



INVESTOR PRESENTATION

MARCH 2019



RECYCLING
FOR A BETTER
TOMORROW

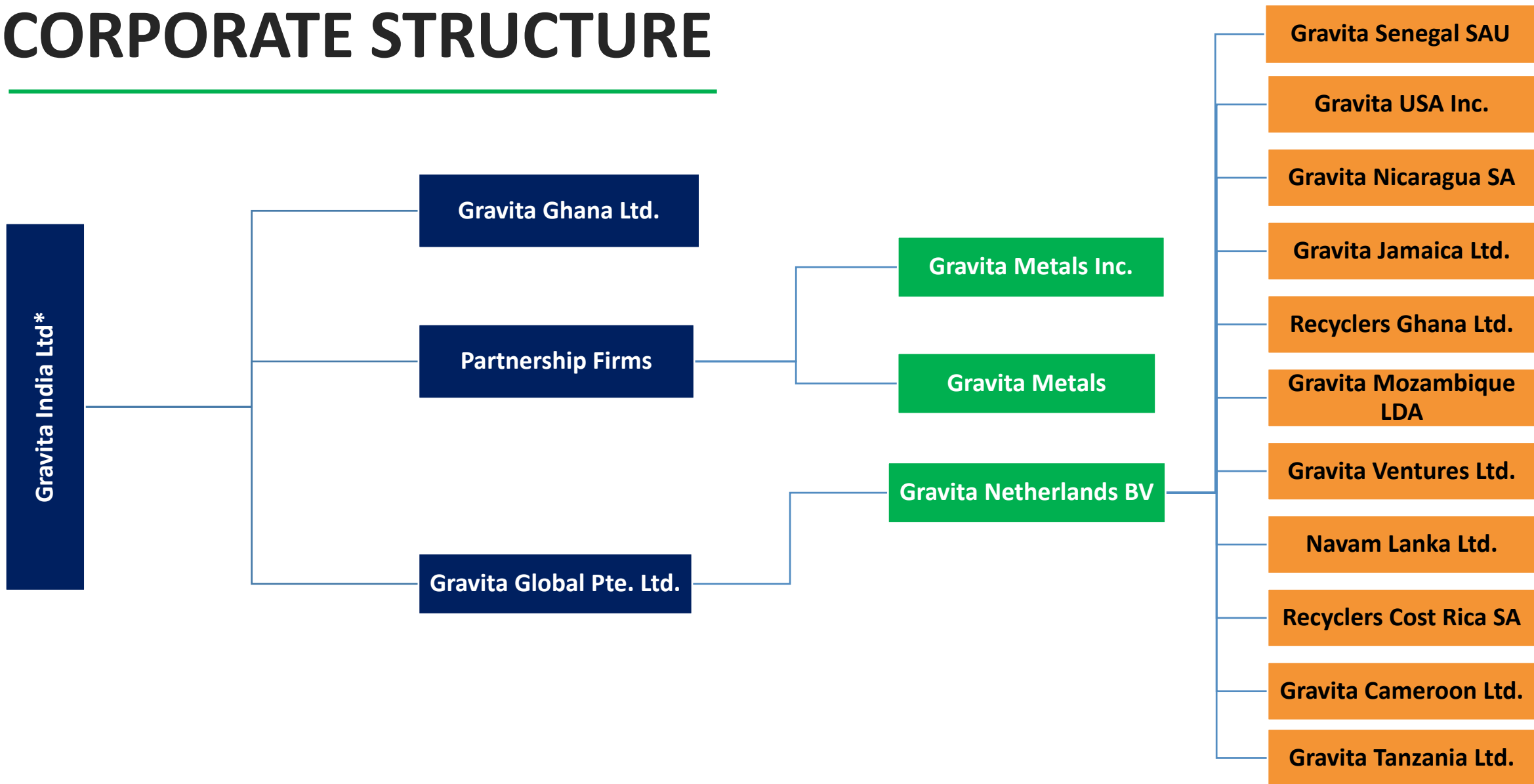


EXECUTIVE SUMMARY

- 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 12 strategically located recycling facilities in Asia, Africa and Central America with a capacity of 131,819 MTPA for Lead, 12,000 MTPA for Aluminium and 20,400 MTPA for Plastic as on FY18.
- 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 INR 5,238.5 Mn as on 31st December 2018.



CORPORATE STRUCTURE



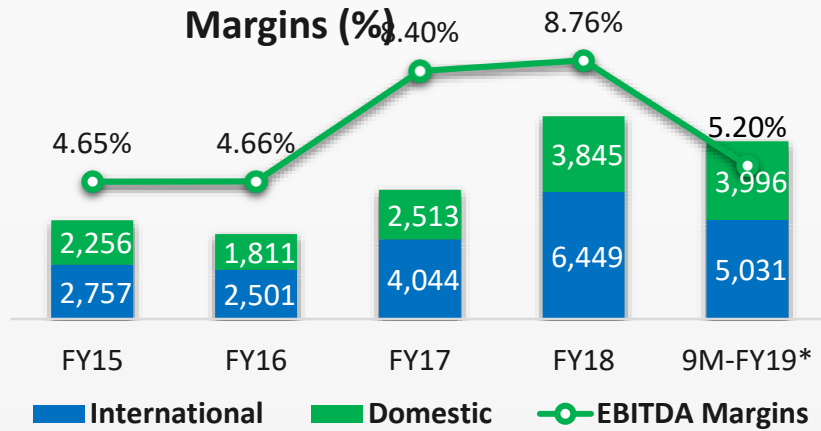
* Considered operating companies

COMPANY OVERVIEW

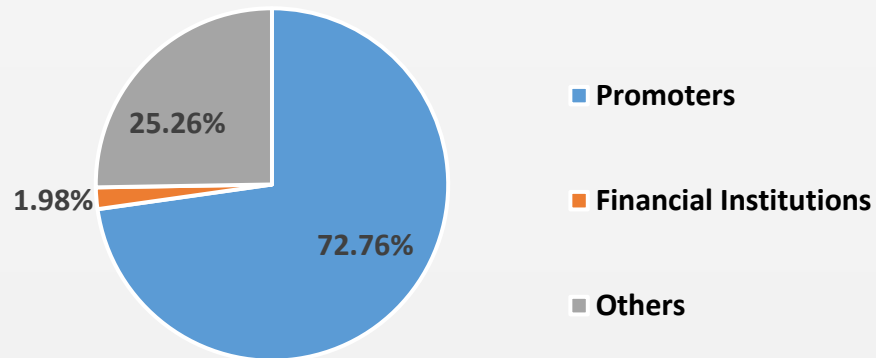


COMPANY OVERVIEW

Total Revenue (INR Mn) and EBITDA



Shareholding Pattern (As on 31st December 2018)



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 12 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 60% revenue flows from overseas market.



Gravita's consolidated revenue from operations increased by 49.61% from INR 6,881 Mn in FY17 to INR 10,295 Mn in FY18.



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

BOARD OF DIRECTORS



Dr. M. P. Agrawal
Chairman



Rajat Agrawal
Managing Director



Yogesh Malhotra
Whole Time Director



Chanchal Phadnis
Independent Director



Arun Gupta
Independent Director



D K Govil
Independent Director



Naveen Prakash Sharma
(CEO & President)



Sunil Kansal
(Chief Financial Officer)



Vijendra Singh Tanwar
(Director - NBD,
Non Board Member)



Vijay Kumar Pareek
(Executive Director
Non Board Member)



Rajeev Surana
(Executive Director
Non Board Member)



Sandeep Choudhary
(VP, Imports)

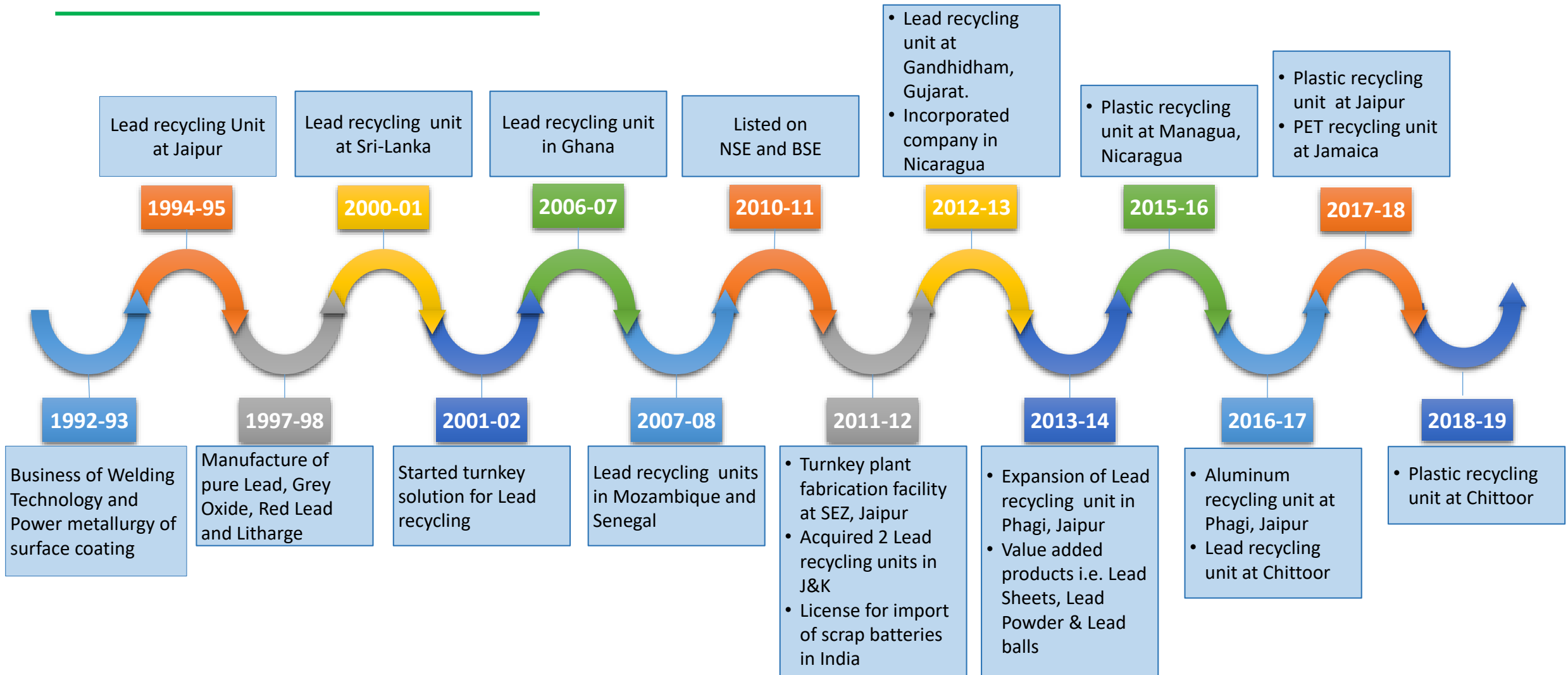


Sanjay Singh Baid
(VP, Africa Operations)

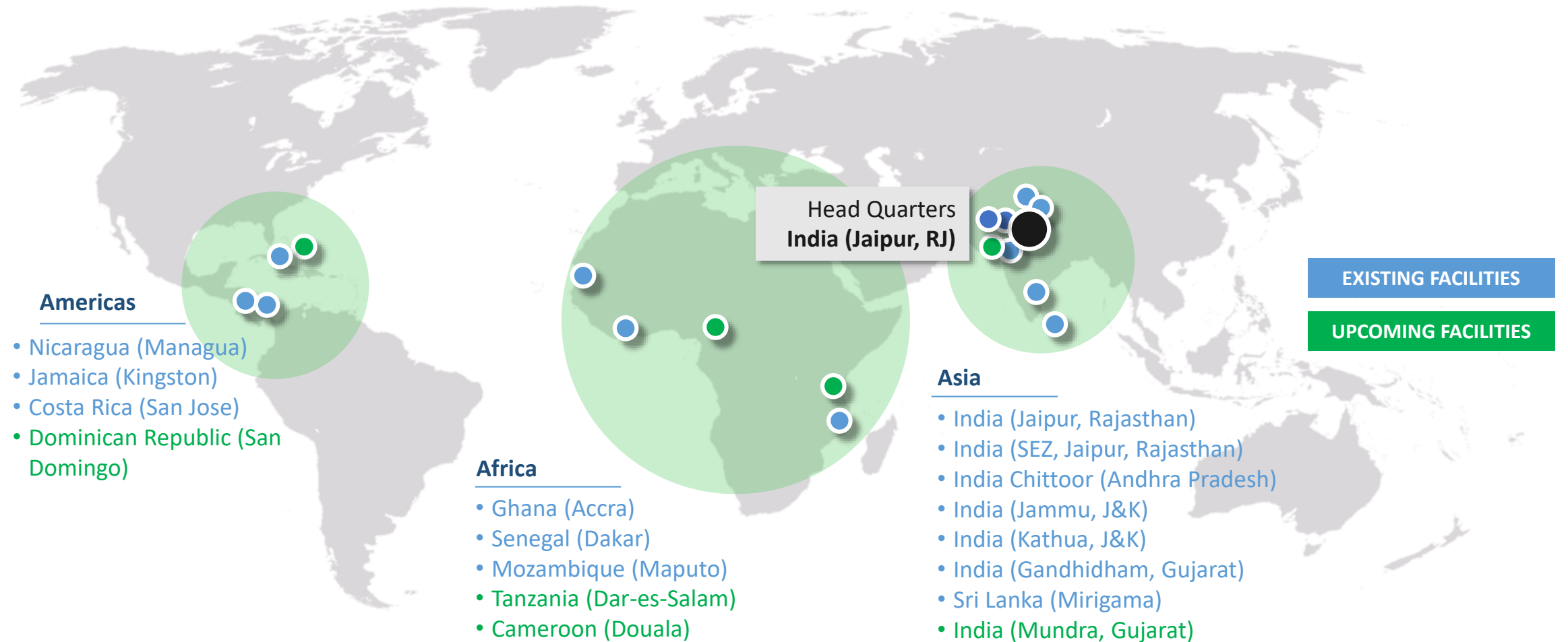


Ajay Thapliyal
(VP, Projects & HR)

KEY MILESTONES



GEOGRAPHICAL PRESENCE



AWARDS & ACCOLADES

- ❖ Selected by International Lead Management Centre under United Nations Environment Programme (UNEP) as a partner for eco-friendly recycling initiatives in Senegal
- ❖ **Niryat Shree Award (2014, 2016)** by the Honourable President of India
- ❖ The President's National Awards for **Export Achievement 2014 & 2015** by Ghana Export Promotion Authority
- ❖ **Best Employer 2015 Award** by the Employers' Association of Rajasthan
- ❖ Recognized as Star Export House by Govt. of India
- ❖ Business Today Green SME Award
- ❖ **MSME National Award**
- ❖ Business Leadership Award
- ❖ **Innovative 100 Award** by Inc. India
- ❖ Emerging India Award
- ❖ Best Performing company in Non Ferrous Metals



KEY STRENGTHS



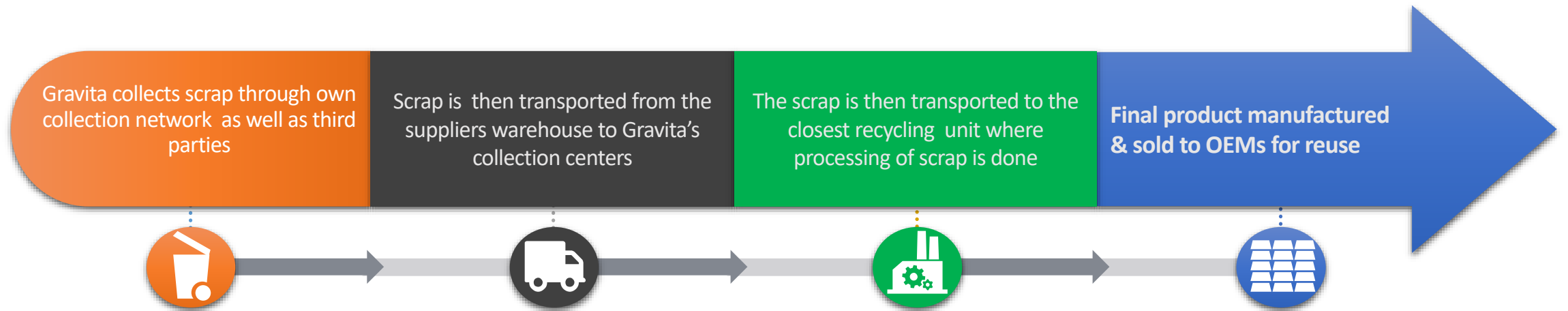
BUSINESS OVERVIEW



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 FY18, company collected 85% of the scrap from the International market and 15% from Indian market.



RECYCLING FACILITIES



RECYCLING FACILITIES - INDIA



Phagi Facility, Jaipur

- Flagship plant at Jaipur, Rajasthan
- Recycled products include Re-melted Lead, Pure Lead, Lead Alloys, Lead Sheet, Lead powder, Lead balls, Lead oxides, Aluminum Alloy Ingots, Plastic Granules
- 53,319 MTPA Capacity



Gandhidham Facility, Gujarat

- Established at Gandhidham, Gujarat
- Recycled products include Pure Lead and Lead Alloys
- 70 KM from Mundra Port for efficient logistics
- 19,500 MTPA Capacity



SEZ Facility, Jaipur

- Established at Special Economic Zone, Jaipur
- Manufacturing and supply of Turnkey projects and engineering solutions.



Chittoor Facility, Andhra Pradesh

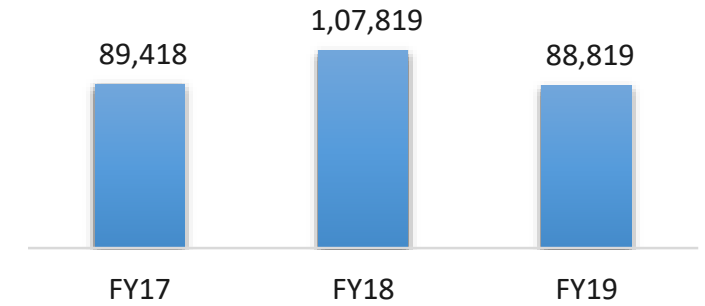
- Established at Chittoor, Andhra Pradesh
- Recycled products include Pure Lead, Lead Alloys and Plastic Granules
- 160 KM from Chennai Port for efficient logistics
- 34,000 MTPA Capacity



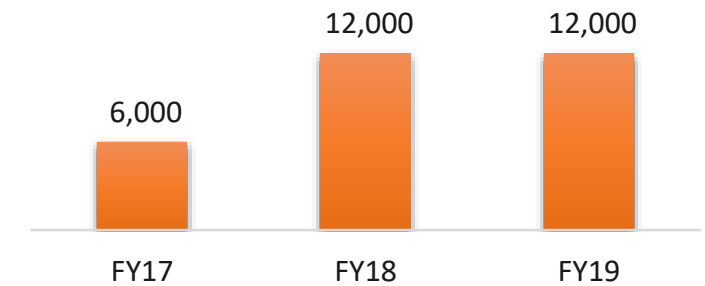
Kathua & Jammu Facilities, J&K

- Acquired Lead Recycling plant at Kathua, J&K
- Recycled products include Re-melted Lead Ingots, Pure Lead and Lead Alloys
- Fiscal benefits available in J&K
- 6,000 MTPA Capacity of Lead
- Jammu Recycling facility of plastic recycling

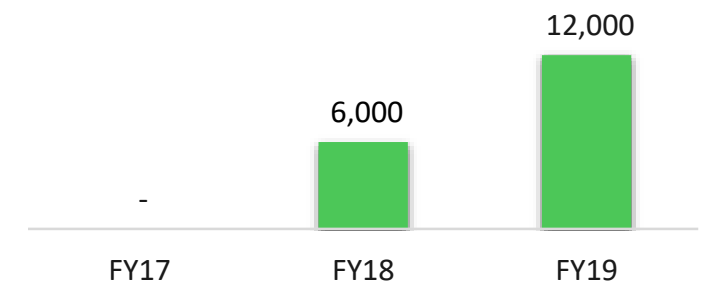
Lead Capacity (MTPA)



Aluminium Capacity (MTPA)



Plastic Capacity (MTPA)



RECYCLING FACILITIES - OVERSEAS



Sri Lanka Facility

- Established at Mirigama Industrial Zone, Sri Lanka
- Recycled products include Re-melted Lead Ingots, Pure Lead and Lead Alloys
- 9,000 MTPA capacity

Ghana Facility

- Establishing new facility near to Shai Hills, Accra, Ghana
- Under relocation
- Capacity Expansion in process
- Benefits of Free Zone
- Recycled products include Refined Lead & Alloys
- Enhanced capacity of 12,000 MTPA

Mozambique Facility

- Established at Maputo, Mozambique
- Recycled products include Re-melted Lead Ingots and Trading of Non Ferrous Metal Scrap and Recycled Aluminum
- Lead 4,500 MTPA and Aluminum 1,200 MTPA capacity

Senegal Facility

- Established at Dakar, Senegal
- Only Lead recycler in Senegal
- Recycled products include Remelted Lead Ingots and Plastic Granules
- 4,500 MTPA capacity

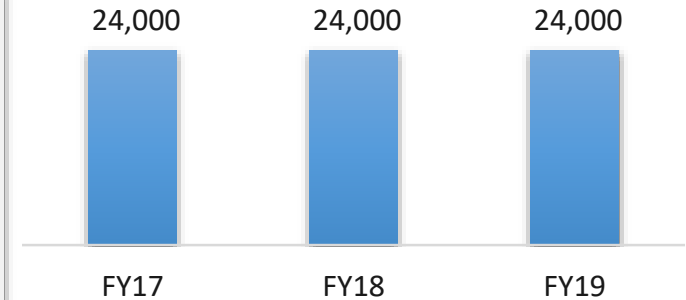
Nicaragua Facility

- Established at Managua, Nicaragua
- Recycled products include PET Flakes, Plastic Granules and trading of Non Ferrous Metals
- 9,600 MTPA capacity

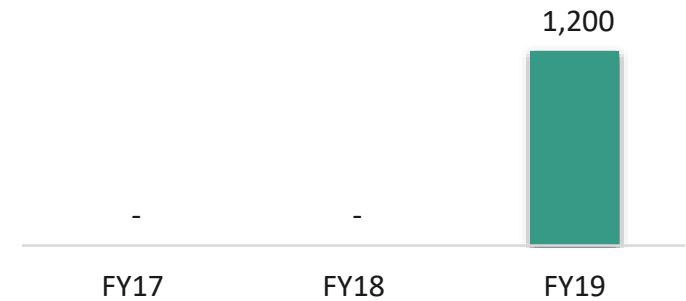
Jamaica Facility

- Established at Jamaica
- Only PET recycler in Jamaica
- Recycled products include PET Flakes & Plastic Granules
- 4,800 MTPA capacity

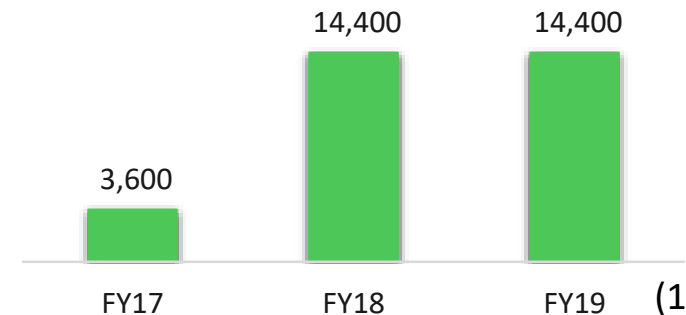
Lead Capacity (MTPA)



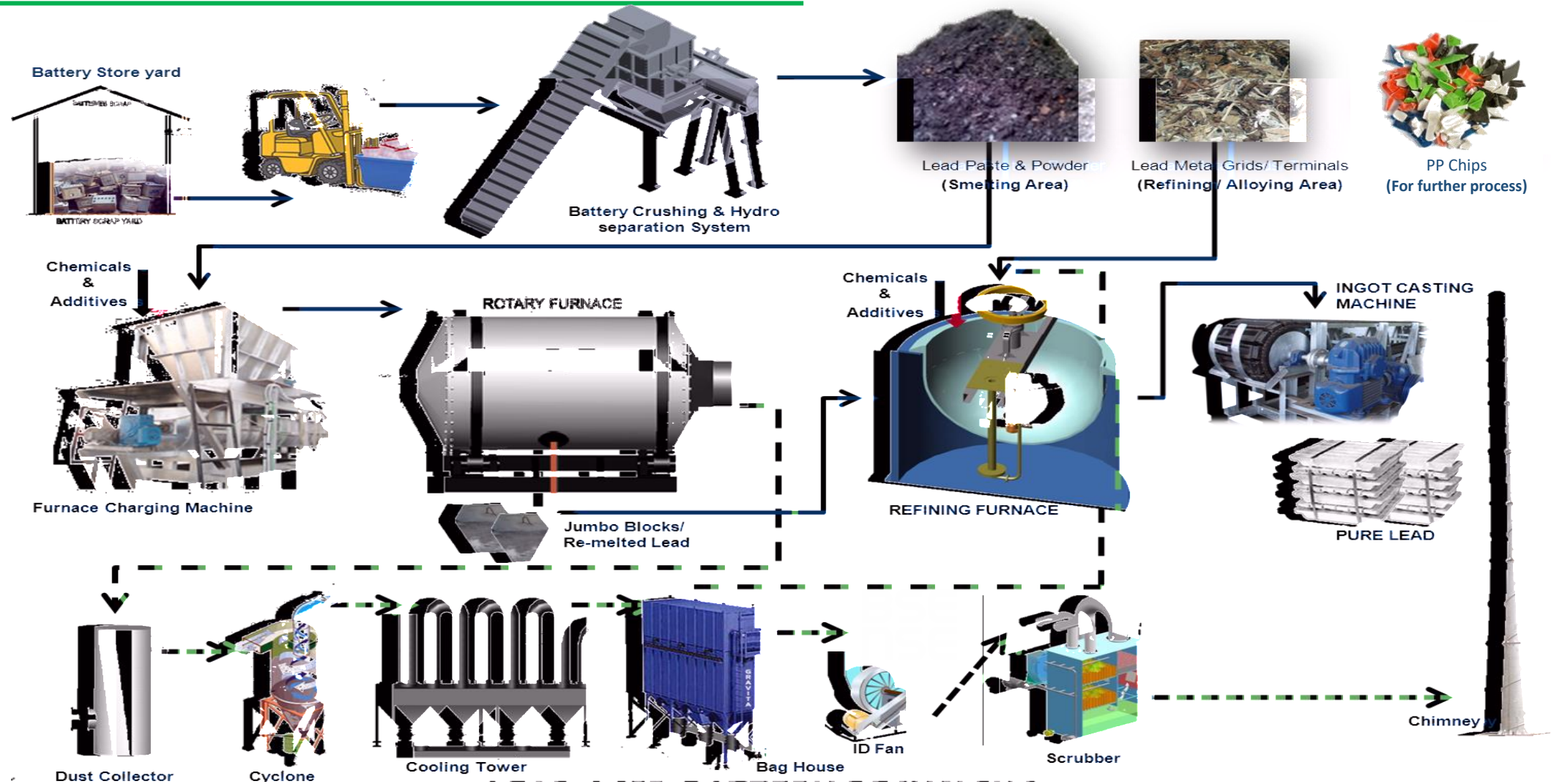
Aluminium Capacity (MTPA)



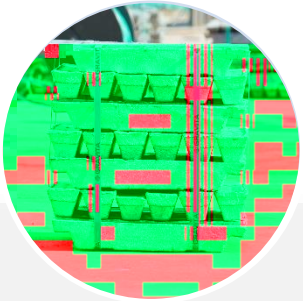
Plastic Capacity (MTPA)



LEAD RECYCLING PROCESS



LEAD PRODUCTS



Pure Lead and Alloys

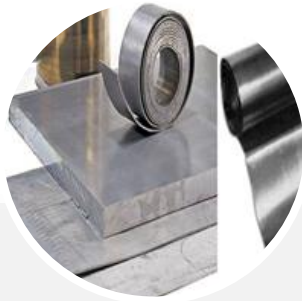
Lead rarely occurs in nature and usually associated with ore of Zn, Ag and Cu, and is extracted together with these metals. Over 65% Lead is produced through recycling as it has one of the highest recycling rate.

Benefits

- Resistant to corrosion
- Low internal impedance
- Low cost

Applications

- Lead Acid Batteries
- Power cable sheathing
- Galvanizing
- PVC Stabilizers
- Soldering applications



Lead Sheets

Lead Sheets are produced by cold rolling and are mainly used as radio active/x-rays shielding and as lining for chemical tanks due to anti shielding and anti corrosive properties of Lead metal.

Benefits

- Rugged
- Flexible
- Long lasting

Applications

- Radioactive protection
- Tank Lining
- Sound Barrier and Sound Proofing
- Nuclear Energy Shielding
- Corrosion Protection
- Roofing
- Waterproofing



Lead Bricks

Lead Bricks are basically the rectangular bricks with inter-locking capability. They are a convenient solution to temporary or permanent shielding / storage situations.

Benefits

- Thick
- Easy to stack, un-stack and relocate
- Protection from radioactive radiations

Applications

- Walls
- Coves
- Glove-boxes
- Partition



Red Lead

Red Lead primer is one of the oldest and most commonly used anti-corrosion pigments applied to metal surfaces. Red Lead is used in deep cycle battery applications.

Benefits

- Protects from rusting
- Anti-corrosive
- High performance

Applications

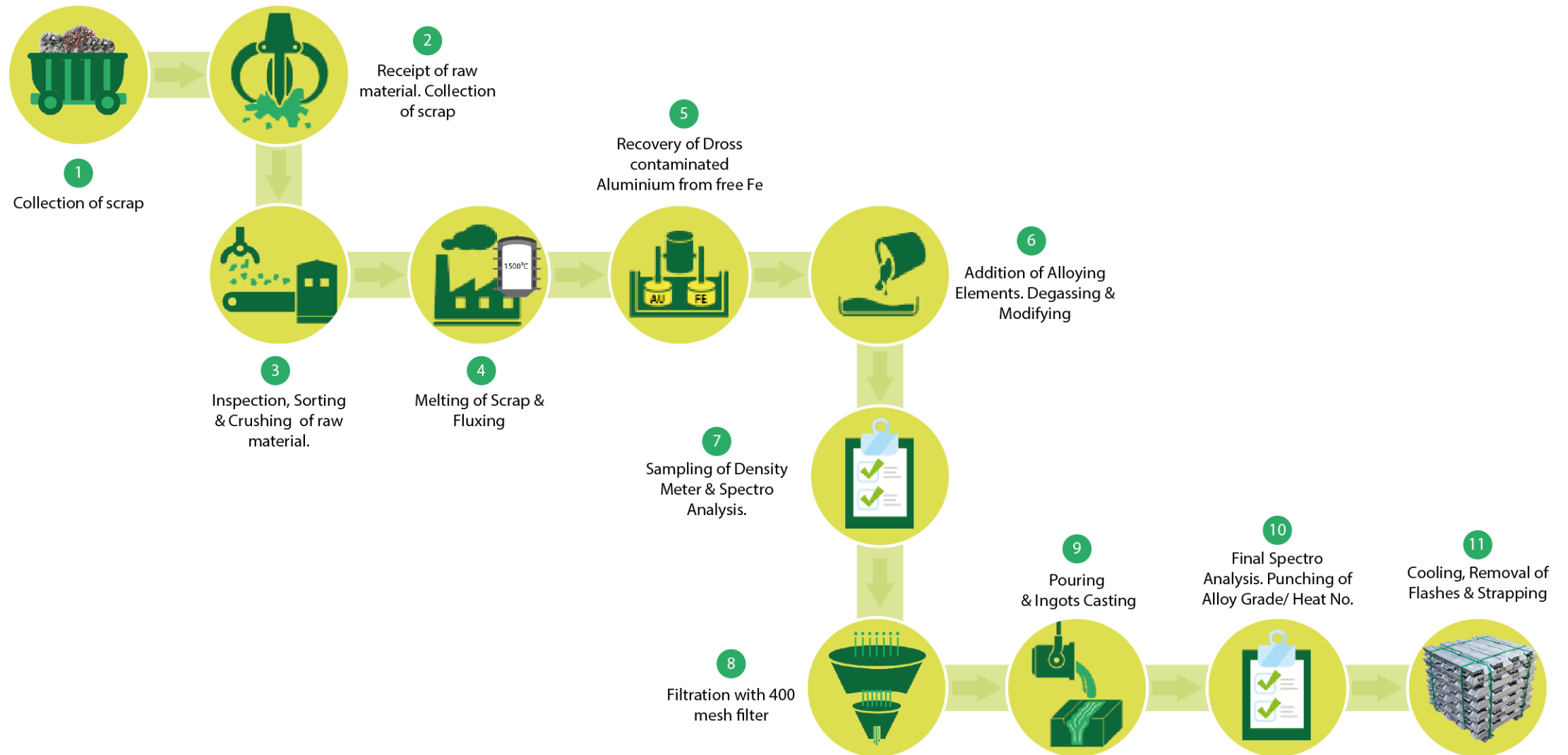
- Ceramics and glass
- Paints and Pigments
- Explosives



Others

- **Lead powder** incorporated into a plasticizer is added to plastics to form sheets of Lead loaded plastic. This material is used to make radiation protective clothing and aprons for the medical, scientific and nuclear industries.
- **Lead wool** is made by scratching fine strands from the surface of a Lead disc. It is used for the caulking of joints in large pipes e.g. gas mains and in some specialist batteries.
- **Lead anode** is used in electrolysis process for copper extraction from copper concentrates

ALUMINIUM RECYCLING PROCESS



ALUMINIUM PRODUCTS

Aluminium Cast Alloys

ADC-12

AC4B

LM-24

LM-6

AS-9

DIN-226

AlSi-132

Customized Alloy

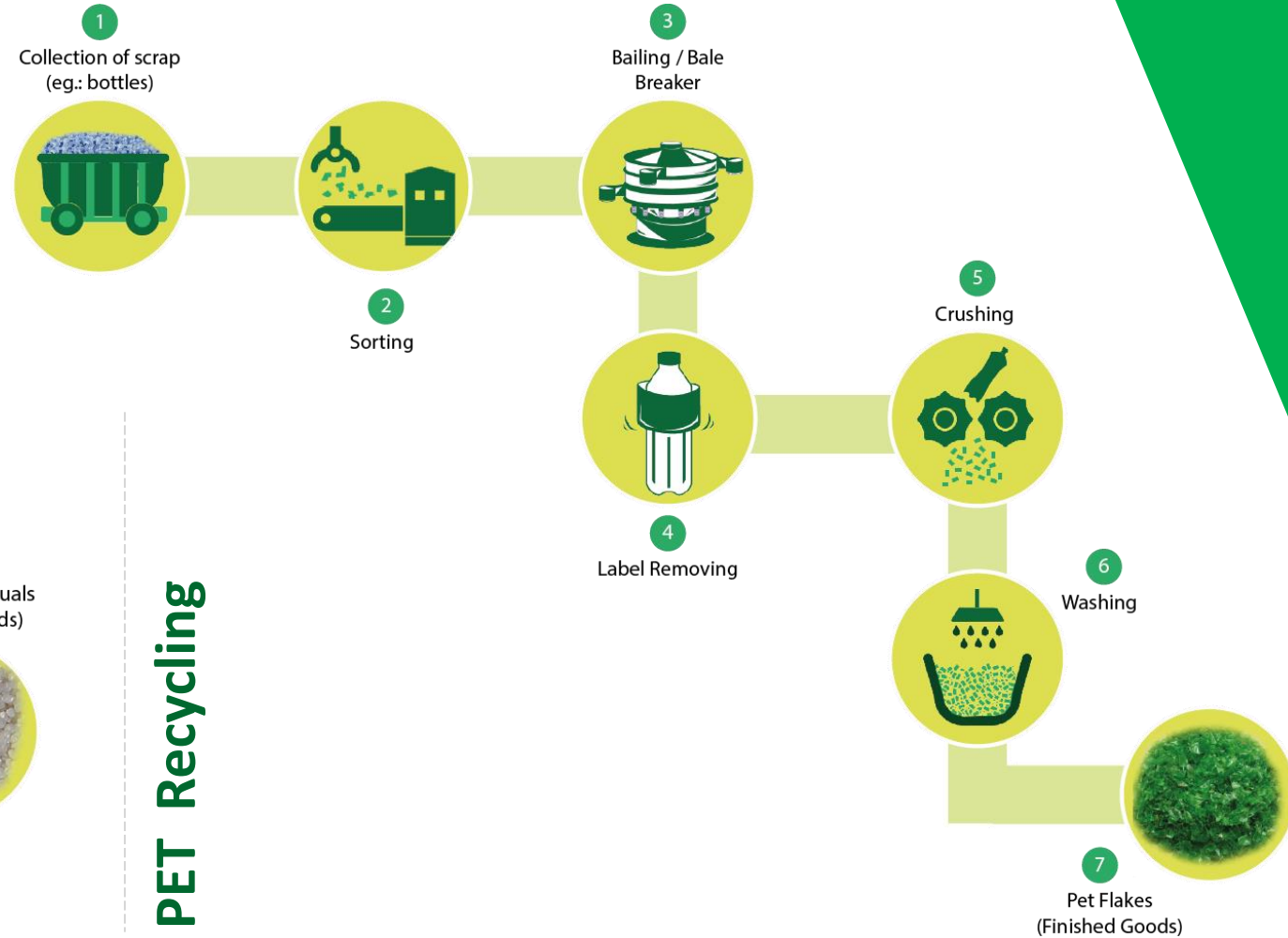
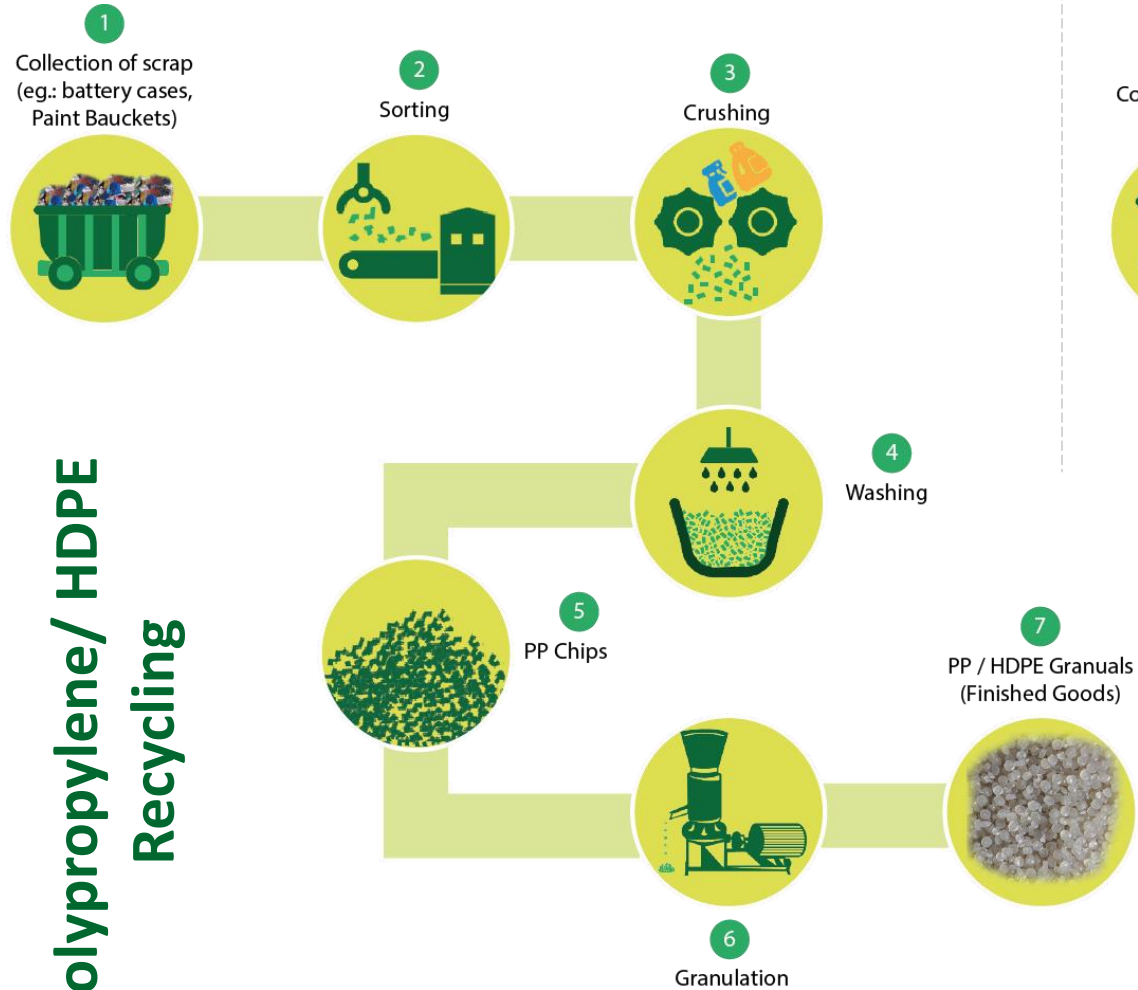
Applications

Pressure Die Casting
Components for:

- Automotive
- Consumer Durables
- Electricals



PLASTIC RECYCLING PROCESS



PLASTIC PRODUCTS



PPCP Granules

- PPCP Granules are manufactured using battery boxes / paint buckets / oil canes / chairs etc., and are offered by the company in various shapes and sizes, depending upon the requirement of various applications. Known for their excellent properties, the PPCP Granules are used by plastic moulding and packaging industries.

Benefits

- Excellent impact/stiffness performance even at low temperatures
- Aesthetic characteristics
- Good creep resistance

Applications

- Packaging
- Moulding
- Textiles

Recycled Pet Flakes

- The company produces a wide-range of high-quality PET flakes using PET bottle scrap. The PET flakes produced are further sought by Yarn Manufacturers, bottle to bottle manufacturers and various packaging industry.
- The recycled PET flakes are available in a selection of colors such as light blue, dark blue, green and clear ready for immediate delivery to the company's customers around the globe.

Benefits

- Recyclable
- Lightweight

Applications

- Packaging
- Textiles
- Bottles



MARQUEE CLIENTS



TURNKEY SOLUTIONS

Gravita offers Turnkey solutions for Lead Acid Battery Recycling processes and plants. The company is one of the leading Turnkey project suppliers for Lead smelting and recycling. Key services include:

- ❖ Lead Acid Battery Recycling Technology
- ❖ Technical Consultancy & Services for Lead Recycling & Smelting
- ❖ Secondary Lead Smelting Plants
- ❖ Lead Refining, Alloying Techniques & Equipment
- ❖ Lead Sub-Oxide, Red Lead & Litharge recycling Plants
- ❖ Pollution Control Systems for Lead Processing Industries
- ❖ PLC based Control & Monitor System for advanced set-ups
- ❖ Annual Maintenance Contracts

- ❖ Executed more than 50 turnkey projects globally
- ❖ In house Lead recycling equipment manufacturing facility helps the company to have better edge over competitors.
- ❖ This facility also helps the company in reducing capital expenditure



FINANCIALS

CONSOLIDATED PROFIT & LOSS STATEMENT

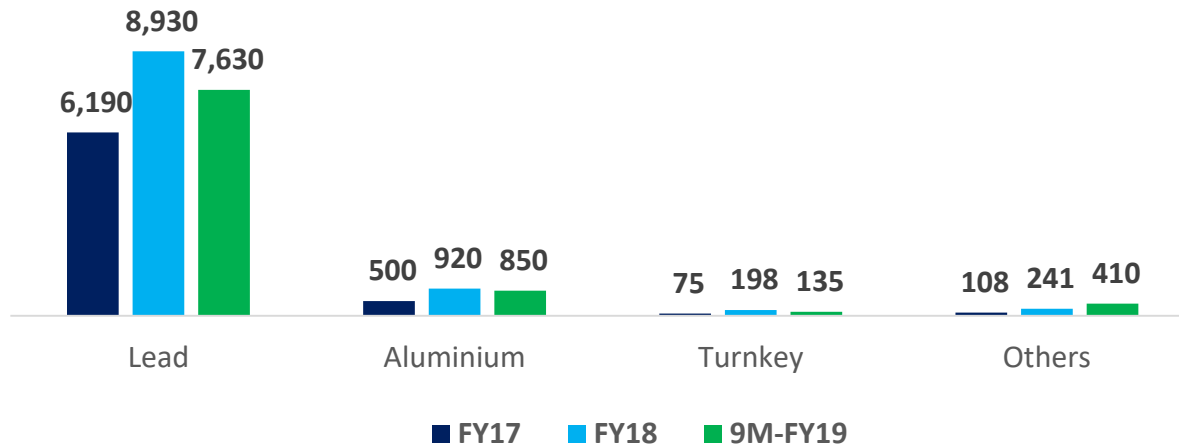
Particulars (INR Mn)	FY16	FY17**	FY18**	9M-FY19**
Total Income*	4,354	6,908	10,311	9035
Total Expenses	4,151	6,328	9,408	8556
EBITDA	203	580	903	479
<i>E</i>				5.20%
Depreciation	67	59	87	84
Finance Cost	76	86	174	171
Share of profit of associates	-	-	-	-
PBT	60	435	642	224
Tax	5	84	166	30
Profit After Tax	55	351	476	194
				2.15%
Minority Interest	11	-	-	-
Other Comprehensive Income	-	(22)	11	10
Total Comprehensive Income	44	329	487	204
Diluted EPS (INR)	0.63	4.74	6.39	2.33

CONSOLIDATED BALANCE SHEET

EQUITIES & LIABILITIES (INR Mn)	FY17	FY18	H1-FY19	ASSETS (INR Mn)	FY17	FY18	H1-FY19
Shareholder Funds				Non-current Assets			
(A) Share Capital	137	137	137	(A) Property, Plant and Equipment	665	1,077	1,219
(B) Other Equity	1,364	1,760	1,868	(B) Capital work-in-progress	324	239	305
Non- controlling interest	47	49	58	(C) Other Intangible assets	16	12	12
Non-current Liabilities				(D) Financial Asset			
(A) Financial Liabilities				(i) Financial Loans	15	16	26
(i) Borrowings	198	148	104	(ii) Others Financial Assets	7	-	-
(B) Long term Provisions	17	23	31	(E) Deferred tax assets (net)	16	-	
(C) Deferred Tax Liability (net)	-	15	23	(F) Income Tax Assets (net)	8	7	11
Current Liabilities				(G) Other non current assets	108	100	193
(A) Financial Liabilities				Current Assets			
(i) Borrowings	1,417	2,108	2,269	(A) Inventories	1,094	1,585	1,975
(ii) Trade Payables	141	475	708	(B) Financial Assets			
(iii) Other	46	83	101	(i) Loans	10	13	13
(B) Other Current liabilities	148	54	242	(ii) Trade receivables	603	1,132	1,075
(C) Provisions	4	5	4	(iii) Cash & Bank Balances	178	166	220
(D) Current tax Liabilities (net)	33	61	37	(iv) Other	-	24	-
				(C) Current Tax Assets (net)	8	-	4
				(D) Other Current Assets	500	547	529
GRAND TOTAL - EQUITIES & LIABILITES	3,552	4,918	5,582	GRAND TOTAL – ASSETS	3,552	4,918	5,582

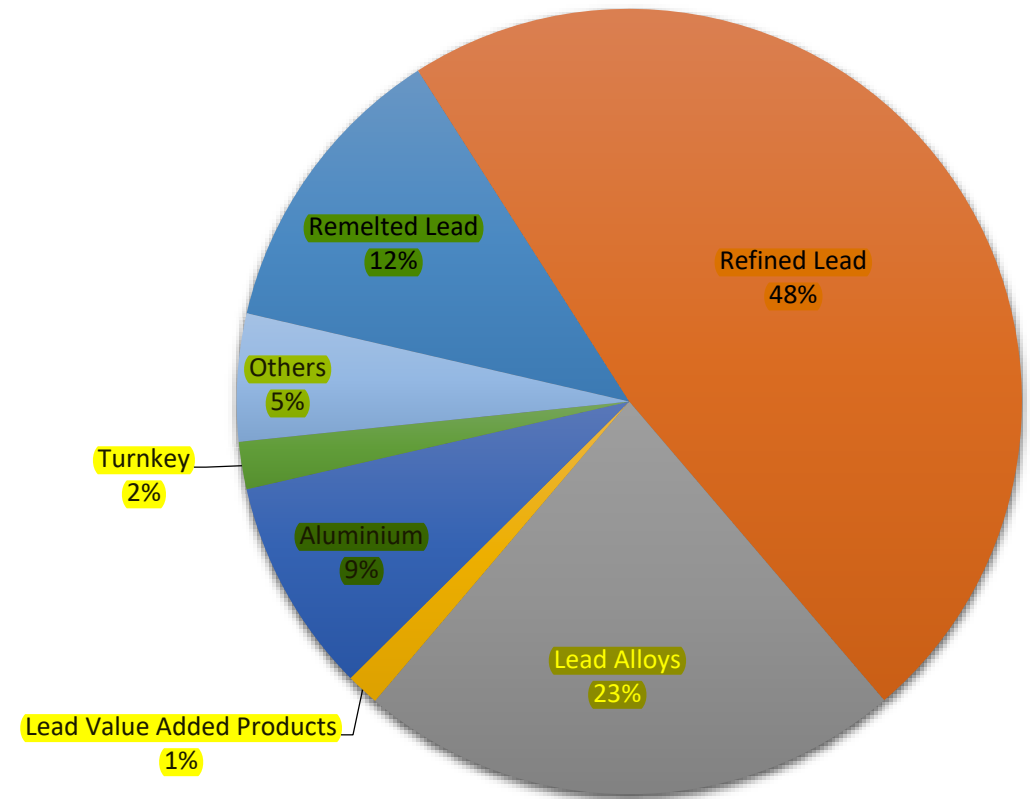
BUSINESS SEGMENT-WISE FINANCIALS

SEGMENT-WISE REVENUES (INR Mn)



- Revenue CAGR 36% & PAT CAGR 33% in last 10 Years
- Lead segment contributes ~85% of total turnover followed by Aluminium (9%), Turnkey (2%)
- Exports revenue constitutes ~65% of total revenue

Product-wise Revenues (FY18)



BACK TO BACK HEDGING MECHANISM

- ❖ Since June 2016, Gravita has started back-to-back hedging of the metal commodities to mitigate the risk in the commodity price.
- ❖ Gravita sells the equivalent volume of finished goods at the time of procurement of scrap on daily basis. Gravita has 3 tier structure of hedging mechanism for sale of finished goods, i.e., Weekly Contracts, Monthly Contracts, Long Term Contracts and finally at London Metal Exchange, if there is still unsold inventory left.
- ❖ Gravita adopted the hedging policy as a risk mitigation measure which enabled it to focus on core business activities, i.e., collection and processing of scrap to convert as value added product available for reuse.



HEDGING MECHANISM (AN EXAMPLE)

Day	Particulars	Quantity (MT)	Price (US\$/T)
1	Scrap collected	100	Current LME Price
	Equivalent finished goods to be sold under:	60	
	A – Weekly Contracts/Spot Contracts		
	B – Monthly Contracts		
	C- Long Term Contracts		
	D - LME (Unsold quantity after options A and B, is sold over LME)		
Any day after Day 1	In case of option C, position on LME is reversed as & when a buyer is available at the current LME prices	Quantity Sold on LME	Current LME Prices

INDUSTRY OVERVIEW

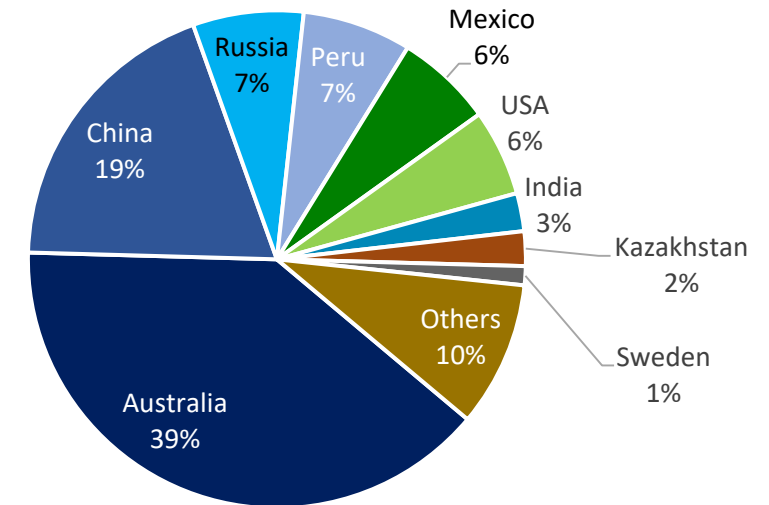
SECONDARY LEAD MARKET

- ❖ Lead is the only metal in the world which can be recycled number of times without diminishing any quality and recycled Lead & primary Lead are traded on the same price at London Metal Exchange (LME).
- ❖ One of the most recyclable and sustainable commodities, lead is a highly corrosion-resistant, ductile and malleable blue-grey metal.
- ❖ Global Lead demand is ~11.2 Mn Tons and ~65% Lead comes from recycling activities. The global Lead reserves are ~89 Mn Tons which are majorly located in Australia (39%), China(19%), Russia (7%), Peru (7%), India (2.5%).
- ❖ Indian Lead demand is ~0.8-1.0 Mn Ton which is met through primary production (0.15 Mn Ton), recycled Lead (0.65 Mn Ton) and rest through imports.
- ❖ The Indian market for lead acid batteries is currently USD 5 Bn.
- ❖ Lead is majorly used in Automotive Industry (batteries), Cable Industry and Healthcare Industry.

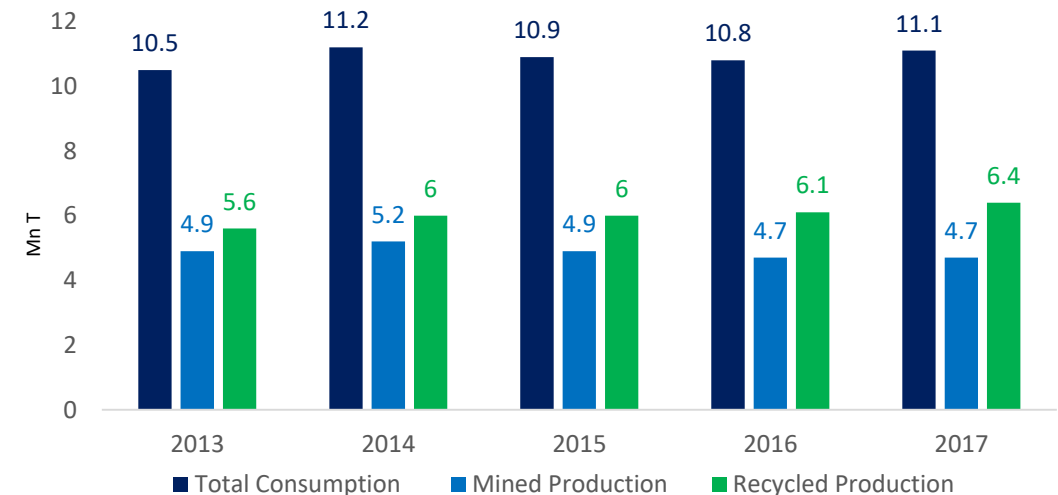
Recycling Industry:

- ❖ Battery scrap from automobile sector accounts for **80%** of old scrap recycled as secondary lead raw material.
- ❖ Recycled Lead accounts for ~75% of total Lead production in India.
- ❖ India's overall automotive lead acid battery market has grown with more than **10%** CAGR.

Global Lead Reserves - 89 Mn Tons



Global Lead Usage, Mined Production & Recycled Production (Mn T)



ALUMINIUM SECONDARY MARKET

- ❖ India ranks 4th in terms of aluminium production behind China, Australia and Brazil.
- ❖ Aluminium demand in India posted a healthy 6-7% growth during the past five-year period and reached to 3.7 Mn Tonnes in March 2018.
- ❖ India uses ~30% of recycled Aluminium primarily due to better cost economics (compared to primary aluminium), better technical properties, environmental benefits, and low capital intensity.

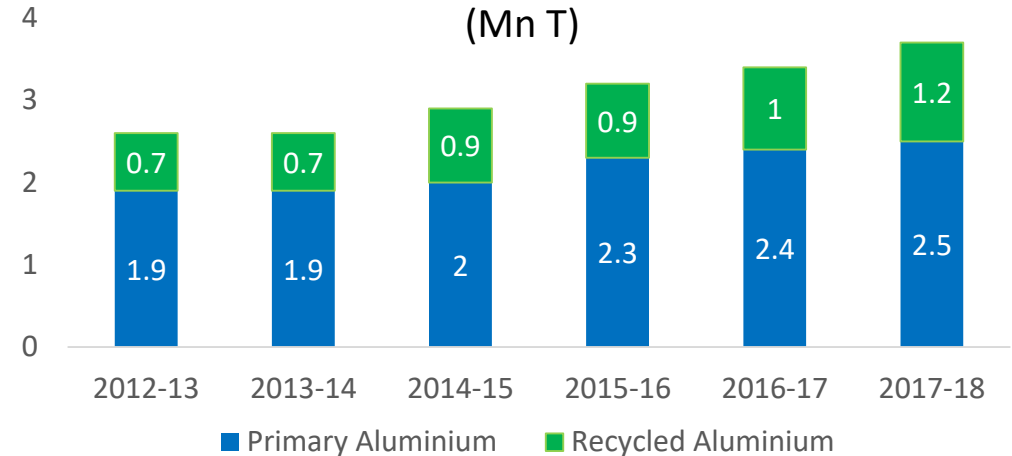
Recycling Industry:

- ❖ During Fiscal 2013-2017 period, the demand for recycled aluminium grew by ~9% and this demand is expected to increase by 8-10% in the next 5 years.

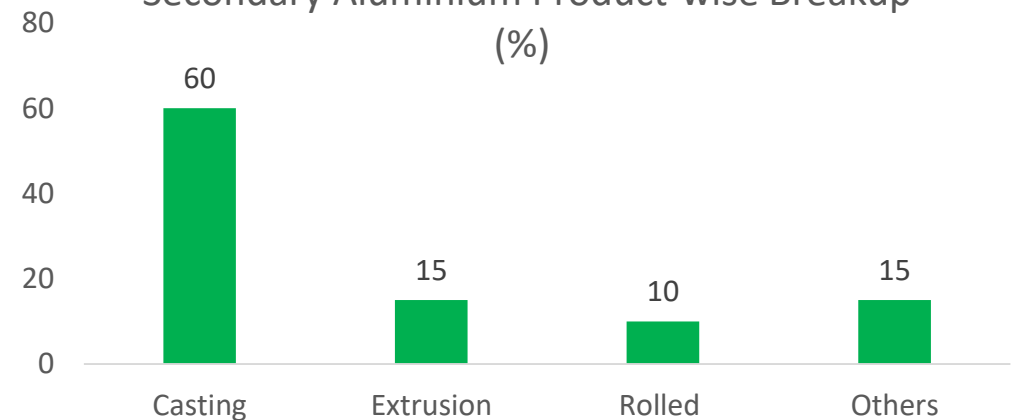
Major User for recycled aluminium:

- ❖ Automotive (60-65%)
- ❖ Building & construction (10-15%)
- ❖ Consumer durable products (4%)
- ❖ Industrial applications (4%)
- ❖ Others (12-14%)

Aluminium Demand in India
(Mn T)



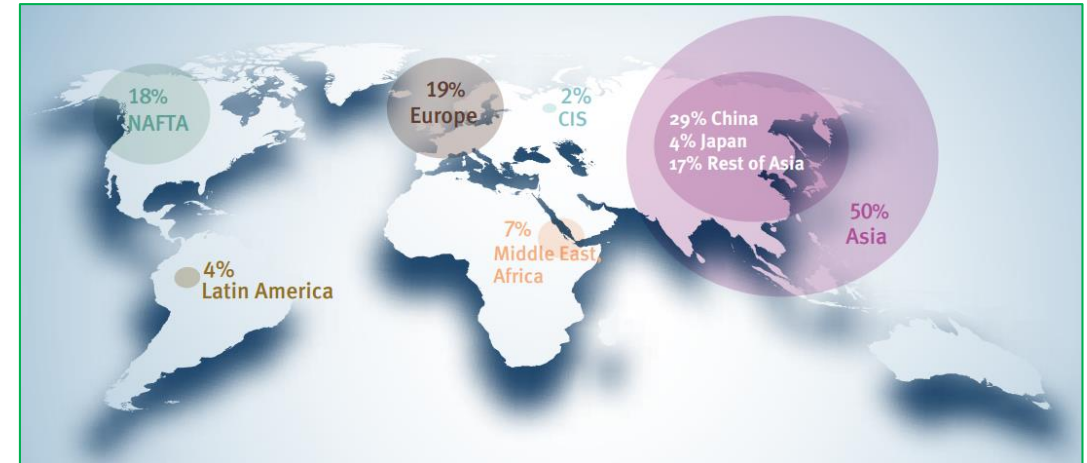
Secondary Aluminium Product-wise Breakup
(%)



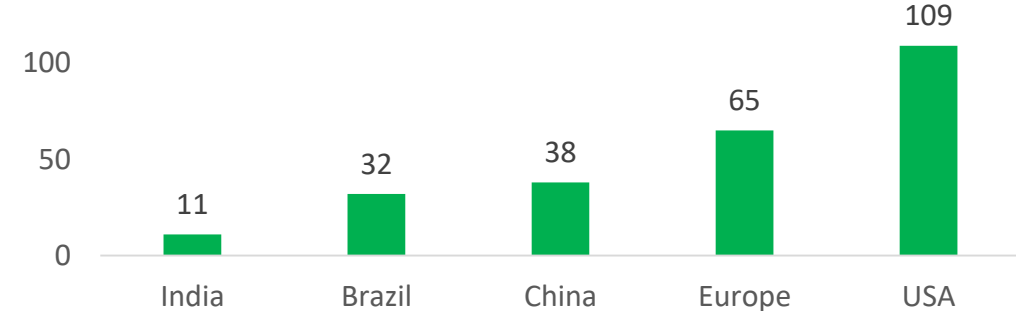
PLASTIC RECYCLING MARKET

- ❖ The global recycled plastics market was valued at USD 34.80 Bn in 2016 and is expected to reach USD 50.36 Bn by 2022, at a CAGR of 6.4% during the forecast period (Markets & Markets).
- ❖ The growth in plastic recycling is due to increasing uses of recycled plastics, growing awareness among masses about health hazards of plastics, energy savings etc.
- ❖ Asia Pacific region accounted for significant share of 74% of the global plastic recycling market in 2017 as developed countries export their plastic scrap to Asia for recycling.
- ❖ Every year more than 350 Mn tones of plastics is being produced out of which 20-25% is recycled after the life cycle of that product.
- ❖ India contributes ~4.5% in global plastic production and per capita consumption of plastic in India is 11 kg / person which is lower than global average of 28 kg / person.
- ❖ India has ~7-8 thousands of plastics recyclers which are equally distributed into unorganized and organized segment.
- ❖ Indian generates ~25,940 tonnes of plastic waste / day & ~94% is thermoplastic (PET/PVC) which is recyclable and India has ~7-8 thousands of plastics recyclers (50:50 into unorganized and organized segment).

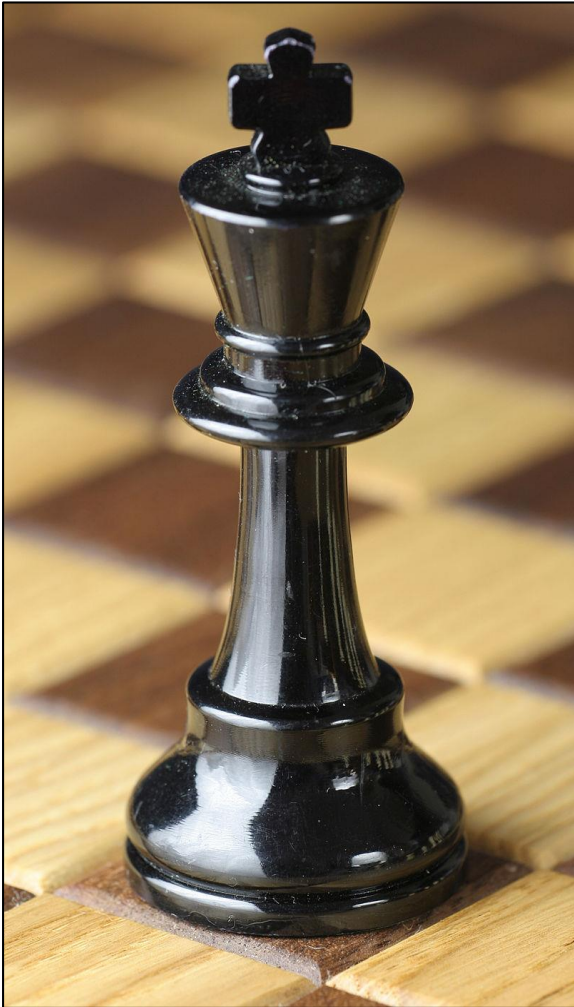
Distribution of Global Plastic Production 2017



Per capita plastic products consumption (Kg / person)



GROWTH STRATEGY



Diversification

- Diversifying into new geographies such as Latin America, Europe, Australia etc.
- Planning to add new streams such as Tyre Recycling, Paper Recycling, E-Waste, Waste Oil Recycling etc.
- Strengthening business in India and Africa

Strengthening Collection Network

- Starting new scrap collection centres in
 - Latin America
 - North America
 - Africa
- Strengthen pan India scrap collection network
- More corporate tie-ups with back to back supply of scrap

Enhancing recycling Base

- New recycling facility in Mundra, Gujarat with logistics and lower working capital cycle
- Focus on Value Added Products
- To grab future recycling opportunities such as End of Life Vehicle Policy, EPR Policy

Strengthening Sales Network

- Focus on Value Added & Customized Products
- Entry in 'Niche' market
- Strengthen Marketing Network globally
- Enhance market share in Domestic Territory

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