

Ref: SEC:JS

16th Nov 2021

To

The Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051

The B.S.E. Limited
Floor 25, 'Phiroze JeeJeebhoy Towers
Dalal Street, Mumbai - 400 001

Dear Sirs,

Company Script No. 504058/NIPPOBATTERY

Sub: Results – press release

We enclose herewith result- press release for the quarter and half year ended 30th Sep 2021.

Thanking you.

Yours faithfully,
For Indo National Limited



J. Srinivasan
Company secretary

Indo-National Ltd.

Announces Q2 & H1FY22 Results

**Consolidated Revenues grow 7.2% YoY to Rs. 172 crore in Q2FY22
INL's subsidiary Kineco Ltd. drives strong rebound in execution as
revenues of Rs 63.4 crore, higher by 113% over Q1FY22**

Chennai, November 16, 2021: Indo-National Ltd. (INL) is a leading consumer goods Company with a portfolio comprising dry-cell batteries, Flash lights, LED lights, Mosquito bats, DORCO Blades and electrical accessories. Through its subsidiaries and step down joint ventures, it has also emerged as a global supplier of composites to the railway, aerospace and defense industries. The Company has announced its financial results for the quarter and half year ended September 30, 2021.

Financial Highlights – Q2 & H1FY22

Standalone (INR mn. except EPS)	Q2 FY22	Q2 FY21	Variance	H1 FY22	H1 FY21	Variance
Revenue from Operations (Net of Taxes)	1,087	1,130	-3.8%	1,839	1,858	-1.0%
EBITDA (Excl. Other Income)	76	129	-41.5%	115	185	-37.8%
<i>% of Revenue</i>	7.0%	11.4%	-440 bps	6.3%	10.0%	-370 bps
PBT	100	158	-36.7%	160	235	-31.7%
<i>% of Total Income</i>	8.8%	13.3%	-450 bps	8.3%	12.0%	-370 bps
PAT	74	118	-36.9%	119	175	-31.8%
<i>% of Total Income</i>	6.6%	10.0%	-340 bps	6.2%	8.9%	-270 bps
EPS Diluted	19.83	31.43		31.77	46.58	

Consolidated (INR mn. except EPS)	Q2 FY22	Q2 FY21	Variance	H1 FY22	H1 FY21	Variance
Revenue from Operations (Net of Taxes)	1,721	1,599	7.6%	2,771	2,486	11.5%
EBITDA (Excl. Other Income)	180	219	-17.7%	234	283	-17.3%
% of Revenue	10.5%	13.7%	-320 bps	8.5%	11.4%	-290 bps
PBT	162	199	-18.6%	192	231	-16.6%
% of Total Income	9.2%	12.1%	-290 bps	6.8%	9.0%	-220 bps
PAT	116	144	-19.5%	136	165	-17.2%
% of Total Income	6.6%	8.7%	-210 bps	4.8%	6.4%	-160 bps
EPS Diluted	23.55	31.84		31.52	40.21	
PAT attributable to						
Owners of the Company	93	121		112	152	
Non-controlling interest	28	25		19	15	

Management Comment

Commenting on the performance, **Mr. Aditya Reddy, Jt. Managing Director** said:

“In Q2FY22, we witnessed improved traction in consolidated revenues both on a y-o-y basis as well as a q-o-q basis. Both the prior periods have been impacted by pandemic in varying degrees. Even as we have witnessed recovery in topline, the sharp increases in input prices as well as rising prices of logistics, packaging and other overheads have weighed on profitability. In addition to driving pass through of higher material costs and overheads, we are working on initiatives to rationalize costs as well as drive efficiencies across operations which will serve to mitigate the impact on margins.”

Kineco has led the performance as it has delivered revenue growth of 35.3% yoy in Q2. As operations have normalized following the second wave, execution has picked up momentum with traction witnessed across all verticals.

We recently announced that Kineco has established a Joint Venture with Exel Composites Oyj, Nasdaq Helsinki listed, globally recognized Composite Company. The new entity named Kineco Exel Composites India Private Ltd in which Kineco will hold 45% share, is expected to significantly elevate the pultrusion business by creating a separate platform, introducing new technologies and implementing global best practices. We believe Exel will bring in marquee global customers to add to Kineco's existing relationships across wind power, transportation and telecommunications.

The Consumer Products business witnessed de-growth in Q2 this year given the high base of last year. While general inflation has impacted purchasing power of consumers, there have been certain product specific factors which have impacted volumes. In addition there have been global supply constraints which have impacted product availability. The silver lining in the consumer products business this quarter has been the performance of our LED lighting products.

He added, “Looking ahead, we believe that our comprehensive offerings, wide network and the widening opportunity landscape for our products and services empowers the Company to deliver sustainable long-term growth and value creation for all stakeholders.”

Key Developments / Operational Highlights of Q1 FY2

- 1 Upon completion of necessary approvals and procedures, the Company undertook sub-division of its equity shares in October 2021. As a result, 37,50,000 equity shares having face value of Rs.10/- each were sub-divided into 75,00,000 equity shares of face value of Rs. 5/- each.
- 2 In October 2021, INL announced that its material subsidiary Company Kineco Ltd. has signed an agreement to establish a Joint Venture with Exel Composites Oyj, a Nasdaq Helsinki listed, globally recognized Composite Company to develop the Indian putrusion market
 - In this arrangement Kineco Ltd. transferred the assets of its pultrusion business into a new company Ms. Kineco Exel Composites India Private Limited in which Ms Exel Composites Oyj subscribed 55% shareholding and Kineco Ltd remained a shareholder with 45% shareholding
- 3 During the quarter gone by, the Company expanded the availability of DORCO razors and razor blades comprehensive across the domestic market.
- 4 The Company continued efforts to enhance its presence in Modern trade and e-commerce platforms while also engaging with Institutional customers.
- 5 Network expansion continues in a steady manner as during the quarter, products have been launched in new super markets.
- 6 Despite rising prices of inputs as well as inflation in other costs, the Company has effectively managed its inventories and working capital to realise Rs. 17 Crore of Operating Cash Flow on a Standalone Basis in H1FY22.

- ENDS -

About Indo-National Limited

Indo-National Ltd. (formerly, Nippo Batteries Company Ltd.) is a leading manufacturer of Dry-cell Batteries in India. Headquartered in Chennai, it is the second-largest player in the industry, with a production capacity of 800 million batteries per annum. Leveraging its established distribution network, the Company also offers Flashlights (torches), LED lights, Mosquito bats and Electrical Products.

INL was incorporated in 1972 as a joint venture (JV) between the late Mr. P Obul Reddy and Panasonic Corporation (leading Japanese electronics company, which subsequently exited the JV in 2012). It has a dry-cell battery manufacturing facility located in Tada Kandriga Village, Nellore (A.P) and has also set up a 4.6 megawatt solar power plant in Polepally village, Telangana.

INL holds a 51% stake in Kineco Ltd., which manufactures composites for Railways, Industrial applications, and defence. Kineco further holds a 51% stake in Kineco Kaman Composites Pvt Ltd which is a joint venture with Kaman Aerospace Group, USA (A NYSE listed entity), to manufacture advanced composites for the medical and aerospace industries. Additionally, Kineco holds a 45% stake in Kineco Exel Composites India Private Limited, a JV with Exel Composites Oyj (Nasdaq Helsinki listed), globally recognized Composites Company.

INL is listed on the BSE and NSE in India with stock code '504058' and 'NIPPOBATTERY' respectively. It enjoys high credit ratings of 'A1' for short-term and 'A' for long-term by CRISIL.

Corporate Identification No: L31909TN1972PLC006196

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