

Ref: SEC:JS

Sep 15,2020

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 No. 504058/NIPPOBATTERY**

Sub: results – press release

We enclose herewith result- press release for the quarter ended 30th June  
2020

Thanking you.

Yours faithfully,  
For Indo National Limited



J. Srinivasan  
Company secretary

# Indo-National Ltd.

## Announces Q1 FY20-21 Results

Revenue growth impacted by lockdown

Standalone EBITDA grows 2.2x, Standalone PAT higher by 138% yoy

**Chennai, September 15, 2020:** Indo-National Ltd. (INL) is a leading consumer goods Company with a portfolio comprising dry-cell batteries, Flash lights, LED lights, Mosquito bats 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 ended June 30, 2020.

### Financial Highlights – Q1 FY20-21

INR mn. except EPS	Standalone			Consolidated		
Particulars	Q1 FY20-21	Q1 FY19-20	Variance	Q1 FY20-21	Q1 FY19-20	Variance
<b>Revenue from Operations (Net of Taxes)</b>	727	807	-9.8%	887	1,081	-17.9%
<b>EBITDA (Excl. Other Income)</b>	56	17	220.9%	64	65	-1.4%
% of Revenue	7.7%	2.2%	+550 bps	7.2%	6.0%	+120 bps
<b>PBT</b>	77	32	138.6%	32	33	-4.5%
% of Total Income	10.0%	3.8%	+620 bps	3.4%	3.0%	+40 bps
<b>PAT</b>	57	24	137.8%	21	20	6.1%
% of Total Income	7.4%	2.8%	+460 bps	2.3%	1.8%	+50 bps
<b>EPS - Diluted</b>	15.16	6.37		8.36	2.88	
<b>PAT attributable to</b>						
Owners of the Company	57	24		31	11	
Non-controlling interest	NA	NA		-10	9	

## Management Comment

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Commenting on the performance, **Mr. Aditya Reddy, Jt. Managing Director** said: *“As we entered the new financial year, we knew this quarter would present us with some challenges due to the pandemic induced lockdown. However, we have been able to capitalize on opportunities arising from improved demand scenario for our products, particularly batteries, in the backdrop of pent up demand and reduced cheap imports on account of implementation of BIS standards . Even after losing 36 days of production during the quarter, we have leveraged our finished goods and channel inventory to drive year-on-year growth in standalone revenues. In spite of severe impact of lockdown, our performance in diversified categories like LEDs & Mosquito Bats is encouraging.*

*On a consolidated basis, revenues are lower as Kineco, in spite of having sizable orders, were unable to execute orders as the rail car builders have deferred sourcing due to lockdown. Even in case of Kineco Kaman, the dispatches were impacted due to COVID With the lockdown lifting, Kineco & Kineco Kaman are well poised to execute the orders and recover business momentum.*

**He added:** *“The operational challenges that emerged at the start of the lockdown have largely abated and all verticals of the business have stabilized. We are witnessing a rebound in demand for our products and are confident of a return to normalcy for the overall business in the coming weeks.”*

## Key Developments / Operational Highlights

- 1 The lockdown and associated restrictions resulted in constraints in operations as well as movement of people and material, impacting the performance during the quarter.
  - 1.1 In compliance with the directives issued by the Government, the Company resumed partial operations on May 6th in a phased manner, thus losing 36 days of plant operations. INL has subsequently scaled up operations in a phased manner and is currently operating at its pre-COVID levels.
  - 1.2 INL leveraged its finished goods inventory and channel inventory to service the demand while the operations were constrained. As a result, there is improved primary demand for products as inventory replenishment is being undertaken through the distribution network.
  - 1.3 The Order Books of Subsidiary – Kineco Ltd. and step down joint venture – Kineco Kaman Composites India have remained robust.

The Company believes that disruption in business can be recovered in subsequent periods and hence, the pandemic may not have a significantly adverse impact on the operations and performance of the Company over the long term.

- 2 During Q1, INL launched the products of DORCO razors and razor blades in India as the exclusive distributor for DORCO, South Korea. In the initial phase, INL has launched DORCO products in some parts of South and North of India and has witnessed an encouraging response despite subdued economic activity and local lockdowns and restrictions. INL will steadily enhance product availability across its network to distribute these products across India.
- 3 In June 2020, INL appointed Indian cricketer Rohit Sharma as its brand ambassador to promote its portfolio of products comprising of Dry-Cell Batteries, Torches and Mosquito Bats.

**- ENDS -**

## About Indo-National Limited

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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 India Pvt Ltd which is a JV with Kaman Aerospace Group, USA (NYSE listed), to manufacture advanced composites for the medical and aerospace industries.

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

**Corporate Identification No:** L31909TN1972PLC006196

**Regd. Office:** No.609, Mount Road, Lakshmi Bhawan, 4<sup>th</sup> Floor, Chennai – 600 006. Tamil Nadu

**For more information about us, please visit [www.nippobatteries.com](http://www.nippobatteries.com) or contact:**

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*Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Indo-National Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*