

Ref: SEC/JS/ 2021-22

Sep 16,2021

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,

SCRIPT CODE: 504058/NIPPOBATTERYSub: Indo-National Ltd -Corporate Presentation.

Enclosed herewith Corporate Presentation of Indo Natiaonl ltd.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Indo-National Ltd.



J.Srinivasan
Company Secretary



INDO NATIONAL LIMITED (INL)



CORPORATE PRESENTATION

September 2021



 Company Overview <hr/> 03	 Strategic Investments into Composites Business <hr/> 19	 Financial Overview <hr/> 25	 Key Takeaways <hr/> 29
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COMPANY OVERVIEW



Indo-National is an Emerging Conglomerate

Well established dry cell battery business with nearing 50 years of heritage

High growth retail business with wide product portfolio

Strong brand with wide Distribution Network

Successfully collaborated with DORCO, South Korea and launched the products of DORCO Razors and Blades in India

Experienced Proficient Leadership with zero attrition in Senior Management over last decade

Addressing high potential composites opportunity in Aerospace, Railways, Defense, Telecom and Industrial Sectors through 51% ownership of Kineco Ltd.

In order to pursue opportunities in Aerospace in a focused manner, WoS Kineco partnered with Kaman Aerospace Group (A NYSE listed entity) to form a JV – Kineco Kaman Composites India (KKCI)

Uniquely catering to B2C + B2B + B2G opportunity through the business entities

Based on a **Robust Foundation**

Strong Portfolio

Covering retail, defence, aerospace, railways, industrial, telecom etc.

#2nd Largest

Dry Cells (zinc-carbon) manufacturer in India

~30% *

Market Share in Batteries

Strong Brand

“NIPPO” As brand is real foundation

Wide Consumer Product Range

Includes Batteries, Flashlights, Electrical Accessories, LED Lightings, Mosquito Bats, etc.

Rated A* / Stable & A1 (CRISIL)**

*Long Term Debt
**Short Term Debt

~2.6 Mn. *

Availability of Nippo products across various touch points

Kineco Ltd. has completed 25 years of operations

Rich Legacy of INL's subsidiary

Consistent in Paying Dividends

* As Per Nielsen Market Report on Consumer Battery for Q1 of CY 2021

Uniquely Addressing **Multiple Opportunities**

B2C



B2B

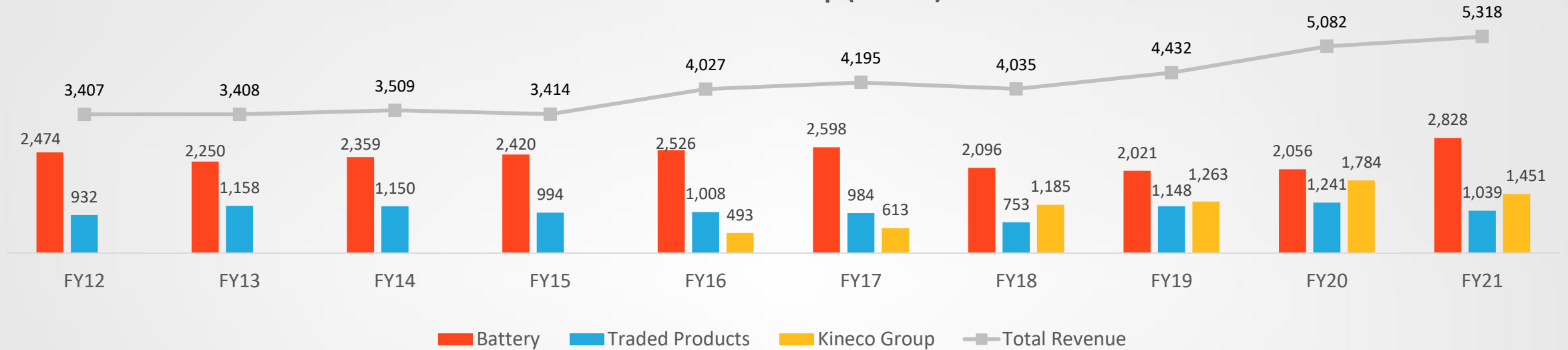


B2G



Diversified Businesses are **Gaining Scale**

Revenue Break-up (Rs. mn)



In House Manufactured Battery Business

Equipped with 800 million pieces / per annum Dry cell capacity – with scalable infrastructure in place

Flashlights, Lighting & Electricals accessories, Mosquito Bats

Well established outsourcing model enabling :

- Asset light operations
- Distribution cost optimization
- Increasing Efficiencies

Kinenco

Kinenco's platform which has been in the works for over two decades is now well-poised to reap rich rewards

Battery Manufacturing Infrastructure



Wide Product Portfolio which is **Expanding Further**

Batteries



BATTERY D BATTERY 9V



BATTERY AA



BATTERY AAA



LITHIUM BATTERY

Flashlights



POPULAR SERIES



PREMIUM SERIES



RE-CHARGEABLE FLASHLIGHTS

LED Bulbs



CLASSIC RANGE



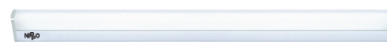
EMERGENCY LED BULB 9W



HIGHER WATTAGE RANGE



PULSAR T-SHAPE LED



LED Batten

Mosquito Bats



TERMINATOR II



TERMINATOR MINI



GUARD

Electrical Accessories



TRAVEL ADAPTOR WITH DUAL USB



FLEX BOXES



FLEX BOXES

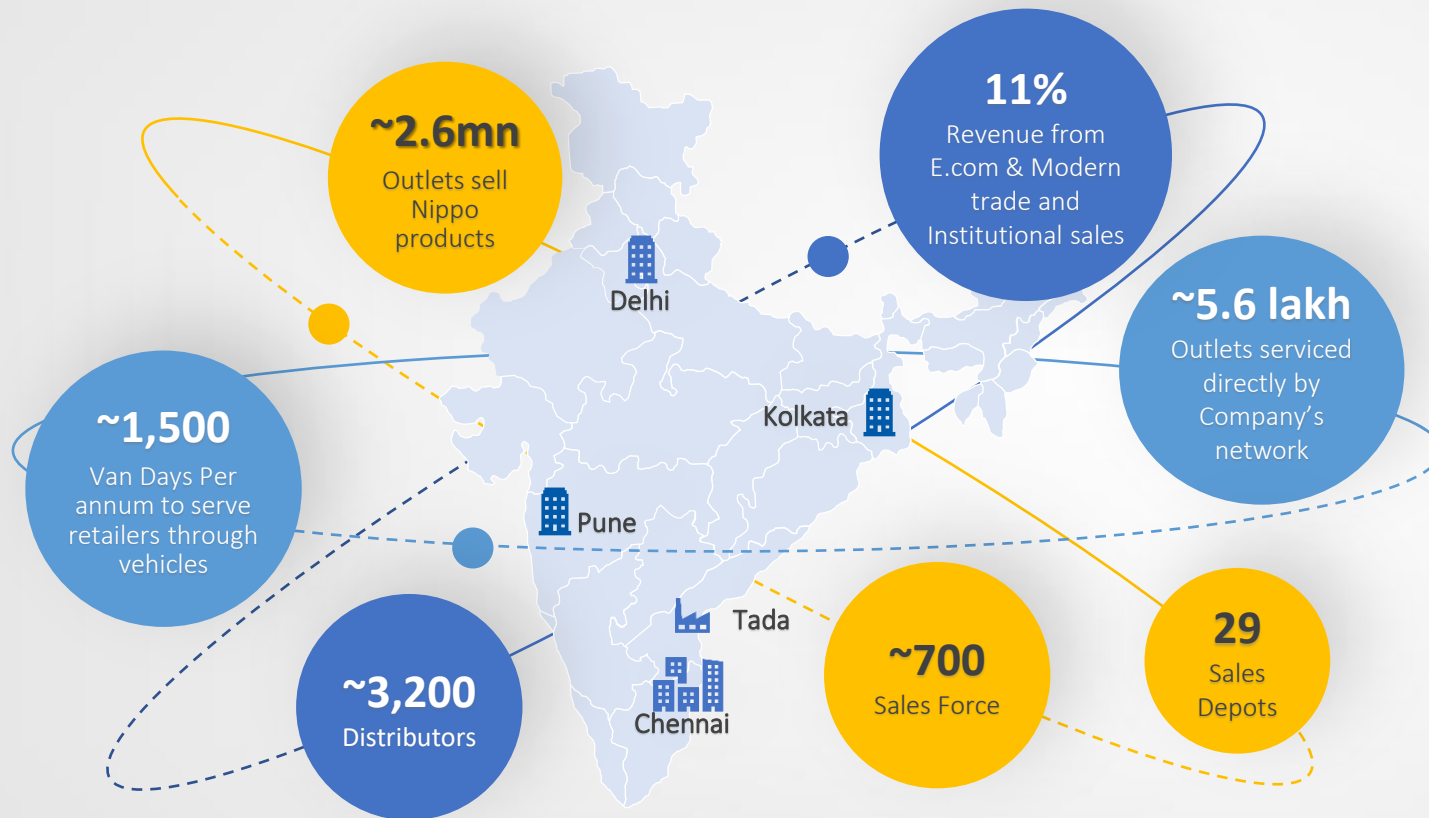


SPIKE GUARD

Consistent efforts to add new categories in recent years is resulting in wide range of products

Well entrenched **Infrastructure and Distribution Structure**

B2C channel established over 49 years enabling last mile penetration



- **2.2 Lac Sq. Feet** of Manufacturing Facilities spread across 56 Acres of land
- **1.25 MW Solar Power Plant** for Captive Use
- Dry Cell Manufacturing Capacity of **800 million Pieces/Annum**

- **Facility**
- **Regional Offices**
- **Head Office**
- **Presence**

Additionally, an effective e-commerce strategy + branding efforts through electronic media, below the line & POS Support has laid the roadmap for a more focused market presence

Value Creation by Leveraging Existing Platform

Exclusive distribution partnership with DORCO Ltd.

For nationwide distribution of DORCO razors and razor blades



- Founded in 1955, DORCO of South Korea has become one of the most recognized shaving companies in the world, with customers in over 130 countries
- INL entered an agreement with DORCO Co., Ltd. in December, 2019 under which INL will leverage its established distribution network built over 40+ years whereas the Promotion and Advertising would be undertaken by DORCO
- Customers to benefit from access to high quality products while INL trade partners to benefit by registering an improved ROI
- The arrangement of carrying 'NIPPO' logo on DORCO products will provide assurance of quality and reliability of both brands while also enabling a higher recall for INL's traditional products
- In addition to overlapping distribution touch-points, both brands are poised to benefit from cross synergy of exclusive touch-points

'DORCO' brand active on multiple Social Media platforms



~1.5+ Lakh Followers



~53K Followers

The addition of DORCO products is highly synergistic as it elevates INL's offerings to customers and to distribution network alike while providing the Company additional growth impetus

Brand Equity

As per TRA's All-India Brand Trust Report of 2021, Nippo has been ranked as 367th (out of 1,000 brands in India) as 'The Most Desired Brand' and In 2020, as per same report, Nippo was ranked 111th (out of 1,000 brands in India) as 'The Most Trusted Brand' in consumer battery category



Engaged Indian cricketer **Rohit Sharma** to promote INL's portfolio of products comprising dry-cell batteries, flashlights and mosquito bats

'NIPPO' brand active on multiple Social Media platforms

 #7 Lakh+ Followers

 #1 Lakh+ Followers

Consistent efforts in Branding and Promotional activities

Corporate Social Responsibility (CSR)



INL's CSR activities focuses in the areas of Vocational Training, Health, Hygiene and Education, reinforcing its commitment towards creating a sustainable impact in the areas in which it operates



Proficient **Management Team**

SANKARA REDDY M

Director & Head, Operations

B.Com, ICWA

42 Years of Experience

SUBRAMANYAM M

President

B.Com, ACA

30 Years of Experience

SIVARAMAKRISHNAN C R

CFO

Chartered Accountant

29 Years of Experience

B L N PRASAD

VP - Marketing

B. Tech, MBA

30 Years of Experience

MATHEW GUNASEALAN

VP - HR

BA, History MSW

27 Years of Experience

BALACHANDRAPPA K

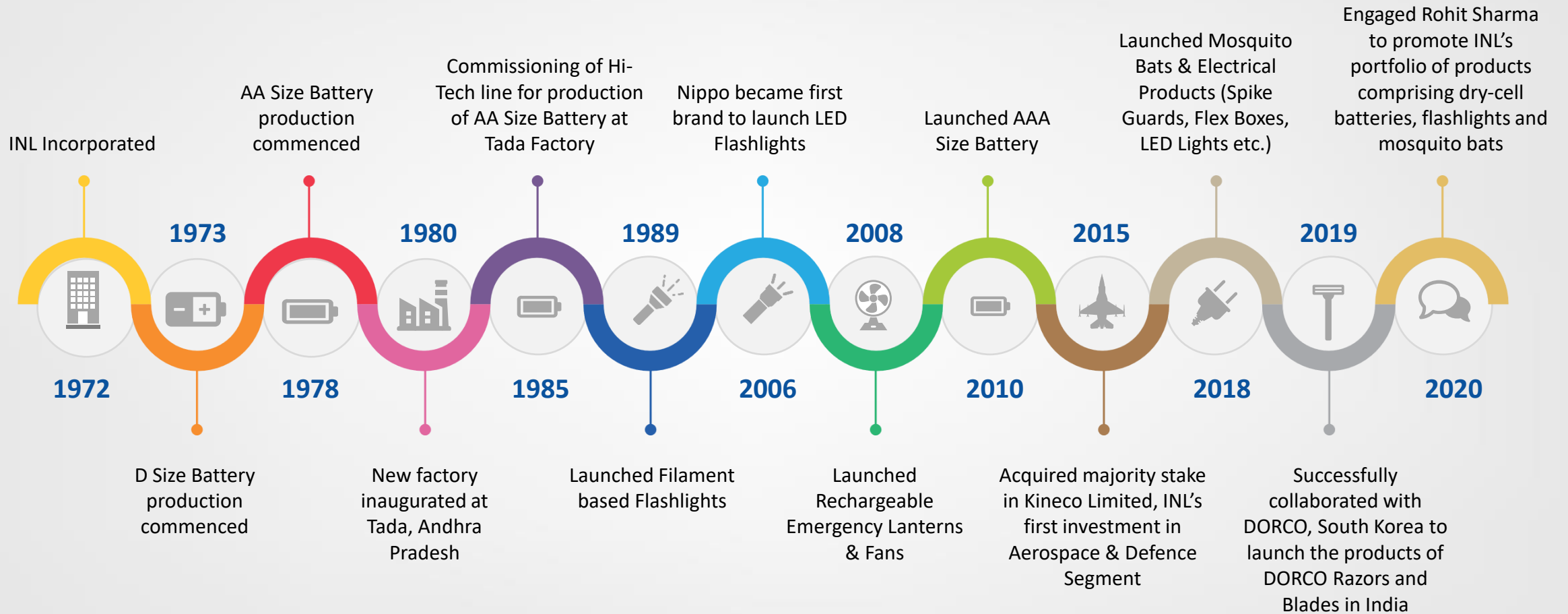
AVP - Materials & Purchase

B. Tech, (ME)

35 Years of Experience

Well Qualified Professionals with Rich Experience

Corporate History



AWARDS



Received award for **'Excellence in Environment Management'** by the Govt. of Andhra Pradesh in 2002 & 2005



'Excellence in Cost Management' Award for the year 2016 by the Institute of Cost Accounts of India



AOTS CUMI '5S' Excellence Award in 2006



Received **Best Management Award** by the Govt. of Andhra Pradesh in 1989, 2005 & 2017



Won the **Management Excellence Award** from Matsushita Electric Industrial, Japan (MEI) six times



Won **Productivity Award** by Government of Andhra Pradesh twice in a row (1983 & 1984)



HRM Intervention for Organization excellence Award by NIPM (National Institute of Personnel Management) in 1997

Bharataratna Dr. M. Visvesvaraya Industrial Award for Large Scale Industry by AIMO (All India Manufacturers Association) in 1998

INL - MARQUEE CLIENTS



Industry Outlook – Consumer Products



Batteries

- Market Size (as per Nielsen) – ~Rs. 2,294 crore by value and 2.7 billion pieces by volume, sold across 6.2 Million outlets
- Organized Dry Cell Market - 90%+
- Dry cell batteries represent the cheapest source of portable power – no immediate threat from higher cost alternatives since India remains a low per capita consumption country
- Industry witnessing the shift in variants i.e. from D Size to more portable AA/AAA Size
- Changing Demographics are resulting in increased use of gadgets



LED Lighting

- Market Size of Indian LED Lighting Industry – ~Rs. 20,000 crore (As Per ELCOMA)
- CAGR (2021-2026) – 28.3% (As per Research & Market Report of May 21)
- About 3.5 lakh Electric Outlets (EO) and 1.3 million General Trade (GT) are selling LED bulbs and Battens.
- About Rs. 1,000 crore worth of LED sales happens through General Trade



Flashlights, Mosquito Bats & Electrical Accessories

- The combined market size of Nippo's other product portfolio is ~Rs. 3,000 i.e. Flashlights, Mosquito Bats & Electrical Accessories
- Growing at an average CAGR of ~8%
- Flashlights witnessing growth in portable flashlights and rechargeable flashlights
- Nippo, Hit and Hunter are the only 3 National level brands for Mosquito Bats
- Organized and branded Mosquito Bats players are witnessing good momentum due to mediocre performance of Chinese products
- Increased usage of appliance, work from home due to pandemic etc. has fueled the growth of Electrical Accessories



DORCO

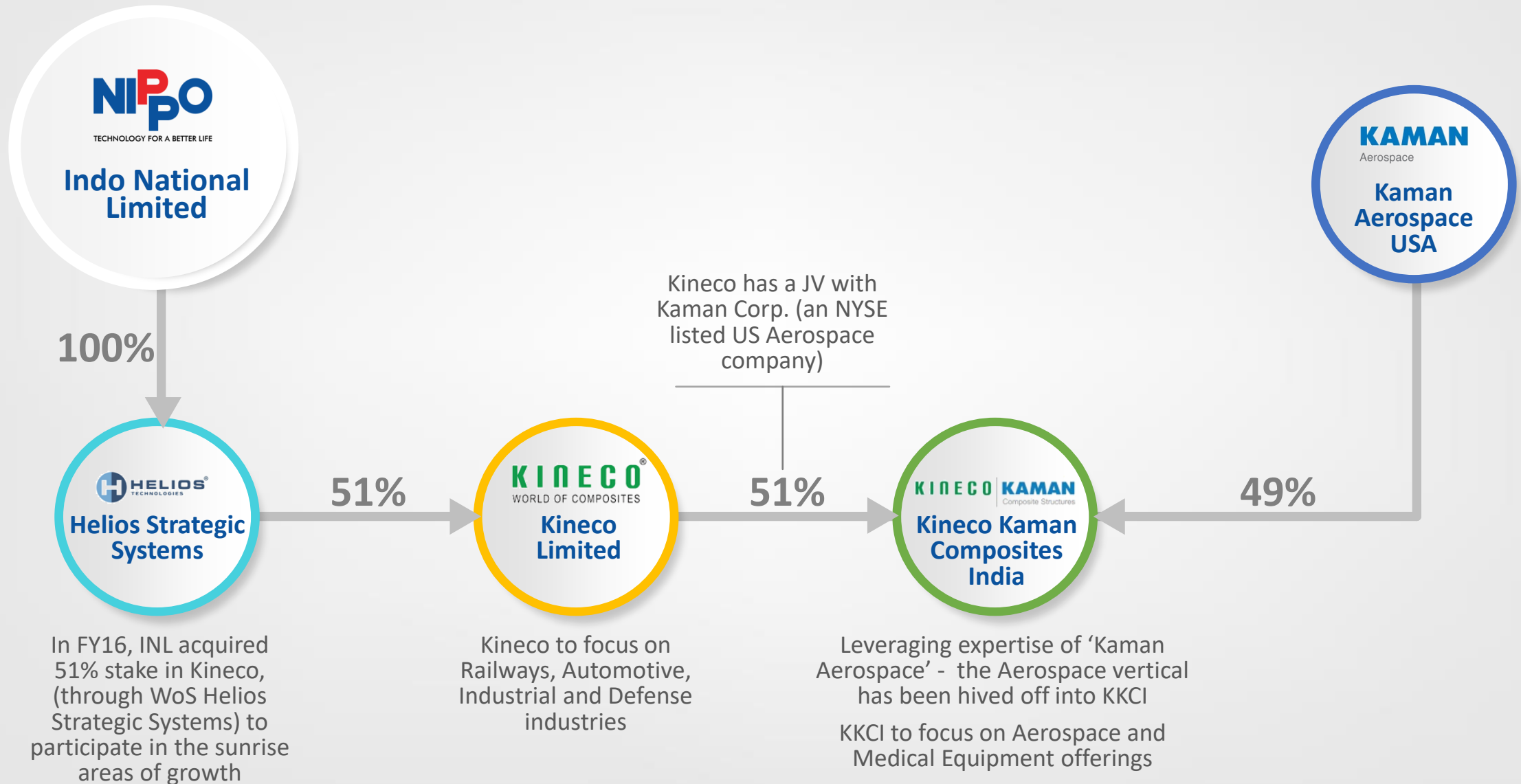
- Market Size – ~Rs. 2,900 crore (Blades – ~Rs. 1,682 crore, Disposables – ~Rs. 377 crore & System – ~Rs. 841 crore)
- CAGR – ~5.9% in terms of Value & ~7.1% in terms of volume
- Urban contributes to 68% of sales and Rural contributes to 32% of sales
- Grocers contribute to 71% of the total market whereas Modern Trade contribution is 11%

Industry trends are favorable for demand growth

STRATEGIC INVESTMENT INTO COMPOSITES BUSINESS



Corporate Structure

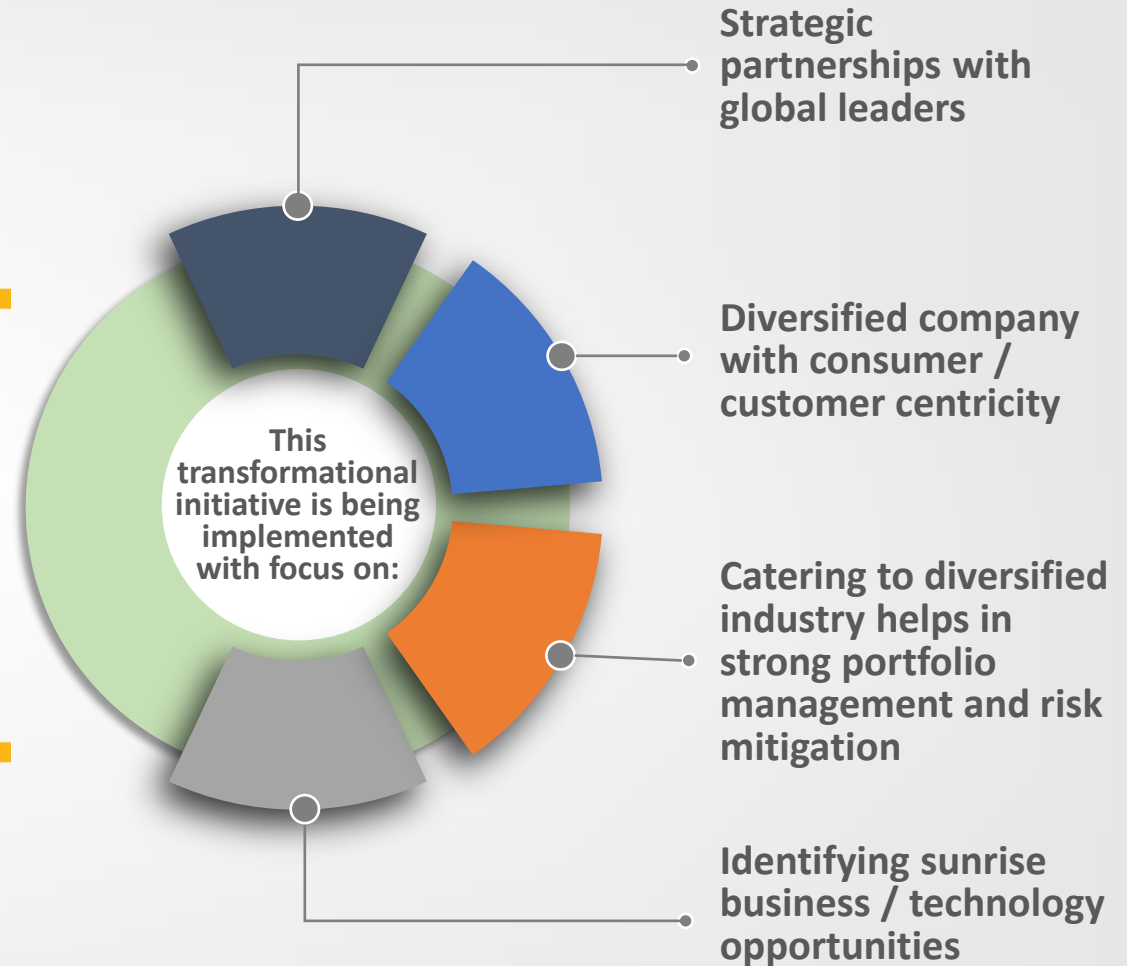


Strategic Investment into **Composites Business**



- In 2015, INL has acquired majority stake (51%) in Kineco Ltd. enabling it to pursue attractive scalable opportunities addressing industries such as Aerospace , Defense and Railways.
- Kineco Ltd. is promoted by first generation entrepreneur Mr. Shekhar Sardesai – Executive Vice Chairman & Managing Director, Kineco.
- Today, Kineco’s expertise in composites, innovation and technology is recognized as its biggest USP in the market.
- With two and half decades of experience, Kineco has created a strong market position for itself in the fast growing markets such as railways, aerospace, defense and niche applications in telecom and water treatment industry.

Steadily evolving from single-product Company into multi-product Company addressing varied opportunities



Creating Value through Balanced Growth

Joint Venture with an **International Partner**

- Kaman Aerospace Group, USA (A NYSE listed entity) is a well-diversified Company conducting business in the aerospace, medical and industrial markets
- Headquartered in Bloomfield, Connecticut, was incorporated in 1945
- The Company has an outstanding portfolio of engineered content/intellectual property (IP) across Aerospace
- Produces and markets aircraft bearings and components, metallic and composite aero-structures, and safe and arm solutions for missile and bomb systems

Kaman Aerospace (USA) partnership with Kinenco Group (India) is uniquely positioned as a gateway to Asia; to cater to a growing demand from the Aerospace and Defense sectors

KAMAN
Aerosystems



3,000+
Employees



\$762M
2019 Aerospace
Revenue



50+
Countries

Addressing opportunities in Sunrise segments of Defense and Aerospace

Kineco's 'Make in India' Footprint



Kineco stall at the 'Make in India' project was visited by Mr. Rajnath Singh (Defense Minister)



First and the only Indian Company to manufacture Composite Sonar domes for Naval war ships. Nominated by Indian Navy as a Sole Supplier

Industry Outlook – Composites



Railways

- India has the fourth-largest railway system in the world, behind China, the US and Russia
- Indian Railways' drive for modernization of coach interiors, Evolution of turnkey services, Partnering Global OEMs for Metro & High-Speed Rail Projects are the factors which are set to boost the Indian Railway sector
- Indian Railways plans to manufacture around 8,253 coaches in FY 21-22
- It is estimated that Railway's infrastructure would need an investment of Rs. 50 lakh crores (US\$ 715 billion) between 2018-30.



Aerospace

- India is the 7th largest civil aviation market in the world and is set to become the world's 3rd largest by 2024
- Indian A&D market projected to reach US\$ 70 billion by 2030
- Offset obligations – Global OEM's seeking qualified local partners (Estimated size of Offset – US\$8 Bn)
- Also, Global OEM's looking at cost competitiveness from companies with proven aerospace prowess



Defence

- India's defence manufacturing sector witnessed a CAGR of 3.9% between 2016 and 2020
- Under the 'Defence Production and Export Promotion Policy 2020', the Government aims to achieve a turnover of US\$ 25 billion, including an export of US\$ 5 billion in the aerospace and defence goods and services by 2025
- Procurement of defence equipment under strategic partnerships
- 209 key defense platforms have been kept under the negative list for imports, - this is expected to boost Indian Defence manufacturing Sector



Industrial & Telecom

- Proven performance in High-pressure storage vessels, cutting-edge precision components for space & nuclear applications, pultrusion products for telecom applications
- CAGR of 5.2% (2021-2027) for Global Composites Pressure Vessel
- CAGR of ~3.5% (2021-2026) for Telecom Tower Sector
- The usability of composites based products in areas like Oil, Gas, Wind, E-mobility, Water treatment are expected to register positive growth, going ahead



Other Emerging Trends

- Other growth areas that present composite manufacturing opportunities are automobiles, industrial equipment tools, pressure tanks, scrubbers, chemical process equipment, structural winding, masts & tubes
- Supporting Government initiatives are expected to drive further growth for Composites products

Emerging Trends expected to drive demand for Composites Products



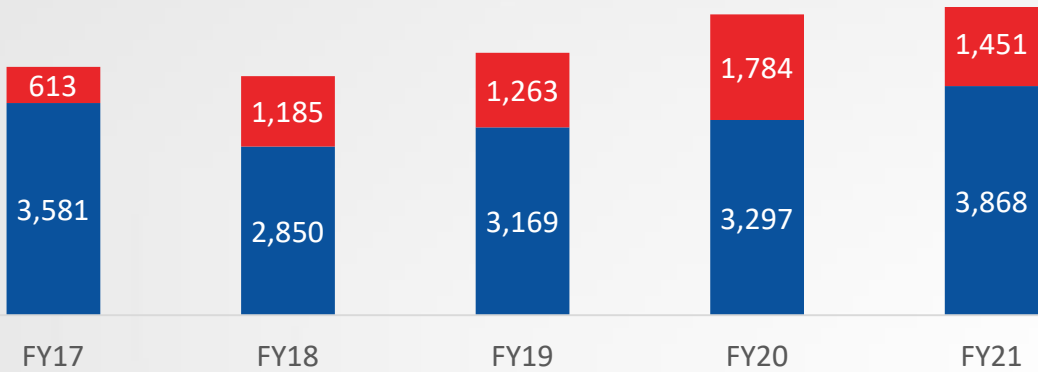
FINANCIAL AND OPERATIONAL OVERVIEW



Consolidated Financial Highlights (Last 5 Years)

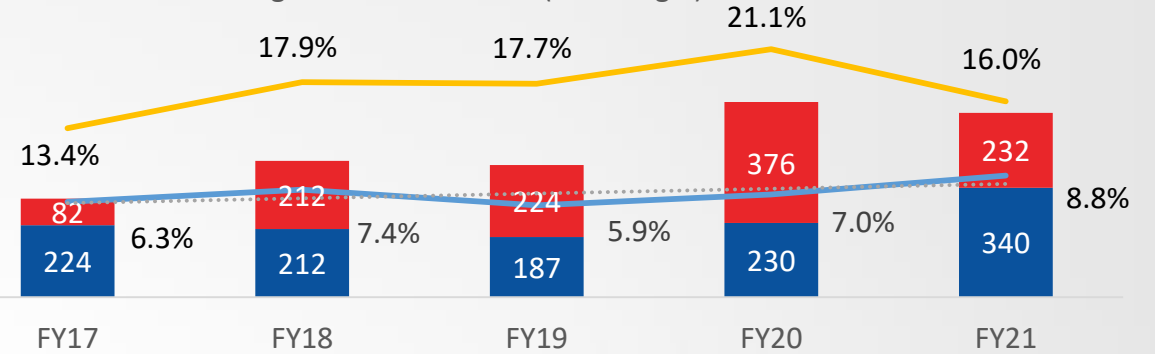
Revenue (Rs. Mn.)

■ INL ■ Kineco

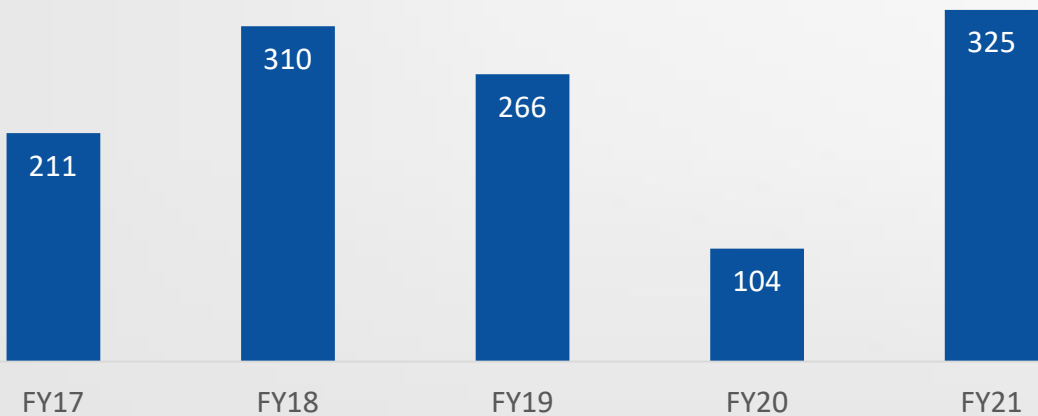


EBITDA (Rs. Mn.)

■ INL ■ Kineco — INL Margin — Kineco Margin Linear (INL Margin)



PAT (Rs. Mn.)



- The new categories of consumer business are supporting margin performance
- Increasing contribution of Kineco since FY18 is resulting in improving margin profile
- High margin businesses of Aerospace, Defense and Railways are set to grow faster

Balance Sheet Snapshot (Consolidated)

Particulars	As on 31st March, 2020	As on 31st March, 2021
<u>Assets</u>		
Non-current assets	1,916	1,861
Current assets	3,046	3,270
Total Assets	4,962	5,131
<u>Liabilities</u>		
Shareholders Funds	2,451	2,726
Non-current liabilities	581	646
Current liabilities	1,930	1,759
Total liabilities	4,962	5,131

Financial Ratios (Consolidated)

Particulars	FY17	FY18	FY19	FY20	FY21
Debt to Equity	0.2	0.2	0.4	0.4	0.4
Debt to EBITDA	1.5x	1.1x	2.2x	1.7x	1.8x
Net Debt to Equity	0.2	-0.02	0.2	0.2	0.2
Net Debt to EBITDA	1.0x	-0.1x	1.0x	0.8x	1.1x
Return on Equity (%)	10%	14%	11%	4%	12%
Return on Capital Employed (%)	10%	13%	10%	16%	13%

Note:

- 1) Net Debt includes short-term & long term debt less cash & investments
- 2) ROE(%) is calculated as PAT / Networth
- 3) ROCE(%) is calculated as EBIT / Capital employed

Key Takeaways

Nearing 50 years of history in battery business -

Transforming into a strong retail company with wider portfolio of products

Strong Brand driven by Strong Leadership

- Professionally managed workforce where each business is operated by Professionals with domain knowledge

Wide Distribution Network & established Supply Chain - Well-positioned in attractive growth markets

Addition of newer categories resulting in wide range of **products and wider growth opportunities**

Economic and Fundamental trends are favorable for growth of INL's products in India

Strategic acquisition of Kinenco to act as a key catalyst in penetrating growth in the areas of Aerospace, Defense and Railways

Inorganic business to further drive uptick in profitability and improve return ratios going forward

About Indo National Ltd.

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 on 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.

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.

For further information, please contact:

MR. J. SRINIVASAN (Company Secretary)

Indo National Limited

✉ jsrinivasan@nippo.in

MAYANK VASWANI / DEVRISHI SINGH

CDR, India

☎ +91 98209 40953 / 98205 30918

✉ mayank@cdr-india.com | devrishi@cdr-india.com

Corporate Identification No: L31909TN1972PLC006196

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

Website: www.nippobatteries.com

