GRAVITA

GRAVITA INDIA LTD.
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CIN : L29308RJ1992PLC006870

28th May, 2019

GIL/2019-20/019

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

Sub: Press Release for Audited Financial Results for the Quarter/Year ended 31st March, 2019

Dear Sir/Madam,

With reference to the cited subject, please find enclosed Press Release for Audited Financial Results for the Quarter/Year ended 31st March, 2019.

Kindly take the above on your records and oblige.

Yours Faithfully

For **Gravita India Limited**

Nitin Gupta

Nitin Gupta
(Company Secretary)
FCS-9984

Encl.: As above

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We Recycle to Save Environment

Gravita India Limited revenue up by 21% in FY19

Key financial highlights of the FY19

- Revenue INR 1,24,172 Lacs
- EBITDA INR 5,870 Lacs
- PAT INR 1,549 Lacs
- EPS INR 2.26
- Sales Quantity- Lead – 65,368 MT, Aluminum-8,217 MT & Plastic-9,991 MT
- Board recommends final dividend @ 15% for FY19.

Key financial highlights of the Q4-FY19

- Revenue INR 33,899 Lacs
- EBITDA INR 1,164 Lacs
- PAT INR (58) Lacs
- EPS INR (0.08)
- Sales Quantity- Lead – 18,855 MT, Aluminum-2,233 MT & Plastic-2,731 MT
- Status of the company improved from Two Star Export House to Three Star Export House

Operational Highlights

During F.Y. 2018-19 the consolidated revenue of the company increased by 21% as compared to last F.Y. 2017-18 and Profit after tax stood at Rs. 1,549 Lacs. The Company's profitability was impacted primarily due to restatement of core inventory and dilution of the margins due to increase in share of business from Indian facilities which commands lower margin.

Further in F.Y. 2018-19, company's procurement cost increased due to lower LME prices of Lead which squeezed the margins. Although company was able to partially mitigate the same by increasing its sourcing of battery scrap by ~ 24% which resulted in growth in production volumes by ~ 23%.

In Q4 FY2019, the company's revenues increased by ~11% Q-o-Q with net loss of Rs. 58 Lacs. The company performed well on operational side due to higher volumes, improved recoveries and lower conversion cost.

During the quarter, the company entered into a business sale arrangement of its step-down subsidiary situated in Mauritania which became unviable due to change in business scenario. At the time of conceiving and execution of the project, there was a complete ban on export of Lead battery scrap but later on, when the project was about to start production, the government lifted the ban and started giving licenses to the scrap traders. Although the Lead recycling project was feasible at lower volumes in case of effective ban, the changed situation necessitated the sale.

The said business sale arrangement impacted the quarterly consolidated bottom-line of the company by Rs. 474 Lacs.

Additionally during the quarter the scrap collection at the company's plant situated in Nicaragua was negligible due to the ongoing unrest in the country and the company was more dependent on imported scrap which was comparatively costlier than the local scrap at Nicaragua. This scenario significantly impacted the profitability of the plastic division of the company. All the other plants of plastic division were also under stabilization and underperformed during the quarter.

Road Ahead

The company has plans to establish some more scrap collection yards in Nicaragua to have deep routed procurement network which will result in increased volumes of local scrap at cheaper prices. Also the company is increasing its customer base to have better sales realization for its plastic products.

Expansion Projects

Ghana Project – The construction of Ghana Plant is completed and trial run has been done. We expect this plant to commence within a few days. Establishment of this plant will result in saving of logistics cost on the battery scrap which is currently imported in India, processed and re-exported to various countries. This will also help the company to reduce its working capital cycle.

Tanzania Project – The Company has started commercial production of Lead from its new plant with an annual capacity of around 3000 MTPA from April 2019 onwards. Gravita Tanzania Limited is first Export Oriented Recycling Plant in Tanzania. The Group has made an investment of ~Rs 950 Lacs for establishing this new recycling plant, which is invested from internal accruals of the company. Furthermore, the company is also starting recycling of Aluminum from this plant with a capacity of 6000 MTPA.

Mundra Project – The Company is in the process of shifting its existing Gandhidham facility to Mundra which is expected to complete by July 2019. This will save the logistics cost as Mundra facility is much closer to the port than Gandhidham facility and company will also save the lease rentals which are being paid for Gandhidham facility.

Furthermore, the above expansions will increase the share of business from overseas market which will result in higher margins.

About Gravita India Limited

Gravita India Limited (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 South 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:

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