September 16, 2025

Gravita India Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
LT – Fund based – Others	100.00	100.00	[ICRA]AA- (Stable); reaffirmed
LT/ST – Interchangeable – Fund-based/Non-fund based – Others	(100.00)^	(100.00)^	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed
Total	**100.00**	**100.00**	

**Instrument details are provided in Annexure-I, ^sub-limit of fund-based limits*

Rationale

The reaffirmation of the ratings favourably factors in GIL's established operational track record, supported by its extensive procurement network, a diversified supplier relationships and an extensive distribution network. The company's manufacturing facilities are strategically located, enabling cost efficiency and better client engagements. Additionally, GIL's prudent risk management practices to hedge its entire lead inventory through forward cover reduce the margin volatility.

The ratings also factor in GIL's strong performance in FY2025, characterised by ~23% YoY growth in volumes and steady realisation, a trend which is likely to sustain in FY2026. The volume growth is expected to be ~15% in FY2026. Consequently, the operating income is likely to grow on a steady basis in FY2026 and onwards. Further, continued focus on value-added products has supported the operating margin at ~10.3% in FY2025, which is likely to remain stable in FY2026. Further, the equity raised through QIP and the debt repayments have helped improve the leverage and coverage indicators significantly. The total debt position has declined to around Rs. 286 crore as on March 31, 2025 from Rs. 599 crore on March 31, 2024. A healthy liquidity with cash and liquid investment portfolio of around Rs. 940 crore as on March 31, 2025 further supports the company's growth and acquisitions plans. Consequently, the company's additional borrowings for business growth are likely to remain limited, going forward, which coupled with its increasing profits and cash accruals are likely to strengthen the capital structure and debt coverage metrics. Besides, GIL's increasing scale of operations and continued focus on relatively value-added products are likely to strengthen its overall operating profile. However, any large debt-funded capex or acquisitions will be closely monitored.

The ratings are, however, constrained by intense competition in the industry due to the presence of many organised and unorganised players. ICRA also notes that the overseas operation, primarily the African business, has significantly increased in the past few years. The expanded footprint exposes the company to geopolitical risks. The ability of the management to handle the diverse geographies and the associated regulatory risks would be critical from a credit perspective and would remain a key monitorable. Moreover, the company is exposed to risks associated with changes in Government policies on environmental norms. In addition, fluctuations in raw material prices impact the profitability. Although the company takes forward cover for the lead business, it remains exposed to commodity risks in the aluminium and plastic recycling businesses. The expected commencement of the hedging mechanism for aluminium through the Multi Commodity Exchange (MCX) is likely to reduce the volatility in the business to an extent.

The Stable outlook on the long-term rating reflects ICRA's expectation that GIL will continue to benefit from a higher scale, a growing share of value-added products and a healthy volumetric growth, thereby supporting its operating profitability and credit metrics.

Key rating drivers and their description

Credit strengths

Improved capital structure and liquidity post significant equity infusion through QIP – GIL raised equity worth ~Rs. 1,000 crore via a QIP in December 2024, which has been utilised primarily for deleveraging. The total debt position declined to around Rs. 286 crore as on March 31, 2025 from Rs. 599 crore as on March 31, 2024. The company had a liquidity of around Rs. 940 crore at the consolidated level as on March 31, 2025, of which about Rs. 528 crore is invested in bonds and mutual funds, Rs. 363 crore in FDs (encumbered is Rs. 46.92 crore) and the balance in free cash, which the entity plans to use for future capex and acquisitions. Consequently, the company's additional borrowings for business growth are likely to remain limited, going forward, which coupled with its increasing profits and cash accruals are likely to strengthen the capital structure and debt coverage metrics.

Besides, GIL's increasing scale of operations and continued focus on relatively value-added products are likely to strengthen its overall operating profile. However, any large debt-funded capex or acquisitions will be closely monitored. In FY2025, on a consolidated level, GIL reported a healthy operating income of Rs. 3,945 crore, including operating income from hedging, with steady volume growth in the lead division along with firm sales realisation. Further, the continued focus on value-added products has supported the operating margin, which remained stable at 10.3% in FY2025.

Established geographical presence and strategically located manufacturing units – The company has a diversified presence across India (four plants in Jaipur, Chittoor, Kathua and Mundra) and six plants overseas in Africa (Ghana, Mozambique, Senegal, Tanzania and Togo) and Asia (Sri Lanka) with a recycling capacity of 3,33,659 MTPA for lead, aluminium, plastics and rubber as on March 31, 2025. The plants have been set up closer to the ports (for freight cost savings) and/or battery manufacturers/industrial hubs (for easy customer access and lower distribution costs). Moreover, GIL's diversified presence allows it to take the delivery of scrap from one region and supply lead from another plant that is the closest to the customer's factory, resulting in significant cost savings for its clients.

Comfortable risk management policies on lead recycling; remains exposed to commodity risks in aluminium and plastic recycling – The company entirely hedges its exposure for lead through a forward contract of both sales (back-to-back) and the core inventory. The strategy results in stable operating margins for the company. However, GIL remains exposed to commodity risks in aluminium and plastic as both are alloyed products for which hedging is not available at present, exposing the company to raw material price volatility. The expected commencement of the hedging mechanism for aluminium through the Multi Commodity Exchange (MCX) is likely to reduce the volatility in the business to an extent.

Long experience of promoter – GIL's key promoter, Mr. Rajat Agrawal, has extensive experience of around three decades in the lead recycling business. Further, the company has an established track record, marked by an extensive procurement network with a diversified supplier base and distribution channel.

Credit challenges

Stiff competition from both unorganised and organised players – The domestic lead alloy manufacturing industry is intensely competitive with the presence of many unorganised players, as the products are low-value additive in nature. Intense competition exerts pricing pressure on the company. However, the company is more focused on value-added products to offset the impact.

Vulnerable to regulatory risks – GIL is exposed to regulatory risks as lead is a hazardous metal and recycling is a highly polluting process. Moreover, adverse Government policies affecting the business fundamentals could remain a concern. Thus, a change in the Government's policies impacting GIL's operations will remain a key monitorable.

Exposure to geopolitical risk – Gravita has a diversified presence and ICRA notes that it's overseas operation, primarily the African business, has significantly increased in the past few years with the commencement of new plants and expansion of the existing capacities. The expanded footprint exposes the company to geopolitical risks. Any volatility in geopolitical relations can have a significant impact on the business.

Environmental and social risks

The industry remains exposed to the risk of tightening regulatory norms on recycling and waste material handling and disposal, given the safety and environmental concerns associated with lead, a hazardous material. GIL is ISO 9001:2005 and ISO 14000:2015 certified and has the relevant statutory approvals for its various plants, including from the Ministry of Environment and the pollution control boards.

Moreover, operating responsibly is crucial and instances of non-compliance with environmental, health and safety norms can adversely impact the local community, which could manifest in the form of protests, constraining GIL's ability to operate or expand its capacity. GIL has not experienced/reported any incident suggestive of safety lapses at its manufacturing facilities over the past several years and its ability to maintain the manufacturing controls would be monitored.

Liquidity position: Strong

The company had a liquidity of around Rs. 940 crore at the consolidated level as on March 31, 2025, of which about Rs 528 crore is invested in bonds and mutual funds, Rs. 363 crore in FDs (encumbered is Rs. 46.92 crore) and the balance in free cash, which the entity plans to use for future capex and acquisitions. There was additional cushion of around Rs. 95.7 crore in fund-based working capital bank limits as on June 30, 2025. ICRA expects the company's accruals to remain sufficient to meet its debt repayment obligations of around Rs. 84 crore and capex requirement of ~Rs. 250 crore in FY2026.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company demonstrates a substantial increase in its revenues and profitability, while maintaining a healthy liquidity position, low leverage and strong debt coverage metrics.

Negative factors – Pressure on GIL's ratings may arise in case of a significant decline in its revenue and profitability or disruption in operations due to geopolitical issues. Any large debt-funded capex adversely impacting the leverage and coverage metrics on a sustained basis may also trigger a downgrade. A specific trigger for downgrade would be TD/OPBDITA of more than 1.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of GIL, the details of which have been enlisted in Annexure II

About the company

Gravita India Limited (GIL) was incorporated in 1992 with the first plant set up in Jaipur (Phagi) by Mr. Rajat Agrawal. GIL is in the business of recycling lead acid batteries, lead scrap, aluminium scrap, plastic scrap and rubber scrap. The company carries out smelting of lead battery scrap/lead concentrate to produce secondary lead metal, which is further transformed into pure lead, specific lead alloy, lead oxides (lead sub oxide, red lead and litharge) and value-added products like lead sheets, lead powder, lead shot and other such products. The company has its headquarters in Jaipur with 10 recycling plants across Rajasthan, Gujarat, Andhra Pradesh, Jammu & Kashmir, Sri Lanka (Mirigama export zone), Ghana (Accra), Mozambique (Maputo), Senegal (Dakar), Togo and Tanzania (Dar-es-Salam) with an aggregate ~3,33,659 MT recycling capacity for lead, aluminium, plastic and rubber (rubber set-up in FY2023; consumed internally as of now).

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	3,199.0	3,945.0
PAT	242.3	312.9
OPBDIT/OI	10.5%	10.3%
PAT/OI	7.6%	7.9%
Total outside liabilities/Tangible net worth (times)	0.9	0.2
Total debt/OPBDIT (times)	1.8	0.7
Interest coverage (times)	6.5	8.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 16, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	-	Mar-28-25	[ICRA]AA-(Stable); upgraded and withdrawn	Jul-20-23	[ICRA]A (Positive)	Jan-13-23	[ICRA]A (Positive)
				Jun-24-24	[ICRA]A+ (Stable)	Oct-5-23	[ICRA]A+ (Stable)	-	-
Fund-based term loans	Long term	-	-	Mar-28-25	[ICRA]AA-(Stable); upgraded and withdrawn	Jul-20-23	[ICRA]A (Positive)	Jan-13-23	[ICRA]A (Positive)
				Jun-24-24	[ICRA]A+ (Stable)	Oct-5-23	[ICRA]A+ (Stable)	-	-
Fund based - Unallocated	Long term	-	-	-	-	Jul-20-23	[ICRA]A (Positive)	Jan-13-23	[ICRA]A (Positive)
				-	-	Oct-5-23	[ICRA]A+ (Stable)	-	-
Fund-based – CC	Long term	-	-	-	-	-	-	Jan-13-23	[ICRA]A (Positive)
Non-fund based –Others	Short term	-	-	-	-	-	-	Jan-13-23	[ICRA]A2+
Fund-based – Others	Long term	100.00	**[ICRA]AA-(Stable)**	Mar-28-25	[ICRA]AA-(Stable)	Jul-20-23	[ICRA]A (Positive)	-	-
				Jun-24-24	[ICRA]A+ (Stable)	Oct-5-23	[ICRA]A+ (Stable)	-	-
Interchangeable-Fund-based/ Non-fund based – Others	Long term/ Short term	(100.00)^	**[ICRA]AA-(Stable)/ [ICRA]A1+**	Mar-28-25	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul-20-23	[ICRA]A (Positive)/ [ICRA]A2+	-	-
				Jun-24-24	[ICRA]A+ (Stable)/ [ICRA]A1	Oct-5-23	[ICRA]A+ (Stable)/ [ICRA]A1	-	-
Interchangeable - Fund-based – Others	Long term/ Short term	-	-	-	-	-	-	Jan-13-23	[ICRA]A (Positive)/ [ICRA]A2+
Interchangeable -Non-fund based –Others	Long term/ Short term	-	-	-	-	-	-	Jan-13-23	[ICRA]A (Positive)/ [ICRA]A2+

Note: Amounts in Rs. Crore, ^sub-limit of fund-based limits

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund based- Others	Simple
Interchangeable – Fund based/Non-fund based – Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based – Others	-	-	-	100.00	[ICRA]AA-(Stable)
NA	Interchangeable- Others	-	-	-	(100.00)^	[ICRA]AA-(Stable)/[ICRA]A1+

Source: Company ^sub-limit of fund-based limits

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Subsidiary/Associate/Joint Venture	GIL ownership	Consolidation approach
Gravita India Limited	Parent	100% (rated entity)	Full consolidation
Gravita Infotech Limited	Wholly-owned subsidiary	100%	Full consolidation
Noble Build Estate Private Limited	Wholly-owned subsidiary	99.95%	Full consolidation
Gravita Ghana Limited (till 13 January 2025)	Wholly-owned subsidiary	100%	Full consolidation
Gravita Senegal S.A.U	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Gravita Mozambique LDA	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 96.38%, Gravita Global Pte Limited 3.62%	Full consolidation
Gravita Global Pte Limited	Wholly-owned subsidiary	100%	Full consolidation
Gravita Netherlands B.V	Wholly-owned stepdown subsidiary	100% (through Gravita Global PTE Limited)	Full consolidation
Navam Lanka Limited	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
(Earlier stake was 52%)	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 99.95%, Gravita Global Pte Limited 0.03%	Full consolidation
Gravita Nicaragua S.A (till April 5, 2023)	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 99.95%, Gravita Global Pte Limited 0.03%	Full consolidation
Gravita Ventures Limited (closed on February 07, 2025)	Wholly-owned stepdown subsidiary	99% (through Gravita Netherlands BV)	Full consolidation
Gravita USA Inc.	Wholly-owned stepdown subsidiary	100% (Through Gravita Netherlands BV)	Full consolidation
Gravita Jamaica Limited (till 18 July 2024)	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Recyclers Ghana Limited	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Gravita Conakry SAU (from June 14, 2023 till August, 17 2024)	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Gravita Gulf DMCC (from August 3, 2023)	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Gravita Dominicana S.A.S. (from August 10, 2023)	Wholly-owned stepdown subsidiary	99% (through Gravita Netherlands BV) and 1% through Gravita Global Pte ltd	Full consolidation
Recyclers South Africa (PTY) Ltd (from October 10, 2023)	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation

Company name	Subsidiary/Associate/Joint Venture	GIL ownership	Consolidation approach
Green Recyclers LLC (from October 25, 2023)	Wholly owned stepdown subsidiary	51% (through Gravita Netherlands BV)	Full consolidation
Green Recyclers Mozambique LDA	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 99%, Gravita Global Pte Limited 1%	Full consolidation
Gravita Mali SA (till August 21, 2023)	Wholly-owned stepdown subsidiary	100% (through Gravita Netherlands BV)	Full consolidation
Gravita Tanzania Limited	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 99%, Gravita Global Pte Limited 1%	Full consolidation
Mozambique Recyclers LDA	Wholly-owned stepdown subsidiary	Gravita Netherlands BV 98%, Gravita Global Pte Ltd 2%	Full consolidation
Gravita Togo SAU	Wholly owned stepdown subsidiary	100% by Gravita Netherlands BV	Full consolidation
Recyclers Gravita Costa Rica SA (till 19 July 2024)	Wholly-owned stepdown subsidiary	100% (Gravita Netherlands BV)	Full consolidation
Gravita Infotech	Wholly-owned subsidiary (Partnership firm)	49% Gravita India Limited and 51% Gravita Infotech Limited	Full consolidation
Recycling Infotech LLP	Wholly-owned subsidiary (Partnership firm)	51% Gravita India Limited and 49% Gravita Infotech Limited	Full consolidation
Gravita Metal Inc.	Wholly-owned subsidiary (Partnership firm)	95% Gravita India Limited and 5% Gravita Infotech Limited	Full consolidation
Gravita Employee Welfare Trust	Trust		
Gravita Europe S.R.L (from 5 November 2024)	Step-down subsidiary	GNBV 80%, Others 20%	Full consolidation

Source: Company

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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