



HIGH ENERGY BATTERIES (INDIA) LIMITED

(ISO 9001 : 2008 & ISO 14001 : 2004 Company) CIN L36999TN1961PLC004606

Registered Office :
Esvin House,
P.B. No.5068, Perungudi,
Chennai - 600 096.
India

Ref: SECY/2020 -21/012

May 26, 2020

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Scrip Code: 504176

Dear Sir,

Sub: Disclosure of material impact of Covid-19 pandemic

Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

We refer our letter (Ref. SECY/2019 – 20/135) dated March 25, 2020 advising temporary closure of Company's operations due to outbreak of Covid-19.

Further to the above, we advised on May 20, 2020, through filings under Regulation 30 of SEBI (LODR), the recommencement of operations of the company after obtaining necessary permissions from the concerned authorities.

We now furnish the following impact of Covid-19 on our business, performance and financials.

1. Impact of Covid-19 pandemic on the Business

The Present Government encourages Self – reliance and Make In India programme. Towards this, being a defence industry, our company received major development contracts from defence organizations. Due to Covid-19 and nationwide lockdown, the Government agencies postpone some of the procurement. However, there may not be major impact on our business.

2. Ability to maintain operations

Our Operations were temporarily closed on 25.03.2020 and restarted on 20.05.2020. At the end of March 2020, the company was in peak production and hence restart of the operations faced no difficulty. However, we face logistics challenges and procurement of materials and components, due to lockdown restrictions.

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3. Steps taken to ensure smooth functioning

The Plant and Machinery are maintained in good condition and hence there will be no problem in infrastructure. As the company is having labour force in and around our Company, the mobility of the labour does not pose difficulty. Therefore, no major difficulty is foreseen and the company has recommenced production operations.

4. Impact of Covid-19 on the Company

After some years of poor performance, the company had shown good performance for 1st three Quarters and set a target to have good performance. There is a set back as the lockdown started by the end of March 2020 (FY 2019-20), as the company will not be achieving the performance, as planned (Annual Accounts finalisation is in progress).

The impact of Covid-19 will be more evident in the 1st Quarter of the year 2020-21 as the company restarted in end of May 2020. The company will try to even out the performance in coming quarters, though it may not achieve desired performance in the current year 2020 -21, due to nil production and despatch for two months.

5. Constraints

The Company is depending on imported materials for some major orders. Due to lockdown all over the world, getting the material (both supply and shipment) will be difficult. We expect the situation to become normal in August / September 2020.

Our major customers are Defence Laboratories. The product inspection, testing and approval for despatch will be delayed due to travel restrictions of Govt officers / Scientists.

6. Financials

The Company has no long term debt. The Company has managed the Covid-19 lockdown period with available financial resources. Restarting the operations after two months lockdown will definitely impact the immediate Working Capital needs. The despatches will happen only when the states relax the lockdown especially the movement to Telangana and Andhra Pradesh. Company is approaching Banks to overcome the short term Working capital needs.

Our internal financial reporting and control, is in no manner impacted by Covid-19.

7. Impact on Contracts

Honbl'e Finance Minister announced the unilateral extension of all Govt contracts by six months. Hence, the company will not incur any liquidity damages. Our efforts will be to meet the commitment in time.





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8. Other relevant material updates

The impact of Covid-19 on the company will be only for short term. The company's strength in technical ,commercial, financial and labour fronts is good and will overcome the set back.

The future course of Covid-19 and consequent Government interventions are however beyond the assessment of the Company, at this stage.

The Company would furnish updates in the case of any material development or changes, to the Stock Exchange, from time to time.

Thanking you,

Yours faithfully,

For High Energy Batteries(India) Limited

(G A Pathanjali)

Managing Director