave Infra

Shamli Steel generated revenue of INR 3000 Million during FY 2022-23, while posting a healthy growth at CAGR 10% for the last 3 years.

About Vikas Ecotech Limited:

Vikas Ecotech Ltd is a New Delhi based company conventionally engaged in the business of Specialty Polymers & Specialty Additives and Chemicals for Plastics & Rubbers industries, catering to a wide horizon of applications in Agriculture, Infrastructure, packaging, electrical, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods.

Vikas Ecotech is the only manufacturer of the Non-Toxic ~ Food-Grade Organotin (Heat Stabilizers for Vinyl applications) in India with in-house R&D facilities and is one of the single digit numbered manufacturers of this material worldwide, having the technology and expertise for manufacturing this material right from Tin Metal to the Final Material.

Vikas Ecotech has been thriving to expand its business interests beyond the Spatiality Polymer Compounds, Raw Materials & Specialty Chemical Additives. Moving forward the company added many Consumer Products to its Conventional B2B (Raw Materials) Business profile. The new business segments include Infrastructure Products like Infrastructural Steel, Steel Pipe Fittings, MDPE Pipes for Gas applications to its existing business lines.

The securities of the Company are listed on both the Stock Exchanges, BSE (Scrip Code: 530961) and NSE (Scrip Code: VIKASECO).

Disclaimer: Certain statements, words in this document that are not historical facts are forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks and many other factors that could cause actual result to differ materially from those contemplated by these forward-looking statements. Vikas Ecotech Limited shall not be in any way responsible for any action taken based on such statement.

Annexure -1

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are as under:

a)	Name of the target entity, details in brief such as size, turnover etc.;	M/s. SHAMLI STEELS PRIVATE LIMITED, (CIN: U27106DL1999PTC102497) a Company incorporated under Companies Act 1956/2013 and having its registered office at G-1, Plot No. 12, GF, Bargodia Tower D Block, Central Market, Prashant Vihar, Delhi 110085 Turnover for March 31, 2023 was INR 3214 Million approx.
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	Not Applicable.
c)	Industry to which the entity being acquired belongs;	Manufacturing of Infrastructural Steel Industry
d)	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Through this acquisition, Vikas Ecotech Limited is venturing into the manufacturing of Infrastructural steel in the quest to expand its business interest into the Infrastructural Development related products.
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	NA
f)	Indicative time period for completion of the acquisition;	Within this Financial Year (2023-24)
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	Share swap deal
h)	Cost of acquisition or the price at which the shares are acquired;	INR 1600 Million
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	100%
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	Engaged in the business of Manufacturing of Thermo Mechanically Treated Bars (TMT bars), Corrosion Resistant Steel Bars (CRS Bars), MS Rounds and MS Billets. The Company was incorporated as on 22.11.1999 under the Companies Act 1956. Turnover for March, 2023 was INR 3214 Million approx. March, 2022 was INR 3406 Million and March 2021 was INR 2553 Million.