

Press Release

Brickwork Ratings assigns “BWR IPO Grade 3” to the proposed Initial Public Offer of Gravita India Limited.

Gravita India Limited

**IPO Grading: BWR IPO Grade 3
(Average Fundamentals)**

Brickwork Ratings (BWR) has assigned BWR IPO Grade 3 to the proposed Initial Public Offer (IPO) of equity share by Gravita India Limited (GIL). Brickwork Ratings’ BWR IPO Grade 3 indicates average fundamentals for the issue in relation to its peers. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 poor fundamentals. The grading is not a comment on the issue price at which the shares are offered or the price performance of the listed equity shares.

The grading factors GIL’s position in the Indian lead industry, diversity in products, domestic and international expansion plans and management’s 17 years experience in lead industry. However, the grading is constrained by highly competitive nature of lead industry, volatility in the lead prices, environment and health hazardous associated with lead industry. The project is not appraised by any term lending institution and is fully funded by IPO proceeds and internal accruals.

Company Profile:

Gravita India Limited is the flagship company of Gravita group. Established by first generation entrepreneur in 1992 with unit at Jaipur, GIL manufactures lead alloy, lead oxides (lead sub-oxide, red lead, and litharge) and lead products (lead sheets, lead pipes etc.) by recycling & smelting. GIL has access to raw material through its global presence, which the company imports and refines to 99.97% purity for export and domestic sales. The Company’s finished products are used mainly in the battery industry apart from the glass, ceramic, pharmaceutical, paint and chemical industry.

The Group has eight lead manufacturing units in operations; two in Asia and five in African continent. Apart from lead processing Gravita group companies are engaged in merchant trade of lead scrap, lead ore, lead concentrates, lead battery scrap and lead products. The Gravita Group also provides technical consultancy and engineering services for setting up of lead smelting & recycling projects / supply of plant & machinery on turnkey basis.

The Issue:

GIL is raising equity funds to expand manufacturing facilities at Jaipur and setting up new manufacturing facility at Wada, Maharashtra. The company is planning to expand its operations in Australia, Belarus, Chile and Mexico. GIL will be investing in overseas ventures in Sri Lanka, Senegal and Honduras. To meet the funding requirements, GIL plans to issue 36,00,000 Equity Shares of Rs.10/- each at a premium to be decided later and internal accrual.

The implementation of the project is in an initial stage. GIL is yet to identify land for Wada unit. It proposes to acquire land for Jaipur unit from Group Company for Rs. 2.25 Crores.

The agreement is not yet firmed up. Orders for the machineries and other equipments as a part of the expansion/new facilities at Jaipur and Maharashtra have not been placed as yet.

The company is in the process of exploring overseas location for set up of new project. This process is also in concept stage with the company having identified potential countries only. These projects will also need regulatory approvals.

GIL is promoted by entrepreneurs and technocrats Mr. Rajat Agarwal (aged 42 years) and Mr. Rajeev Surana (aged 41 years). Both the promoters have BE-Mechanical engineering degree. Dr. M.P. Agarwal, father of Mr. Rajat Agarwal is also associated with the company and is the Honorary Chairman. Dr. Agarwal (aged 75 years) has MBBS and MD degrees in General Medicines.

Mr. Rajat Agarwal has more than 15 years industrial management experience in India and abroad. He has travelled widely and attended various conferences, seminars & exhibitions in the field of lead metal & lead recycling. He has established various projects related to lead metal globally. Mr. Rajeev Surana oversees the activities related to setting up project from inception to commissioning. He has good operational understanding and experience exceeding 14 years in the industry. The three other directors on the board are independent.

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