



## 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 : L29308RJ1992PLCO06870

14<sup>th</sup> November, 2018

GIL/2018-19/177

To, The Listing Department The National Stock Exchange Of India Ltd. Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra(E) Mumbai-400 051 Fax No.: 022-26598237/38 Company Code: GRAVITA	To The BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street MUMBAI-400001 Fax No.: 02222723121 Company Code: 533282
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**Sub: Press Release for Un-audited Financial Results for the Quarter and Half Year ended 30<sup>th</sup> September, 2018**

Dear Sir/Madam,

With reference to the cited subject, please find enclosed Press Release for Un-audited Financial Results for the Quarter and Half Year ended 30<sup>th</sup> September, 2018.

Kindly take the above on your records and oblige.

Yours Faithfully

For Gravita India Limited

  
Nitin Gupta  
(Company Secretary)  
ACS-31533



Encl.: As above

## **Gravita India Limited revenue up by 30% to 292.72 crores in Q2 FY19**

### **Highlights for the Quarter**

1. Gravita expands production capacity of its plant situated at Chittoor, Andhra Pradesh.

**Jaipur, November 14<sup>th</sup>, 2018:** Gravita India Limited today announced its results for the Second Quarter ended 30<sup>th</sup> September, 2018.

### **Operational Performance**

Gravita India has 11 recycling plants across the world. The revenue for the Second Quarter ending September rose by 30% to 292.72 crores rupees.

### **Financial Performance**

Revenue from operations during the quarter was Rs. 292.72 crores (Q2FY2019) v/s Rs. 224.67 crores (Q2FY2018), an increase of approx 30% y-o-y primarily due to higher production.

During the half year ended September 30<sup>th</sup>, 2018 Gravita's Revenue rose by 40.25% to 597.67 crores corresponding from Rs. 426.14 crores half year ended September 30<sup>th</sup>, 2017.

For H1FY2019, company at consolidated level reported EBITDA and Profit After Tax (PAT) of Rs. 36.92 crores and Rs. 17.55 crores respectively v/s EBITDA of Rs. 44.65 crores and PAT of Rs. 24.11 crores respectively in H1 FY2018.

During the quarter LME prices were on downward trend and company was holding opening inventory for its manufacturing cycle of approximately 15 days therefore inventories of higher cost is accounted for in cost of goods sold. The company is re-assessing its hedging strategy looking into the dynamic markets.

The hiring of professionals for each SBU for expansion of business and targeted revenue for next 2-3 years increased the manpower cost for the period. In addition to that the performance appraisals for FY 2018-19 and performance incentive for retention of manpower also increased the manpower cost.

During the quarter, the Company has hedged pre-shipment credit in foreign currency (PCFC) with certain highly probable transactions and opted to follow hedge accounting. Accordingly, the exchange difference of Rs 0.89 Crores (net of deferred tax of Rs. 0.48 Crores) on the effective portion have been accounted for in other comprehensive income. Amount of exchange difference will be re-classified to income statement as and when the highly probable transactions are executed and recorded in the income statement.

### **Outlook**

Domestic scrap industry is expected to shift from unorganized to organized because of implementation of GST and E-Way Bill in the coming months. India generates ~ 1.1 Mn MT of lead acid battery scrap every year, of which organized recyclers recycle ~ 40% of available scrap. Stricter environmental norms by various governments including public awareness about recycling benefits are key drivers of growth in recycling industry. Our recycled production is expected to be in the range of 75000-80000 MT in FY2019.



## **Expansion Projects**

**Ghana Plant** –Land for the new plant at Ghana has been acquired and construction activities are in process. Further, certain plant & equipment's have already been dispatched from our manufacturing unit situated in SEZ Jaipur to Ghana. We expect this plant to commence its operations by March 2019. Establishment of this plant will result in saving of logistics cost on the battery scrap which is currently imported to India, processed and re-exported to various countries. This will also help the company to reduce its working capital cycle.

**Tanzania Project** – In Tanzania also construction activities have commenced and certain plant and equipment's have been dispatched. Further, company expects that operations of the said plant will start by March 2019.

**Mundra Project** – Due to changed market scenarios, the company has put on hold the Mundra Project by 3 months. The review of reinitiating the Mundra Project will take place in December 2018.

## **Earnings call on Thursday, 15<sup>th</sup> November, 2018 at 2.00 p.m.**

The company will hold an earnings conference call on Thursday, 15th November, 2018 at 2 p.m., where senior management will discuss the Company's results and performance.

Dial In: +91-22-6280 1360/ 7115 8261

Local Access No: +91-7045671221

USA: 1 866 746 2133 / U.K: 0 808 101 1573

Singapore: 800 101 2045 / Hong Kong: 800 964 448

## **About Gravita India Limited**

Gravita India Limited ([www.gravitaindia.com](http://www.gravitaindia.com)), a leader in integrated operations of non-ferrous metals and plastics having recycling, manufacturing and Turnkey business in 7 countries of Asia, Africa and America Continent. The company enjoys patronage of its products in more than 59 countries.

## **Management Commentary:**

Mr. Rajat Agrawal, Managing Director, Gravita India Limited said, "We have continuously added production capacity and improved operational efficiency at our existing facilities. This has helped in achieving topline growth despite adverse market conditions. We expect better growth trajectory in coming quarters by adding more recycling capacities across the globe coupled with enhanced product portfolio."

## **Forward looking statement:**

We have disclosed forward-looking information so that investors can comprehend the Company's prospects and make informed investment decisions. This release and other written and oral statements that we make periodically contain such forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to qualify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words and terms of similar substance in connection with any discussion of future operating or financial performance.





We do not guarantee that any forward-looking statement will be realised, although we believe we have been diligent and prudent in our plan and assumptions. The achievement of future results is subject to risk, uncertainties and validity of inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

**For further information, please contact:**

Name: Mr. Sunil Kansal, CFO  
Company: Gravita India Limited  
Mob: +91 9784595005  
Email: [sunil@gravitaindia.com](mailto:sunil@gravitaindia.com)

