



## GRAVITA INDIA LTD.

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CIN : L29308RJ1992PLC006870

06<sup>th</sup> February 2020

GIL/2019-20/091

To, The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra(E) Mumbai-400051 Fax No.: 022-26598237/38 Company Code: GRAVITA	To The BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street MUMBAI-400001 Fax No.: 022-22723121 Company Code: 533282
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### Sub: Intimation under Regulation 30 of SEBI Listing Regulation, 2015.

Dear Sir/Madam,

In Compliance of Regulation 30 of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we submit herewith the Investor Presentation on the Un-Audited Financial Results for the Quarter ended 31<sup>st</sup> December, 2019.

Kindly take the above on your records and oblige.

Yours Faithfully

For Gravita India Limited

  
**Nitin Gupta**  
(Company Secretary)  
FCS-9984



Encl.: As above



# EARNINGS PRESENTATION

9M / Q3-FY20



RECYCLING  
FOR A BETTER  
TOMORROW



# Executive Summary

- Incorporated in 1992, Gravita India Ltd. (Gravita) is engaged in recycling of Used Lead Acid Batteries, Cable Scrap / other Lead Scrap, Aluminum Scrap and Plastic Scrap etc.
- Gravita has 13 strategically located recycling facilities in Asia, Africa and Central America with a capacity of 124,819 MTPA for Lead, 19,200 MTPA for Aluminium and 26,400 MTPA for Plastic as on Q3-FY20.
- Gravita has a unique deep routed global scrap collection network which helps it to collect scrap globally at competitive prices.
- The recycled products such as Pure Lead, Lead Alloys, Lead Powder, Oxides, Aluminium Alloys, PP Granules, PET Flakes are sold to domestic and international customers.
- Gravita is a public listed recycling company with Market Capitalization of around INR 3,348 Mn as on 31<sup>st</sup> December 2019.

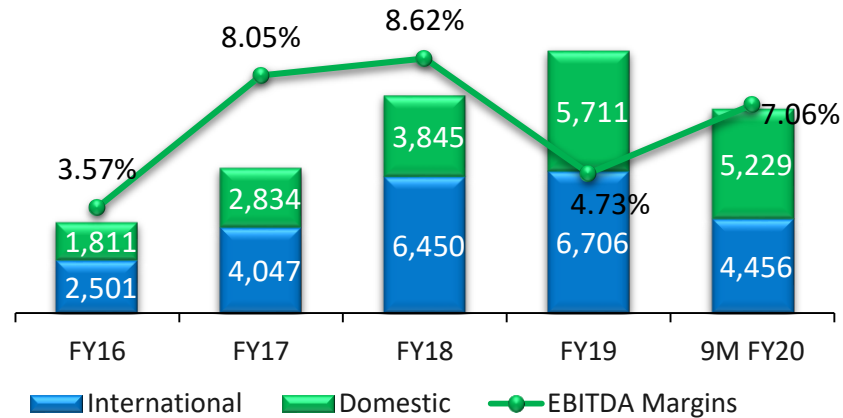


# COMPANY OVERVIEW

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# Company Overview



- Gravita India Ltd. (Gravita) is a leading global non-ferrous secondary metal and one of India's largest secondary Lead metal producing company.
- A vertically integrated business, economies of scale and a diversified team of professionals enable it to deliver quality products globally and catering to automobile, power storage and green energy sectors.
- Gravita also provides turn-key Solutions to Battery Recycling Industry including Lead Rotary Furnace, Lead Refining Pots, Alloying Furnace, Pollution and Fugitive Emission Control Equipment, Battery Cutting Machine, Battery Crushing & Hydro separation System etc.



The company has a unique deep routed scrap collection network globally which helps it to collect scrap at competitive prices .



Gravita has 13 state-of-the-art recycling facility in Asia (7), Africa (4) and Central America (2), which are near to scrap generation centers and end use markets.



It provides diversified product range for variety of applications and trusted by customers in over 60 countries, globally. Above 54% revenue flows from overseas market.

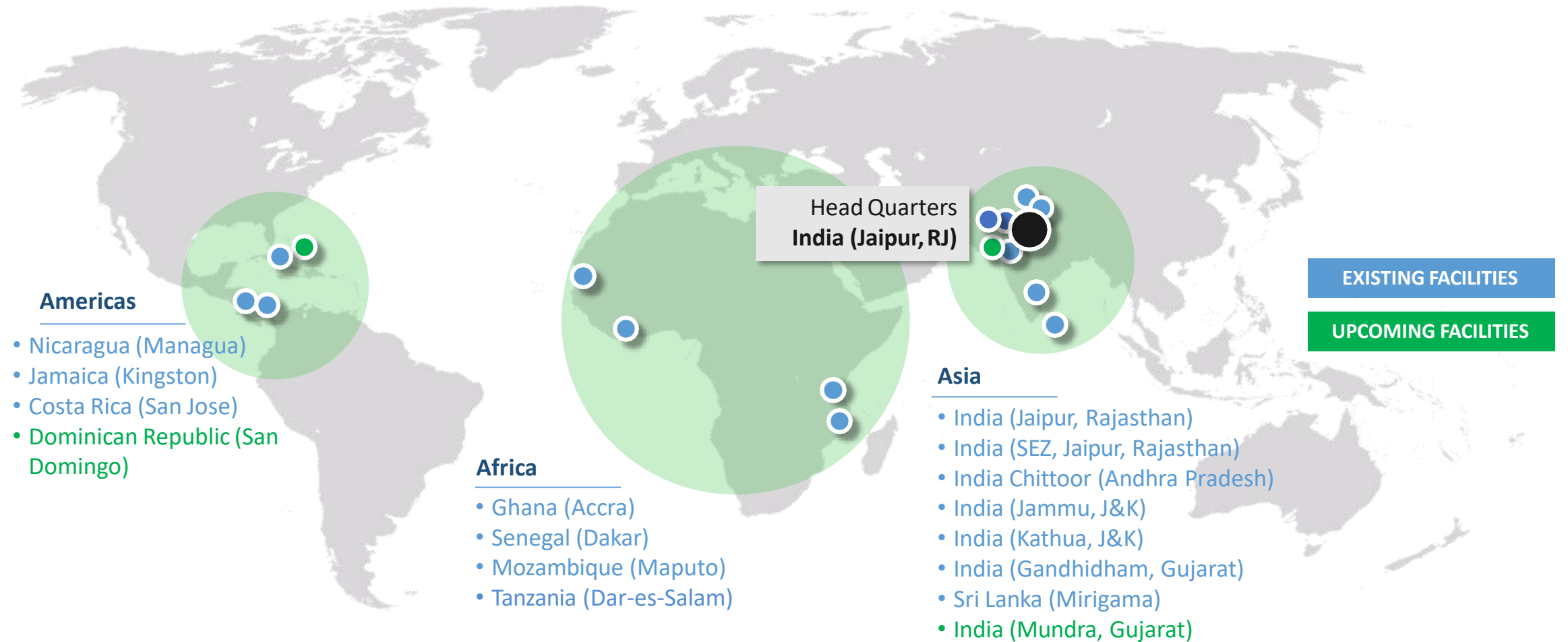


Gravita's consolidated revenue from operations grew from INR 4,513 Mn in FY16 to INR 12,417 Mn in FY19, resembling a CAGR of 40% .



Gravita practices highest level of Corporate Governance as a key driver of sustainable corporate growth and long-term stakeholder value creation.

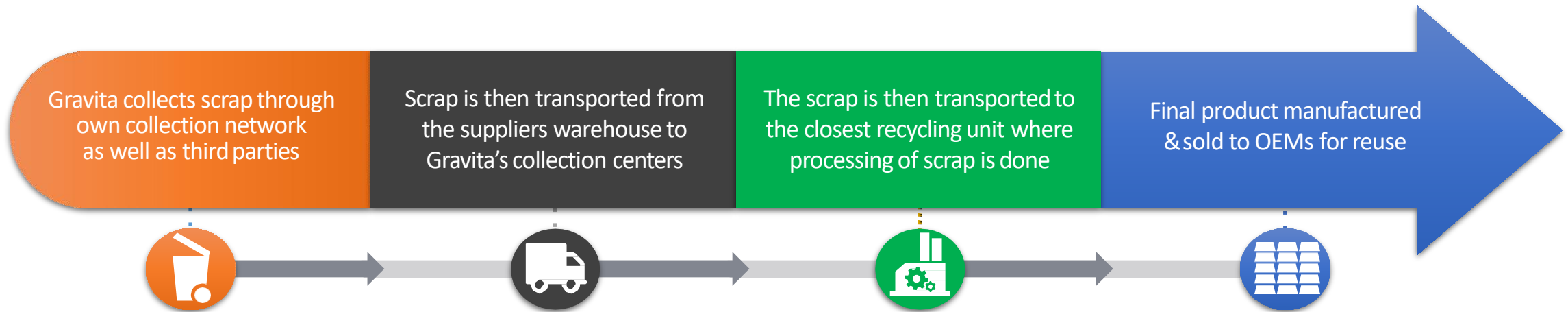
# Geographical Presence



# Scrap Collection

## OVERVIEW

- ❖ The main raw materials used for production includes Used Lead Acid Batteries (ULAB), Other Lead Scrap, Aluminium Scrap and Plastic Scrap.
- ❖ The company collects scrap from more than 20 countries including own scrap collection centers in more than 10 countries.
- ❖ These raw materials are mainly sourced from Asia, Middle East, Africa and Central America etc. at competitive prices.
- ❖ Gravita collects domestic scrap from various large corporate clients in India such as Airtel, Vodafone, Indus Tower, TCS, Nxtra Data, Sukam etc.
- ❖ Gravita has entered into back to back buying of scrap from battery recycling companies like Amara Raja Batteries and HBL Power Systems and selling of recycled goods to them.
- ❖ In FY19, company collected 83% of the scrap from the International market and 17% from Indian market.





# **9M / Q3-FY20 FINANCIALS HIGHLIGHTS**

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# 9M / Q3-FY20 Financial Highlights

## ☐ Q3-FY20 Financial Highlights (Standalone)

- **Operational Revenue** : INR 3,255 Mn
- **EBITDA** : INR 251 Mn
- **EBITDA Margin** : 7.71%
- **Net Profit** : INR 106 Mn
- **PAT Margin** : 3.26%
- **Diluted EPS** : INR 1.30

## ☐ 9M-FY20 Financial Highlights (Standalone)

- **Operational Revenue** : INR 8,405 Mn
- **EBITDA** : INR 500 Mn
- **EBITDA Margin** : 5.95%
- **Net Profit** : INR 174 Mn
- **PAT Margin** : 2.07%
- **Diluted EPS** : INR 2.52

## ☐ Q3-FY20 Financial Highlights (Consolidated)

- **Operational Revenue** : INR 3,765 Mn
- **EBITDA** : INR 328 Mn
- **EBITDA Margin** : 8.71%
- **Net Profit** : INR 132 Mn
- **PAT Margin** : 3.51%
- **Diluted EPS** : INR 1.54

## ☐ 9M-FY20 Financial Highlights (Consolidated)

- **Operational Revenue** : INR 9,685 Mn
- **EBITDA** : INR 684 Mn
- **EBITDA Margin** : 7.06%
- **Net Profit** : INR 231 Mn
- **PAT Margin** : 2.39%
- **Diluted EPS** : INR 2.99

# Q3-FY20 Operational Highlights

- The overall production during the quarter increased by 17% Y-o-Y. The increase in production was due to higher capacity utilization at all the existing facilities and stabilization of new facilities at Ghana and Tanzania.
- During the quarter the company has been able to procure 39,559 MT of scrap, a growth of approximately 19% Y-o-Y.
- Sales realization of Lead division improved due to higher sale of Lead Alloys and Value Added Products. The sale from Lead Alloys and VAP registered a volume growth of 60% Y-o-Y.
- EBITDA margin improvement was due to higher sale of Lead Alloys and Value Added Products (VAP), while PAT improved due to stabilization of 100% hedging policy of the company and economies of scale, along with improving customer segmentation.

## Sales Quantity in Q3-FY20:

- Lead – 20,301 MT
- Aluminum – 1,925 MT
- Plastic – 3,184 MT

## Expansion Projects

- Mundra Project - The company is in the process of shifting Gandhidham facility to Mundra and permit for the same is expected in Q4-FY20. In the meantime, Gandhidham facility will be fully operational until the permit is received to shift the facility.

## Road Ahead:

- Over the next few quarters, the company will majorly focus to improve its capacity utilization at existing facilities, increasing the production and sales of high margin products like Lead Alloys and Value Added Products by strengthening its global scrap collection network and also by venturing into new territories.
- The company is also focusing on developing export market for its Aluminum Alloys which will result in reduced working capital cycle coupled with higher profit margins.

# Q3-FY20 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	Q3-FY20	Q2-FY20	Q-o-Q	Q3-FY19	Y-o-Y
<b>Operational Income</b>	<b>3,255</b>	<b>2,838</b>	<b>14.7%</b>	<b>2,737</b>	<b>18.9%</b>
Total Expenses	3,004	2,717	10.5%	2,674	12.3%
<b>EBITDA</b>	<b>251</b>	<b>121</b>	<b>110.0%</b>	<b>63</b>	<b>298.4%</b>
<b>EBITDA Margin (%)</b>	<b>7.71%</b>	<b>4.26%</b>	<b>351 Bps</b>	<b>2.30%</b>	<b>544 Bps</b>
Depreciation	22	22	NA	18	22.2%
Finance Cost	64	65	NA	53	22.6%
Other Income	6	3	50.0%	(2)	NA
<b>PBT</b>	<b>171</b>	<b>37</b>	<b>NA</b>	<b>(10)</b>	<b>NA</b>
Tax	65	10	NA	(8)	NA
<b>Profit After Tax</b>	<b>106</b>	<b>27</b>	<b>288.9%</b>	<b>(2)</b>	<b>NA</b>
<b>PAT Margin (%)</b>	<b>3.26%</b>	<b>0.95%</b>	<b>231 Bps</b>	<b>-</b>	<b>NA</b>
Other Comprehensive Income	1	(2)	NA	14	NA
<b>Total Comprehensive Income</b>	<b>107</b>	<b>23</b>	<b>NA</b>	<b>12</b>	<b>NA</b>
Diluted EPS (INR)	1.30	0.63	NA	(0.03)	NA

# 9M-FY20 Standalone Income Statement (IND-AS)


Particulars (INR Mn)	9M-FY20	9M-FY19	Y-o-Y
<b>Operational Income</b>	<b>8,405</b>	<b>7,474</b>	<b>12.5%</b>
Total Expenses	7,905	7,246	9.1%
<b>EBITDA</b>	<b>500</b>	<b>228</b>	<b>119.3%</b>
<b>EBITDA Margin (%)</b>	<b>5.95%</b>	<b>3.05%</b>	<b>290 Bps</b>
Depreciation	65	50	30.0%
Finance Cost	185	157	17.8%
Other Income	16	10	60.0%
<b>PBT</b>	<b>266</b>	<b>31</b>	<b>758.1%</b>
Tax	92	(5)	NA
<b>Profit After Tax</b>	<b>174</b>	<b>36</b>	<b>383.3%</b>
<b>PAT Margin (%)</b>	<b>2.07%</b>	<b>0.48%</b>	<b>159 Bps</b>
Other Comprehensive Income	(1)	4	NA
<b>Total Comprehensive Income</b>	<b>173</b>	<b>40</b>	<b>NA</b>
Diluted EPS (INR)	2.52	0.52	NA

# Q3-FY20 Consolidated Income Statement (IND-AS)

Particulars (INR Mn)	Q3-FY20	Q2-FY20	Q-o-Q	Q3-FY19	Y-o-Y
<b>Operational Income</b>	<b>3,765</b>	<b>3,277</b>	<b>14.9%</b>	<b>3,051</b>	<b>23.4%</b>
Total Expenses	3,437	3,071	11.9%	2,950	16.5%
<b>EBITDA</b>	<b>328</b>	<b>206</b>	<b>59.2%</b>	<b>101</b>	<b>224.8%</b>
<b>EBITDA Margin (%)</b>	<b>8.71%</b>	<b>6.29%</b>	<b>242 Bps</b>	<b>3.31%</b>	<b>540 Bps</b>
Depreciation	49	46	6.5%	30	63.3%
Finance Cost	74	76	(2.6)%	58	27.6%
Other Income	4	2	NA	(3)	NA
<b>PBT</b>	<b>209</b>	<b>86</b>	<b>143.0%</b>	<b>10</b>	<b>NA</b>
Tax	77	12	NA	-	NA
<b>Profit After Tax</b>	<b>132</b>	<b>74</b>	<b>78.4%</b>	<b>10</b>	<b>1,220%</b>
<b>PAT Margin (%)</b>	<b>3.51%</b>	<b>2.26%</b>	<b>125 Bps</b>	<b>0.33%</b>	<b>318 Bps</b>
Other Comprehensive Income	5	7	(28.6)%	(9)	NA
<b>Total Comprehensive Income</b>	<b>137</b>	<b>81</b>	<b>69.1%</b>	<b>1</b>	<b>NA</b>
Diluted EPS (INR)	1.54	1.17	31.6%	0.05	NA

# 9M-FY20 Consolidated Income Statement (IND-AS)

Particulars (INR Mn)	9M-FY20	9M-FY19	Y-o-Y
<b>Operational Income</b>	<b>9,685</b>	<b>9,027</b>	<b>7.3%</b>
Total Expenses	9,001	8,556	5.2%
<b>EBITDA</b>	<b>684</b>	<b>471</b>	<b>45.2%</b>
<b>EBITDA Margin (%)</b>	<b>7.06%</b>	<b>5.22%</b>	<b>184 Bps</b>
Depreciation	136	84	61.9%
Finance Cost	213	171	24.6%
Other Income	11	8	37.5%
<b>PBT</b>	<b>346</b>	<b>224</b>	<b>54.5%</b>
Tax	115	30	NA
<b>Profit After Tax</b>	<b>231</b>	<b>194</b>	<b>19.1%</b>
<b>PAT Margin (%)</b>	<b>2.39%</b>	<b>2.15%</b>	<b>24 Bps</b>
Other Comprehensive Income	14	10	40.0%
<b>Total Comprehensive Income</b>	<b>245</b>	<b>204</b>	<b>20.1%</b>
Diluted EPS (INR)	2.99	2.33	28.3%



# **HISTORICAL FINANCIAL OVERVIEW**

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# Standalone Income Statement (IND-AS)

Particulars (INR Mn)	FY17	FY18	FY19	9M-FY20
<b>Operational Income</b>	<b>5,577</b>	<b>7,966</b>	<b>10,594</b>	<b>8,405</b>
Total Expenses	5,203	7,407	10,198	7,905
<b>EBITDA</b>	<b>374</b>	<b>559</b>	<b>396</b>	<b>500</b>
<b>EBITDA Margin (%)</b>	<b>6.71%</b>	<b>7.02%</b>	<b>3.74%</b>	<b>5.95%</b>
Depreciation	33	49	68	65
Finance Cost	78	160	208	185
Other Income	21	13	121	16
<b>PBT</b>	<b>284</b>	<b>363</b>	<b>241</b>	<b>266</b>
Tax	54	108	51	92
<b>Profit After Tax</b>	<b>230</b>	<b>255</b>	<b>190</b>	<b>174</b>
<b>PAT Margin (%)</b>	<b>4.12%</b>	<b>3.20%</b>	<b>1.79%</b>	<b>2.07%</b>
Other Comprehensive Income	(4)	(2)	(1)	(1)
<b>Total Comprehensive Income</b>	<b>226</b>	<b>253</b>	<b>189</b>	<b>173</b>
<b>Diluted EPS (INR)</b>	<b>3.33</b>	<b>3.69</b>	<b>2.75</b>	<b>2.52</b>

# Standalone Balance Sheet

EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20	ASSETS (INR Mn)	FY18	FY19	H1-FY20
<b>Shareholder Funds</b>	<b>1,359</b>	<b>1,494</b>	<b>1,600</b>	<b>Non-current Assets</b>	<b>1,219</b>	<b>1,419</b>	<b>1,486</b>
(A) Share Capital	138	137	138	(A) Property, Plant and Equipment	812	1,062	1,099
(B) Other Equity	1,221	1,357	1,462	(B) Capital work-in-progress	144	94	48
				(C) Right of use assets	-	-	85
<b>Non-current Liabilities</b>				(D) Other Intangible assets	12	9	7
(A) Financial Liabilities	<b>175</b>	<b>162</b>	<b>289</b>	(E) Financial Asset			
(i) Borrowings	146	123	233	(i) Investments	143	143	143
(ii) Lease Liabilities	-	-	30	(ii) Financial Loans	48	60	58
(B) Long term Provisions	21	26	26	(F) Deferred tax assets (net)	-	-	40
(C) Deferred Tax Liability (net)	8	13	-	(G) Income Tax Assets (net)	6	-	-
				(H) Other non current assets	54	51	6
<b>Current Liabilities</b>				<b>Current Assets</b>	<b>2,854</b>	<b>3,427</b>	<b>3,154</b>
(A) Financial Liabilities	<b>2,539</b>	<b>3,190</b>	<b>2,751</b>	(A) Inventories	1,249	1,329	1,471
(i) Borrowings	1,856	1,949	1,826	(B) Financial Assets			
(ii) Trade Payables	558	1,078	716	(i) Investments	24	92	13
(iii) Lease Liabilities			12	(ii) Loans	10	9	7
(iv) Other	78	94	99	(iii) Trade receivables	1,059	1,067	895
(B) Other Current liabilities	25	50	73	(iv) Cash & Bank Balances	91	104	62
(C) Provisions	3	3	5	(v) Other	24	104	62
(D) Current tax Liabilities (net)	19	16	20	(C) Current Tax Assets (net)	-	6	5
				(D) Other Current Assets	397	716	639
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>4,073</b>	<b>4,846</b>	<b>4,640</b>	<b>GRAND TOTAL – ASSETS</b>	<b>4,073</b>	<b>4,846</b>	<b>4,640</b>

# Consolidated Income Statement

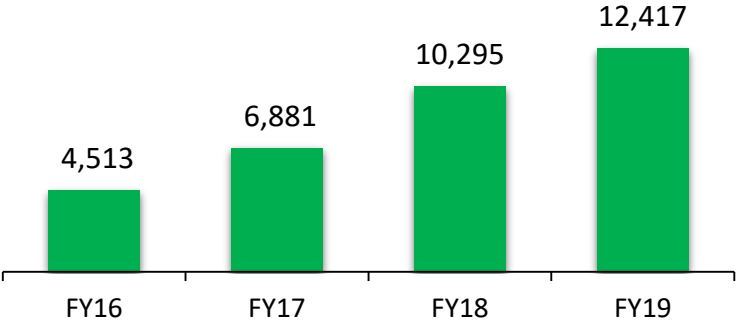
Particulars (INR Mn)	FY17	FY18	FY19	9M-FY20
<b>Operational Income</b>	<b>6,881</b>	<b>10,295</b>	<b>12,417</b>	<b>9,685</b>
Total Expenses	6,327	9,408	11,830	9,001
<b>EBITDA</b>	<b>554</b>	<b>887</b>	<b>587</b>	<b>684</b>
<b>EBITDA Margin (%)</b>	<b>8.05%</b>	<b>8.62%</b>	<b>4.73%</b>	<b>7.06%</b>
Depreciation	59	87	116	136
Finance Cost	86	174	230	213
Other Income	26	16	55	11
<b>PBT</b>	<b>435</b>	<b>642</b>	<b>296</b>	<b>346</b>
Tax	84	166	102	115
<b>Profit After Tax</b>	<b>351</b>	<b>476</b>	<b>194</b>	<b>231</b>
<b>PAT Margin (%)</b>	<b>5.10%</b>	<b>4.62%</b>	<b>1.56%</b>	<b>2.39%</b>
<b>Minority Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Comprehensive Income	(22)	11	6	14
<b>Total Comprehensive Income</b>	<b>329</b>	<b>487</b>	<b>200</b>	<b>245</b>
Diluted EPS (INR)	4.74	6.39	2.25	2.99

# Consolidated Balance Sheet

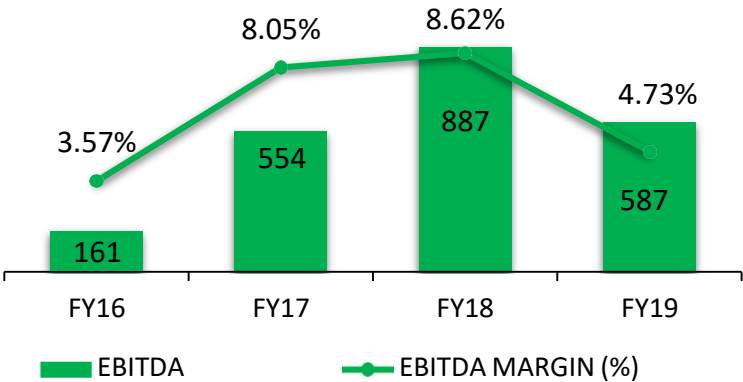
EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20	ASSETS (INR Mn)	FY18	FY19	H1-FY20
<b>Shareholder Funds</b>	<b>1,946</b>	<b>2,040</b>	<b>2,189</b>	<b>Non-current Assets</b>	<b>1,451</b>	<b>2,029</b>	<b>2,160</b>
(A) Share Capital	137	137	138	(A) Property, Plant and Equipment	1,077	1,356	1,616
(B) Other Equity	1,760	1,856	1,989	(B) Capital work-in-progress	239	462	207
Non- controlling interest	49	47	62	(C) Right of use asset			163
				(C) Other Intangible assets	12	9	7
<b>Non-current Liabilities</b>	<b>186</b>	<b>338</b>	<b>497</b>	(D) Financial Asset			
(A) Financial Liabilities				(i) Financial Loans	16	26	26
(i) Borrowings	148	284	399	(ii) Others Financial Assets	-	-	-
(ii) Lease liabilities			67	(E) Deferred tax assets (net)	-	-	34
(B) Long term Provisions	23	31	31	(F) Income Tax Assets (net)	7	1	1
(C) Deferred Tax Liability (net)	15	23	-	(G) Other non current assets	100	175	106
<b>Current Liabilities</b>				<b>Current Assets</b>	<b>3,467</b>	<b>3,696</b>	<b>3,855</b>
(A) Financial Liabilities	<b>2,786</b>	<b>3,347</b>	<b>3,329</b>	(A) Inventories	1,585	1,826	2,019
(i) Borrowings	2,108	2,117	2,085	(B) Financial Assets			
(ii) Trade Payables	475	982	911	(i) Loans	13	9	7
(iii) Lease Liability	-	-	38	(ii) Trade receivables	1,132	965	844
(iii) Other	83	107	147	(iii) Cash & Bank Balances	166	219	144
(B) Other Current liabilities	54	101	114	(iv) Other	24	44	27
(C) Provisions	5	4	5	(C) Current Tax Assets (net)	-	8	8
(D) Current tax Liabilities (net)	61	36	29	(D) Other Current Assets	547	625	806
<b>GRAND TOTAL – Liabilities</b>	<b>4,918</b>	<b>5,725</b>	<b>6,015</b>	<b>GRAND TOTAL – ASSETS</b>	<b>4,918</b>	<b>5,725</b>	<b>6,015</b>

# Financial Highlights (Consolidated)

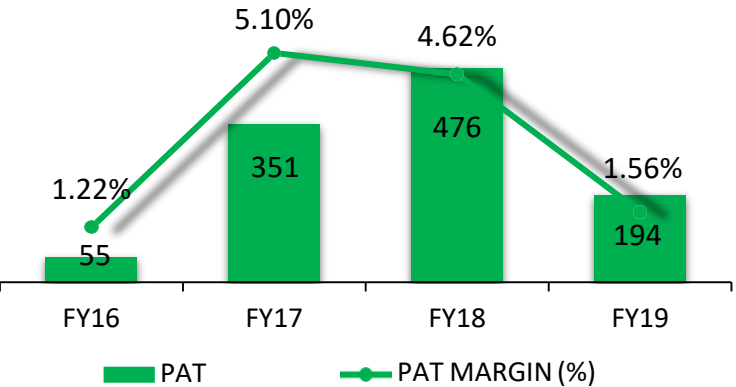
Operational Revenue (INR Mn)



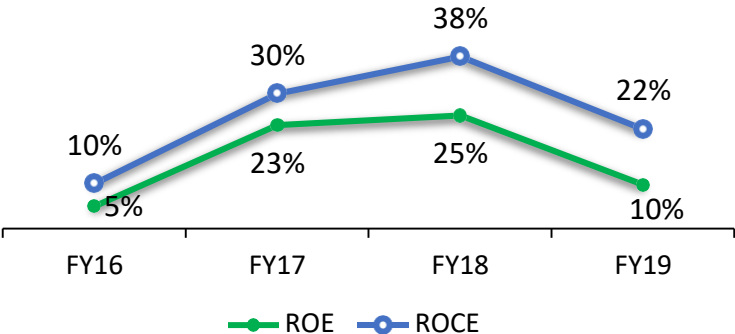
EBITDA (INR Mn) & EBITDA Margin (%)



PAT (INR Mn) & PAT Margin (%)



RoE & RoCE (%)



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