

Ref: SEC/JS/ 2020-21

June 17,2020

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/ Madam,

Company No. 504058/NIPPOBATRY**Sub: Impact of COVID-19 Pandemic**

Dear Sir's

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May 2020, please find below the impact of COVID-19 on the business and operations of the Company.

Thanking you.

Yours faithfully,
For Indo-National Ltd.



Company Secretary

Sub: Impact of COVID-19 Pandemic

1. Impact of the COVID-19 pandemic on the business / Ability to maintain operations including the factories/units/offices functioning and those closed down

- The Company suspended operations at its plant from 24th March 2020 and partially resumed operations from 6th May 2020 following the directive of Central Government and after taking approval from local authorities.
- Due to suspension of operations, the revenue of r part of March 20, which is usually a period of high despatches and sales, was impacted.
- The nationwide lockdown has impacted sales of the Company's products as many retail outlets across the country were closed or operating under curtailed working hours. Further there were constraints for inter-state and intra-state movement of finished goods due to lack of clarity during initial days of the lockdown with regard to classification of 'essential goods'.
- The retail sales of batteries was less impacted as these are grouped under 'essential goods' enabling secondary & tertiary sales as the products are in pipeline at various touchpoints such as modern trade, chemists and grocery stores which were allowed to function during the lockdown. However, sales of other products such as torches, LED lights, electrical accessories and mosquito bats have been more significantly impacted during the lockdown.
- Pursuant to the Government's directive that permitted resumption of manufacturing operations, Indo-National Limited (INL) restarted its TADA plant, in a phased manner, from 6th May 2020. The Company has implemented all necessary guidelines set by the Central Government and local authorities at its manufacturing facility to ensure safety and well-being of employees and other stakeholders involved. All personnel are following social distancing and the prescribed safety guidelines are being stringently enforced by the Company.
- Company has sufficient manpower for partial operations, and is steadily adding manpower in line with increase in the production / utilisation levels at the plant. Currently, the Company is able to engage labourers from the local areas to ensure unhindered operations at plant. Due to enhanced sanitisation protocols being undertaken at all touch points, there is slight reduction in productivity levels.



2. Schedule if any for restarting the operations

- In April, 2020 the plant was closed for the whole month resulting in no production. In May 2020, the Company operated its plant between 30-50% of production level. Again in June 2020, the Company halted production for few days to recalibrate production and machinery layout to further elevate distancing and sanitisation protocols as there were reports of Covid19 positive cases emerging from proximate areas of the factory. Now slowly production and utilisation levels are improving. Based on a periodic review of market conditions, the Company will further scale up its manufacturing in a phased manner.
- The non-availability of raw-material and components also hampered the production in May 2020.

3. Steps taken to ensure smooth functioning of operations:

- The Company implemented a 'Business Continuity Plan' which covered:
 - Enabling work from home facility for the employees across the organization within few days of implementation of lockdown.
 - The Company's IT Team has been providing enhanced support to enable necessary digital connectivity and maintaining data security.
 - Creating necessary groups for all key functions to ensure unhindered, efficient and smooth functioning of key departments.
 - Engaging with all internal and external stakeholders through various online platforms.
 - The sales team is continuously engaged with Distributors- wholesalers-retailers to ensure that the Battery which is an essential good is being supplied to the extent feasible and also understand the changing dynamics of the market on account of COVID to devise its operational strategies.
- The Company has put in place enhanced SOPs across all places of business. Steps such as thermal screening of all employees and visitors, sanitizing of premises and vehicles on regular basis, maintenance of social distancing at all workplaces, enforcing wearing of masks and regular cleaning of hands besides sharing information and reminders on download and usage of Aarogya Setu App.

4. Estimate of the future impact of Covid-19 on its operations:-

The Company is still in the process of assessing the complete impact of this pandemic on its business. Notwithstanding the withdrawal of lockdown in stages, operational trends have improved month on month in several regions, more particularly with batteries.

- However, we are yet to see the improvement in sales of products of other categories like LED-Torch- Electrical Accessories- Mosquito Bat. The Company is cautiously optimistic about the prospects of the business recovery in the medium term.
- The management will continue to review the plans from time to time, and further update based on materiality will be released for the interest of all our stakeholders.



5. Details of impact of CoVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services:-

- As the Company has not yet declared the financial result for year / quarter ending 31st March 2020, the financial impact has not yet been arrived at.
- However, owing to shutdown of factory, irregular operations of trade partners (distributors/ wholesalers/ retailers), constraints for movement of finished goods and certain additional expenditure incurred, revenues and profitability are expected to be impacted. There is expected to be impact given that the Company lost some sales momentum for almost half of the month of March which is generally a period where the Company records high sales volumes. Further, the plant was shut for entire month of April 2020 and has been operating at sub-optimal utilisation levels in May and June 2020.
- The Company is hopeful that there will be negligible risk to recoverability of assets (inventories, receivables, etc.) and disruption to supply chain will be contained. There is also no impact on internal financial controls due to the Covid-19 situation.
- We expect the demand to revive for majority product categories of company, as reduced access for retail customers during lockdown period is expected to result in certain level of pent up demand and also due to the estimated drop in cheap imports. Further, we are hopeful that with more easing of lockdown conditions and improved economic cycle coinciding with the seasonal uptick (the period of July-September) should help company to improve its business from Q1 of 2020-21.

6. Existing contracts /agreements where non-fulfilment of the obligations by any party will have significant impact on listed entity's business:-

- The Company does not have any such contracts or agreements, where non fulfilment of the obligations, may have significant impact on the Company's business.

7. Other relevant material updates about the listed entity's business:-

- In June 2020, INL launched the products of DORCO Razors and razor blades in India through its exclusive distribution arrangement with DORCO, South Korea. In the initial phase, INL is launching DORCO products in some parts of South and North of India and over a period of time will distribute these products across India.
- INL signed Indian cricketer Rohit Sharma as its brand ambassador to promote its portfolio of products comprising of Dry-Cell Batteries, Torches and Mosquito Bats.

For INDO NATIONAL LIMITED



[Signature]
COMPANY SECRETARY