

**01<sup>st</sup> November, 2023****GIL/2023-24/109**

To

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Fax No.: 022- 22721919  Scrip Code- 533282	The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra - Kurla Complex, Bandra(east), Mumbai- 400 051 Fax No.: 022-2659 8120  Company Code: GRAVITA
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Dear Sir/Madam,

**Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015**In Compliance of Regulation 30 of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Revised Investor Presentation on the Un-Audited Financial Results of the Company for the Quarter and Half year ended 30<sup>th</sup> September, 2023.

Yours Faithfully

For Gravita India Limited

**NITIN**  
**GUPTA**

Digitally signed by NITIN GUPTA  
DN: c=IN, postalCode=302013,  
st=RAJASTHAN, street=JAIPUR, ou=JAIPUR,  
o=Personal,  
serialNumber=64edf71a99714f3ae6723068a  
8c3414a9e3e0509e3c14ec30504dbcfb08f6a2,  
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992d,  
2.5.4.20=d68ea40c3a007c27ac2ec35ef1eccc  
bee406e14124ab4e40744677287eed0,  
email=NITIN.GUPTA@GRAVITAINDIA.COM,  
cn=NITIN GUPTA  
Date: 2023.11.01 10:16:34 +05'30'**Nitin Gupta**  
**(Company Secretary)**  
**FCS: 9984****Encl.: As Above****Regd. Office:**'SAURABH', Chittora Road, Diggi-Malpura Road  
Tehsil: Phagi, JAIPUR- 303 904, Raj. (INDIA)  
Phone: +91-141-2623266, 2622697 FAX : +91-141-2621491  
Email: [companysecretary@gravitaindia.com](mailto:companysecretary@gravitaindia.com)

# INVESTOR PRESENTATION

*Oct 2023*



*Towards Clean, Green &  
Sustainable Future*







**GRAVITA, Started In 1992 by First  
Generation Entrepreneur  
RAJAT AGRAWAL at JAIPUR**



# We are on an **AMAZING JOURNEY**



# Building a **Green** World through **Recycling**

Unwavering commitment to sustainability- driven values continues to light the growth path.

## Vision

*To be the most valuable company in the recycling space globally.*



## Core Values

- ❖ *Fairness*
- ❖ *Trust*
- ❖ *Respect*
- ❖ *Passion*
- ❖ *Nurturing Relationship*



## Social Responsibility

- ❖ *Community development*
- ❖ *Advance education*
- ❖ *Combat hunger*
- ❖ *Safeguard the environment*

## Business Verticals

### **Existing:**

- ❖ *Lead*
- ❖ *Aluminium*
- ❖ *Plastic*
- ❖ *Rubber*
- ❖ *Turnkey Solutions*

### **Upcoming Diversifications:**

- ❖ *Lithium-ion*
- ❖ *Steel*
- ❖ *Paper*

## Mission

*Rank among the top five global recycling companies by 2026, driven by*

- ❖ *Diversification*
- ❖ *Sustainable growth*
- ❖ *Eco-friendly innovation*
- ❖ *Stakeholder value creation*



# Management Commentary & **Business Outlook**

*"Gravita has made a niche for itself over last 31 years and our strong performance year on year is a testament to our fully integrated business model which covers all the key aspects of recycling. Our strategic position as one of the few recyclers in the formal sector is supported by strong sectoral tailwinds like stricter government norms of BWMR & EPR. Our Pan India and global presence, integrated supply chain, operational excellence and strong risk management framework makes us a preferred partner of choice for OEMs across India and gives us confidence to meet our Vision 2027 of diversifying into new business verticals and achieve Revenue CAGR 25%+, Profitability growth 35%+ and ROCE 25%+.*

*Coming to Q2 & H1FY24 performance, I am happy to share that Gravita has performed exceptionally well. Volumes, Revenue, EBITDA and PAT for the quarter have increased by 14%, 22%, 23% and 30% resp. ROCE for H1FY24 stood strong at 26% and proportion of Value-added products increased to 48% in H1FY24 which is very close to our Vision 2027. I am confident that we will continue to deliver our best and achieve our Vision 2027."*



**Yogesh Malhotra**

Whole Time Director & CEO

# FINANCIAL Highlights

✓ **22 %**  
Revenue CAGR - 5 Yrs

✓ **9-10%**  
Consistent EBITDA margins

✓ **A+**  
External credit rating from ICRA

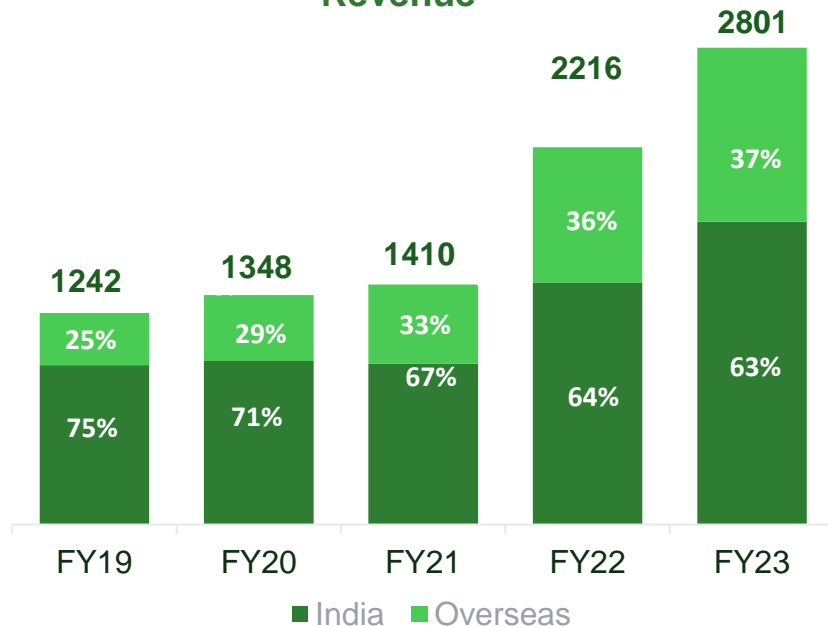
✓ **35 %**  
PAT CAGR - 5 Yrs

✓ **Locking the margins**  
Back-to-back hedging mechanism in place

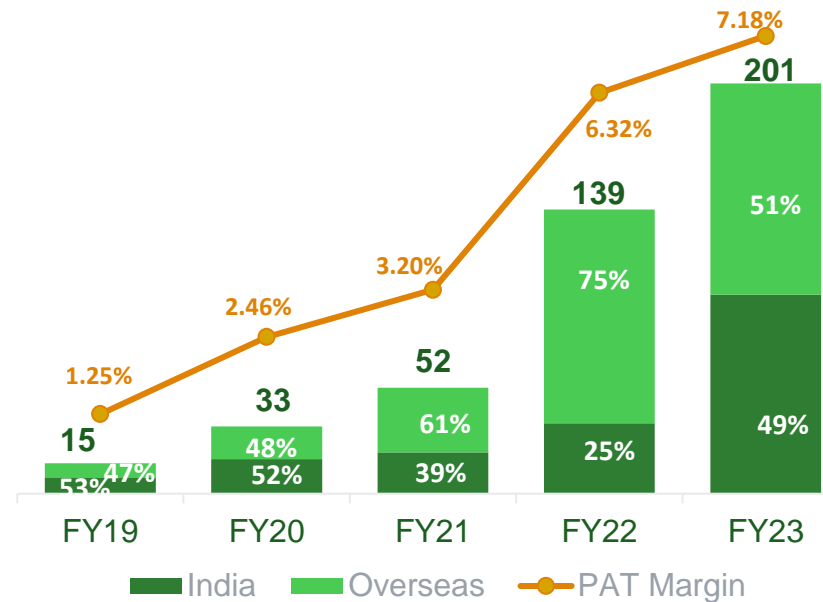
✓ **12 Years**  
History of sustainable dividend payouts

✓ **40 Cr +**  
Reduction in Debt in FY 2023

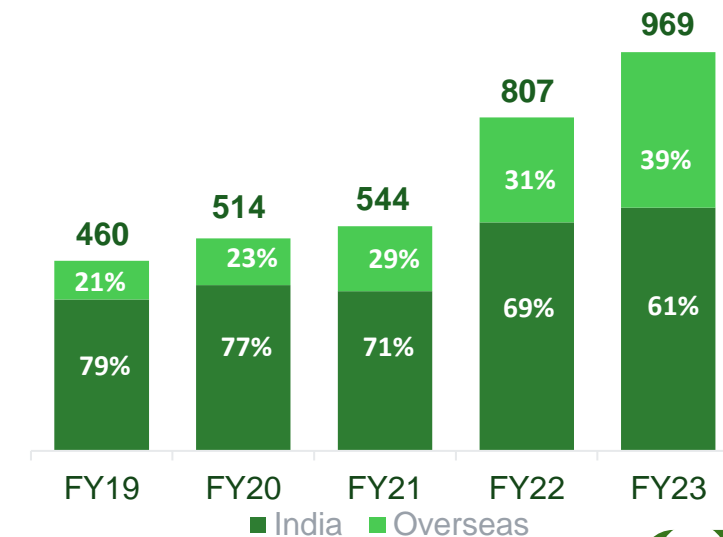
Revenue



PAT (Cr) and PAT Margin (%)

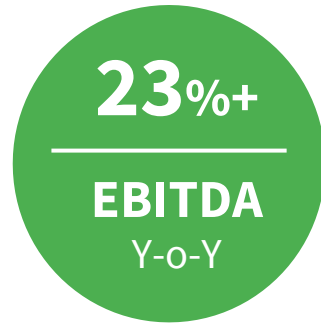
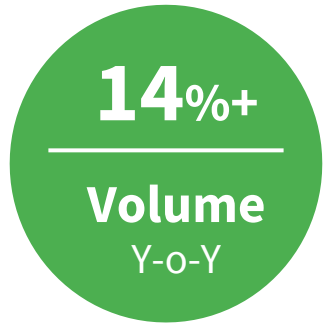


Capital Employed (Cr)

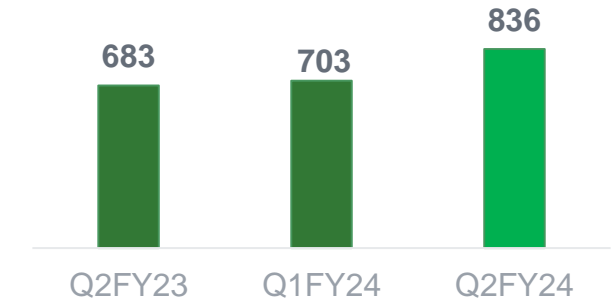


# QUARTERLY HIGHLIGHTS - Q2 FY24

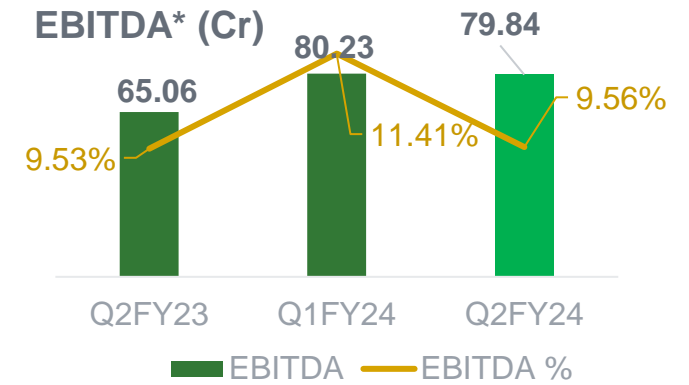
Riding Higher - **VISION 2027**



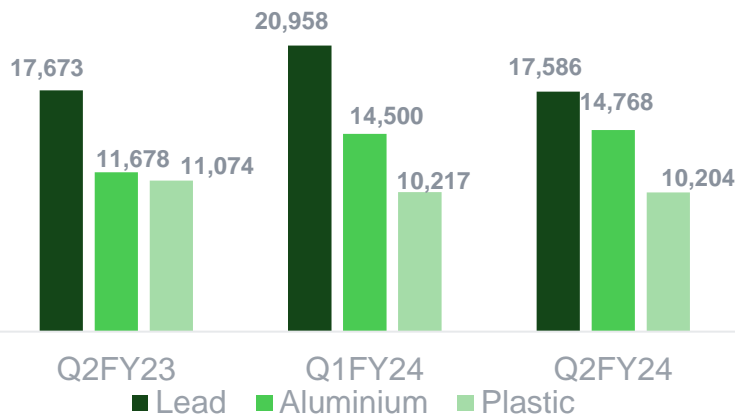
REVENUE (Cr)



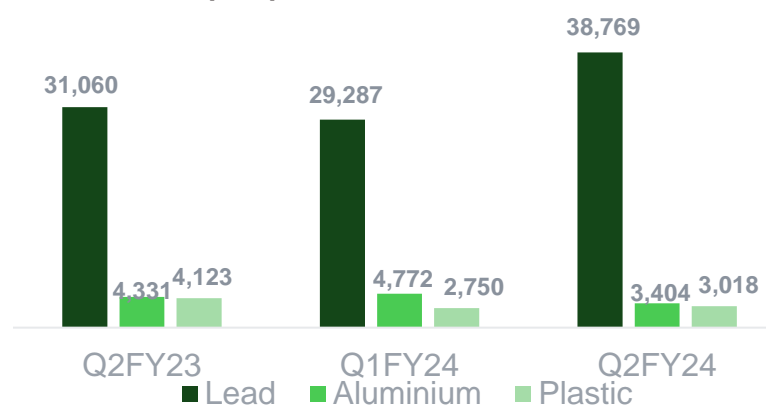
EBITDA\* (Cr)



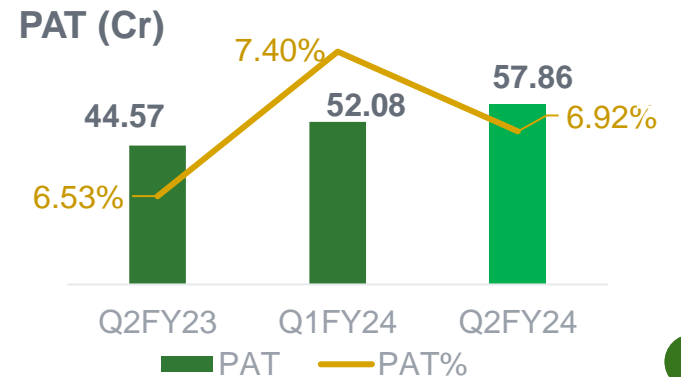
EBITDA per MT



VOLUME (MT)



PAT (Cr)



\*Revenue / EBITDA after adjustment of income/loss from Currency & Metal hedging



# Project Updates

## Togo

- Started commercial production of lead from its existing recycling plant
- Capacity – 6000 MTPA
- Capex – Rs. 3.61 Cr. From internal accruals

## Chittoor

- Increased capacity of Lead recycling to 64,640 MTPA
- Capex - Rs.21 Cr. from internal accruals

## Tanzania

- Started Rubber Recycling
- Capacity of 3,000 MTPA
- Capex – Rs.3.86 Cr. from internal accruals

## Mundra

- Increased capacity of Lead recycling to 60,000 MTPA
- Started Value Added Production of Red Lead with a Capacity of 4,800 MTPA
- Started Plastic Recycling with a Capacity of 7,500 MTPA

## Oman

- Gravita signed MOU to establish Battery Recycling Plant through JV
- Capacity of 6,000 MTPA in Phase 1
- Gravita's first recycling facility in Middle East

## Senegal

- Started Aluminium Recycling
- Capacity of 4,000 MTPA
- Capex– Rs.3.5 Cr. from internal accruals

# VISION 2027

**New recycling  
Verticals**  
Lithium, Steel & Paper

**25% +**  
Revenue CAGR

**35% +**  
Profitability Growth

**25%+**  
ROCE

**50%+**  
Value added products

**25%+**  
Non-Lead business

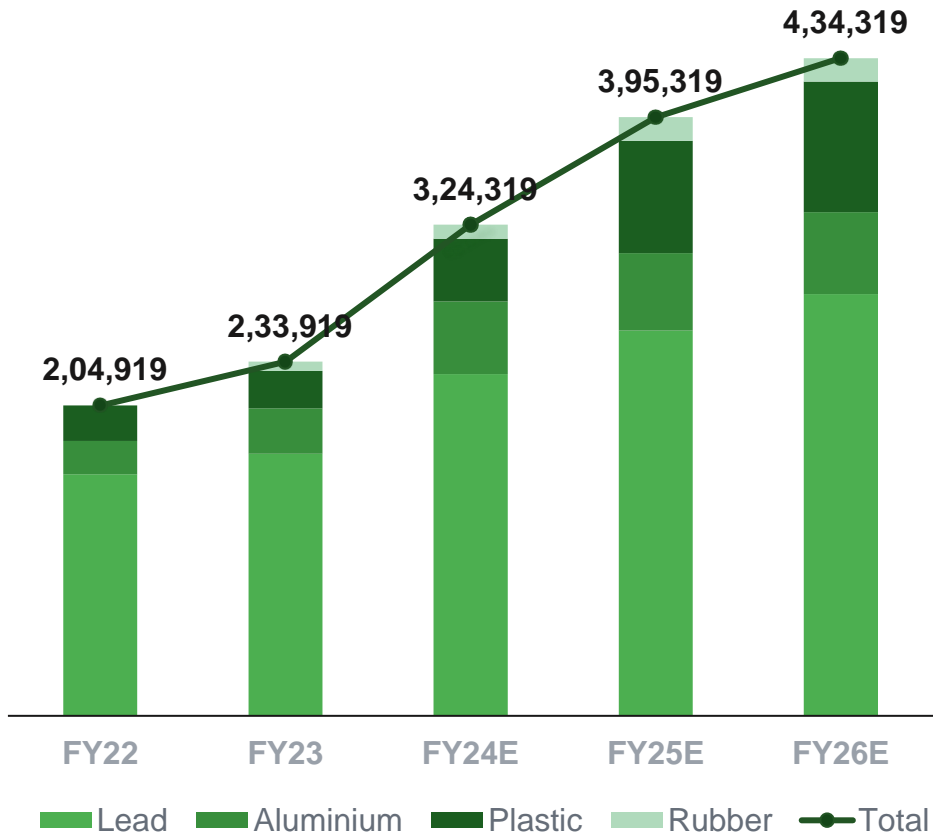
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- Shareholder value creation
  - Return accretive growth
  - Judicious use of capital

## Our **Priorities**



# Capacity Expansion & CAPEX over the Years

## Capacity (MT)



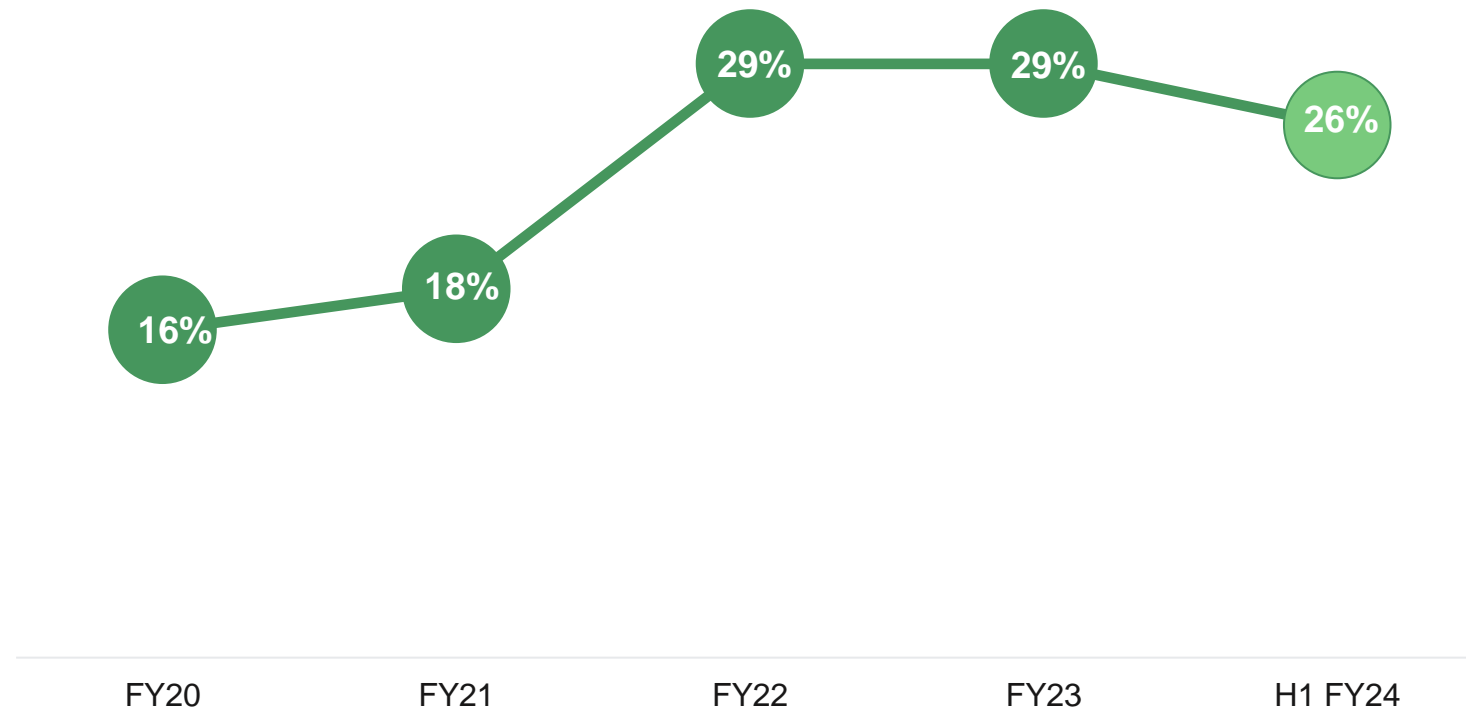
**4,25,000 MTPA Capacity planned by FY 2026**

## CAPEX (Rs Cr.)



**Rs. 600+ Cr Capex planned by FY 2026**

# RETURN ON CAPITAL EMPLOYED



\*on Average Capital Employed

**Target ROCE 25% + Consolidated**

### Drivers of ROCE

- Improving industry dynamics
- Resultant reduction in working capital
- Improving demand-supply
- Value added products

**Capital Allocation policy for new projects**

• **3 Years**  
Maximum Payback period

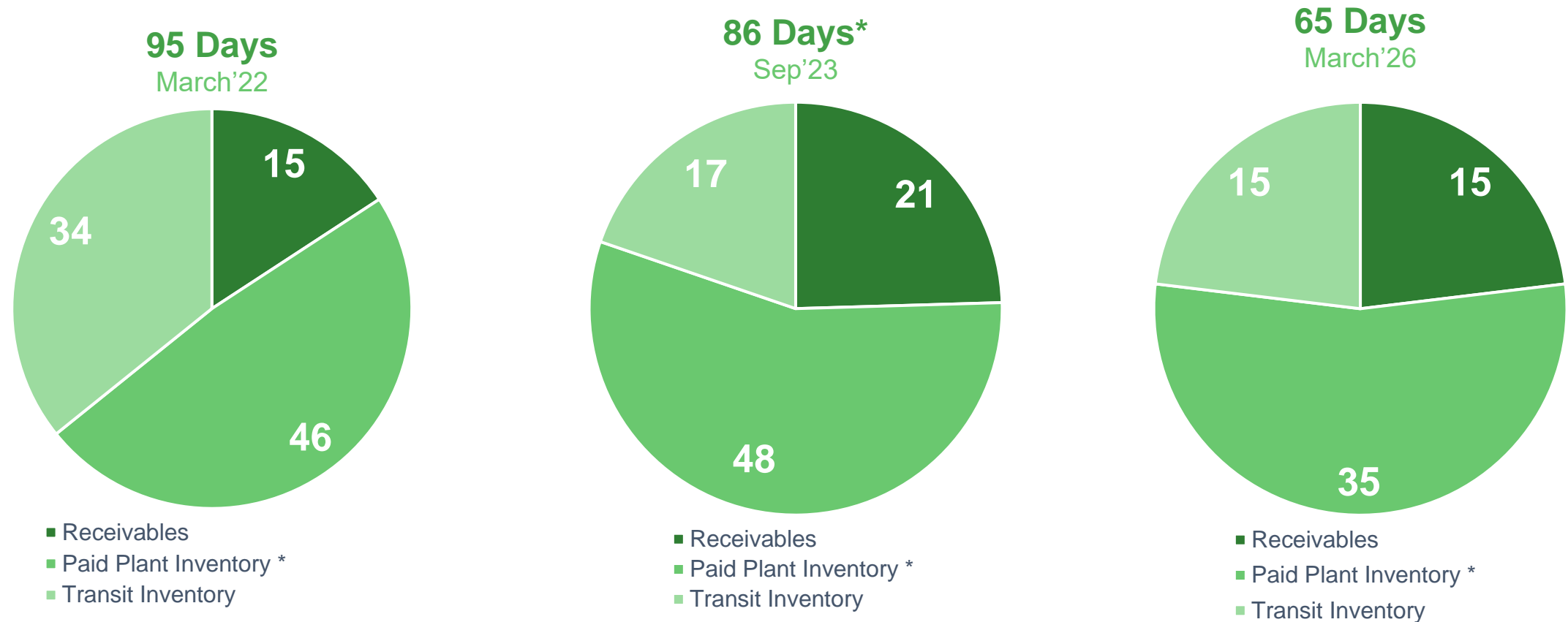
• **25% +**  
ROCE

• **8+**  
Asset turns



# Reducing **NET WORKING CAPITAL CYCLE**

- Processing of Scrap near to the source – Avoid Transits
- Retail scrap collection through OEM's - Zero working capital



- Paid Inventory includes advance to vendors and net off Trade payables
- Based on Avg Core working capital

# Leveraging existing **GRAVITA'S STRENGTHS**

Our Entry into new verticals is based on proven, existing Gravita's Strengths.





# Barriers to Entry

**Import License in India**  
Based on past years performance

**OEM Approvals**  
Takes time to get products approved from OEM's

**Multinational Procurement Network**  
Global Presence

**Specialist Knowledge**  
Experience & Technical Know-how

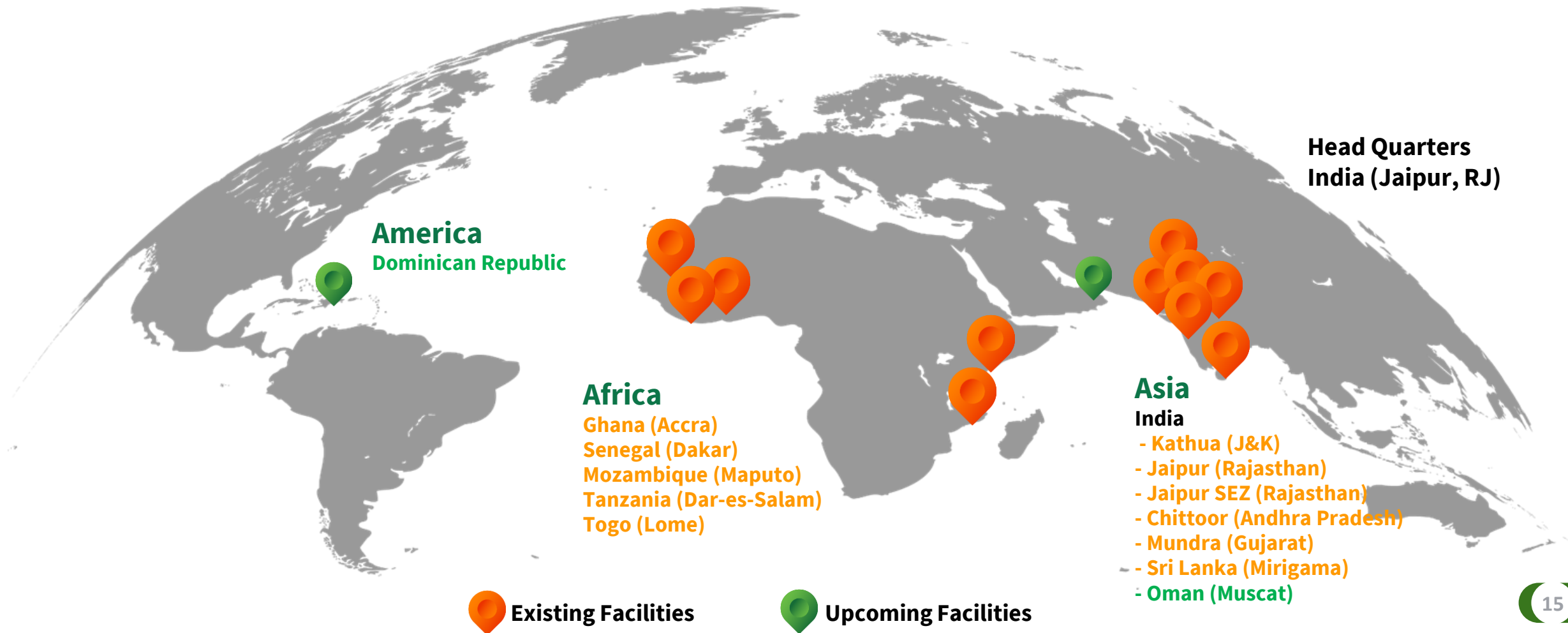
**Time & Cost of Entry**  
Customer Base, Capacity procurement networks

**Capability to Develop Customized Products**  
More Value-added products for better margins

Industry Specific  
**ENTRY BARRIER**

# GLOBAL & PAN INDIA Operations

- Global spread helps reduce logistics costs and procure material cheaper.
- Start small > grow volumes > establish new plants close to procurement sources.
- Increased flexibility in recycling closest to raw material access and consuming markets.

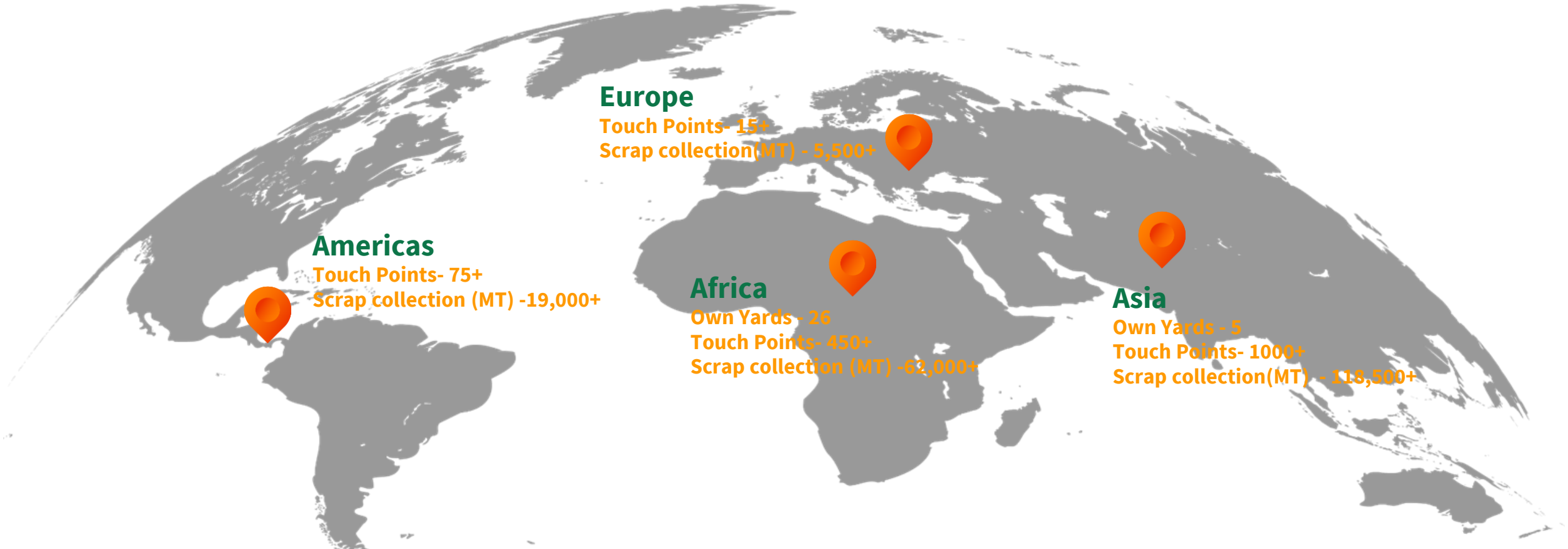


# Deep Routed **PROCUREMENT NETWORK**

**31**  
Own yards

**1500+**  
Touch points

**2,05,000 MT+**  
Scrap collection



*Deep presence in Asia , Africa , Middle East, Europe & America ensures raw material at competitive prices*

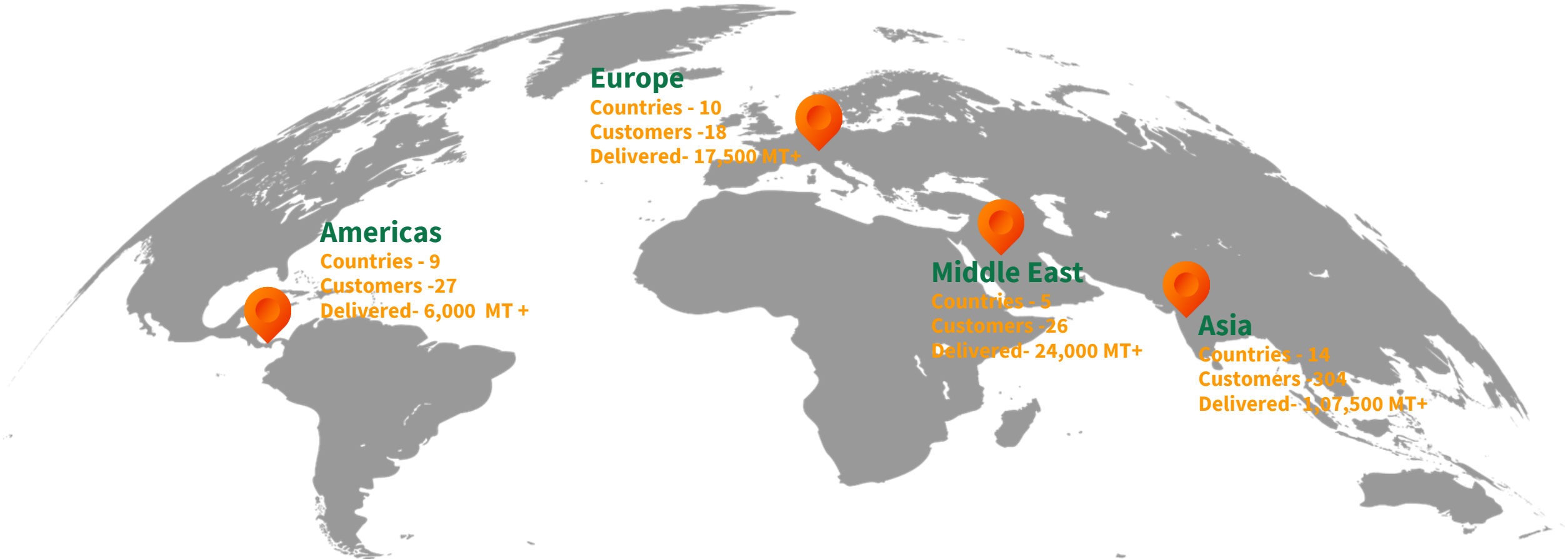


# Diversified **CUSTOMER NETWORK - GLOBAL**

**38 +**  
Countries

**375 +**  
Customers

**1,55,000 MT +**  
Recycled products delivered



## Americas

Countries - 9  
Customers - 27  
Delivered - 6,000 MT +

## Europe

Countries - 10  
Customers - 18  
Delivered - 17,500 MT+

## Middle East

Countries - 5  
Customers - 26  
Delivered - 24,000 MT+

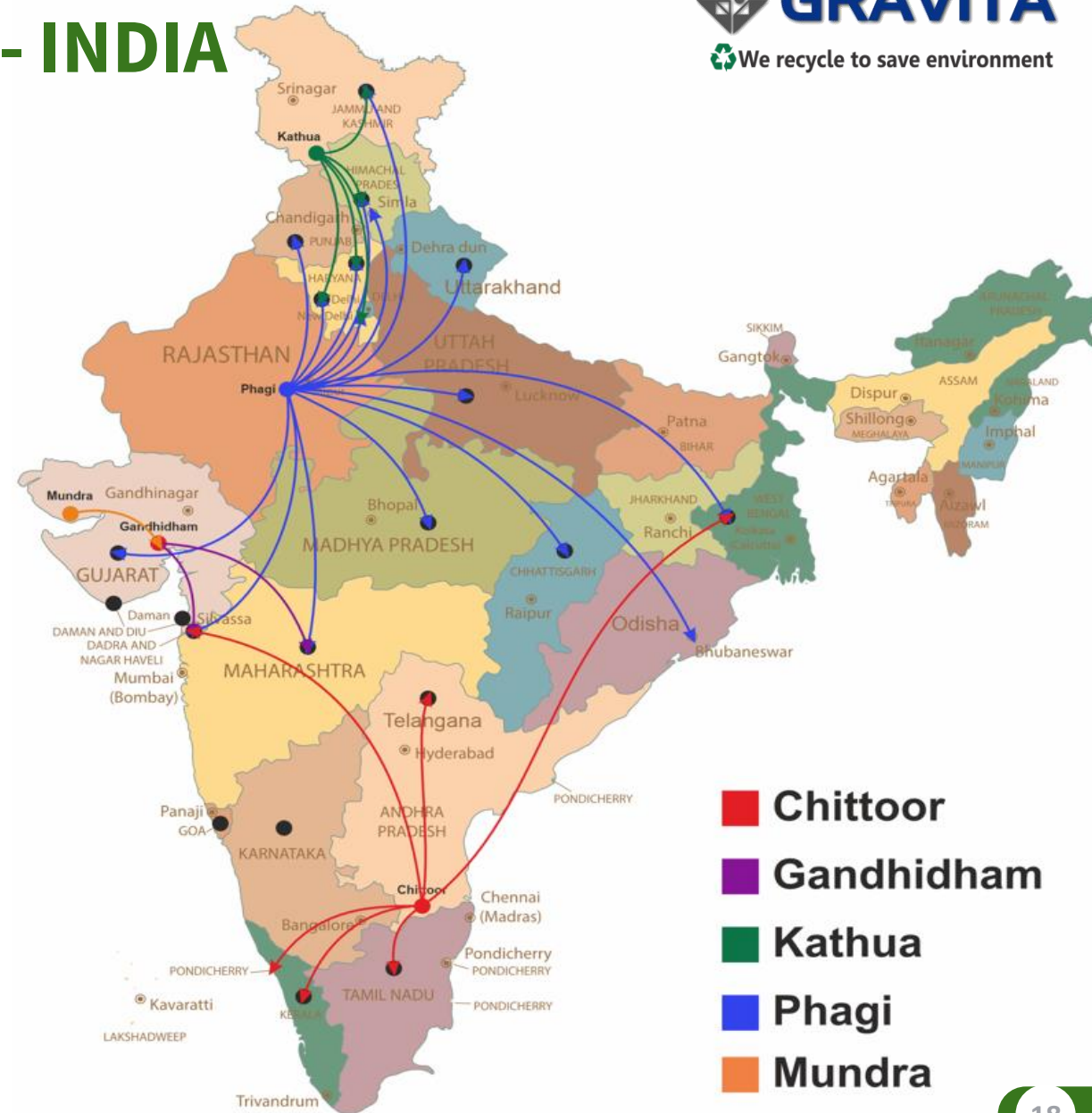
## Asia

Countries - 14  
Customers - 304  
Delivered - 1,07,500 MT+

# Diversified **CUSTOMER NETWORK- INDIA**

Gravita with pan India presence enjoys the logistic benefits by serving :

- **230+** domestic customers in 22 states in India
- **90+** overseas customers in 36 countries.



# OPERATIONAL EXCELLENCE



**4**  
Recycling  
Verticals

**11**  
Recycling  
Plants

**1500+**  
Touch Points  
Globally

**48%**  
Customized &  
Value added  
products

**2.84Lac+**  
MT Production  
Capacity\*

**55%**  
Capacity  
Utilization

**29%**  
Overseas  
Capacity\*

**2.05 Lac+**  
MT Scrap  
Collection

**ILA**  
India's only  
Accredited  
Plants

**60000 MT+**  
Healthy  
Orderbook

\* As on 31<sup>st</sup> Oct 2023

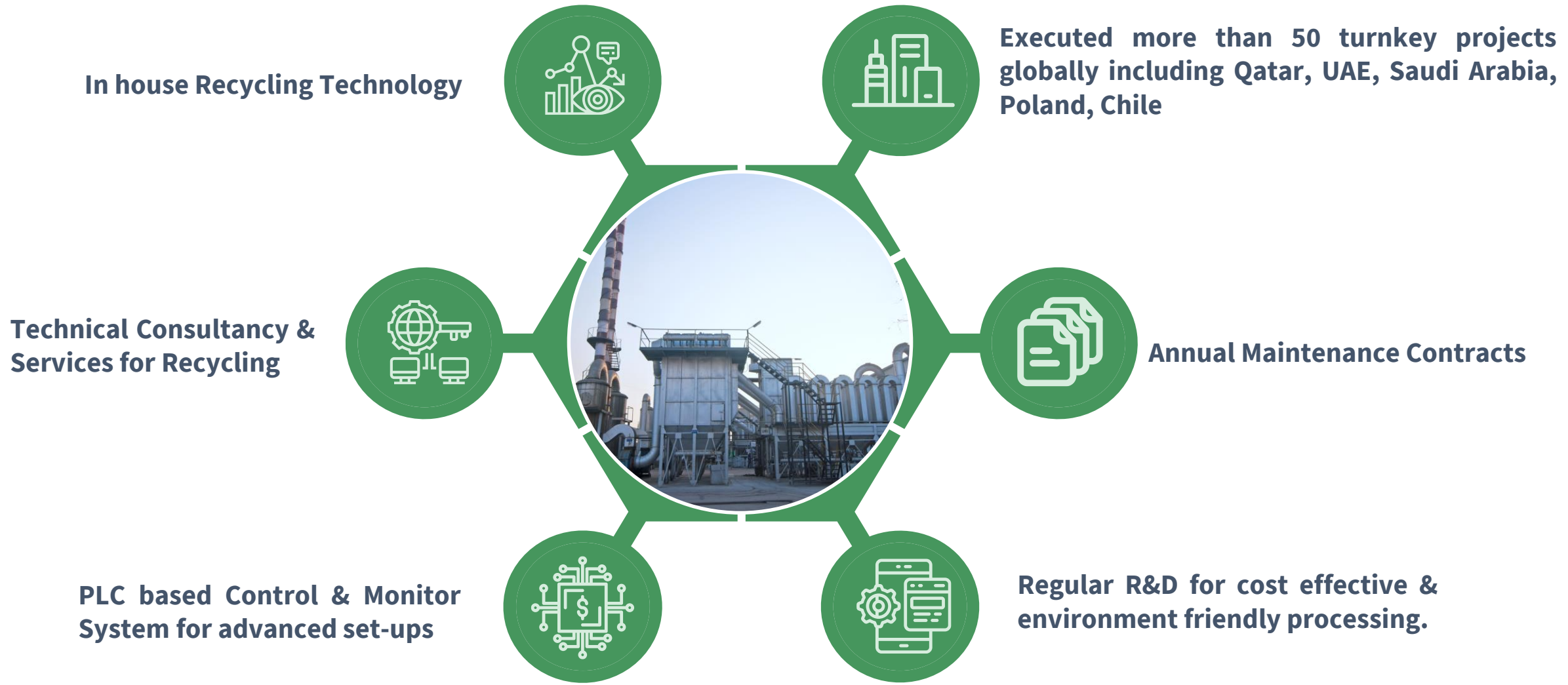


# OUR PARTNERS

(Strong Partnering Capability)



# TURNKEY SOLUTIONS for Recycling



Planning and Specification

Design

Fabrication

Testing

Installation

Operation

Handover

# ROBUST MANAGEMENT & focus on Human Capital



**Rajat Agrawal**  
Managing Director



**Yogesh Malhotra**  
Whole Time Director & CEO



**Vijay Pareek**  
Executive Director\*



**Naveen Sharma**  
Executive Director\*



**Rajeev Surana**  
Executive Director\*



**Sunil Kansal**  
Chief Financial Officer



**Ajay Thapliyal**  
Vice President



**27 Yrs +**  
Avg Management Experience  
in diversified Industries



**100%**  
Employees covered under  
incentive schemes



**35 Yrs**  
Average Employee Age



**625 +**  
Employees



**175+**  
Professionals  
(CA's, MBA's, Engineers)



**5 Yrs**  
Average Employee  
Association



**15 Yrs**  
Average Management  
Association



**4 rounds**  
ESOP's



# CUSTOMIZED AND VALUE ADDED PRODUCTS



Customized Lead Alloys



Lead Sheets



Lead Bricks



Red Lead



Lead Oxide



Customized Aluminium Alloys



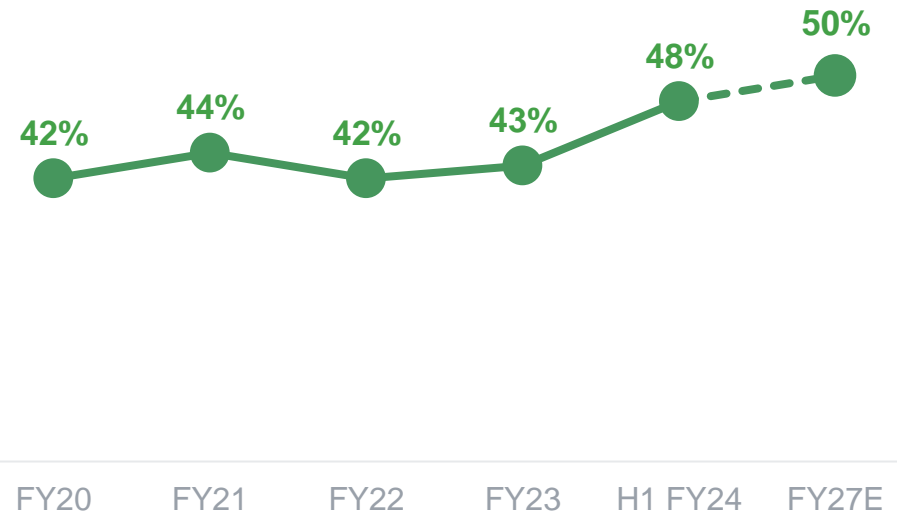
Plastic Granules



Pet Flakes - Food grade

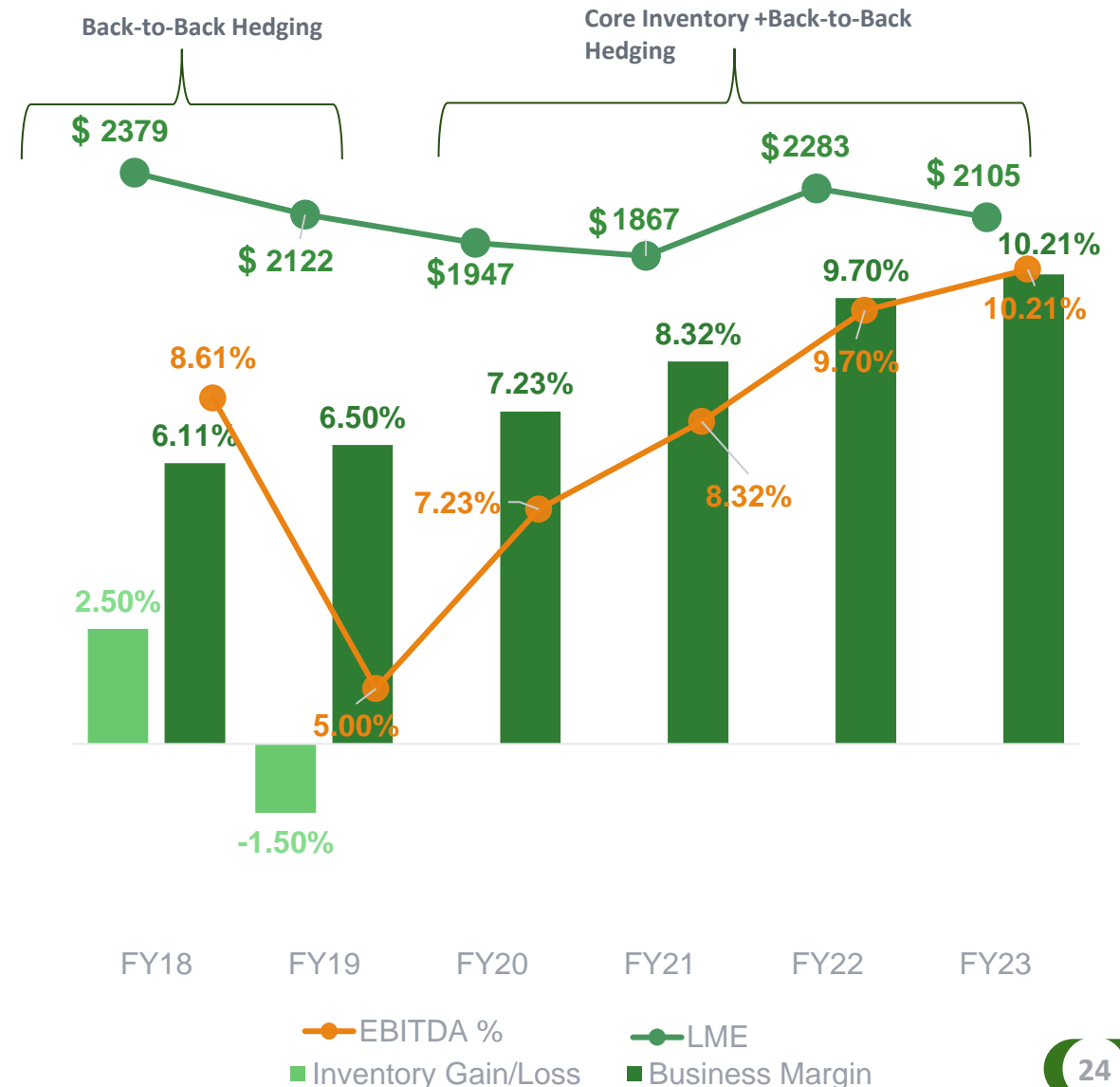
Our Capability to produce customized and value added products for diversified customer segments gives us better contributions and larger pie of customer's product mix.

Value Added Products % in revenue

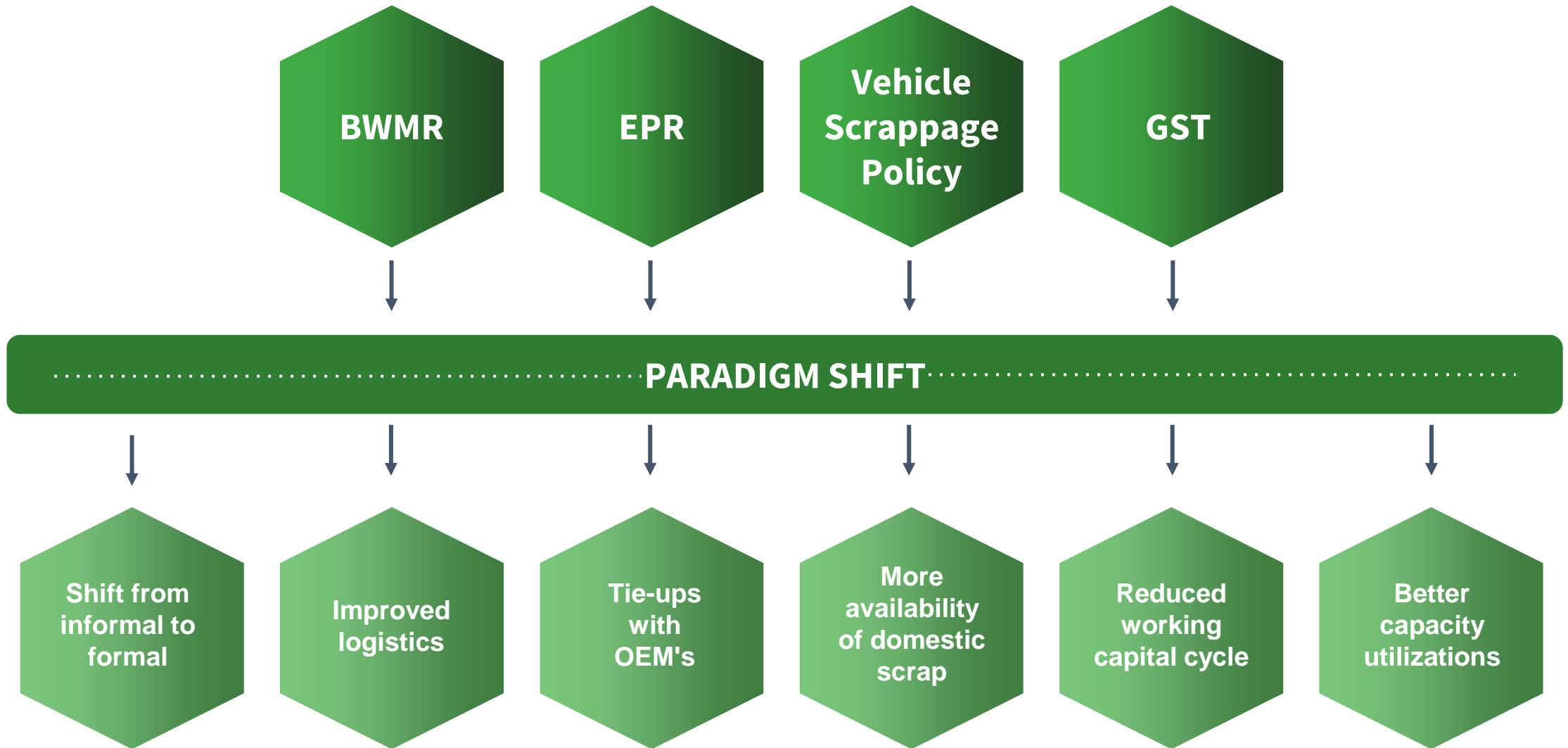


# Risk Mitigation by **BACK TO BACK HEDGING** mechanism

- To mitigate the risk of commodity prices fluctuation from June, 2016
  - Metal equivalent of the scrap bought, is sold on the same day
    - Pricing against Customer contracts – Natural Hedging
    - Forward Contracts on LME Exchange for balance quantity - till final sale to customer
    - Core inventory was not part of back to back hedging
- Gravita started **hedging of core inventory** also in June, 2019 by taking a forward contact on LME Exchange.
- June, 2019 onwards Gravita is enjoys stable margins and is not affected by the commodity price fluctuations



# Improving **MARKET DYNAMICS IN RECYCLING** - Paradigm Shift

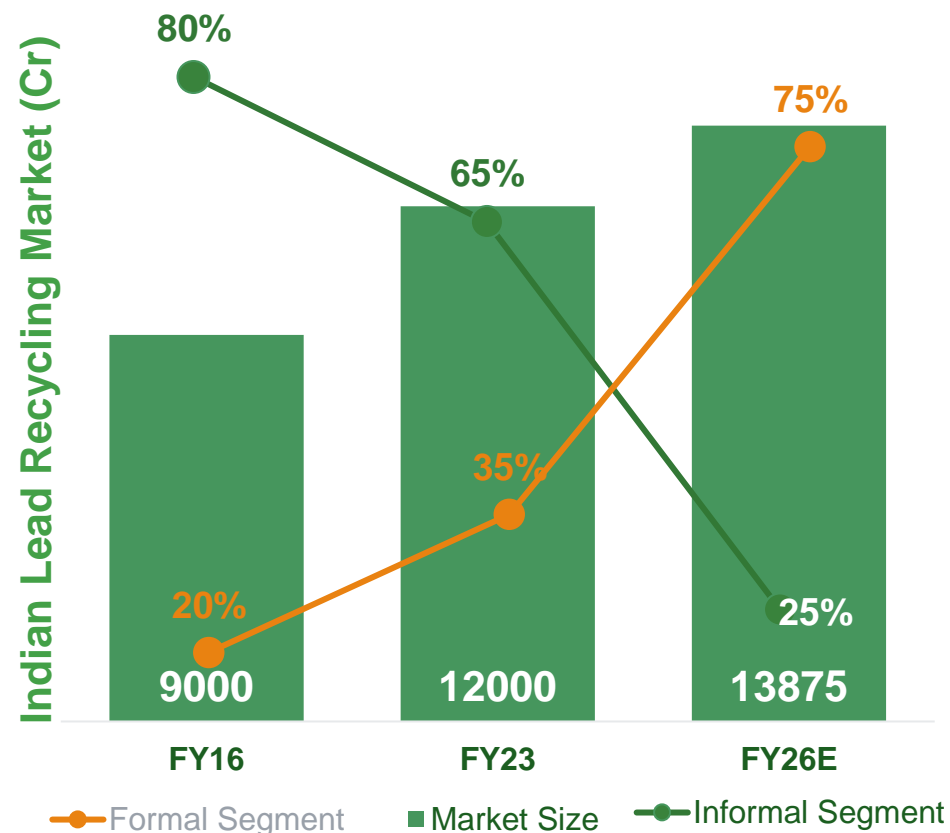




# Shift from **INFORMAL TO FORMAL**

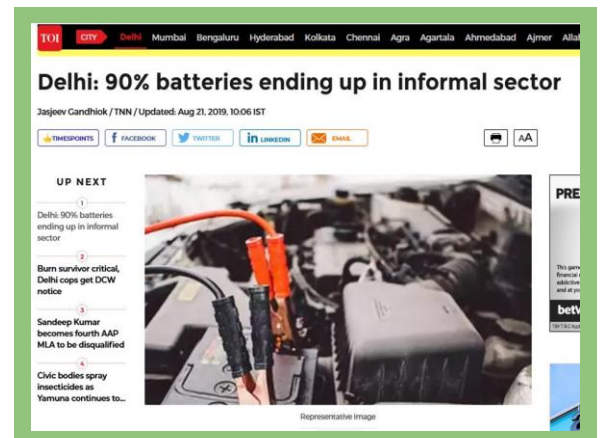
With redefining of Battery Waste Management Rules (BWMR) , Extended producers responsibility (EPR) and stricter implementation of GST, the scrap availability for formal recycling sector has increased and is further expected to grow.

## Informal Lead recycling trend in India



*Gravita having Pan India presence and association with OEM's will benefit the most from this shift*

\*Source - Management estimate



# Sustainable Circular **Business Model**



## Deriving Value from Waste through Modern Recycling and Recovery

**4**

Recycling  
Verticals

**11**

Recycling  
Plants

**2.05Lac+**  
MT Scrap  
Collection\*

**1.55Lac+**  
MT Products  
Delivered

**ISO**  
**14001:2015**  
Certified

### Waste Recycling

- Lead - 113,156 MT recycled
- Aluminium - 9,419 MT recycled
- Plastics - 13,043 MT recycled

### Conserving Nature

- Low energy intensity of 3.4 GJ/MT of products (Approx 75% less from primary production)
- Low water intensity of 0.233 KL/MT of products

### Alternate Energy Source - Solar

- 1.4 MW of solar capacity installed & expanding – generates 12% power for Phagi plant
- Plans underway to install solar at Mundra (India) and Ghana facility

### Clean Technology Initiatives

- 100% Zero Discharge plants
- Installed Sewerage & Effluent Treatment Plant and Neutralization system in factory premises for water treatment.



## Aiming to make Holistic & Meaningful Contributions to Society



Zero fatalities for FY23

Received Euro 34Mn Loan from development funds for Africa operations

100% Health insurance coverage for employees

60% of input sourced from sustainable means

Gurukul platform with 3000+ skill enhancement courses at free of cost

Best in class dormitories for workers working on site

## Weaving a Culture Rich in Ethics, Accountability and Transparency

- 50%**  
Independent Directors
- A+**  
Ratings by ICRA
- ILA\***  
Registered Plants
- MCX**  
Empaneled Brand
- ISO 9001:2015**  
Certified

### Board Composition

- 50% Independent Directors on board & 16% board diversity

### Zero Complaints

- Zero complaints of ethical breaches and non-compliance with statutory requirements across our plants.

### Achievements

- Recognized as a 4-star Export House by the Government of India.
- MCX empaneled brand for refined Lead.

### Executive Compensation Policy

- Compensation for Directors, KMP, and Senior Management are designed to strike balance between fixed and incentive-based components to drive business growth

### Detailed Disclosures

- Materiality Policy, Related Party Transactions, Certifications, and other material information are promptly disclosed in all public documents

\*ILA – International Lead Association, a global Lead trade association

**Thank You**

**SAVE THE PLANET**

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