



## GRAVITA INDIA LTD.

Corp. Office : 402, Gravita Tower, A-27 B, Shanti Path,  
Tilak Nagar, JAIPUR-302 004, Rajasthan (INDIA)  
Phone : +91-141- 2623266, 2622697 FAX : +91-141-2621491  
E-mail : info@gravitaindia.com Web. : www.gravitaindia.com  
CIN : L29308RJ1992PLC006870

13<sup>th</sup> November 2019

GIL/2019-20/075

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/ Half-Year ended 30<sup>th</sup> September 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

H1 / Q2-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 Q2-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 3,000 Mn as on 30<sup>th</sup> Sept 2019.



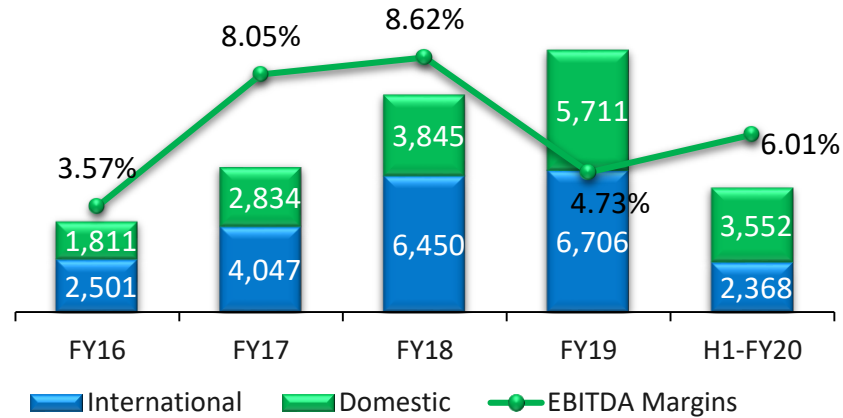


# COMPANY OVERVIEW

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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 (3) 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.

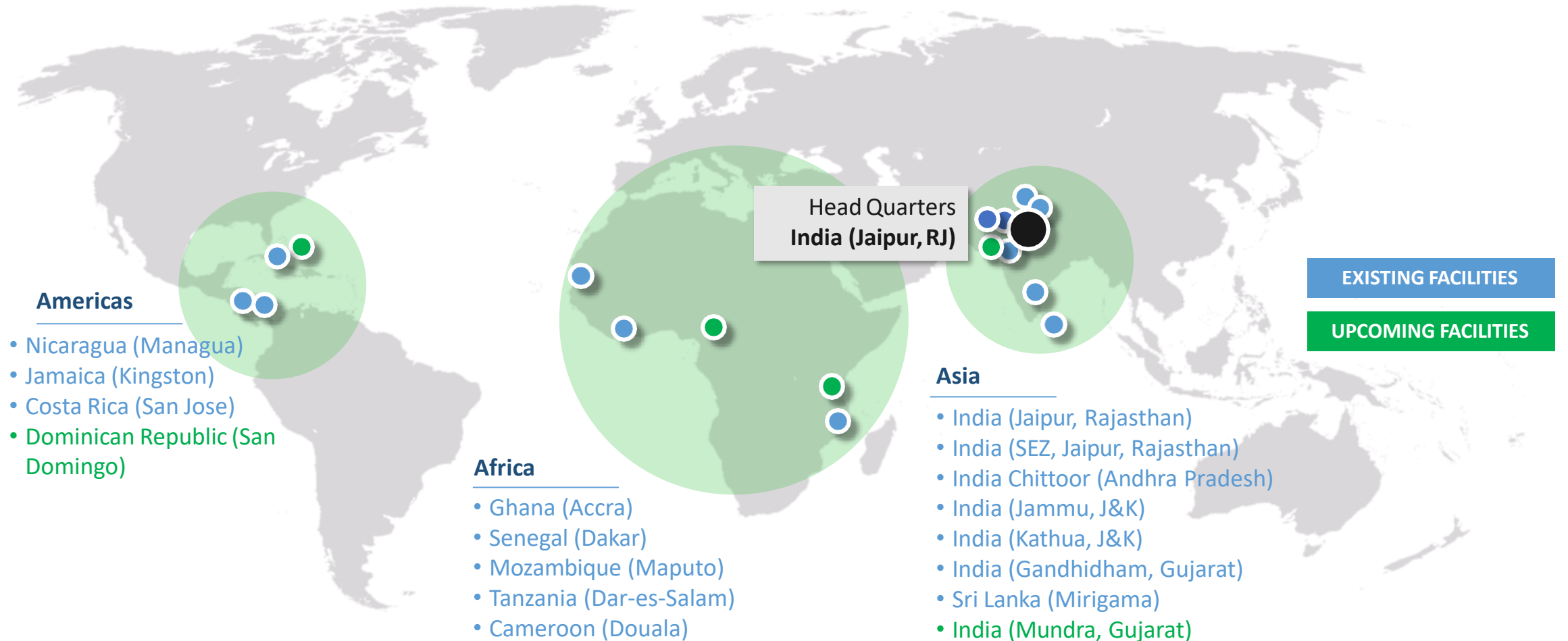


Gravita’s consolidated revenue from operations grew from INR 4,513 Mn in FY16 to INR 12,417 Mn in FY19, resembling a CAGR of 40% .



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

# Geographical Presence

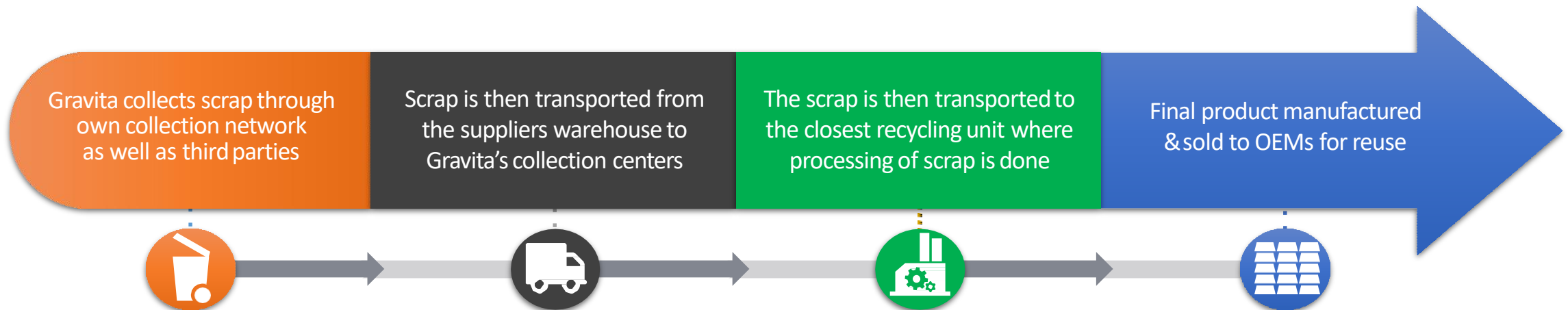




# Scrap Collection

## 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, Nextra 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.





# H1 / Q2-FY20 FINANCIALS HIGHLIGHTS

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# H1 / Q2-FY20 Financial Highlights

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## ☐ Q2-FY20 Financial Highlights (Standalone)

- **Operational Revenue** : INR 2,838 Mn
- **EBITDA** : INR 120 Mn
- **EBITDA Margin** : 4.23%
- **Net Profit** : INR 87 Mn
- **PAT Margin** : 3.07%
- **Diluted EPS** : INR 1.26 per share

## ☐ H1-FY20 Financial Highlights (Standalone)

- **Operational Revenue** : INR 5,150 Mn
- **EBITDA** : INR 248 Mn
- **EBITDA Margin** : 4.82%
- **Net Profit** : INR 128 Mn
- **PAT Margin** : 2.49%
- **Diluted EPS** : INR 1.85 per share

## ☐ Q2-FY20 Financial Highlights (Consolidated)

- **Operational Revenue** : INR 3,277 Mn
- **EBITDA** : INR 206 Mn
- **EBITDA Margin** : 6.29%
- **Net Profit** : INR 138 Mn
- **PAT Margin** : 4.21%
- **Diluted EPS** : INR 1.86 per share

## ☐ H1-FY20 Financial Highlights (Consolidated)

- **Operational Revenue** : INR 5,920 Mn
- **EBITDA** : INR 356 Mn
- **EBITDA Margin** : 6.01%
- **Net Profit** : INR 163 Mn
- **PAT Margin** : 2.75%
- **Diluted EPS** : INR 2.14 per share

# Q2-FY20 Operational Highlights

- The overall production during the quarter increased by 25% Y-o-Y. The increase in production was due to higher capacity utilization at existing plants along with additional capacities installed at Ghana and Tanzania plants.
- During the quarter the company has been able to procure 30,086 MT of Battery/Lead Scrap, a growth of approximately 18% 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 contributed approximately 35% of the total turnover with a volume growth of 68% Y-o-Y.
- Sales realizations of the company's plastic division was adversely impacted due to the ongoing US-China trade war, which has resulted in a surplus of plastic scrap in the US, putting pressure on the realizations, consequentially losses for the division. Although, there has been a significant focus on recycling of plastic products as well as surplus availability of plastic scraps at bottomed out prices, which will auger well for the company in coming quarters.

## Sales Quantity in Q2-FY20:

- Lead – 18,753 MT
- Aluminum – 2,512 MT
- Plastic – 2,807 MT

## Expansion Projects

- Mundra Project - The company is in the process of shifting Gandhidham facility to Mundra and permit for the same which is expected in due course. In the meantime, Gandhidham facility will be fully operational and post receiving the permit, the facility will be shifted to Mundra.

## Road Ahead:

- In the coming quarters the company will focus largely on increasing production and increasing the revenue contribution from Lead Alloys and Value Added Products and by strengthening its global scrap collection network and venturing into new territories.
- The company will also focus on stabilizing the plastic division by accelerating the capacity utilizations.

# Q2-FY20 Income Statement (Standalone)

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q	Q2-FY19	Y-o-Y
<b>Operational Income</b>	<b>2,838</b>	<b>2,312</b>	<b>22.8%</b>	<b>2,370</b>	<b>19.7%</b>
Total Expenses	2,718	2,184	24.5%	2,337	16.3%
<b>EBITDA</b>	<b>120</b>	<b>128</b>	<b>(6.3)%</b>	<b>33</b>	<b>NA</b>
<b>EBITDA Margin (%)</b>	<b>4.23%</b>	<b>5.54%</b>	<b>(131) Bps</b>	<b>1.39%</b>	<b>284 bps</b>
Depreciation	22	21	4.8%	16	37.5%
Finance Cost	65	55	18.2%	62	4.8%
Other Income	4	6	(33.3)%	3	33.3%
<b>PBT</b>	<b>37</b>	<b>58</b>	<b>(36.2)%</b>	<b>(42)</b>	<b>NA</b>
Tax	(50)	17	NA	(18)	NA
<b>Profit After Tax</b>	<b>87</b>	<b>41</b>	<b>112.2%</b>	<b>(24)</b>	<b>NA</b>
<b>PAT Margin (%)</b>	<b>3.07%</b>	<b>1.77%</b>	<b>130 bps</b>	<b>NA</b>	<b>NA</b>
Other Comprehensive Income	(3)	2	NA	(10)	NA
<b>Total Comprehensive Income</b>	<b>84</b>	<b>43</b>	<b>95.3%</b>	<b>(34)</b>	<b>NA</b>
Diluted EPS (INR)	1.26	0.59	113.6%	(0.35)	NA



# H1-FY20 Income Statement (Standalone)

Particulars (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
<b>Operational Income</b>	<b>5,150</b>	<b>4,738</b>	<b>8.7%</b>
Total Expenses	4,902	4,572	7.2%
<b>EBITDA</b>	<b>248</b>	<b>166</b>	<b>49.4%</b>
<b>EBITDA Margin (%)</b>	<b>4.82%</b>	<b>3.50%</b>	<b>132 bps</b>
Depreciation	43	32	34.4%
Finance Cost	120	104	15.4%
Other Income	10	12	(16.7)%
<b>PBT</b>	<b>95</b>	<b>42</b>	<b>NA</b>
Tax	(33)	4	NA
<b>Profit After Tax</b>	<b>128</b>	<b>38</b>	<b>NA</b>
<b>PAT Margin (%)</b>	<b>2.49%</b>	<b>0.80%</b>	<b>169 bps</b>
Other Comprehensive Income	(1)	(10)	NA
<b>Total Comprehensive Income</b>	<b>127</b>	<b>28</b>	<b>NA</b>
Diluted EPS (INR)	1.85	0.55	NA


# Q2-FY20 Income Statement (Consolidated)

Particulars (INR Mn)	Q2-FY20	Q1-FY20	Q-o-Q	Q2-FY19	Y-o-Y
<b>Operational Income</b>	<b>3,277</b>	<b>2,644</b>	<b>23.9%</b>	<b>2,927</b>	<b>12.0%</b>
Total Expenses	3,071	2,495	23.1%	2,784	10.3%
<b>EBITDA</b>	<b>206</b>	<b>149</b>	<b>38.3%</b>	<b>143</b>	<b>44.1%</b>
<b>EBITDA Margin (%)</b>	<b>6.29%</b>	<b>5.64%</b>	<b>65 Bps</b>	<b>4.89%</b>	<b>140 Bps</b>
Depreciation	46	41	12.2%	27	70.4%
Finance Cost	76	63	20.6%	63	20.6%
Other Income	2	6	(66.7)%	3	33.3%
<b>PBT</b>	<b>86</b>	<b>51</b>	<b>68.6%</b>	<b>56</b>	<b>53.6%</b>
Tax	(52)	26	NA	(8)	NA
<b>Profit After Tax</b>	<b>138</b>	<b>25</b>	<b>NA</b>	<b>64</b>	<b>115.6%</b>
<b>PAT Margin (%)</b>	<b>4.21%</b>	<b>0.95%</b>	<b>326 Bps</b>	<b>2.19%</b>	<b>202 Bps</b>
Other Comprehensive Income	7	2	NA	3	133.3%
<b>Total Comprehensive Income</b>	<b>145</b>	<b>27</b>	<b>NA</b>	<b>67</b>	<b>116.4%</b>
Diluted EPS (INR)	1.86	0.28	NA	0.74	151.4%

# H1-FY20 Income Statement (Consolidated)

Particulars (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
<b>Operational Income</b>	<b>5,920</b>	<b>5,977</b>	<b>(0.9)%</b>
Total Expenses	5,564	5,608	(0.8)%
<b>EBITDA</b>	<b>356</b>	<b>369</b>	<b>(3.5)%</b>
<b>EBITDA Margin (%)</b>	<b>6.01%</b>	<b>6.17%</b>	<b>(16) Bps</b>
Depreciation	87	54	61.1%
Finance Cost	139	113	23.0%
Other Income	7	11	(36.4)%
<b>PBT</b>	<b>137</b>	<b>213</b>	<b>(35.7)%</b>
Tax	(26)	29	NA
<b>Profit After Tax</b>	<b>163</b>	<b>184</b>	<b>(11.4)%</b>
<b>PAT Margin (%)</b>	<b>2.75%</b>	<b>3.08%</b>	<b>(33) Bps</b>
Other Comprehensive Income	9	19	(52.6)%
<b>Total Comprehensive Income</b>	<b>172</b>	<b>203</b>	<b>(15.3)%</b>
Diluted EPS (INR)	2.14	2.28	(6.1)%





# **HISTORICAL FINANCIAL OVERVIEW**

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# Standalone Income Statement

Particulars (INR Mn)	FY17	FY18	FY19	H1-FY20
<b>Operational Income</b>	<b>5,577</b>	<b>7,966</b>	<b>10,594</b>	<b>5,150</b>
Total Expenses	5,203	7,407	10,198	4,902
<b>EBITDA</b>	<b>374</b>	<b>559</b>	<b>396</b>	<b>248</b>
<b>EBITDA Margin (%)</b>	<b>6.71%</b>	<b>7.02%</b>	<b>3.74%</b>	<b>4.82%</b>
Depreciation	33	49	68	43
Finance Cost	78	160	208	120
Other Income	21	13	121	10
<b>PBT</b>	<b>284</b>	<b>363</b>	<b>241</b>	<b>95</b>
Tax	54	108	51	(33)
<b>Profit After Tax</b>	<b>230</b>	<b>255</b>	<b>190</b>	<b>128</b>
<b>PAT Margin (%)</b>	<b>4.12%</b>	<b>3.20%</b>	<b>1.79%</b>	<b>2.49%</b>
Other Comprehensive Income	(4)	(2)	(1)	(1)
<b>Total Comprehensive Income</b>	<b>226</b>	<b>253</b>	<b>189</b>	<b>127</b>
<b>Diluted EPS (INR)</b>	<b>3.33</b>	<b>3.69</b>	<b>2.75</b>	<b>1.85</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; LIABILITES</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

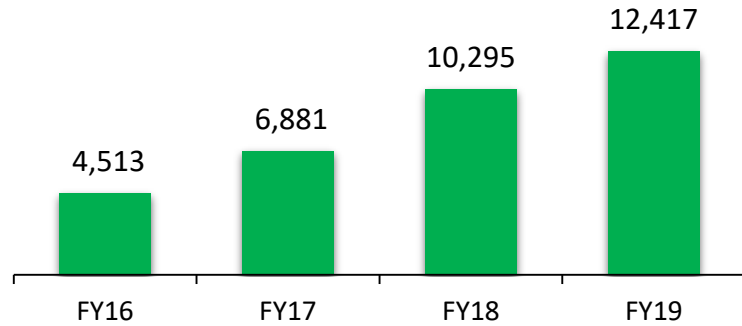
Particulars (INR Mn)	FY17	FY18	FY19	H1-FY20
<b>Operational Income</b>	<b>6,881</b>	<b>10,295</b>	<b>12,417</b>	<b>5,920</b>
Total Expenses	6,327	9,408	11,830	5,564
<b>EBITDA</b>	<b>554</b>	<b>887</b>	<b>587</b>	<b>356</b>
<b>EBITDA Margin (%)</b>	<b>8.05%</b>	<b>8.62%</b>	<b>4.73%</b>	<b>6.01%</b>
Depreciation	59	87	116	87
Finance Cost	86	174	230	139
Other Income	26	16	55	7
<b>PBT</b>	<b>435</b>	<b>642</b>	<b>296</b>	<b>137</b>
Tax	84	166	102	(26)
<b>Profit After Tax</b>	<b>351</b>	<b>476</b>	<b>194</b>	<b>163</b>
<b>PAT Margin (%)</b>	<b>5.10%</b>	<b>4.62%</b>	<b>1.56%</b>	<b>2.75%</b>
<b>Minority Interest</b>	-	-	-	-
Other Comprehensive Income	(22)	11	6	9
<b>Total Comprehensive Income</b>	<b>329</b>	<b>487</b>	<b>200</b>	<b>172</b>
Diluted EPS (INR)	4.74	6.39	2.25	2.14

# Consolidated Balance Sheet

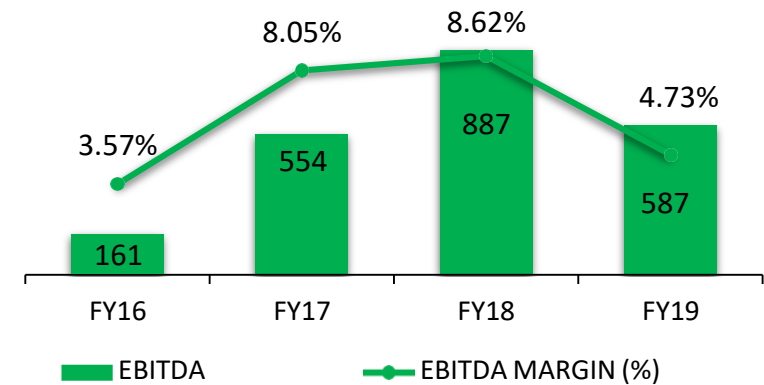
EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20	ASSETS (INR Mn)	FY18	FY19	H1-FY20
<b>Shareholder Funds</b>	<b>1,946</b>	<b>2,040</b>	<b>2,189</b>	<b>Non-current Assets</b>	<b>1,451</b>	<b>2,029</b>	<b>2,160</b>
(A) Share Capital	137	137	138	(A) Property, Plant and Equipment	1,077	1,356	1,616
(B) Other 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)

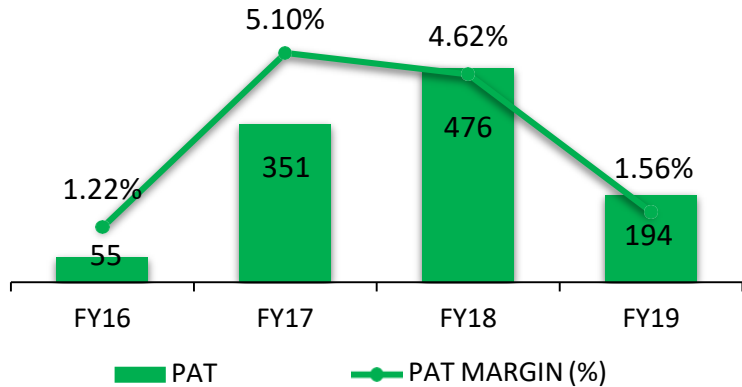
Operational Revenue (INR Mn)



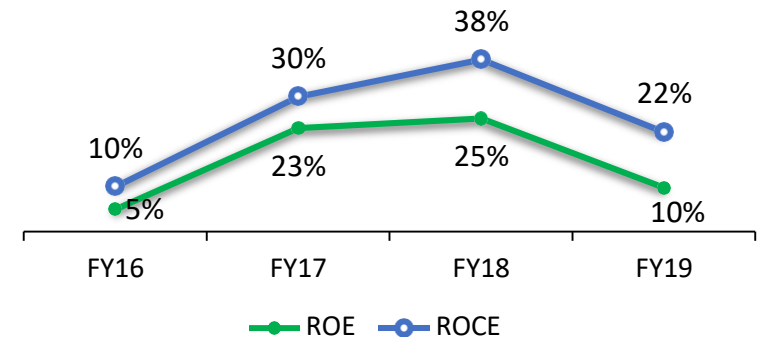
EBITDA (INR Mn) & EBITDA Margin (%)



PAT (INR Mn) & PAT Margin (%)



RoE & RoCE (%)



# Disclaimer

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**For further details, please feel free to contact our Investor Relations Representatives:**



**Mr. Anuj Sonpal**

**Valorem Advisors**

Tel: +91-22-49039500

Email: [gravita@valoremadvisors.com](mailto:gravita@valoremadvisors.com)

Investor Kit Link: [www.valoremadvisors.com/gravita](http://www.valoremadvisors.com/gravita)



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