



GRAVITA INDIA LTD.

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CIN : L29308RJ1992PLC006870

25th June, 2020

GIL/2020-21/008

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| To, The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandar-Kurla Complex, Bandar(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 Audited Financial Results for the Quarter/Year ended 31st March, 2020

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, 2020.

Kindly take the above on your records and oblige.

Yours Faithfully

For Gravita India Limited


Nitin Gupta
(Company Secretary)
FCS-9984



Encl.: As above

PRESS RELEASE

Gravita India Limited PAT up by 114 % in FY20

Key financial highlights of the FY20

- Revenue INR 1347.80 Cr
- EBITDA INR 97.47 Cr
- PAT INR 33.18 Cr
- EPS INR 4.82
- Sales Quantity: Lead 77,470 MT, Aluminum 8,046 MT & Plastics 11,793 MT

Key financial highlights of the Q4-FY20

- Revenue INR 379.26 Cr
- EBITDA INR 28.99 Cr
- PAT INR 12.61 Cr
- EPS INR 1.83
- Sales Quantity: Lead 22,397 MT, Aluminum 2,534 MT & Plastics 3,104 MT

Operational Highlights

During F.Y. 2020 the consolidated revenue of the company increased by 9% as compared to last F.Y. 2018-19 and Profit after tax stood at Rs. 33.18 Cr with an exceptional growth of 114%. Operational efficiency, product – market mix and capacity optimization led to improved profit margins. Further, during the year company has started Lead recycling facility in Ghana and Lead & Aluminium recycling facilities in Tanzania.

During the year, the sales volume of Lead division has increased by 19% coupled with 18% increase in Lead production. Additionally there was 71% increase in sales volume of Lead Alloys and 77% increase in sales volume of Value Added Products which resulted in better margins.

In Q4 FY 2020, the company's consolidated revenues increased by 44% Y-o-Y with net profit of Rs. 12.61 Cr against loss of Rs.0.58 Cr in corresponding quarter of previous year. The increase in Net Profit of the company during Q4 FY 2020 is due to efficient working of manufacturing facilities based in Africa. Additionally, sales volume also increased by 48% in Lead and 34% in Aluminium division.

The company has hedged both buying and selling in Lead on 100% basis and also hedged its inventory due to which company has been able to maintain stable margins despite of 8% fall in Lead metal prices.

Management Commentary:

Mr. Rajat Agrawal, Managing Director, Gravita India Limited said, "During FY 2020 the company has been able to achieve excellent figures due to process optimization and focused approach towards product & market mix. Further the newly established Lead & Aluminium recycling facility in Tanzania performed rationally well. We expect the momentum of the growth to be continued in the coming quarters."



Impact of Covid-19:

Pursuant to Regulations 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), and amendments thereto, read with SEBI circular No. SEBI/HO/CFDI CMD1/CIR/P/2020/84 dated 20th May, 2020 we wish to provide information as per the above circular:

1. **Impact of the Covid-19 pandemic on the business:** Covid-19 pandemic is an unprecedented and evolving event, which has brought the country and economy to a stand-still. On 24th March, 2020 Hon'ble Prime Minister of India has outlined a series of decisive actions that India will take to protect its citizens by imposing a lockdown across the country due to which the operations of the company throughout country were closed temporarily. There was no significant impact of Covid-19 and lockdown on the operational and financial performance of the company as on 31st March, 2020.

Further due to complete lockdown in the country from 24th March, 2020 the manufacturing facilities of the company based in India remained non-operational till 20th April, 2020 but the overseas plants of the company remained operational due to which management is of the view that the business of the company will be on low volumes in upcoming quarters due to logistic issues and disruption in supply chain but there will be no significant impact of Covid-19 pandemic on the financial performance of the company on long term basis.

2. **Ability to maintain operations including the factories/units/office spaces functioning and closed down:**
 - a) In compliance with the directions issued by the Government of India, the company had suspended operations at all the offices and manufacturing locations in India with effect from 21st March, 2020 and 24th March, 2020 respectively to ensure the safety of our employees and their families and to contain the spread of Coronavirus (Covid-19);
 - b) The company was granted permission to partially run our plants, located at Jaipur, Rajasthan, Gandhidham, Gujarat and Chittoor, Andhra Pradesh. In view of the same, the company had resumed partial operations at its above mentioned manufacturing units from 21st April, 2020;
 - c) The company subsequently resumed its operations at all the manufacturing units situated in India from 04 May, 2020 in accordance with the formal permissions from concerned government authorities.

The company has adopted the work from home policy during the entire duration of the lockdown in its corporate office.

3. **Schedule, if any, for restarting the operations:** Not applicable as the company has already started its operations.
4. **Steps taken to ensure smooth functioning of operations:** The company has put in place requisite safety measure for employees, workers etc. at its all plant locations in line with the



guidelines/instructions/advisories already issued by Central/ State Governments to prevent spread of Covid-19. It will comply with all the guidelines/instructions/advisories which may be issued by the Central/State Government from time to time to help fight the spread of Coronavirus (Covid-19) pandemic.

5. **Estimation of the future impact of Covid-19 on its operations:** The company is fully prepared to cater the needs of the customers and to manage its production in an effective manner. The operations of the company are running smoothly but it is very early to assess the future impact of Covid-19 with reasonable certainty. There is some impact on the company's performance in terms of volume due to the hindrance in the supply chain that has impacted the operations & execution of the business. With the opening of domestic market, we expect business to improve gradually.
6. **Details of impact of Covid-19 on company –**
- a) **Capital and financial resources:** Looking into current business scenario and size of the company the company is having sufficient capital and financial resources so as to meet its business needs. Further company has been assisted with additional one time demand loan of Rs. 19.64 Cr by its Bankers out of which Rs. 12.60 Cr is yet to be availed by the company. This demand loan has been sanctioned on concessional interest rates and will help the company to reduce its overall finance cost along with better liquidity.
 - b) **Profitability:** The demand-supply scenario is subdued due to Covid-19 pandemic and many countries are struggling to get restoration of normalcy. This market dynamics is expected to marginally affect the revenue and profitability.
 - c) **Liquidity position:** The company has been receiving regular payments from its customers. No major overdue exist in the receivable from any customers. This ensures the company has sound liquidity position.
 - d) **Ability to service debt and other financing arrangements:** The company doesn't expect any issue in servicing the debt and other financing arrangement due to sufficient liquidity available. Further, the company does not have any significant short term debt which is required to be repaid and the company is capable to meet its financial requirements.
 - e) **Assets:** Assets of the company are optimum looking into the business size of the company. Further all the assets of the company are secured and are in working condition.
 - f) **Internal financial reporting and control:** There was no impact of Covid-19 on Internal financial reporting and control.
 - g) **Supply chain-** The major part of raw material of the company is based on Import and due to lockdown imposed in various parts of the world there has been disruption in supply chain due to logistic issues. The raw material supplies has been picked up worldwide and is expected to resume normalcy.
 - h) **Demand for its products-** Worldwide more than 70% Lead usage are in Lead acid batteries followed by power cables, radiation protection application, constructions,



pigment and chemicals. The present market dynamics is expected to affect the demand of product of the company in next few quarters but looking into current scenario, the company is of the view that it will not affect the demand of its products in long run.

- i) **Existing contracts/agreements where' non-fulfillment of the obligations by any party will have significant impact on the company's business:** The company is well positioned to fulfill its obligations and also does not foresee any significant impact on the business due to non-fulfillment of the obligations by any party.
- j) **Other relevant material updates about the company's business:** The company has been regularly updating about all the material update about the company business through various intimations, press releases and will continue to do so.

Road Ahead

The company has plans to focus on strengthening its procurement network globally so as to source increased volumes of local scrap at cheaper prices. Additionally company is focusing on its product and market mix for better margins. Further, company expects a better growth in Aluminium segment in coming quarters whereas Plastic segment of the company will remain stagnant.

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 8 countries of Asia, Africa and South America continent. The company enjoys patronage of its products in more than 59 countries.

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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