

July 13, 2022

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex
Bandra East
Mumbai – 400 051
NSE Symbol: AMARAJABAT

BSE Limited
Corporate Relations Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001
BSE SCRIP CODE: 500008

Dear Sir / Madam,

Subject: Notice of 37th Annual General Meeting (AGM) and Annual Report 2021-22

Ref: Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please refer to our letter dated May 20, 2022 intimating that the 37th Annual General Meeting of the company is scheduled to be held on Saturday, August 6, 2022.

Pursuant to Regulation 30, 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed

- Annual Report for the Financial Year 2021-22
- Notice convening the 37th Annual General Meeting

The aforesaid documents are available on the website of the Company and are being dispatched today i.e. July 13, 2022 to all eligible shareholders in electronic mode, whose email IDs are registered with the Company/ RTA/ Depositories.

Further, find enclosed Key Information related to 37th AGM is enclosed herewith as **Annexure – I**.

This is for your information and record.

With regards,

For Amara Raja Batteries Limited



Vikas Sabharwal
Company Secretary



Annexure - I

Key Information at glance:

Date and time of 37 th AGM	Saturday, August 06, 2022 at 2:30 P.M. (IST) held through VC/OAVM Mode
Books Closure Dates	Sunday, July 31, 2022 to Saturday, August 6, 2022 (both days inclusive)
Record Date for Final Dividend	Saturday, July 30, 2022
Cut Off Date for (e-Voting eligibility and Attending AGM via VC or OAVM)	Saturday, July 30, 2022
The remote e-voting will commence on	Tuesday, August 2, 2022 (9:00 A.M IST)
The remote e-voting will end on	Friday, August 5, 2022 (5:00 P.M IST)
E-Voting website	https://www.evoting.nsdl.com/
Helpline number for VC participation and e-voting	NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mrs. Sarita Mote, Assistant Manager at NSDL at SaritaM@nsdl.co.in / 022-24994890/ 040-44334178.
Registrar and Share Transfer Agent	Cameo Corporate Services Limited, Unit: Amara Raja Batteries Limited, V Floor, Subramanian Building, No.1, Club House Road, Chennai - 600002, Tel: 91 44 28460390, Email ID: investor@cameoindia.com , Website: www.cameoindia.com
Company	Write a mail to investorservices@amararaja.com Website: www.amararajabatteries.com

V. Kalathara



AMARA RAJA
Gotta be a better way



TRANSFORMING & PERFORMING

ENTERPRISES OF TODAY ARE FACING TWO RELENTLESS AND OPPOSING PRESSURES.

ONE, THE INTENSE DEMAND TO PERFORM - TO DELIVER SHORT-TERM RESULTS DESPITE MAJOR SHIFTS IN CUSTOMER NEEDS.

TWO, THE URGENT NEED TO TRANSFORM - TO REIMAGINE THE FUTURE OF THE MARKETPLACE AND CONSEQUENTLY THE WORKPLACE, GIVEN THESE SHIFTS; TO REINVENT THE COMPANY'S STRATEGY AND CULTURE TO WIN THAT FUTURE.

INTERESTINGLY TODAY'S BUSINESS ENVIRONMENT REWARDS ORGANISATIONS THAT CAN MANAGE BOTH.

AT AMARA RAJA, WE HAVE TAKEN UP THIS DAUNTING CHALLENGING OF TRANSFORMING THE ORGANISATION WHILE ENSURING THAT THE BUSINESS CONTINUES TO PERFORM IN OUR EVOLVING ECOSYSTEM.



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THE SUCCESS OF THIS STRATEGY,
WILL DRIVE US TO EMERGE AS THE
PREFERRED BRAND IN THE
**ENERGY STORAGE &
MOBILITY SOLUTIONS SPACE.**

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VISION

Through **The Amara Raja Way** and through enduring progressive partnerships we will be a Global Leader in Batteries and Battery Technologies and a dominant player in the Indian Ocean Rim

CORE PURPOSE

To transform our increasing spheres of influence and to improve the quality of life by building institutions that provide better access to better opportunities to more people...

All the time...



CORE VALUE 01

INNOVATION

to us is proactively rebelling for better ways of doing things leading to newer possibilities



CORE VALUE 02

EXCELLENCE

to us is continually enhancing our performance to consistently produce outstanding results with lasting impact



CORE VALUE 03

ENTREPRENEURSHIP

to us is leading with courage and conviction to convert gaps into opportunities, create wealth and contribute to growth



CORE VALUE 04

EXPERIENCES

to us are what we create for our stakeholders, which makes them feel part of something special, leading to endearing relationships



CORE VALUE 05

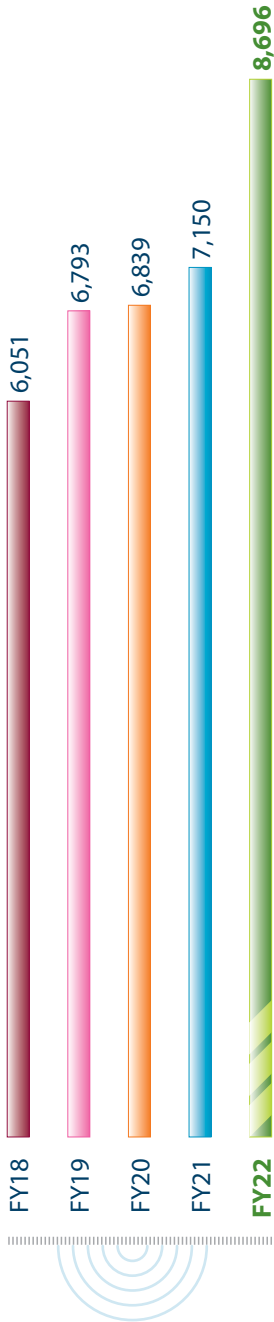
RESPONSIBILITY

to us is the total ownership of our thoughts and actions in every situation to achieve maximum common good in the best interest of Environment, Society, Customer, Supplier, Employee and Shareholders



KEY PERFORMANCE INDICATORS

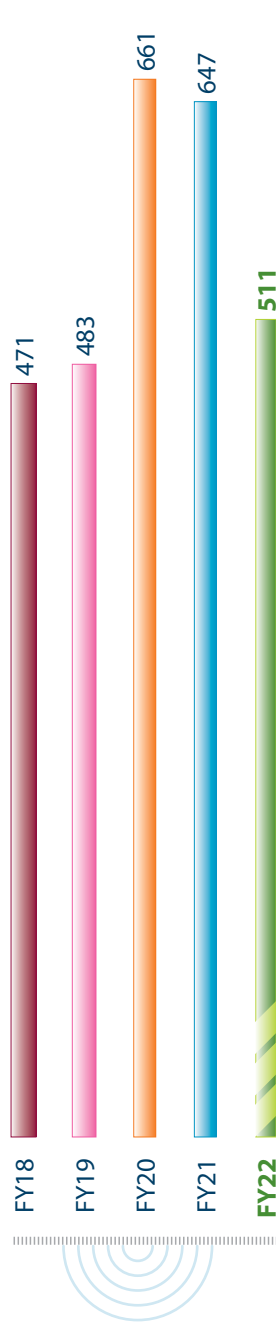
Revenue (₹ crore)



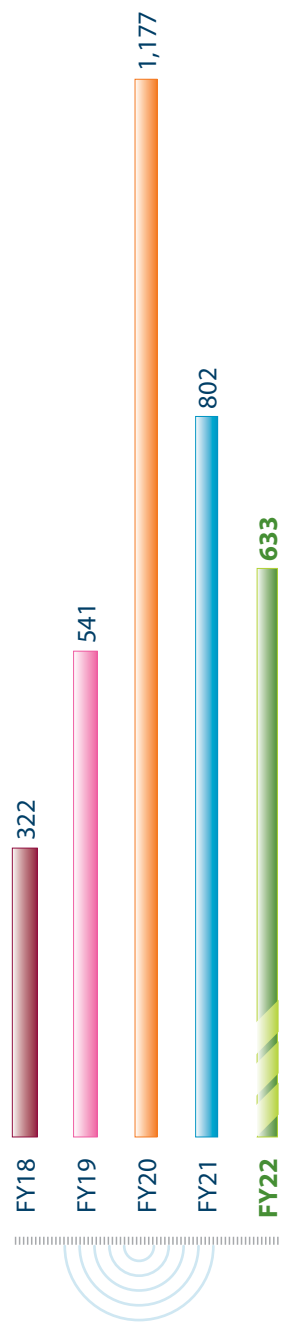
EBITDA (₹ crore)



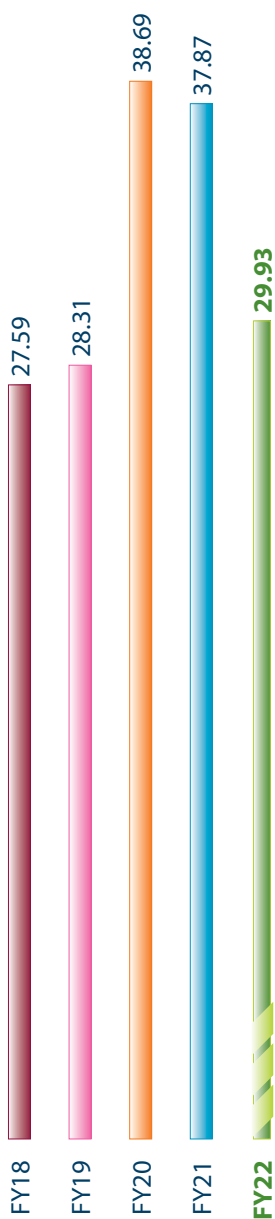
Profit After Tax (₹ crore)



Net Cash from Operations (₹ crore)



Earnings per share (₹)



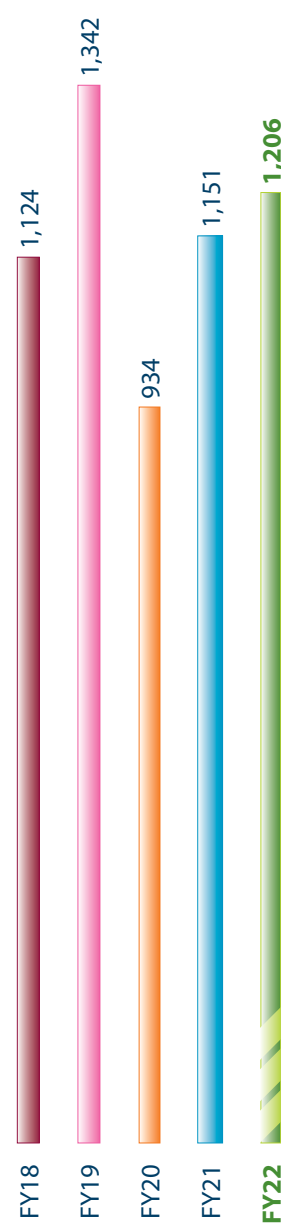
Networth (₹ crore)



Net Fixed Assets (₹ crore)



Net Current Assets (₹ crore)





AMARA RAJA WILL PROVIDE ENERGY STORAGE AND MOBILITY SOLUTIONS TO THE NEW WORLD

.....
JAYDEV GALLA

CO-FOUNDER, CHAIRMAN & MANAGING DIRECTOR



DEAR
SHAREHOLDERS,

It's a mixed time to be communicating with you through this narrative as the pandemic appears to have relented its aggression and intensity for now, however global manufacturing woes are far from over.

FY22 started with the second wave. It tested us severely. At Amara Raja, we responded deftly in overcoming this challenge, the organization demonstrated remarkable resilience to carry on its business of delivering world class batteries. We had a satisfying performance even as multiple headwinds in the nature of fuel and commodity price spikes and supply chain issues threatened to derail our resolve. These are the realities of business that we need to live with and de-risk ourselves from time to time.

Amara Raja is not just a battery manufacturer, we are in the business of energy and mobility solutions. Internally, we have already broadened the perspective from product orientation to solutions orientation. When we thus broaden the definition and look at the evolving panorama, the future is brighter than ever before. The world has taken a united stand towards lowering carbon emissions,

at the same time, automation, mobility, and lifestyle amenities have increased the demand for energy, year on year.

Our new energy vertical is making great strides in moving towards eventual commercialization of Li-Ion battery systems.

In the lead-acid business, I expect consolidation opportunities to emerge over the near term. We will strive to increase our market share in the domestic market, and we have in place a larger vision for our global presence as well, which should help us in achieving our growth plans for this business.

The journey ahead is indeed riveting. With Harsha and Vikram at the helm of our two technology verticals and backed by an experienced and



I say this with conviction because venturing into and deploying new-age technology solutions is in our DNA. When we started, we introduced a new technology which allowed us to make superior batteries



AMARA RAJA IS NOT JUST A BATTERY MANUFACTURER, WE ARE IN THE BUSINESS OF ENERGY AND MOBILITY SOLUTIONS.

energetic team, I am confident that we will transform our business and sustain our superior performance that will continue to create value for all our stakeholders.

In closing, I thank the Board for their guidance in formulating the Company's blueprint.

I thank the leadership team for their patient perseverance in executing business strategies with immaculate perfection. I thank the entire Amara Raja team for their disciplined effort in elevating the Company to its position of respect.

I also thank all our stakeholders, business partners, bankers and government authorities for the support and assistance throughout our journey.

I solicit your continued co-operation as we journey forward into a cleaner and greener world.

that considerably enhanced the customer experience. Our technology-disruption initiative transformed the storage battery market. We continue to tread the same path.



STATEMENT FROM **HARSHAVARDHANA GOURINENI**

LEAD ACID
BATTERIES ARE
INTEGRAL,
AND WE WILL
CONTINUE
TO FIND **NEW**
WAYS TO
GROW

DEAR SHAREHOLDERS,

It's a pleasure to connect with you through my **first official Annual Report communication**. As we know, FY22 was a mixed bag owing to the volatility that prevailed through the period leading to a bumpy ride.

WE brought together diverse capabilities drawn from our resident intellectual capital to fight this battle and with determined discipline, we overcame this challenge.

As normalcy returned, we continued to build deeper relationships with our customers and grow the trust they have in us. We recorded an impressive revenue growth which was aided by strong volume growth in both automotive and industrial applications across all customer segments. These sectors witnessed better than expected demand in the last two quarters of the year, resulting in emerging industry needs and a strong market demand. Consequently, we have been keeping manufacturing operations at the optimum capacity utilisation levels.

The automotive division reported a healthy double-digit growth buoyed by the 4-wheeler OE space and healthy volumes from the aftermarket segment as well. This uptick was strongly supported by increasing demand from international markets.

The industrial division also reported robust growth owing to a higher offtake from all user sectors. The team made a heartening breakthrough by endorsing a contract with the Adani group for supplying energy storage solutions for their Data Center applications. In the motive power

space, we supplied our products to the airline cargo segment, which is an interesting addition to our opportunity canvas.

These achievements helped in reporting a commendable performance in FY22 with a 22% topline growth. The bottomline though was lower than the previous year by 21% primarily owing to the inflationary environment that prevailed through the period under review.

Whether it is a conventional internal combustion engine vehicle, a hybrid or an electric vehicle they will all still have a lead acid battery inside to power the low voltage electrical requirements like the AC, power windows, power steering, audio system, navigation, locking-unlocking etc. The electrical features and amenities in modern vehicles are only increasing by the day. Lead acid batteries have matured so much over the past many years that they are the **safest and most dependable power source for critical functions within the vehicle, and they are here to stay.**

Even in the case of industrial batteries, the world's increasing need for technology, automation and uninterrupted communication is only increasing the demand for reliable power solutions.

Our established presence and leadership in many countries in the Indian Ocean Rim for industrial and automotive batteries reiterates our confidence in our world-class products. Armed with this expertise and experience we are focused on widening our global presence to the US and Europe markets as well.

We are also looking forward to initiating work on our battery recycling facility which would allow us to recycle both, the lead and the plastic - thereby reducing our environmental footprint considerably. At Amara Raja, we have always been proactive in our environmental endeavors, be it water treatment plants, rainwater harvesting, renewable energy generation or large-scale afforestation drives.

We look into the future with utmost optimism. We will bring in the power of disciplined creativity to find newer and newer ways to grow. We will seize these opportunities with determination.

We appreciate your support as we unpack new futures.

WARM REGARDS,
HARSHAVARDHANA GOURINENI
EXECUTIVE DIRECTOR - AUTOMOTIVE &
INDUSTRIAL

TRANSFORMING TO THE **GIGA SCALE**

DEAR SHAREHOLDERS,

It is my privilege to have the opportunity to address you and share how we at Amara Raja view the emerging **new energy** landscape. As you may be aware, I am reaching close to a decade with the Amara Raja Group and have had the opportunity to witness a number of disruptions hitting our businesses.



WITH shifting business and technology landscapes, the Group felt a bold new direction - from battery to 'Energy & Mobility' - was in order, and I have been tasked with leading the New Energy vertical. This differentiation allows us to continue delivering growth in our core business while taking dedicated and proactive steps to make ready solutions for emerging applications.

In the near term, the priorities in this business will be to aggressively invest behind Talent and Technology. While there are a number of hurdles to overcome, these will undoubtedly be the critical success factors.

I keep coming across references to there being a global war for talent, and I admit this is no understatement. There are multiple tectonic shifts in the talent landscape that are worth pointing out. There were several trends preceding the Covid-19 pandemic that found permanency as a result. While the list can be exhaustive, at the core talent demands a greater degree of flexibility than ever before. In addition, with a record number of startups emerging every year, the professional world has also seen a rapid flattening of traditional corporate hierarchy and far more empowerment from day one. The final

aspect I would care to point out is that corporates, more than ever, have been using purpose as a key driver to attracting talent. We have seen an explosion in terms like sustainability, net zero, responsibly sourced, and many more. All of these culminate in inculcating talent with purpose. While we take great pride in the culture we have built at Amara Raja over the past few decades, we must also be open to transforming ourselves as needed. As a company, we are also striving to provide greater flexibility, empowerment, and purpose to recruit the best talent from not only India but the world.

Simply put, my job is to build the team that will build the business.

Speaking beyond a point on technology will be the equivalent of crystal ball gazing. We receive reports on a daily basis of promising new technologies, but at least for now, we are confident on the prospects of lithium-based battery chemistries to address the significant markets of electric mobility and stationary energy storage.

In India, the uncertainty surrounding electric mobility some years back is largely cleared up and as proof we are seeing a rapid increase in the number of electric vehicles on the road. There are still some hurdles to overcome around areas like safety with the recent spate of fires, availability of charging, cost, and performance characteristics, but any apprehension

around lack of demand has largely faded. I would even go as far as to say that all of the aforementioned issues need to be ironed out, but the eventual transition to fully electric mobility is inevitable. The question today is not if, but by when. Today, the transition is happening rapidly in the 2 and 3-wheeler spaces. While there have definitely been successful entries, we are yet to see significant momentum in the 4-wheeler and commercial vehicle space. These segments have more long term hurdles that need to be overcome, but again keeping in mind that the question is when and not if.

As Amara Raja, we have made important investments in creating relevant infrastructure and in building capabilities. We have invested in a state-of-the-art R&D facility to assemble battery packs as well as to manufacture lithium cells. This was a first-of-its-kind facility by a private player in India. In FY22, we invested in a couple of technology start-ups to support in the development of lithium cell chemistry and manufacturing technologies. We continue to actively scout for promising technology in cell chemistry, pack design, and power electronics with the aim to manufacture and supply safe, world-class solutions customized for optimal performance in the Indian Ocean Rim markets that we serve.

We have built strategic supply partnerships with key 2 and 3-wheeler players in India for battery packs and chargers, with a cumulative on-road experience of 85 million

kilometers traveled. This has provided us with invaluable data to help us continuously improve our products. In addition, we continue to supply packs to our Telecom customers with an eye on a larger future demand fueled by 5G adoption and small cell sites. In FY22, we scaled up our product portfolio, delivery capacity and market presence. I take this opportunity to mention with immense pride that we are one of the first players to achieve IATF 16949:2016 & ISO 9001:2015 Certification for our Li-Ion batteries.

We are fast tracking our project to set up a Customer Qualification Plant (CQP) that will serve as a commercial pilot line to onboard new customers and support product development efforts. Investment in a gigafactory of 10 to 12 GWh would closely follow, along with the provision to expand further in line with market demand. The CQP will allow us to work with a number of different cell chemistries and formats with the final selected products making their way into the Giga factory for commercial production.

We stand at a critical juncture for the business, but the future is indeed bright and the teams are geared up and energized to navigate the company through what lies ahead.

WARM REGARDS,
VIKRAMADITHYA GOURINENI
EXECUTIVE DIRECTOR- NEW ENERGY BUSINESS



MANAGEMENT DISCUSSION & ANALYSIS



AN ECONOMIC OVERVIEW



Global economy

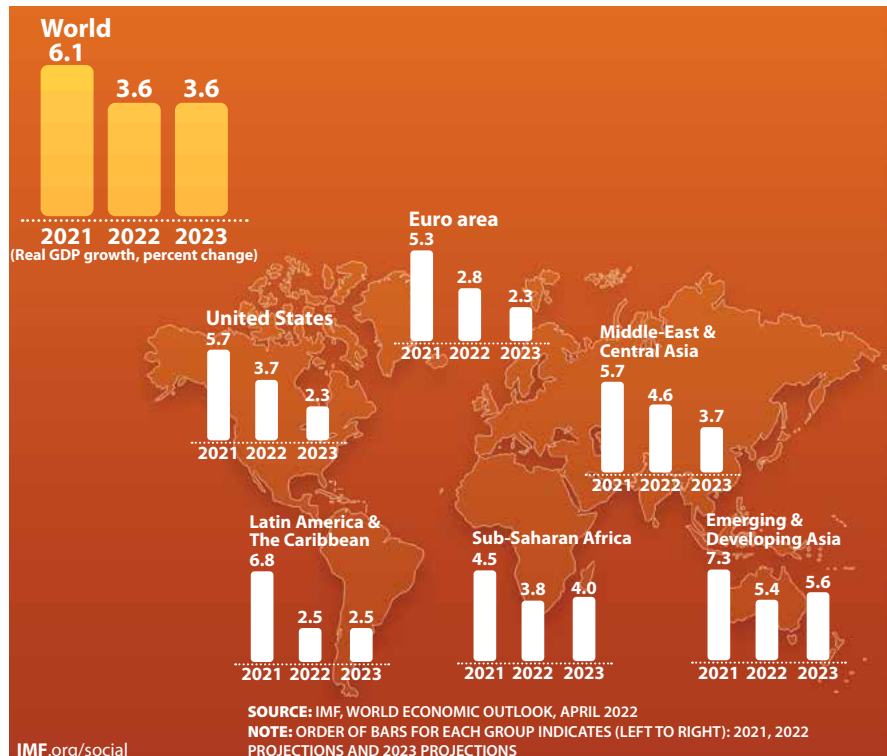
The global economy made a strong comeback in 2021 as it grew by 6.1%, the highest growth rate recorded in more than four decades. The growth was fueled by an increase in output, improved consumer spends, higher investments, and a jump in global goods.

The recovery could have been more pronounced had it not been for the new Omicron variant which resulted in reimposition of restrictions impacting economic activity and supply-chains disruptions resulting in higher-than-expected inflation.

The Omicron variant had a short-lived impact on the economy; and the projected global economic recovery is majorly affected by Russia-Ukraine crisis. Due to the heightened geopolitical tensions, there has been a sharp increase in fuel and food prices across the globe.

As per the latest IMF estimates, global economy is expected to grow by 3.6% in 2022 and 2023. The deceleration in 2022 is primarily due to the elevated inflation levels on account of supply chain disruptions and high energy prices.

WORLD ECONOMIC OUTLOOK, APRIL 2022
GROWTH PROJECTIONS BY REGIONS [PERCENT CHANGE]





Indian economy

Similar to the global economy, the Indian economy witnessed a resurgence in FY21-22. After contracting in FY21 (ending March 31, 2021), the Indian economy grew by 8.7% in FY22, according to revised estimates, as compared to the contraction of 6.6% in FY21 suggesting that economic activity in India has surpassed pre-pandemic levels.

Early in FY22, India was impacted by the “second wave” of the Covid-19 pandemic; however, its economic impact was modest vis-a-vis FY21. This was partly supported by timely interventions and relief measures announced by the government and regulators like extension of

Emergency Credit Line Guarantee Scheme in May 2021 to certain impacted industries, creation of employment and building healthcare infrastructure.

The three sectors, Agriculture and allied services, Industry and Services are estimated to grow by 3.9%, 11.8% and 8.2% respectively in FY22.

Additional factors contributing to the high growth rate in FY22 include increase in demand for consumption by 7.0% and the increase of exports by 16.5% and imports by 29.4%. This was even witnessed in total GST collections which increased by 30% to ₹14.8 lakh crore in FY22 from ₹11.4 lakh crore in FY21.

Favourable Government schemes (such as the PM Gati Shakti initiative to improve India’s logistics infrastructure) coupled with an increased financial and technical support to states to expand capital investment is expected to boost infrastructure spending and spur economic growth.

Going forward, the Reserve Bank of India estimates India’s GDP to grow by 7.2% in FY23 in keeping with the challenges emanating out of prevailing geo-political tension. This will position India as the fastest growing major economy in the world.



01 AUTOMOTIVE BATTERY DIVISION

A MARA RAJA excels in making batteries for the automotive sector. Our novel technology has enabled us to deliver high-powered, longer-lasting batteries that has disrupted the battery space for the automotive sector. This has allowed the Company to emerge as the leading player in India for automotive batteries among OEM's and in the aftermarket segment.



The Company enjoys a 'preferred brand' position with some of the leading automotive OEMs operating in India for some of their high-value and high-growth platforms. Its automotive batteries and home UPS/ Inverter battery brands AMARON™

and PowerZone™ respectively are distributed through its pan-India distribution network comprising 30,000-plus AMARON™ and PowerZone™ retailers. The Company also exports its automotive batteries to 30+ nations across the globe.



Our performance in FY22

A year that was platformed on resurgence suddenly turned volatile as the second wave wreaked havoc in India. A determined India ensured that its intensity was short lived. Within two months from the start of FY22, business bounced back.

OE standpoint: Four-wheeler (4W) vehicle production experienced high growth during FY22 across all vehicle categories. Additionally, very high growth in exports of vehicles contributed to a sharp recovery after a pandemic hit 2020-21. The exception to this recovery was the two-wheeler (2W) domestic sales, which continued to slide during the year primarily owing to the significant damage done by the pandemic in rural India. Though exports of these

vehicles showed very high growths, it was not sufficient to bring in the production growth in 2W vehicles. In spite of various challenges faced, we were able to maintain our shares in the OE business segment.

Aftermarket viewpoint: Our performance in aftermarket business remained strong. During the year, 4W & 2W battery segments registered double digit growth despite prevailing challenges. This is a testimony to the brand strength of Amaron® and PowerZone™. The wide and deep distribution strength, ensured that batteries were always available at places, when and where, the customers wanted them. We continually maintained high capacity utilization, to ensure adequate product availability.

Two years of Work from Home, resulted in a dip in demand for batteries, as life of batteries started improving owing to reduced usage of vehicles. This is, however, expected to be a temporary phenomenon. Various initiatives taken in past year and those planned for the current year, will ensure that we will always remain ahead, and continue aggressive growth.

Exports: Our business in international markets continued to grow at a healthy uptick supported by a strong brand, quality product and distribution strength in key and focused markets in the Indian Ocean Rim.



Opportunities & Optimism

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world. The Indian automotive industry is expected to reach US\$ 300 billion by 2026.

Key trends that will drive growth over the coming years:

- Rise in middle class income and young population may result in strong growth

- The Indian automotive industry is plans to increase export of vehicles five-fold between 2016-26

- Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and Indian Automotive Industry to lay down the roadmap for development of the industry

- In September 2021, the Indian government issued notification regarding a PLI scheme for

automobile and auto components worth ₹25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of over ₹42,500 (US\$ 5.74 billion) by 2026

- The Union Cabinet outlaid ₹57,042 crore (US\$ 7.81 billion) for automobiles & auto components sector under the Department of Heavy Industries



Two-wheeler

The two-wheeler industry, largely driven by the middle and lower middle class of the Indian populace, experienced considerable hardship during the multiple waves of the pandemic and logistical restrictions. With the impact of the pandemic receding, this demand is expected to return in the current year. Moreover, the Government's thrust on infrastructure creation and development of new roads is expected to put more money in the hands of villagers. This should spur 2-wheeler purchases.



Passenger vehicles

Industry veterans suggest that India is expected to witness robust growth in passenger vehicles in FY23 as the demand for personal mobility should come back strongly.



Commercial vehicles

Credible estimates suggest that the domestic MHCV sector is expected to witness an upswing in business fortunes aided by uptick in economic growth, pick-up in private capex cycle and higher freight demand. It is estimated that the industry will surpass the FY19 peak volumes in FY25E.



Tractors

Higher cash flow from healthy Rabi crops made it easier for farmers to purchase farm equipment. Also, owing to high exports of wheat from India, the demand for Indian wheat crop has been very high leading to farmers receiving higher prices for the crop in the open market over MSP. The healthy liquidity in the hands of the farmer community is expected to increase the demand for tractors going forward.



Aftermarket

In the automotive sector, the aftermarket is a huge segment, especially for the passenger vehicles and two-wheelers, owing to the millions of vehicles plying on the Indian roads - 120.02 million 2-wheelers (FY13-19) and 15.11 million passenger vehicles (FY15-19).

The road congestion in most urban pin codes leads to increased cranking, and use of air-conditioning and other features in the vehicle, which

has reduced the life of batteries necessitating faster replacement. In the two-wheeler segment. Batteries are emerging as a critical part of

the automobile (like the passenger vehicle) owing to the auto-start, no-kick feature in the newer variants. This is a large and continuously growing opportunities for the Company.

Business strategy

Amara Raja undertook a comprehensive strategy exercise where it calibrated the technology disruptions that are transpiring and newer technology options that maybe adopted with detailed scenario analysis. From a Lead-Acid perspective, which is a 100-year plus technology, and in which Amara Raja has gained significant expertise over its multi-decadal business journey,

the team looked at the entire globe as its market place. It bucketed geographies with applications and undertook detailed studies of the opportunities and its duration for each geography and each application. Based on this opportunity size-duration length filters, the team has cherrypicked certain geographies to establish a presence. Moreover, the **'go-to-market'** strategy would

be more aligned to distribute manufacturing as opposed to trans-shipment from a centralised operations hub. For this blueprint, the Company has allocated resources and budgets - the strategy execution should happen in the near- to medium-term.



Business risks



Growth risk

Domestic demand could taper down over the coming years.

Mitigation measure: There is an increasing buzz of graduating to an EV ecosystem. But this journey will happen with some gestation. The Government and private players will take time to create the requisite infrastructure and ancillary services to make this ecosystem viable. Till then the lead-acid batteries will continue to energise automotives in India. Besides, every e-vehicle will necessarily require a lead-acid battery for powering the low voltage electrical requirements like the AC, power windows, power steering, audio system, navigation, locking-unlocking etc.

Additionally, the Company enjoys a 30+ nation presence which is being expanded further over the coming years. It should amplify the Company's growth opportunities going forward.



Cost risk

Heightened prices of inputs would dent business margins.

Mitigation measure: This is a challenge faced by all battery manufacturers. ARBL would be no exception. But the Company enjoys certain advantages which should help it manage the cost hike better.

- Its large volumes of purchases facilitate in negotiating better
- Its huge capacities facilitate economies of scale allowing for better absorption of fixed costs
- Its sales are prudently balanced between OEs and the aftermarket - for OEs some of the input expenses can be passed on
- In the aftermarket, the Company's established product performance allows it to command a slight premium over other players

As a result, the inflationary pressure would have an impact on margins, but it would not be as severe as other battery manufacturers.



Concentration risk

Increased reliance on a particular geography or business space could be detrimental to business growth.

Mitigation measure: Cognizant of this reality, Amara Raja caters to all segments in the automotive sector. This is important for the Company as every segment's performance is influenced by a different set of factors. Hence a dip in one segment is most likely compensated by a rise in the others. For example, FY22, the sales volume of the auto sector dipped marginally against the previous year. This was primarily owing to depressed sentiments of the 2-wheeler segment (it constitutes more than 70% of the auto sector sales). At the same time, the passenger vehicle and commercial vehicle segments reported healthy double-digit growth.

Additionally, the Company has an India-wide and an expansive global presence. This also ensures that a subdued performance in any one geography does not significantly impact the Company's overall performance.



India has significant cost advantages. Auto firms save 10-25% on operations vis-a-vis Europe and Latin America.

02 INDUSTRIAL BATTERY DIVISION

THIS division provides energy back-up solutions to diverse sectors which are critical for economic progress. They include Telecom, UPS, Railways, and Solar among others.



In the telecom space, the Company is one of the prominent suppliers of batteries owing to its preferred partner position with some incumbent telecom players. The Company is providing its batteries to leading UPS OEs operating in India

and to prominent data center players in India. Its key products are marketed under various brands namely PowerStack®, Amaron Quanta®, Amaron Volt®, Amaron Sleek®, Amaron Brute and Amaron Solar.



Our performance in FY22

Overall perspective: The Industrial Battery Business reported a healthy growth of 28% over the previous year in value terms. The growth was contributed by all the segments of the business. The overall demand was seen picking up in the market though there were some hiccups in the first quarter due to the Pandemic second wave.

Telecom: While the impact of the second wave of the pandemic was intense, its duration was limited. Moreover, as the work-from-home trend became more acceptable, the need for strong and seamless connectivity increased substantially. Also, the steadily increasing ARPU from telecom players provided them the runway for new site rollouts - providing interesting business operations. Demand from the telecom sector was a mix of increment in O&M replacement, energy-saving projects and new site rollouts. The Company added telecom sites in its O&M portfolio in Andhra Pradesh and Orissa circles. The Company also participated in new site innovation to support the customer's evolving requirements. The Company continued with its pilot studies for Lithium batteries in tower

applications. They are expected to move to commercial supplies over the near term.

UPS: Overall demand from the UPS sector remained robust primarily owing to the pent-up demand which surfaced post the second wave of the pandemic. The Company established business relations with new players entering the data center business space. The focus on long customer relations helped sign rate contracts with multiple large customers. In a breakthrough, the team grabbed the account of Adani for their upcoming Data Centers. Despite prevailing global supply chain disruptions, the Company ensured material security through accurate planning and timely execution. As a result, the UPS vertical registered healthy growth in volumes and value over the previous year.

Railways: Demand from this user segment was significantly impacted owing to multiple waves of the pandemic. Despite the delayed resumption of train operations, the Company could sustain business volumes with this reputed customer.

Motive Power: The Company strengthened its position in the domestic market as sales volumes

doubled over the previous year. It strengthened its presence in the aviation cargo space which has a large and growing need for batteries for its equipment. The Company strengthened its presence among independent rental companies - during the year under review, it added 4 Independent rental companies to its portfolio. Amara Raja successfully forged business relations with OEs in this space and commenced supplies. It also entered into rate contracts with some industries - this provides revenue visibility over the medium term.

Exports: The Company's efforts in widening its global footprint paid rich dividends as it registered healthy business growth in exports in the regions of Middle East and APAC. The Company, through virtual engagement with customers, was able to secure healthy business volumes. The Company commenced sales operations in Nigeria and Indonesia in FY22. The Company registered a healthy increase in business volumes in the UPS and Home UPS segments apart from supplies to telecom customers with whom it enjoys a preferred partner status.



Opportunities & Optimism

Telecom: India has already begun trial runs of 5G technology. This is expected to generate huge volumes of data. According to an Ericsson Mobility Report, 2021 edition, India will have 500 million 5G users by 2027, accounting for 39% of all mobile subscribers. When that happens, the average monthly data usage per user is expected to grow from 18.4 GB per month - the second-highest globally - to 50 GB per month in 2027.

But, ahead of the rollout of the high-speed 5G network, the government is set to give a massive push to telecom infrastructure across the country with plans to take the mobile tower inventory to eight lakh towers in the next two years - apart from ensuring that nearly three out of four are connected through an optical fiber to increase their data-carrying capacity.

Data Centers: The Indian Data Center industry is witnessing meteoric growth. A large and still growing internet user base, the explosion of data and the creation of a conducive atmosphere via the government's Digital India mission has transformed India into a fast-growing Data Center hub. A report on the Indian Data Center market by Arizton Advisory and Intelligence estimates that the industry will grow at a CAGR of 12% until 2026.

UPS: The UPS industry is growing swiftly, both in terms of size and demand. With the digitisation revolution also happening in rural and semi-urban areas, the demand for uninterrupted power supply for various tech devices is expected to grow exponentially in these areas also. As an immediate alternative power source for every office and shop, the domestic UPS manufacturers are also seeing a big uptick in demand. The UPS market in

India is projected to grow at a CAGR of 5.8% during 2020-2026 as per the market forecast by KVA Rating.

Motive power: The demand for batteries from the motive power segment is expected to remain robust. This optimism is based on two credible estimates.

1) According to Knight Frank Research, Indian e-commerce is to occupy most warehousing spaces in the next 5 years from FY 2022-2026 at 9.1 mn sq.m. (98 mn sq.ft.), 165% more than the preceding period of FY 2017-2021.

2) The Government is expanding the domestic aviation market in the country. The Government plans to build 220 new airports by 2025 to fuel that growth. He also highlighted India's growing air cargo industry, saying that cargo flights for perishable food items will be increased to 30%, with 133 new flights in the coming years.



Business strategy

Region-wise focused approach strategy

Positioning sales resources in Indonesia (APAC), Nigeria (Africa) and Dubai (Middle East).

Vertical wide focus

- Sustain relations and business volumes with Telecom players, leverage India relations to secure export opportunities

- Strengthen business relations and increase business with UPS OEMs
- Establish a stronger foothold in the Data Center segment

Business risks



Demand Risk

Demand for batteries could witness a slowdown from key user segments.

Mitigation measure: An increasingly digitised and connected world needs to be energised all the time. A momentary power outage could result in colossal loss and irreparable damage. As economic resurgence gains momentum, demand for standby back-up power will always remain robust, especially in sectors in which the Company has a presence namely telecom, data center and in other all other sectors which require a UPS.



Technology Risk

New technologies dampen the Company's prospects going forward.

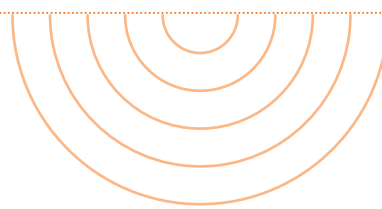
Mitigation measure: In keeping with its articulated ethos, the Company continues to endeavour to remain at the cutting edge of technology. In line with sectoral dynamism and changing customer preferences, the Company is working on relevant technologies that appear to be gaining acceptance. It has made considerable headway in its endeavour. Case in point: the Company's Lithium batteries for telecom applications are currently undergoing field trials and should be ready for commercial deployment shortly.



Geographic Risk

Over-dependence on single geography could impact business prospects.

Mitigation measure: The Company's products are being regularly exported to a number of nations, primarily in the Indian Ocean Rim. Going forward, the Company plans to widen its geographic footprint for which its blueprint is in place and will be implemented from the current year.



03 NEW ENERGY DIVISION

FOR Amara Raja, New Energy Business will be the new growth engine. The focus on e-mobility as a solution to reduce India's carbon footprint has put the spotlight on lithium-ion technology.



The emergence of lithium ion chemistry as an advanced energy storage technology opens up exciting growth opportunities.

Hence, the Company is convinced that the New Energy platform will provide substantial thrust over the coming decade. Amara Raja has drawn up a comprehensive blueprint for establishing a strong presence in this space.

The central theme of this road map orbits around lithium-ion cell manufacturing. Mastering this building block will enable the Company to provide an integrated and customised solution to customers in diverse sectors namely the electric vehicle sector, renewable energy markets and energy storage systems.



Li-ion battery packs

Amara Raja's core technology competencies are in designing customized battery packs to cater to various OEM's requirements - to be adaptable, efficient, reliable, safe, and cost-effective while withstanding the rigors of an automotive environment.

The Company manufactures and tests its Lithium-Ion battery packs at its manufacturing facility located near Tirupati in Andhra Pradesh. In addition to offering its battery packs to Battery Electric Vehicles (BEVs), the Company offers battery packs for various other applications like energy storage.

It leverages component-level technologies from its E-mobility application and adopts a complimentary approach for its energy storage solutions. This modular approach for designing battery systems allows the Company to optimally utilise its manufacturing capacity among diverse energy storage products.

The Company has invested in extensive testing and R&D capabilities for battery cells, packs and systems. The team possesses an expansive

body of knowledge on lithium-ion cell chemistry types and performance characteristics.

The Company has created a portfolio of 0.5Kwh to 21.0Kwh products catering to e-mobility and energy storage applications in India.



Our achievements in this space

1) The team has successfully developed the HV Li-Ion Battery pack for E-Mobility application using Pouch cells, Active liquid cooling system (BTMS) and Smart BMS with Master & Slave concept along with OTA, IoT features. This initial success promises to open interesting opportunity windows for the Company in the coming years.



2) The team has also successfully developed High Energy battery packs for Data Center applications. As part of the Proof of Concept technology demonstration project, these battery packs have been installed at the company's Corporate and Head Office locations. This successful demonstration could emerge as the harbinger of opportunities in the Data Center space which is expected to witness meteoric growth in coming times.



3) Amara Raja is one of the first players to achieve IATF 16949:2016 & ISO 9001:2015 Certification for Li-Ion battery pack assembly and manufacturing operations.

Li-ion cells

Li-ion cells are key to designing and manufacturing safe, reliable and durable battery pack for EV and ESS applications. As such, manufacturing Li-ion cells is at the heart of being successful in the Li-ion battery space. In full cognizance of this reality, Amara Raja is planning to establish a Giga factory to manufacture Li-ion cells on a commercial scale in India. With this objective, the Company has embarked on making business critical investments.



Research facility: It has invested in a state-of-the-art R&D pilot plant for prototyping Li-ion cells which will be a corner stone facility to develop futuristic technologies. This facility will develop the critical raw materials, design and build prototype products for extensive testing to conform to the demanding field usage conditions of EV and ESS applications. It will also be utilised to undertake research on advanced materials and diverse battery technologies with premier institutions. This is the first pilot-scale facility established by a private sector player for research on Li-ion cell technology in India. At this facility, the team has successfully designed and developed India's first 21700 cylindrical cell. This important breakthrough showcases the team's prowess in technology-driven innovation and their passion to align with evolving trends in the dynamic business space

Technology absorption: The Company entered into technology collaboration with ISRO for cell manufacturing. It has successfully received the technology transfer from the Indian Space Research Organization ("ISRO") for the development of various types of Li-Ion cells as power sources for satellite and launch vehicle applications.

In addition, the Company has invested in promising technology start-ups in the Li-ion technology space and is continuing to explore partnerships opportunities to develop globally competitive Li cell technology and manufacturing infrastructure as part of the Giga factory investments.

Clean Energy Solutions



AMARA RAJA CENTRE FOR ENERGY STORAGE DEVICES

SRM - Amara Raja Batteries Limited has established a joint research center at SRM University, Amaravati to design and develop low-cost, fast-charging, next-generation Lithium-ion battery innovations for smarter E-mobility. Established at an investment of ₹20 millions the Centre will house state-of-the-art facilities, managed by leading research experts from industry and academia to drive innovation from the laboratory to the market. Researchers working on this include cross-discipline experts from ARBL and SRM-AP faculty.

While the Company has made considerable progress in the New Energy space this far, the Company

has set for itself an ambitious priority list to be accomplished in the current year (FY23).

- Implement commercial scale pilot plant for Li-Ion Cell Manufacturing (Mega-scale Customer Qualification Plant) Incorporate creative/ functional features in its Li-Ion battery Packs with highest priority on product safety and improve the ergonomics by collaborating with design houses for new applications
- Implement and demonstrate Automatic pack assembly process with an embedded Poke-Yoke mechanism to increase productivity and reliability
- Implement Robotic systems for Auto Cell & Module insertion to reduce fatigue to operators on the production line
- Implement and demonstrate an Auto cell sorting machine with Auto data logging to increase productivity and reliability and eliminate manual errors
- Implement a High-speed Pack assembly line with a total capacity of 500MWh
- Develop advanced high-energy Li-ion cells with significantly enhanced cycle life and safety
- Develop Li-ion batteries with LFP Chemistry for high-temperature applications

Over the next 3-5 years, Amara Raja will establish a leadership position in the Li-ion battery space with a wide range of products catering to diverse applications.



Other technologies

Amara Raja, a master at disruptive technology in the energy storage solution space has successfully developed the 18650 cylindrical cell leveraging the Na-ion cylindrical technology at the Lab Scale.

MANUFACTURED CAPITAL

8	NUMBER OF PLANTS
2.4	CUMULATIVE SHOP FLOOR AREA (MN SQFT)
16.2 Mn Nos	4W ANNUALISED CAPACITY
29.1 Mn Nos	2W ANNUALISED CAPACITY
2Bn AH	INDUSTRIAL BATTERY
1.8 Mn Nos	TUBULAR BATTERY

A **AMARA RAJA** has established itself as a dominant player in India's storage battery space. Consistent investment in capacities has pioneered the brand in the marketplace.

Over the last decade; the Company has continued to augment capacity in both business divisions with the objective of meeting the growing demand. It delivers value by promoting technological innovation at its plants, and through their

performance and development of capacity. The Company's manufactured capital comprises physical infrastructure, including manufacturing plants, buildings, machinery and equipment.



Improving Productivity

With a very forward-looking approach, the Company is focused on automation. The gradual upgrade will yield the following benefits:

- Cut down operator fatigue in critical areas
- Improve ergonomics & safety
- Improve consistency in the processes

To improve the efficiency & consistency in the process, various initiatives has been institutionalised such as Industrial Engineering

(IE), Lean Six Sigma & TPM. These initiatives have strengthened processes to enhance product quality and improve man-machine productivity. The Company undertook numerous projects to reduce operator fatigue and eliminate the NVA in operations. Some of them were:

- Connecting conveyors from formation to finishing sections to eliminate movement in the process (ABD Unit 1)
- COS unloading automation by ROBO

- Launched a Real-time battery traceability system (ABD-I)
- Introduced a Paperless system for elimination of Log sheets (ABD-II)
- Invested in Battery Readings automation in Formation section (MVRLA)
- Commissioned an auto finishing line to improve productivity & reduce fatigue (LVRLA)
- Started an auto scheduling system from barcode (ABD-II)
- Initiated Multi-layer formation (SBD-1)

Improving Productivity

The Company carried on with its dedicated and focused energy conservation efforts through upgrading of process technology, effective production scheduling and various energy-saving initiatives including installation of energy efficient equipment. Few initiatives are:

- Implemented superior energy-saving practices in all equipment and processes, including plant lighting

- Installed BLDC fans for AHUs
- Installed Auto descaling system for condensers of chillers
- Improved the power factor at SDB level
- Replaced old conventional chargers with improved IGBT chargers
- Reduced the demand for Compressed air
- Effective utilisation of reduced unit rates during off-peak hours by thermal storage

- Scheduled non-continuous operating machines during off-peak hours and normal hours and avoided on-peak hour operations
- Reduced skin temperature of lead melting pots
- Optimised process parameters and cycle times
- Conducted awareness sessions on energy conservation to suppliers
- Trained employees on ISO 50001:2018 and energy savings techniques



Renewable energy initiatives

- Rooftop solar installations in manufacturing plants at Tirupati
- Rooftop solar installations for the parking area in Tirupati

Reward & recognition

- Received the Excellent Energy Efficient Unit award from CII, during the 22nd National Awards for Excellence in Energy management 2021
- Bagged the Innovative Project Award from CII during 22nd National awards for Excellence in Energy management for one of the energy-saving projects on "Pneumatic cylinder size optimisation"

Quality Management

The quality ethos at Amara Raja is embodied in its articulated philosophy - **Gotta Be A Better Way**. Like an inspirational mantra, this propels the entire team to push the efficiency bar higher. This culture practiced for years has now integrated with the organisational DNA, which inspires the Company to strive to seek improved methods of performing the tasks.

Amara Raja believes in compliance, excellence & sustainability. The endeavor to build world class products enables the Company to build on quality management systems.

Securing certifications of ISO 9001 and IATF 16949 for all the facilities and improving the maturity level of Quality Management System (QMS) to serve the customer better improved business performance. The imbibed culture drives every team member to transform every transaction with Amara Raja into a heart-warming experience.

Learning is a journey towards excellence and continues to effectively enhance the competency of people by conducting need-based trainings to do the job better. To embed the passion for quality across the organisation, the Company has institutionalised globally accepted

operational tools and techniques namely Continuous Improvement (CI), Lean Implementation programs - TPM, Poka Yoke, Single Minute Exchange of Dies(SMED), Visual Management, 5S, work place ergonomics, Industrial Engineering (IE) studies & Lean Six Sigma and Quality Circle concepts.

Encouraging employees to undertake trainings and certification courses in the quality management tools and engaging consultants to inculcate next and best practices across the business are making a visible difference in upping the quality commitment.





Key initiatives in 2021-22

The Company continued with its principles of upping its quality commitment by implementing several initiatives. They are:

1. Emphasising on quality culture through World Quality Month celebrations across all manufacturing sites & remote locations.
2. Developed E-learning modules for 5S (work place Management) and Lean awareness for improving the learnability. 5900 employees have

completed the course through Alt-learning portal.

3. Standardised and sustained the usage of E modules for QCC, Suggestion Scheme and Six Sigma programmes.
4. Enhanced the lean momentum by participating in national level competitions.
5. Programmes conducted to institutionalise the focus on Ergonomics by conducting assessments to enhance the process.



5S, Quality Circles & Lean Six Sigma

In 2021-2022, 601 quality circles completed 1100 QC projects. To embed the Six Sigma approach throughout the organisation, the Company trained 306 Black Belts and

1023 Green Belts, and successfully completed 3412 projects as of March 31, 2022. This task force has provided valuable insight into simplifying operations and increasing product uniformity.



Awards and recognitions

Under “Manufacturing-Auto/ Engineering/Discrete Projects in Manufacturing /Operational Areas” category:

1) SIX SIGMA

Recognition:

- **SBD2-** has been recognised with Platinum and won “2nd runner Up award”
- **SBD1 & ABD1-** has been recognised with Gold
- **Logistics ARBL-** has been recognised with Silver

2) Quality Circle

Recognition:

- QCFI recognised Amara Raja for consistently participating in the ICQCC for a decade with a greater number of teams each year
- Received Best Supporting Organisation award from QCFI under private sector at NCQC 2021, Coimbatore

Awards:

- At the 46th International Conventions on Quality Circles 2021 - Hyderabad, received 4 outstanding Platinum Awards
- 14 teams received the highest level of Quality Circles awards at the National Convention on Quality Concepts 2021 in Coimbatore

3) Lean concepts

3.1 CII National Poka-Yoke competition

Recognition:

Under “Manufacturing-Auto/ Engineering/Discrete Projects in Manufacturing /Operational Areas” category:

- **SBD1 & LVRLA (Team 1)-** was recognised with Gold under Shutdown category
 - **LVRLA (Team 2)-** was recognised with Gold under Control category
- 3.2 CII National SMED (Single Minute Exchange of Die) competition**



Recognition:

Under "Manufacturing-Auto/Engineering/Discrete Projects in Manufacturing /Operational Areas" category:

- **LVRLA (Team 1)**- won the "Platinum - 1st Runner-up" award under Machines/Tools category
- **LVRLA (Team 2)**- won the "Gold - 1st Runner-up" award under Assembly Line category

3.3 CII National Kaizen competition

Award:

LVRLA has been recognised with 1 Platinum award, 2 Gold awards & 2 Silver awards

4) Quality Systems

Certification:

Received ISO 9001:2015 & IATF 16949:2016 certifications for Lithium-ion Battery Plant.

Award:

Awarded Bronze medal in recognition of sustainability achievement by Eco Vadis (The world's largest and most trusted provider of business sustainability ratings).

601 - Quality circles

1,100 - Quality circle projects

3,412 - Six Sigma projects

1,329 - Six Sigma Certified (Black and Green Belts)

18 - Quality circle awards at national and international level



Occupational Health

The well-being of Amara Raja employees amid Covid waves remained a priority throughout the year. At each of our facilities, the Company continued to implement safety measures in accordance with local regulations and employed best practices to reduce the risk for our employees.

The Company took proactive and pre-emptive steps to respond to the pandemic and initiated the preparedness of the health system to address all aspects of Covid-19 management. Additionally, we have continued to monitor the risk of Covid and respond as required when there has been an increase in positivity rate in any of the regions in which we operate.

Even before the outbreak of Covid-19, the health and safety of our employees has always been our top priority. Throughout the pandemic, Amara Raja has worked to ensure all its facilities adapted and continued to operate safely. For employees working at our manufacturing facilities, we adjusted processes to support social distancing in production areas and adapted our material handling processes. For employees working at our office locations in Covid hit regions, we

implemented appropriate work-from-home options and office re-entry protocol.

In cases where employees tested positive, the action plan was self-isolation of affected employees, conducting contact tracing to identify any possible interaction with other employees, shutting down and deep cleaning all impacted areas. Beyond the need to keep employees safe, we have recognised a need to evolve in the way we operate while preserving our culture and spirit of teamwork in a dislocated world. Throughout Covid, we have sought to ensure that our employees remain highly engaged and confident about the future.

Key initiatives

1. Conducted Amara Raja Workplace Vaccination Programme (ARWVP) for all people (Employees, Retainers, ARTS Trainees etc.)
 - One of the first organisation to conduct a mass vaccination drive at workplace
 - 19000+ vaccination doses inoculated in 4 phases
 - Provided refreshments to all people after vaccination
 - Superior vaccines with high effectiveness like Sputnik & Covaxin inoculated

- Completely compliance with guidelines stated by MoHFW(Ministry of Health & Family Welfare) and got approvals from local govt bodies(District Immunisation Officer)
 - Executed the Covid-19 vaccination process with support of premium private health care partner
 - Overall, 99.7% of employees got vaccinated
2. Quarantine facility created in working men's & women's hostel to cater to the symptomatic & primary contacts employees.
 3. Hygienic diet provided in quarantine facility.
 4. Exclusive Covid vehicles organised to cater to Covid affected employees.
 5. Virtual medical supervision provided for the persons in quarantine facility.
 6. Oxygen concentrators provided to all the branch offices across India to support employees.
 7. Introduced CNH-Connect & Heal care application for immediate medical guidance and support for all employees.
 8. Provided face masks for all employees daily to contain the spread of infection.
 9. Stringent sanitisation & disinfection guidelines followed (Plants, Offices, Cafeteria, Washrooms, Buses, common areas, amenities etc.).
 10. Tele medical support for Covid-19 infected employees and primary contacts by OHC team.

Safety

Safety has always been of utmost importance for Amara Raja. Increasing employee ownership towards health and safety has been encouraging. The Company has pledged to develop a culture of sustainable excellence in Safety.

New initiative

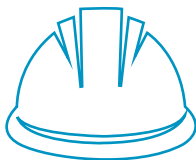
Initiated the safety maturity assessment for the employees conducted by DuPont sustainable Solutions for enhancing the safety culture.

Sustenance

1. Sustenance of ISO 45001:2018 Management system requirements by strengthening elements to maintain a safe workplace.
2. On time renewal of Fire No Objection Certificates for the manufacturing plants from State Disaster Response and fire Services Department.

3. Celebrated the 51st National Safety Day by organising various safety programs through virtual mode for institutionalisation of safety culture.
4. Sustained practice of **Lock Out Tag Out (LOTO)** in all manufacturing plants to safeguard the employees.

As part of its corporate social responsibility program, the Company conducted safety awareness programmes in AP Govt Industrial Training Institute in Chittoor District.



FINANCIAL CAPITAL



12.55	EBITDA MARGIN (%)
1.85	CURRENT RATIO
0.01	DEBT-EQUITY RATIO
444.57	CAPEX IN FY 2022
11.67	RETURN ON NETWORTH (%)
88.30	CASH & BANK BALANCES (₹ CRORE)

A **MARA RAJA** follows a robust system on capital allocation and judiciously allocates capital among various competing capital expenditure project.

Capital allocation for various capability and capacity development projects is done by adopting suitable financial thresholds without compromising strategic growth imperatives. This philosophy has allowed the Company to invest ₹2,484.72 crore in the last 5 years in capacity augmentation and other capital-intensive projects largely out of internal accruals. Despite this large investment, the Company has maintained a low debt-equity ratio of 0.01x as on March 31, 2022.

FY22 was a considerably volatile year for the Company. It started with the second wave of the pandemic which was a significant challenge for the business.

The Company utilised this liquidity pool to tide over the initial months of business disruption. It ensured timely payment of all dues to its other stakeholders namely employees, vendors and other business partners. To tide over the tough times, the Company also extended the payment cycle for its key dealers to enable them tide over these trying times.

As the intensity of the pandemic reduced, demand spiked almost immediately. The Company adopted a nimble footed approach to cater to business opportunities while maintaining business liquidity.

While economic resurgence multiplied opportunities, it also increased the inflationary pressure on the Company's margins as prices of commodities increased steadily. The Russia-Ukraine crisis in the fourth quarter of the year further complicated the prevailing supply chain issues globally. It resulted in a sudden spike in commodity and fuel prices.

To manage this cost pressure, the Company intensified its cost rationalization efforts across every business department with considerable success. While the Company's operating margins dropped when compared to the previous year, the slide was manageable.

During the year, the Company invested ₹444.57 crore in capacity augmentation and other capital-intensive projects which should start delivering the desired returns in the current year.

The Working capital cycle increased owing to the Company's need to increase inventory of critical inputs to tide over the supply chain issues that are expected to continue for some time owing to the increasing duration of continuing geo-political tensions.



HUMAN CAPITAL



9,911	TEAM SIZE
31	AVERAGE AGE OF TEAM (YEARS)
87.74	REVENUE PER PERSON IN 2021-22 (₹LAKH)
5.16	NET PROFIT PER PERSON IN 2021-22 (₹LAKH)

A MARA RAJA's journey towards leadership at all levels is powered by People at its core. Our people are one of our core strategic assets which fuels the inspiration to go beyond the boundaries within the mind, to open doors and drive performance that not only contributes to industry growth but aims at setting the trends.

Our Core Purpose of "Transforming our increasing spheres of influence" is our philosophy that is driven by the attitude of making everything better. Our motto 'Gotta be a better way' inspires us to bring together the passion of people in creating better experiences and achieve excellent results.

World over, the pandemic has played havoc with lives and livelihoods even during 2nd and 3rd Waves. We, as a responsible organisation have also continuously tracked and monitored

the developments and taken proactive steps to prevent the spread of Covid-19. Our actions were based on inputs from global experts and governments' directives from time to time. During the lockdown period, we provided support to the States and Central government in running essential services like Telecom infrastructure, data centers, essential services transport, supply of electrical equipment required by Power generating companies, Transcos, Discoms, etc for augmenting



transmission and distribution systems. We remained committed in providing uninterrupted supplies of essential services during the lockdown.

During the total lockdown, all our teams across different locations have made extraordinary efforts to carry out their duties despite the challenges, providing services to the customers and also ensuring supplies from plants. Be it working in the plants, attending essential services or attending to the calls of our customers on the field, our

teams have shown Resilience and Agility that were widely appreciated. This attitude of **“If not me who else”** has been contagious and consistent across all our people and teams.

This clearly demonstrates the life of an Amara Rajaian Living The Amara Raja Way®. This reinforces our belief as an organization, that people are our core strength and with such people, we will be able to successfully manage any adversity. Some of the actions and experiences are described below in brief.





Dealing with Pandemic Second and Third waves

The Amara Raja Way® of dealing with the pandemic is by being nimble-footed and taking appropriate actions at every juncture with the prime motive of keeping our people safe while catering to the customers. This has helped us to minimize the impact of second & third waves of Covid-19. Continuing our efforts in addressing the Customer requirements during second & third waves of COVID in the essential services of telecom, power networks, automotive applications during lockdowns.

We were clear that planning is more important than plans. Our people were up to the challenge, ensuring seamless productivity irrespective of their place of work. During the midst of the pandemic, the organisation went on to adopt the 'Fusion' work model, which enabled the organisation to adapt to new and contemporary ways of working. Technology enablement played a critical role in making this happen. IT infrastructure and support for the Internet were provided as needed to people, who are working from home. All employees continued to be digitally connected through mobile

apps and collaboration tools to mark attendance and make important communications.

We ensured our Multiple levels of communication to share more details of the situation from the organizational context and its intended responses. Both internal collaboration platforms and public platforms were utilized extensively. The new recruits who joined at the factory locations are guided by us to be in quarantine and attend orientation sessions before stepping into the shop floor. Management recognizes that the frontline Operators both at the plants and field locations are the core bread winners

of our organization. A special reward was given to the employees who have demonstrated valour under critical conditions to serve our customers.

During the pandemic second and third waves, the Family and Foundation Committee got together and decided to celebrate **Foundation Day on a virtual platform** on 20th December 2021. Our employees and their family members connected virtually for the celebrations. It was a unique experience for the leaders and our people to bequeath and receive recognitions and awards for their numerous achievements.

In the New Way of Life, as against the annual reviews, the leadership team has brought in a change to completely revamp the Performance Appraisal system with more frequent reviews and feedback from 2021-22. We strongly believe the higher frequency of review and feedback mechanism with transparency enables performance that is sharply aligned to the business focus areas. The revamped process provided higher visibility of the performance of individuals and teams. Periodical review and continuous feedback also ensured high levels of engagement and support to talent in achieving the objectives.



Support to employees during pandemic

To support our people in this unprecedented situation in addition to the General Medical Insurance coverage, an exclusive Covid-19 Medical insurance Policy for all Non-ESI people and their families was introduced.

The existing medical insurance policy also covered Covid-19 treatment and if required the same can also be utilised.

A special leave with pay called 'Covid-19 leave' was introduced, which is available beyond the Present Leave Policy that is applicable to

different categories of People. Our people could avail this leave in case of infection to them or their family members. There was no limit on the number of days of Covid-19 Leave.



Integrated health care and support services to ARG Employees

Employees Wellness and Wellbeing is of high priority for us in Amara Raja. In view of providing integrated health care and support services to our employees and their families, we tied up with 'Connect & Heal' agency, which renders their services like Telemedicine, Lab testing, Ambulance Services, Hospital Assistance, Purchase of Medicines and Covid-19 Kits and a host of other Covid care services.





People Strong Super App

In the process of Digitalisation of HR Processes, Amara Raja launched People Strong Super App (with advanced features, on 15th February 2022) which is a compilation of all modules of alt work-life applications (Attendance, Leave, Recruit, Learning, help desk, Payroll, Resignation, AR TalentUP) included in a single platform.

Doctor on Cell

'Doctor on Cell' programme, which is an online Doctor Consultation initiative for the employees covered under Covid insurance policy. These services are only for non-ESI persons, who are covered under our Covid insurance, tied up with Apollo Tele Health. This is in addition to the doctor-on-call provided through our tie-up with 'Connect and Heal'.

Covid-19 Vaccination Drive for all Employees and family members in ARG

We have organised Covid vaccination drives for all our employees covering 100% staff across locations as part of Employee wellness, wellbeing and safety.

We have started an initiative to capture and update the progress on vaccination. Full-fledged support has been extended to our employee and their family members to counsel and prepare them for 100% vaccination.

Group Life Cover Policy

Welfare, Wellness and Wellbeing of the people has been Amara Raja's focus since its inception. Continuous investment in the areas of Welfare, Wellness and Wellbeing has been one of our key focus areas. As part of the same principle, this policy has been evolved to provide to a certain extent the comfort of financial security to survivors of our people, in the event of loss of life while during on service/ engagement with Amara Raja Group.

This policy will apply to the persons working in various businesses in the Group as listed herein: On roll Employees, Trainees, Fixed Term Employment Persons, Persons on Retainers, Persons Engaged under ARTS and/or ARTIST scheme, Apprentices engaged under various provisions, Temp Staff engaged through other temp staff agencies and those engaged under Contract Labour Act.

Capability Building

Amara Raja continued to invest in its people, building their capability, sharpening their expertise and nurturing leadership, making Amara Raja a transformative institution, which also facilitates sustaining its top industry level performance.

Our organisation continued to adopt technology, taking learning to the fingertips of our people. In these times of pandemic, eLearning has become the preferred mode. More than 50 eLearning programmes both in technical and behavioural areas were developed and deployed across the organisation through the Learning platform. Several learning programmes on different health-related topics including mental health were specifically organised for employees and families. Culture-building programmes like 'Living the Amara Raja Way' were also adopted to eLearning mode and deployed. Many programmes like 'Prevention of Sexual Harassment' were made mandatory for all the employees across levels to undergo and get certified. More than 14,000 programmes were completed by our people across the levels.

People strategy Model

We remain committed to our People Strategy, that is providing us with continuous success. Through the **Amara Raja Way**[®], we achieved organisation objectives in an invigorating digital work environment by excelling in people Engagement, Development and Performance.



Amara Raja Talent Management Model

Our comprehensive Talent Management Model enables us to initiate and institutionalise innovative programmes in line with the People Strategy of the organisation. As part of the talent management model, the team steered various initiatives during the year aligned with the Company's business strategy.



“Our People Strategy Defines and Talent Management Model Delivers”

Highlights of some of the major initiatives

01 Amara Raja Covid Response Support Centre (CRSC)

Beyond the Service provider, in order to be available for our people at times of need, we have formed Amara Raja Covid Response Support Centre (CRSC) - a core team amongst our employees that will actively monitor the support services.

Objectives of CRSC:

- Actively monitor the medical support services provided to the people through outsourced agencies and in-house services

- Provide support as much as possible to the aggrieved person (employee, family member) in order to resolve issues related to Covid-19 emergency requirements (excluding financial commitment)

Covid Response Support Centre Team (CRSC):

- A small team of 'Covid-19 Support Heroes' has been formed for every business in each of the plant locations and in field offices
- The said Covid-19 Support Heroes

in field, office and respective plant locations will be led by the Covid-19 Support Champions

- The entire team of Covid-19 Support Heroes and Covid-19 Support Champions constitutes the Covid Response Support Center Team (CRSC)
- These teams will provide the support as needed like, coordinate with Connect and Heal (the external service provider), provide information on hospital, oxygen cylinders, ambulance etc.

02 Expansion of Internal Hostels for Employees

In view of employee wellness, wellbeing and safety, to ensure the safety of ARTS employees, after studying the requirement at plant locations, management expanded the Internal Hostels by building new

C&D blocks at ARGC with all facilities. Existing facilities at men's hostels were enhanced by providing sports kits, CONWAY water coolers (with sensor provision) at both locations, store for essential needs, shuttle and volleyball courts, swiping readers at men's hostel dining at ARGC Location,

CCTV Cameras at HO Bachelor hostel. We are also constructing Internal Hostel for Women Employees too, which is expected to be inaugurated soon at ARGC Location.

03 Revamped PMS

A revamped Performance Appraisal System had been introduced and implemented for the FY 2020-21. The revamped appraisal system provides for a higher focus and increased frequency of review.

This review will be held quarterly once. The primary focus of this new performance appraisal system is:

- To enable performance planning that is sharply aligned to the business focus areas

- To enable higher visibility of the performance of individuals and teams
- To enable periodical review in order to ensure high levels of engagement and support to talent to achieve the objectives

04 Adopting 'Fusion Model' of Working Patterns

In the current pandemic, we have transformed to new working patterns for all our people at different office locations, across the organisation. Our organisation was also at the forefront of adopting technology to enable remote working.

We have implemented a new flexible pattern of working known as the 'Fusion Model' (Flexible, Unlimited, Smart, Intelligent, Open, and Nimble). Based on the roles, members in a team are classified to make it easy to

switch between work-from-office and work-from-home. We have also made arrangements to enable all talent to report at the office on specific needs and as and when role/business situation demands.

05 “AR TalentUP” (AMARA RAJA TALENT UP)

Amara Raja has always been at the forefront in adopting and infusing technology in people processes to enhance productivity and performance. As part of this journey, we have launched “AR TalentUP”

(AMARA RAJA TALENT UP) our “Automated Skill & Competence Management Process” across groups. The primary aim of this programme is to make the skill and competence management process paperless. It also provides on-demand skill & competence data online, anytime.

This will help managers make the right decisions on the manning of their sections and also make appropriate development plans.

06 First Time Managers Programme

Re-initiated the First Time Managers Programme (FTM), which is a flagship program facilitated for talent, who have for the first time stepped into a managerial role (in M07 Grade) and completed a year of their journey with the Amara Raja Group.

This programme aims to build a strong foundation in the talent’s managerial journey by improving knowledge of Business Strategy, Personal Effectiveness, Marketing Management, Finance Management, Business Law & Operations Management and Digitalisation.

In this regard, we have initiated the VALEDICTORY SESSION and this was held on 11-Aug-21. After successful competition of all 3 Batches (Batch 10, 11 & 12), the Valedictory Session was conducted, which was attended by HR Leadership Team, OD and L&D team, FTM participants along with other dignitaries.

07 Revamped AR Speak Employee Experiences Survey

AR Speak Experiences Survey, has been a good platform that has given us key insights and urged us to take actions to continually enhance experiences. The 14th ARSPEAK Experiences survey started on 15th Sept’21 and ended on 13th Oct’21. The survey was conducted 100% online covering Employees across the AR group, including all grades, and locations. **AR Speak** - Revamped the Employee Experiences Survey Dimensions and also Change the action team in 2021.



08 AR-Buddy

Our Psychological wellness program that was launched last year during 1st wave of pandemic in collaboration with a reputed organization ‘YourDOST’ has helped us to successfully contain the impact by helping employees this year too. The program has been extended to cover the employees family members as well. The counselling for Covid19 affected individuals and

their family members continued. In order to encourage more people to get assistance as per their needs, counsellors periodically visits the factory locations and has interactions. In the larger interest of enhancing mental health of employees, monthly reviews are carried out by the HR leadership and YourDost leadership team and appropriate supportive actions are taken up.

‘AR-Buddy’; brings expert advice from 1000+ external experts, with complete privacy, confidentiality and anonymity available for our people and their families 24x7 on a wide range of subjects including Stress, Time Management, Confidence Building, Career Coaching, Relationships, Covid-19 Anxieties, and much more...

Awards & Accolades for people practices

01 Four Par EXCELLENCE awards at International Convention on Quality Circles

Amara Raja has once again distinguished itself on the world stage. All the four teams that participated have won the highest category "PAR EXCELLENCE" awards at the recently held ICQCC (International Convention on Quality Control Circles) 2021 competitions at Hyderabad, India from 24th - 27th November, organised by Quality Circle Forum of India (QCFI).

This year about 7734 employees participated in the Quality Circles programme throughout Amara Raja and the results are indeed very valuable.



02 15th Six Sigma National Competition - September 2021-

Amara Raja is always at the forefront in demonstrating Excellence and strongly believes in Continuous Improvement culture across for sustainable growth.

Amara Raja Batteries Ltd has been recognized in the "15th Six Sigma National Competition" held virtually on 28th & 29th Sep'21 by CII, Bengaluru and bestowed with 1 Platinum recognition, 2 Gold recognitions and 1 Silver recognition wherein, one project is

significantly awarded. SBD2 team has been recognized with Platinum, under "Manufacturing Auto sector-Improvement in Manufacturing/ Operation" category. SBD1 & ABD1 teams has been recognized with Gold, under "Manufacturing Auto sector-Improvement in Manufacturing/ Operation" category.

Gr. SCM(Logistics) team has been recognized with Silver, under "Manufacturing sector - Improvement Projects in Transactional area" category.





03 Amara Raja Group in Forbes List of Best Employers in the World

Amara Raja Group has been featured second time in a row in the Forbes List of Best Employers in the World. We are ranked 405 this year. Significantly noteworthy is that there are only 31 conglomerates that are listed across the World in the top-750 and we have been placed 18th amongst the global top-31 conglomerates. Also to add, this time there are only 19 organisations from India that are listed in the top 750 (last year was 31) and we have been placed 11th amongst the 19 organisations from India.

This is an emphatic reinforcement of the trust and deep collaboration among all employees in making this organisation reach great heights. These rankings bolster our consistent efforts in strengthening our People

Systems and Processes through people-centric practices. That it has come amid the pandemic - at a time when companies have had to be especially empathetic - is even more of a testament to our values as a Group and to the values espoused by each of the individuals, who form this Amara Raja Group.

Our people have been our magnificent ambassadors of 'The Amara Raja Way®' that personifies our unique culture, attitude and behaviour that define the Core Purpose, Values and Vision as a diverse yet cohesive group.

Thanks to our engaged employees, empowered teams and collaborative leadership, we constantly keep endeavoring to make things better for our environment, society, customers, suppliers, employees and shareholders.

The full listing of the employers is available at: <https://www.forbes.com/sites/samanthatodd/2021/10/12/meet-the-worlds-best-employers-2021/?sh=3b5981913b37>



AR-ProPEL

04 AR-ProPEL: Amara Raja Programme for Powering Emerging Leaders

Building leaders through 'The Amara Raja Way'® is a key strategic differentiator that has enabled the organisation towards sustained success over the years. We have believed in building the right talent from within the Group and groom them to take leadership roles. We have also been successful in infusing talent from outside at leadership positions and integrating them into our culture. We continue to be committed to investing in our future.

AR ProPEL is a general management and leadership development programme that has been designed in partnership with ISB, Hyderabad.

This will bring all our next generational leaders on a common platform to learn contemporary management practices, deliberate and develop strategies for achieving our vision, collaborate amongst ourselves to foster innovation, and groom our leaders to be agile leaders for shaping our future.

The future lies in courage, agility, risk-taking, eagerness and speed. The Future lies in our ability to rapidly assimilate the changes in the emerging world, innovate to find solutions, integrate with our systems to build resilience, foster relationships within and outside and be rooted in the journey to transform our increasing spheres of influence. We believe that this will take us places into the future and make us an admirable global organisation.



INTELLECTUAL CAPITAL



Battery Technology

1,037	MAN-YEARS OF CUMULATIVE EXPERTISE IN BATTERY TECHNOLOGY
40	IP PATENTS/DESIGN REGISTRATIONS FILED & 15 GRANTED
19	NEW-PRODUCT LAUNCHES IN FY22

A MARA RAJA believes that innovation is the driving force behind both technological & process advancements and business excellence. Making innovation our core mantra, we further strive to maintain our growth momentum by having a continuous focus on Capability-building initiatives that are critical to organisational performance and are also the drivers of a great journey with an excelled performance.



Amara Raja believes that capability development always begins by listening to the customer's voice and understanding and analysing the pain points to ideate and develop solutions that elevate the customer experience. The company has imbibed an **Articulate Approach** to have a journey of technology and innovation

improvement. Thrust is also laid by identifying and implementing the appropriate technologies and by institutionalising the appropriate strategies to accomplish the desired outcomes.

Amara Raja's innovative program is driven by 'The Team Technology' of 125 employees with enriched

experience in diverse areas. Because of this outstanding passion for Innovation, the Company has been able to bring in disruptive technologies and produce world-class products that have changed the industry landscape over the years.



The 'Technology' activities are categorised under three broad areas of focus:

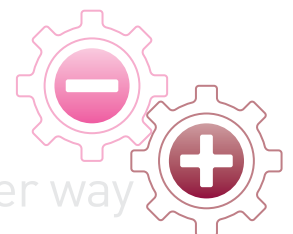
PRODUCT TECHNOLOGY	MANUFACTURING ENGINEERING	RESEARCH & ANALYSIS
Commercialised 2W batteries - AMARON range with Advanced Plate Making Technologies	Optimised and implemented paste recipe and formation program to enhance OCV in Multi Stamped Grid 2-wheeler batteries	Developed Ni-rich NMC chemistry-based cylindrical cell technology for electric vehicle applications
Conducted a comprehensive study on high warranty Tubular product for e-Rickshaw application	Developed , validated & optimised formation cycle time to reduce the conversion cost of UPS and Telecom Batteries	Developed the in-house test setups to evaluate the Mechanical integrity of Lead Acid batteries under hostile environmental conditions
Developed high-performance 2W batteries with Multi stamp grid technology	Introduced Advanced Welding technology for Li-ion Battery manufacturing	Evaluated eco-friendly polymer materials and introduced LVRLA variants
Developed high-performance commercial batteries with Ca-Ca technology	Designed and developed India's first 21700 Cylindrical Li-Ion Cell	Demonstrated Na-ion cylindrical technology at the Lab Scale
Executed Field validation of Fast Charge VRLA Battery for the cellular application successfully	Implemented Traceability system(computerised) for entire Li-Ion pack assembly line	Executed In-house validation of 2V Traction batteries of Pilot Project product
Implemented High Energy battery packs for Data center application as POC	Implemented and optimised curing process for the negative plate of 2-wheeler battery to reduce power and cycle time	Upgraded the raw material specifications and made digital access across the group
Demonstrated HV Li-Ion Battery pack E-Mobility application using Pouch cells, Active liquid cooling system (BTMS) and Smart BMS with Master & Slave concept along with OTA, IOT features		
Developed and commercialised Optimised Short tubular batteries for HUPS Application		
Developed and commercialised a cost-effective battery model for UPS Applications		



Going forward

Gotta Be A Better Way... this is like a *shloka* that makes us inch towards perfection, which is manifested in our upgrading of products and processes continuously. The Technology Team's aspirations in the coming years include a huge list of process, material and product improvements that promise to enhance the product performance and strengthen the Company's position in the competitive market.

- ☞ Development of high-performance Advance Lead Acid Technology batteries for automotive application
- ☞ Development of a smart intelligent battery that updates the user on the battery's health regularly
- ☞ Development of advanced ISS batteries with stamped grid technology for automotive applications
- ☞ Process validation and implementation of Advanced Plate Making process for UPS batteries
- ☞ Developing a novel curing oven (prototype) to enhance plate quality with reduced cycle time and energy
- ☞ Process validation and launch of ABS poly for UPS batteries
- ☞ Process validation and implementation of Auto TIG welding process for SVRLA (18Ah) battery to eliminate manual soldering process
- ☞ Implementation of the optimised formation process of UPS & Telecom batteries
- ☞ Evaluating alternate new formation process technology for 4W automotive batteries w.r.t enhanced productivity and manufacturability
- ☞ Introduction of Novel adhesives for terminal sealing application in UPS batteries
- ☞ Evaluation of different grades of polypropylene to meet the market demand/customer requirements
- ☞ Optimisation of Pasting materials to enhance the productivity of automotive plates
- ☞ New paste formulations with advanced adsorbents to enhance the electrical performance of 2W batteries
- ☞ Design and Development of a New 600Ah Plate profile as a part of a technology demonstration for Telecom Application
- ☞ Development of a new vent seal for LVRLA Batteries
- ☞ Concept Evaluation of Advanced Plate making technology for cellular and UPS applications
- ☞ Design and development of cost-effective batteries for UPS applications
- ☞ Design and Development of high-life 200Ah Premium product for HUPS export market
- ☞ Development of New SVRLA Products for UPS Application
- ☞ Traction New product Pilot Project 2 models - Designs ready
- ☞ A study on Grid spine design for the e-rickshaw application
- ☞ Developing advanced high-energy Li-ion cells with improved cycle life and safety
- ☞ Developing Li-ion batteries with different Chemistry for high-temperature applications
- ☞ Development of solid-state Li-ion battery technology for future business
- ☞ To incorporate creative/functional features as well as improve ergonomics for Li-Ion battery Packs by collaborating with Design houses for new applications
- ☞ Implementation and Demonstration of Auto screwing solution with embedded Poke-Yoke mechanism like Torque monitoring and Auto screw counting solution to increase productivity and reliability
- ☞ Implementation of Robotic systems for Auto Cell & Module insertion to reduce fatigue to the operators in the production line
- ☞ Implementation and demonstration of Auto cell sorting machine with Auto data logging to increase productivity and reliability and eliminate manual errors
- ☞ Implementation of the high-speed Pack assembly line
- ☞ Demonstration and Installation of High Energy battery packs for Hybrid ESS



Gotta be a better way

Information Technology (IT) & Digital

CHANGING times calls for dynamic measures. In FY22, Amara Raja continues to invest in Information Technology & Digital Solutions to automate more and more processes and provide security to existing IT Assets.

We fully transitioned to Remote working, effectively learning from 2020 to deliver significant new capabilities for Amara Raja and its partners.

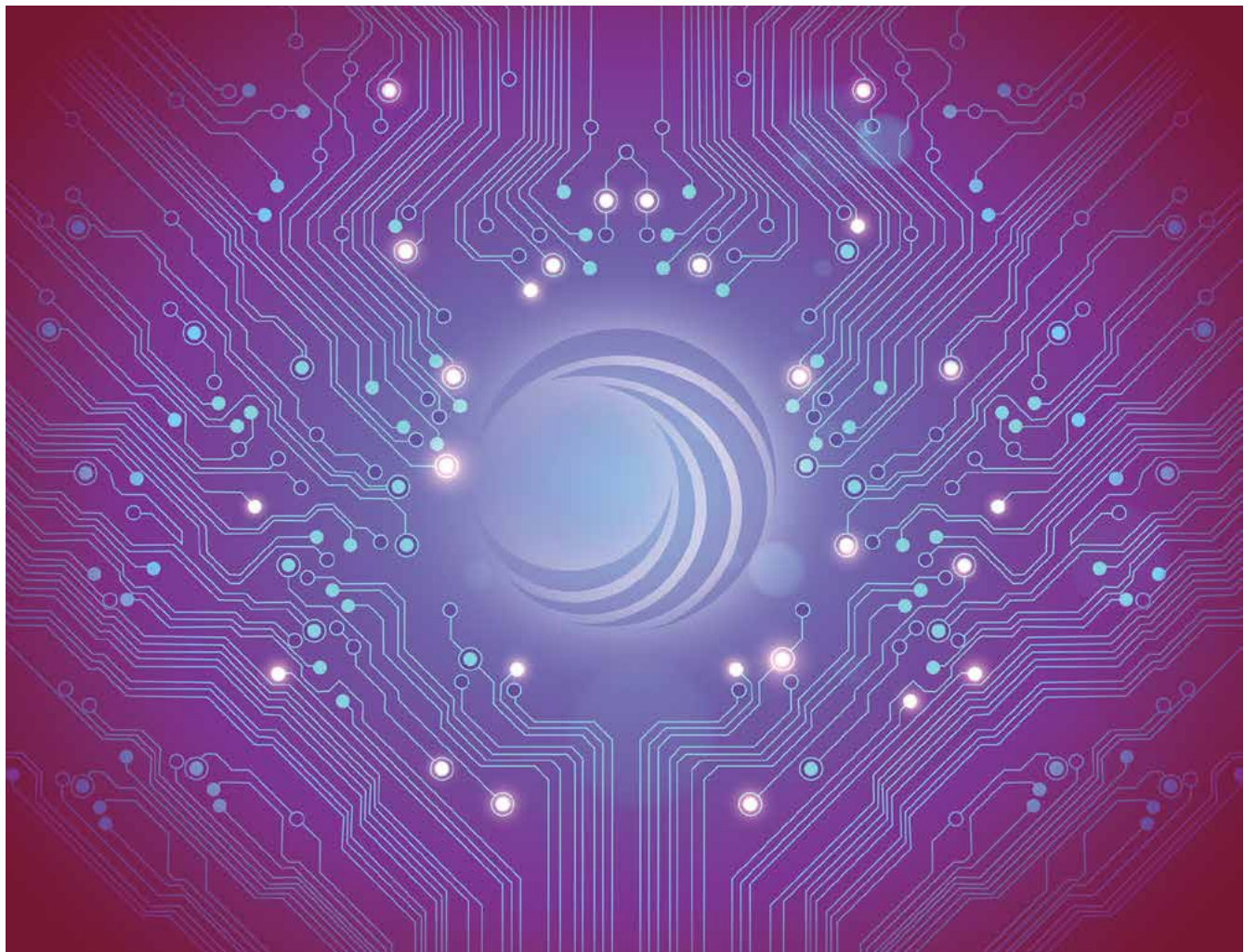
The Company continued to focus and deliver on our Digital Transformation Journey by focusing on SAP S/4 HANA expansion and upgrade and further adding solutions like Vendor Invoice Management, Robotic

Process Automation, End Point Security tools, Patch Management Solutions and Readiness for Cyber Attacks and Network Monitoring Tool Implementation.

We built secure and easy collaboration platforms that enabled us to become more proficient in brainstorming and synthesizing ideas into powerful applications that enabled us to deliver services more

effectively. Besides, we implemented several security measures to protect our assets and ensure seamless systems and services.

We built several new capabilities for Amara Raja that allowed us to stay competitive in a very tough business environment.



Enabling Cyber Security - Protecting People, Assets & Identity

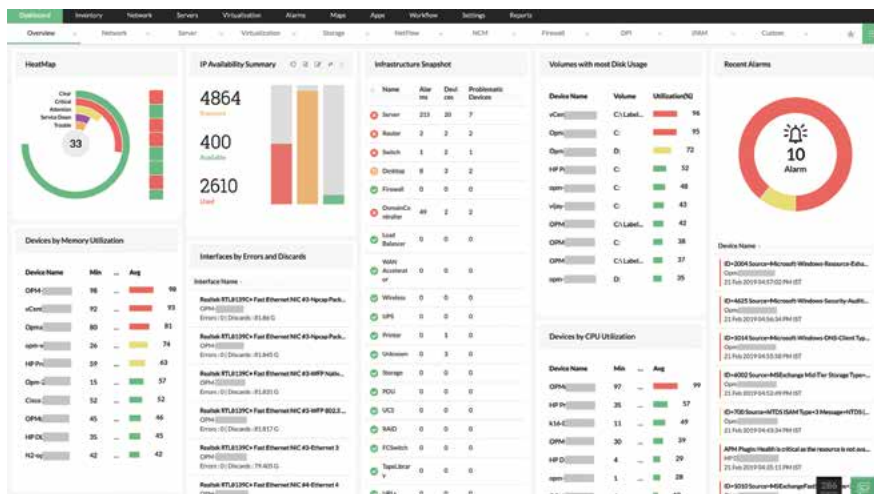


Protecting the Perimeter

Safeguarding our virtual territory and workspace is immensely essential to thrive as an organisation. To improve the endpoint security and enable auto-response, a new XDR solution was implemented to minimise the time to detect a cyber-attack and improve the response time. The new Vulnerability Management brings the visibility of security gaps and enables rapid response and resolution while minimising the risk to the organisation. Endpoints play a major role in the organisation's security as they are vulnerable spots for all inbound emails or threats which lead to Data theft. Various security filters allow us to protect ourselves from Threats, Ransomware, and Browser control and ensure reputation protection.

Secure the Existing Assets

We successfully reduced the probability of ransomware attacks to a great extent. We rolled out a best-in-class Management solution in Patch management helping our team continuously monitor and respond to security issues. The team was able to deploy new patches and security updates as and when they were released by following a robust test process.



Monitor and Optimise

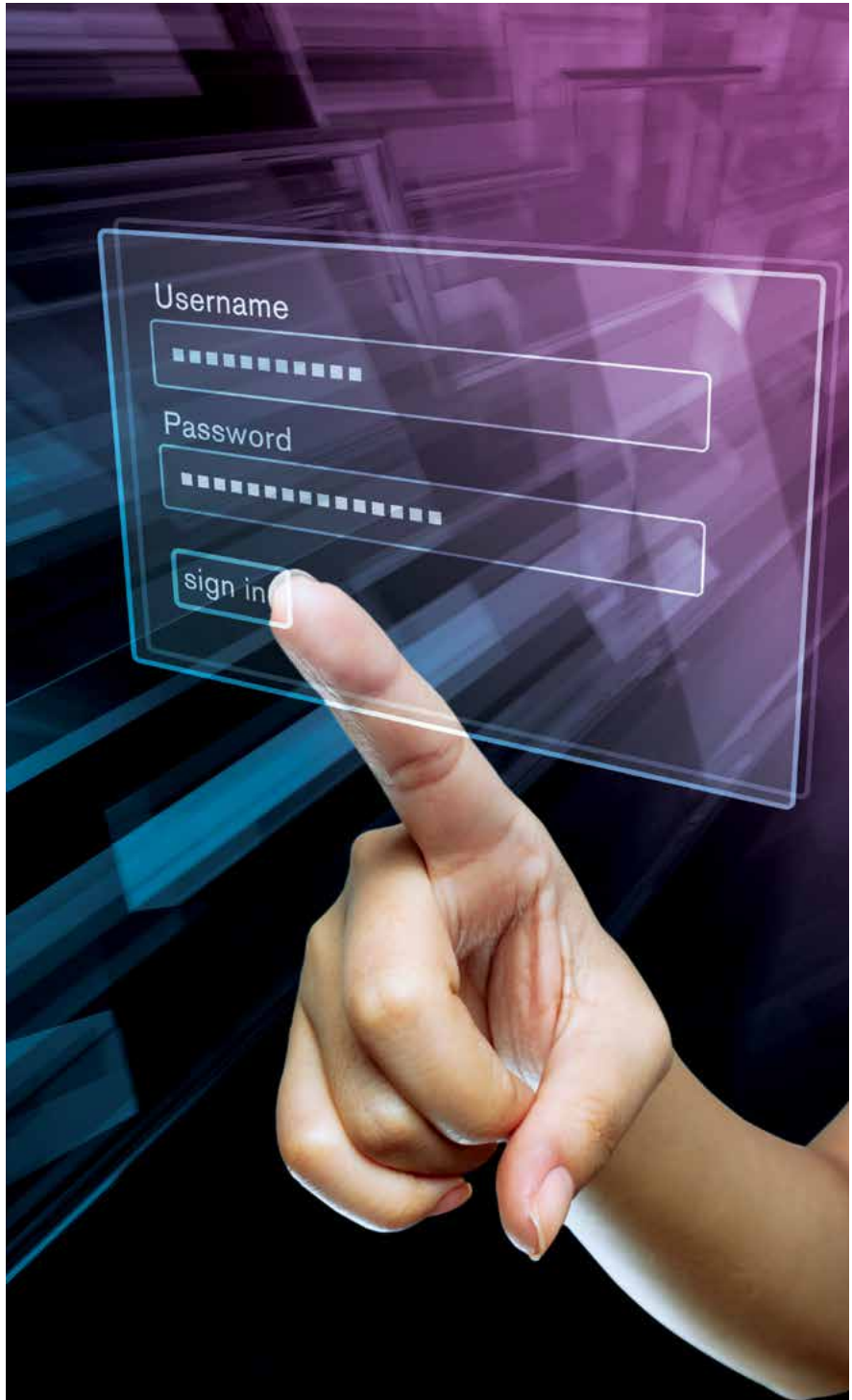
Constant monitoring and optimisation are the keys to stable and sustainable IT processes. We monitor availability, traffic, packet loss, performance metrics and response time of various devices including servers, routers, switches and virtual machines. We analyze network traffic patterns and bandwidth consumed by different devices and applications to configure traffic to balance the system by better understanding bandwidth consumption and performance. We have deployed a network management solution that includes network and server monitoring, bandwidth analysis, configuration management and fault management.

Cyber Attack Awareness and Response Plan

In 2021, 83% of organisations faced phishing activities. It made cyber-attack awareness must and a comprehensive response plan a necessity that cannot be ignored. 97% of people cannot identify a phishing attack. 1 in 99 emails triggered a phishing activity. Ransomware - cybersecurity attack vector wreaked havoc on individuals and organisations around the world. All of this led often to significant data and consequent financial loss.

We created a Cyber War Drill to sensitize and train key leaders on preparing and operating under a cyber-attack by simulating cyber war. We set up Mock Drills, User awareness and created Playbooks. We initiated Leadership training to protect them from business email compromise (BEC) Scams. At Amara Raja, we focused on multiple fronts to combat threat and threat actors. Threat actors specifically target Leadership and First Line Managers, in part because of their privileged access and access to sensitive communications.

We identified the gap in business resiliency considerations and enhanced a culture of security awareness led by strong executive sponsorship 'tone at the top'. We enhanced the understanding of the current tools, processes, roles, responsibilities and abilities to understand and make decisions in situations without having complete information. We were able to test the exchange of information between the security incident response team members and the Leadership and First Line teams.





IDEA Digital Journey Continued...

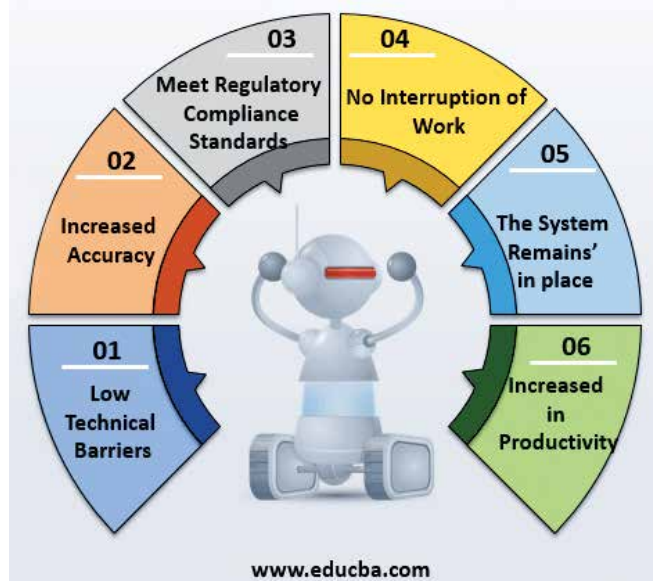
Amara Raja, IT continued with its mission of building a Digital Enterprise by leveraging its S/4 HANA Platform. As part of the digitalisation, we have enhanced our core Digital platform to roll out new functionalities and addition of automation tools to increase productivity.

We enhanced our Human Resources platform to enable more self-help processes and simplified access to key employee information. We continued with our Digital transformation by building new solutions enabling simplified access to Finance information, accelerating vendor payments and faster onboarding of suppliers. We rolled out Remote Process Automation to automate manual activities allowing us to utilise our employees for higher-value activities.

Enable new Capabilities on our Enterprise Resource Planning System

To meet dynamic requirements from our various businesses, we upgraded the SAP S/4 HANA System to the latest service pack level. We implemented several new features in the areas of Extended Warehouse Management (EWM), Transport Management (TM), and Production Planning & Detailed Scheduling (PPDS).

- a) Automated the process of sharing payment information to Suppliers once after posting the payments in the S/4 HANA system which enables suppliers to reconcile their accounts quickly.
- b) Rolled out the TDS/TCS solution as per statutory changes proposed by Govt of India.
- c) Further strengthened our exports/ imports processes in the areas of LC's/BG's monitoring and controlling.
- d) SAP Focused Run - Enabled dashboards related to system health and performance and established system monitoring for all SAP S/4 HANA Production and Non-Productions Servers. The key achievements are real-time dashboards related to performance, Proactive monitoring of the SAP landscape and reduced efforts for monitoring of multiple servers.
- e) Enabled Digital Signature solution for all commercial invoices across all Manufacturing Plants & Distribution Centres which drastically reduced the efforts and cost of printing, signing & scanning the invoices.



Automating Business Processes

To simplify our business processes and automate the recurring manual activities, we have invested significantly in Robotic Process Automation. We have adopted the UiPath platform to deliver increased operational effectiveness by automating manual processes. We started the journey in FY 2021 by running a pilot to automate two business processes.

Using the lessons learnt from the Pilot, we are currently implementing RPA for multiple processes in Finance as well as identifying business processes in other functions. We have created a framework for identifying business processes with clear ROI for automation.



Empowering Employees

We continue to empower our employees by enhancing our digital HR platform - **WE@AR**. We have deployed a unified mobile Super App addressing Learning, Payroll and Talent Recruitment to serve as one platform to provide employee-centric information in a simple and

fast manner, leading to enhanced productivity. We enhanced the AI Based Bot “Jinie” to provide employee information in a simple conversational manner. We deployed a vaccination scheduling application that helped us keep our employees and their families safe during the pandemic.

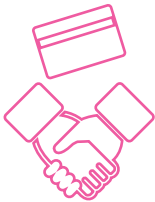
Delivering Quality



We work with multiple partners and suppliers to deliver high-quality products and services to our customers. To enable our suppliers to effectively align to our quality strategy, Amara Raja IT implemented a Quality portal, that allows us to

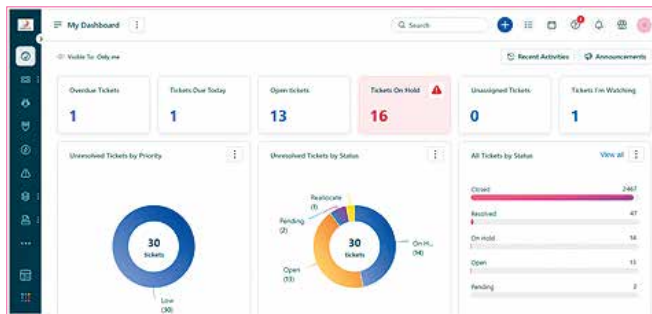
onboard suppliers through a rigorous supplier evaluation program. We conduct stringent audits and review the corrective actions, ensuring quality is maintained end to end through effective use of the Quality Portal.

Simplified Payments enabling better relationships with Partners



We have implemented SAP Vendor Invoice Management (VIM) to streamline SAP Accounts Payable operations. VIM has optimised and simplified the process of Amara Raja vendor bill processing in SAP. Invoice recognition, Invoice verification and Auto posting of the invoices were enabled through seamless scanning of the vendor bills. This allowed

Amara Raja’s Accounts Payable team to focus on issue resolution of the exceptional cases and problematic invoices and reduced their effort by 80%. VIM workflow allows for accelerated validation of the invoices and ensures quick payments to vendors. More than 1 lakh invoices have been processed in the last 6 to 8 months allowing us to re-deploy our critical resources for other strategic activities.



Customer (internal) Service Management System - A Ticket Management System

We deployed a Ticket Management System, to provide a platform for all Amara Raja users to report issues and raise new requests related to Finance & Accounts [AP, AR, GL, FA, Taxation, Commercial & CoE Taxation] which are handled by FSSC (Financial Shared Services Centre) presently. Due to tickets getting logged into the system, we are now able to predict the time required to respond and resolve issues resulting in a better end-user experience. We are also able to allocate resources optimally based on the trend of user requests.



AR Finance Connect - An Intranet Portal

Finance Portal has been built as a platform to share and disseminate all of Amara Raja's Finance processes information to all Amara Raja employees. The platform has been

built as an interactive and easy-to-use Portal. Finance information - classified into SOPs, SLAs, Knowledge Hub, FAQ and Events are distributed for ready reference and continuous learning & development.

Our blueprint for FY23

Seamless Collaboration with Partners and Customers

To strengthen our relationships with our customers and to create a collaborative ecosystem, we are taking the next step in our Digital Transformation Strategy by deploying the Customer and Vendor Portal. We will set up an omnichannel platform to enable seamless digital transactions for our customers. The portal shall provide Customers a 360-degree view of inquiries, quotations, market information, lost orders and customer interaction history to be able to respond to and resolve customer queries. This will near real-time visibility between Amara Raja & Customers for sales & service operations.

We are deploying a Vendor portal to enhance our supply chain efficiency by managing the procurement process and suppliers efficiently and effectively. Vendor Portal will ensure end-to-end collaboration in the supply chain and allow Amara Raja to meet changes in demand more accurately and in time. We will also be able to manage supplier contracts effectively through benchmarking process leading to efficiencies in procurement.

Analytics

Amara Raja's shall implement an Analytics program to create dashboards providing insights for multiple KPIs addressing business performance in Finance, Manufacturing, Working Capital Management, Inventory Management,

Sales Performance and Warranty Management and allow insightful and rapid decision making.

Cloud

Amara Raja is transitioning to cloud-based computing to leverage the agility and scale provided by Cloud. We have built B2C capabilities by building digital warranty applications on Cloud leveraging the microservices and container technologies allowing us to incrementally scale up the applications as per business need. In addition to this, we have also planned to set up our Disaster Recovery (DR) Landscape in the cloud for achieving the cost-effectiveness of a DR solution that provides faster recoverability and scalability.

Industry 4.0

We have started our Industry 4.0 journey by setting the stage for the Industry 4.0 Model Plant covering Solar Power management, Water Management and providing Traceability in battery manufacturing processes - battery preparation, formation and finishing processes. These initiatives will allow us to capture process data in real time and take appropriate corrective actions. Our key focus to improve on the Overall Equipment Effectiveness (OEE), Reduce product rejections and reduce workmen operations variations will lead us to become operationally more efficient and deliver higher quality batteries faster to market.

Sharepoint Repositories

We plan to implement Sharepoint document repositories for our manufacturing, engineering, finance and HR departments to enable easy sharing of documents along with a personalised view of the documents. This will enable businesses to be able to collaborate better.

Enterprise Document Management

We plan to deploy an Enterprise Document Management System to enable agile and seamless collaboration with internal and external stakeholders. Key features for collaboration include workflows, retrieval of documents, images and videos based on search parameters, version control and records management will reduce paper proliferation and reduce storage duplication meeting our sustainability objective while simplifying operations.

Powering IT to become a Key Business Partner

Amara Raja's IT is on a journey to become a significant partner in creating business value for Amara Raja customers. We are implementing IT Infrastructure Library (ITIL) framework to effectively plan, allocate and manage IT resources to meet the business need. IT Service Management shall be used as a strategic approach for designing, delivering, managing and improving the way information technology (IT) is used within Amara Raja. We will streamline incident management and project management activities to ensure optimal usage of IT resources.

SOCIAL & RELATIONSHIP CAPITAL



320+	DESTINATIONS PAN INDIA
35+	INTERNATIONAL DESTINATIONS
2,500+	CHANNEL PARTNERS
28	OEMS SERVICED

A MARA RAJA is rooted in strengthening its bond with communities - be it value chain partners or beyond, to wider society through a meaningful and purposeful engagement.

Committed to deliver

Demand for storage batteries always dwells in the 'Now' - ready availability and instant delivery. Be it automotive OEM to the vehicle driver, telecom tower maintenance to any mobile user, Data Center owner to homemaker, for a man on the street or a honcho - a storage battery is always an urgent emergency. Delivering and meeting this 'now' need with crucial supply chain efficiency is what propels the success of a battery manufacturer.

For Amara Raja, this challenge to deliver to this demand has become more complex given the scale at which the Company grows and thrives. The Company services more than 3000+ Amaron Franchisees/ Power Zone Retail Partners/Aqua channel partners/Direct customers PAN India as well as distributors spread across the Indian Ocean Rim. Additionally, it caters to the exacting JIT schedules of leading Automotive OEMs. Besides, the Company services its expansive customer footprint from two operating plants based in South India. All these tasks are equally challenging.



Domestic Logistics

Amara Raja over the years has emerged as a respected entity in the market place not only for its industry-defining products but also for the ability to ensure that the Company's products are always available Pan India.

This has been achieved by disciplined management and painstaking efforts of the Company's supply chain

team that ensure product delivery (380+ Industrial and Automotive SKUs) across 350+ destinations in India through efficient Multi Modal Logistics planning and managing increased volumes and optimising costs despite ever-increasing fuel costs. This also includes the demanding requirements of 26 OEMs with distances ranging between 60km and 3400 km.

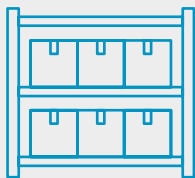
Even as supply chain complexities increase every year owing to business growth (India and

international destinations), the teams and stakeholders continue with the rigorous efforts towards strengthening the delivery commitment and optimising delivery costs.

Despite pandemic and state-specific challenges, the Company has been able to meet despatch requirements with tireless support from our Logistics Service Providers (LSPs) for all OEMs.

Primary Logistics

(PLANTS TO OE CUSTOMERS/DISTRIBUTION CENTERS)



Maximised MMTS thereby reducing surface mode. Enhancing the Green Logistics initiative, ARBL has laid greater emphasis on Rail and Sea Shipments as part of a multi-modal transport system that helped to minimise the transit time and ensured safe transportation.

Direct Delivery model implementation ensured quicker reach to Customers, where FG despatches are being executed from Plant directly for 28 Channel partners located in 4 districts in Phase-1. The Company will be expanding over 200+ channel partners in Phase-2. This not only helps quicker deliveries but also results in avoiding multiple handling and achieving associated cost benefits.

Advanced shipment note (ASN) and e POD yielding dividends in the form of Customer delight.

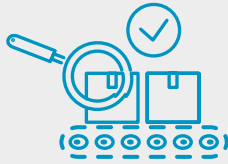
Training drivers' community on adherence to Standard operating procedures on Safety, HIV, Cultural practices and Discipline towards transit hurdles. Moreover, as a progressive partner approach, we have been supporting Drivers and other staff by establishing an amenity centre for them to relax, refresh and recreate at plants. CSR initiatives of the company were also channeled towards them for Health and Safety.

GPS enabled in Fleet Owned transport, which assisted the company in minimising transit damages and ensured timely reach to customers as compared to the Traditional transport system.

Optimised carbon emissions by focusing on reducing fleet deployment by enhancing packing re-configuration to fit volumetric as a part of CFT approach. The team has worked exuberantly to make the Company more environment-friendly.

Secondary Logistics

(DISTRIBUTION CENTERS TO CHANNEL PARTNERS)



Biometric systems at all Distribution Centers were installed as part of safety and security measures to meet local regulatory requirements.

G+2 high storage racks were implemented as a part of the space optimisation initiative, which optimised space management.

Deployment of conveyors was done in FY22 in phased manner to ease unloading of specific high volumetric batteries.

Efficient Contract Management to process bills as well timely renewal of contracts for Distribution Centres, Freight contract & other agreements.

Effective WMS has been achieved by deploying TMS, tracking the product serial no's minimising the aged inventories through automated FIFO.

e-POD acknowledgement process introduced, which will help customers track their shipments and streamline Transit Damage settlements and monitor the delivery lead times effectively.

Automated bill desk process to minimise TAT; also established infra as per BWMR norms across 18 Distribution centres.

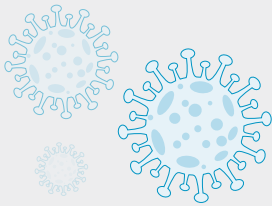
International Logistics

FY22 was all about revival and growth after the pandemic kept a lid on global trade and economy. In the first quarter, many ports still faced Covid blues as the global supply chain remained subdued. The terminals' slowdown caused inefficiencies along intermodal connections. Freight costs went up to unprecedentedly levels while adherence to IMO guidelines by shipping lines only added to the freight cost. But as the world left the worst of pandemic behind, the Company's international endeavours

and commitments were steered by favourable winds of change and prosperity. As a result, the Company was able to successfully cater to 35+ international destinations. The Company implemented important measures to ensure that it could meet customer commitment while optimising freight costs. Engaged in direct liaising with Freight forwarders & shipping lines helped freight optimisation, allowed material to reach on time and facilitated ease of transactions during disembarking.



Amara Raja earned and retained the AEO-T2 status importer by Indian customs, which facilitates cost-effective management of port operations including deferred payment of Customs duty fortnightly.



Committed to Covid-19 battle

Amara Raja believes in thriving with the communities'. This core mantra became even more critical since the advent of Coronavirus in human lives in 2020. In the first quarter, when India and the world were grappling with Omicron; the Company went all out to stand by its people and the communities within which it operates. Proper healthcare for those in need were ensured and the organisation helped many thwart the Covid challenge.



Contributing to Covid Relief Fund

Amara Raja pledged support to communities through its CSR initiatives. In this commitment, our people also set an example by giving away one day's salary on their part to the relief and other efforts of the Government in fighting the pandemic. These were in addition to continuous support to the local administration. The Amara Raja Group including Amara Raja Batteries Ltd. supported Government initiatives by contributing to the Andhra Pradesh CM Relief fund and the Telangana CM Relief fund.



Commitment to Community

Amara Raja takes its commitment to the community very seriously. A bouquet for initiatives is offered to mainly the underprivileged sections of the community residing in the vicinity of the Company’s operational domain. Our core mantra is social upliftment of the underprivileged by pushing them towards economic independence and empowering their lives with education and healthcare.



Education

Amara Raja Educational Society (ARES) realises the Company’s dream of an educated India. ARES has three Schools located at Karakambadi, Petamitta and Diguvaamagham in the Chittoor district, which are affiliated to CBSE. In FY22, 4462 children benefitted by getting quality education. Of them, 80% are from the marginalised community. Students from 90+ villages from 05 surrounding Mandals attend school. 41 buses are also run for transportation. ₹2.32 have been

spent on the construction of the high school building for Amara Raja Vidyalayam, Dighuvamagham. CBSE approval received to commence Classes 11 and 12. The first batch of Class 10 students appeared for the board exam in 2021-22 academic year. All schools have quality infrastructure, equipped laboratories, libraries and playgrounds. The students have secured state-level ranks in competitive entrance examinations and have marched ahead in engineering and chartered accountancy courses.



Primary Health

Amara Raja shares a dream of a healthy nation. The company’s CSR aims at providing healthcare access to the downtrodden, which don’t have the resources to afford quality healthcare. The company has built a network of centres providing Primary

Health Services in rural areas. In FY22, over 12250 outpatients have been attended to while around 10500 lab tests have been performed as per the needs of patients.



Water

The Trust built 23 check dams and desilted three tanks under Rajanna Jalasayamu Programme in Chittoor district. It continues to undertake

periodic maintenance of the check dams. Around 60 villages, covered under 12 panchayats, continue to benefit from this initiative.



Rural Development

The Trust continues to support the adopted panchayats of Karakambadi, Pettamitta and Diguvaamagham in Chittoor district. The Trust has drawn the blueprint for improving the infrastructure in villages over the coming years. The Trust funded

building of connecting roads, tanks for safe drinking water in villages through RO plants, street lighting, leisure parks with internet access and a library in Chittoor district. These facilities are maintained by the Trust on an ongoing basis.



Social Forestry

Amara Raja dreams of a green future for the generations to come on this planet. The Company had adopted a 250-hectare plot on a hillock at Pemmagutta in Chittoor district to create a green cover. Moreover, the Trust purchased and donated a 30-acre adjoining plot to the government.

Over the years, the Trust has planted **70,000** saplings in and around the hillock and will continue to do so in future. The plantation project provides livelihood to about 40 tribal families. Under the Blue Sky CSR initiative, the Rajanna Trust enjoyed assistance from nearby communities, school children and its employees.



Committed to Skilled India

Amara Raja Group believes in the call of Atmanirbhar Bharat and is committed to playing a role in Skill India movement. The Company already has a dedicated team on the field, gathering youth force and providing opportunities to them, especially in rural areas, to enhance their skills and enable them to seek non-migratory employment opportunities. The motto is to bridge the skills gap across sectors and channelise the workforce into the making of a new and empowered India.

Development Centre (ARDC) was set up way back in 2014. This Centre runs under the aegis of Rajanna Trust, which Amara Raja fully supports. In FY22, 1098 students including 266 women got training free of cost to become specialised in working in industries. 100% of them were from marginalised communities.

There is a visible mismatch between the requirements and the availability of the talent pool. There is a dire need for initiatives to bridge the skill gap. On this line, Amara Raja Skill

The courses focus on skill development, personality development and enhancing employability and are approved under Government's National Apprenticeship Promotion Scheme (NAPS).

Practical hands-on training methodology is followed with 70% emphasis given to practical and 30% on theory. The entire curriculum has been designed by ARSDC with suggestions and inputs from the Industry.



Committed to vendors & customers

Amara Raja is on a mission to bring the digital warranty product. It is committed to making the service on a digital platform the way forward. There is a very clear plan laid out to bring both vendors and customers

on digital platforms so that the transactional activities can be done seamlessly and over a period of time, this data will enable strong business analytics, which makes the business decision making a lot more scientific and fast.

NATURAL CAPITAL



18,824	TREES PLANTED INSIDE THE FACILITIES IN LAST THREE YEARS
50MW	RENEWABLE POWER INFRASTRUCTURE (TO BE COMMISSIONED)
746,174m ³	CAPACITY OF RAINWATER HARVESTING INFRASTRUCTURE

At Amara Raja, we respect the environment as an important stakeholder in our progress. As such, we care for the environment by adopting technologies and processes that utilise resources efficiently. We complement that by recycling of the waste in everything we undertake.

We aim to go a step higher. Through our systematic and process-oriented approach, reinforced by the spirit of responsibility, we continually endeavour to make a positive impact to the environment where we operate. The Company’s passion for the ecosystem is enshrined in its Health, Safety and Environment policy, which not only takes care of the safety and health of employees but also protecting the environment.

Complying with global standards, Amara Raja focuses on improving its environmental score sheet with every passing year. With this objective, it adopts global and business relevant technologies and adheres to all the international standards. The Company’s operating facilities are ISO 14001:2015 certified which drives us towards building a sustainability enterprise.



01 Energy Management

Preserving our natural environment is of utmost importance to Amara Raja. As such, it works towards our dependence on the natural resources and conserve them for our future generations. We have been using advanced technologies in renewable energy and green technology sector.

The Company continues to adhere to the global energy management systems. Its manufacturing facilities are ISO 50001:2018 certified which allows us to ensure energy conservation with planned actions.

The Company works passionately to implement energy conservation measures every year across all the manufacturing plants.

They include process improvements, instrument (equipment) replacements, and installation of energy efficient equipment etc. Connecting to India's ambitious renewable energy program, Amara Raja to be commission 50 MW Solar project by Q2 FY 23, demonstrating its commitment to utilising green energy and optimizing carbon emissions.



02 Water Management

Amara Raja understands the ground reality. Climatic changes and significant wastage have drastically depleted the availability of freshwater. The Company, over the years, has undertaken important steps to reduce freshwater consumption at all its facilities.

The Company has installed irreversible electromagnetic water flow meters to monitor water consumption in the plant. This allows us to analyze and identify the consumption of water in different areas, points of concern and accordingly undertake remedial measures in high water consumption areas.

The Company has created rainwater harvesting bodies developed at its operating units to improve groundwater levels. The Company established the facility of storm water collection pond for collecting runoff

water for the first 30 to 45 minutes during rainy season. It also created storm water collection pits to hold contaminated soil if any.

03 Pollution management

Amara Raja has installed state-of-the-art pollution control equipment, inside its facilities, to take care of dust and fumes that are generated in the process. Regular monitoring is in place to maintain the levels below statutory requirements.

In addition, the Company has installed Continuous Ambient Air Quality Monitoring Stations (CAAQMS) for real time monitoring of PM10 and PM2.5 at Karakambadi location.

Domestic sewage and process effluents from the plant are taken care through well-established Sewage Treatment Plant & Effluent Treatment Plant facilities.

The existing effluent treatment plants of all divisions were upgraded with the latest technology. Amara Raja has established Zero Liquid Discharge (ZLD) system to ensure that all the treated effluents are recycled in a process that confirms to global water footprint.

04 Lead sourcing & recycling

Amara Raja strongly believes in sustainable and safe sourcing of Lead and Alloys and closely engaged with several Industry bodies, Distributor partners, various internal and external stakeholders and statutory bodies in achieving and establishing the circular economy principles.

Your Company, in FY22, as part of sustainable sourcing have substantially increased sourcing of Lead and Alloys requirements through environmentally safe and sound lead recycling initiatives, through strong scrap collection programs, establishment of collection centers and also robust reverse logistics operations..



05 Green Logistics

As a part of Green Logistics initiative, Amara Raja has increased its emphasis on Rail and Sea Shipment as part of multi-modal transport system. This has helped in minimising transit time and ensured safe transportation.

06 Green cover

Plantation is a continuous practice at Amara Raja to improve the green belt within the fence and beyond the fence. About 47% of the area at its operating units is under green cover. In the last three years, the Company has planted about 18,824 saplings inside its facilities.

07 Sustainability Reporting

As a responsible corporate, Amara Raja promised to stay with the United Nations Sustainable Developmental Goals (SDG) along with its sustainable journey to protect the ecology. The Company is preparing a comprehensive Sustainability Report as per the guidelines from UN SDG's for internal circulation and usage.

08 Supporting the Paris Agreement

Amara Raja aligns with the Paris Agreement goal to keep the rise in global average temperature this century to well below two degrees Celsius (2°C) above pre-industrial levels and inventorisation. The Company diligently reports Green House Gas emission to upkeep that agreement.

09 CII-SR EHS Excellence Awards 2021

CII EHS Excellence awards are one of the prestigious recognitions given by CII for the industries who follow the best practices in the field of Environment, Health and Safety. Award process consists of assessment checklist covering 20 elements of sector based and a detailed guide notes to assessors. 110 assessors with 750 man-days including 32 Lead assessors, 32 Co-assessors and 42 new assessors are put into the whole assessment process for picking up the best-in-class companies in the field of Environment, Health and Safety practices.

Assessment was programmed with multi-layered audits of Virtual Assessment followed by Physical/onsite assessment and then presentation through virtual mode on the Environment, Health and Safety best and beyond practices of the last 3 years.

194 companies across India participated in the competition and 20 companies received Gold award which is highest level of appreciation covering 21 sectors.

CII Southern Region has conducted EHS excellence awards 2021 ceremony at ITC Grand Chola Hotel, Chennai on 29th March 2022.

Amara Raja Batteries Ltd has been awarded the highest level of Gold award - Sectoral topper in Auto components in CII-SR EHS Excellence Awards 2021 by Confederation of Indian Industry (CII) and received from Mr. T T Ashok - Past Chairman, CII-SR & Managing Director, Taylor Rubber, TTK Group, Mr. Raju Ketkale - Chairman, CII-SR EHS Excellence Awards 2021 & Executive Vice President & Director, Toyota Kirloskar Motors Pvt Ltd and Mr. R. Rajagopalan - Co Chairman, CII-SR EHS Excellence Awards 2021 & Chief Manufacturing Officer, Titan Company Ltd.



ANALYSIS OF FINANCIAL STATEMENTS 

DURING the year under review, the Company recorded a profit before tax of ₹689.80 crore (previous year: ₹873.33 crore). The decrease is primarily on account of increase in material prices. The basic and diluted earnings per share was at ₹29.93 per share (previous year: ₹37.87 per share).

STATEMENT OF PROFIT & LOSS			₹in Crore
(a) Revenue from operations			
	FY 22	FY 21	% Change
Sale of products	8,611.53	7,091.49	21%
Sale of services	41.84	41.65	0%
Other operating revenues	42.45	16.54	157%
Total	8,695.82	7,149.68	22%

DURING the year under review, sale of products was higher as compared to the previous year, primarily due increased volumes in automotive battery products and industrial battery products. Other operating revenue increased mainly due to accrual of export benefits under Duty Drawback and RoDTEP schemes.

(b) Other income			
	FY 22	FY 21	% Change
Other Income	77.98	87.36	-11%

OTHER income was less primarily due to decrease in write back of liabilities and provision for doubtful trade receivable as compared to previous year and partly offset by increase in net foreign exchange gain.

(c) Cost of material consumed and Purchase of stock-in-trade			
	FY 22	FY 21	% Change
Cost of materials consumed	5,969.39	4,382.54	36%
Purchases of stock-in-trade	473.80	429.99	10%
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(321.86)	(67.85)	374%
Total	6,121.33	4,744.68	29%

DURING the year under review, the cost of materials consumed increased due to higher purchase cost of lead, other inputs & increase in volumes. Purchases of stock-in-trade was higher as compared to the previous year due to higher trading revenue.

(d) Employee benefits expense			
	FY 22	FY 21	% Change
Employee benefits expense	498.76	426.04	17%

EMPLOYEE cost increased due to increments and remuneration of Executive Directors appointed during the year.

(e) Finance costs			
	FY 22	FY 21	% Change
Finance costs	15.10	10.53	43%

DURING the year under review, finance costs increased as compared to previous year primarily on account of increase in lease liabilities and unwinding of discount on warranty provision. Company doesn't have any interest bearing debts.

(f) Depreciation and amortization expense			
	FY 22	FY 21	% Change
Depreciation and amortization expense	395.72	319.16	24%

THE increase in depreciation and amortisation expense is due to addition of capacities in 4W and 2W battery manufacturing units with advanced stamped grids and depreciation on right-to-use asset on lease contracts.

(g) Other expenses			
	FY 22	FY 21	% Change
Other expenses	1,053.09	863.30	22%

OTHER expenses were higher as compared to the previous year primarily on account of increase in outward freight expense, power cost and increase in warranty expense. Outward freight and power & fuel: Due to higher volumes and fuel prices. Warranty expense: Due to provision made for the higher input costs and increase in volumes.

(h) Tax expense			
	FY 22	FY 21	% Change
Current tax	187.92	229.91	-18%
Deferred tax expense	(9.37)	(3.39)	176%
Total	178.55	226.52	-21%

DECREASE in Tax expense of the current year is majorly on account of decrease in Profit Before Tax. Increase in deferred tax expense is mainly on account of timing differences of depreciable assets as per books of accounts and as per Income Tax.

BALANCE SHEET	₹ in Crore
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(a) Property, plant and equipment and Right-to-use asset			
	FY 22	FY 21	% Change
Property, plant and equipment	2,127.59	2,116.03	1%
Right-to-use asset	285.18	243.65	17%

INCREASE in carrying value of Property, plant and equipment as at the end of the current fiscal year is primarily on account of capitalization during the year and increase in Right-to-use assets.

(b) Financial assets			
	FY 22	FY 21	% Change
Non-current			
Investments	43.05	7.12	505%
Other financial assets	8.32	4.30	93%
Current			
Investments	34.73	273.42	-87%
Trade receivables	792.56	787.46	1%
Cash and cash equivalents	34.31	96.73	-65%
Other Bank balances	19.26	79.08	-76%
Other financial assets	16.66	25.52	-35%

INCREASE in non-current investments at the end of the current fiscal year is due to investment in Log 9 Materials Scientific Private Limited as part of strategic initiatives to venture into new energy business and EV batteries. Current Investments were lower as compared to the previous year, primarily due to liquidation of investment in mutual funds for working capital requirement.

(c) Inventories			
	FY 22	FY 21	% Change
Inventories	1,803.78	1,438.24	25%

INVENTORIES at the end of the current fiscal year were higher, primarily due to increase in cost of raw material and other inputs and higher stock of certain inputs to mitigate supply chain risks.

(d) Financial liabilities			
	FY 22	FY 21	% Change
Non-current			
Borrowings	16.52	23.39	-29%
Lease Liability	77.28	38.59	100%
Current			
Trade payables	806.45	746.47	8%
Lease Liability	25.22	19.39	0%
Other financial liabilities	298.78	205.32	46%
Borrowings	6.87	10.95	-37%

THE decrease in the borrowings is pertaining to repayment made during the year. Lease liabilities increased due to recognition of new lease liabilities. Increase in trade payables is primarily due to increase in pending payable for purchase of materials. Increase in other financial liabilities due to increase in payable for purchase of property plant and equipment.

Key Ratios and their movement			
	FY 22	FY 21	% Change
a) Debtors Turnover (No. of times)	10.95	10.02	9%
b) Inventory Turnover (No. of times)	3.78	3.68	3%
c) Current Ratio	1.85	2.12	-13%
d) Debt Equity Ratio (No. of times)	0.01	0.01	0%
e) PBT to net sales (%)	7.93%	12.21%	-4%
f) PAT to net sales (%)	5.88%	9.05%	-3%
g) Return on networth (%)	11.67%	16.45%	-5%

INTERNAL CONTROL

THE Company is committed to ensuring an effective Internal Control System and Internal Control Environment that will help in preventing and detecting errors, irregularities and frauds, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control system and mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs.

The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013 and has covered major processes commensurate with size of the business operations. Controls have been established at the entity level and process levels, and are designed to ensure compliance with internal control requirements, regulatory compliance and appropriate recoding and reporting of financial and operational information.





EXECUTIVE LEADERSHIP



JAYDEV GALLA
*Co-Founder, Chairman &
Managing Director*



**HARSHAVARDHANA
GOURINENI**
*Executive Director - Automotive
& Industrial*



**VIKRAMADITHYA
GOURINENI**
*Executive Director-
New Energy Business*



S VIJAYANAND
President - New Energy Business



C NARASIMHULU NAIDU
Chief Operations Officer



M JAGADISH
Chief Technology Officer



Y DELLI BABU
Chief Financial Officer



RAJESH JINDAL
*Chief Marketing Officer - India,
 Automotive Batteries*



VENKATA KRISHNA M.M
*Vice President - Sales &
 Marketing, Industrial Batteries*



**INDEEVAR
 GOVARDHANAGIRI**
*Chief Marketing Officer -
 International*



VVS SRIDHAR
Business HR Head



SAAYON CHAKRABARTI
*Business Head - Americas &
 Europe*



P MURALIMOHAN REDDY
Business SCM Head



VIKAS SABHARWAL
Company Secretary

10-Years Financials

Parameters / Year	Ind AS					IGAAP				
	2021-22**	2020-21**	2019-20**	2018-19**	2017-18**	2016-17**	2015-16**	2014-15	2013-14	2012-13
OPERATING RESULTS										
Net sales*	8,696	7,150	6,839	6,793	6,051	5,335	4,633	4,211	3,437	2,959
Profit before depreciation, interest & tax (PBDIT)^\	1,091	1,181	1,125	990	929	878	849	724	576	466
Profit before interest & tax (PBIT)^\	688	861	824	725	696	684	704	588	509	395
Profit before tax (PBT)	690	873	841	730	714	702	723	610	537	422
Profit after tax (PAT)	511	647	661	483	471	478	492	411	367	287
Dividends+	171	85	275	71	107	-	73	62	55	43
Dividend Tax+	-	-	56	15	22	-	15	12	9	7
Retained profits	340	561	330	398	343	478	404	337	303	236
SOURCES AND APPLICATION OF FUNDS										
SOURCES OF FUNDS										
Share capital	17	17	17	17	17	17	17	17	17	17
Reserves and surplus	4,534	4,193	3,639	3,318	2,920	2,576	2,099	1,682	1,346	1,043
Net worth	4,551	4,210	3,656	3,335	2,937	2,593	2,116	1,700	1,363	1,060
Debt	23	34	47	58	64	72	74	76	86	88
Deferred tax liability	31	41	44	96	88	82	54	37	30	20
Funds employed	4,606	4,285	3,747	3,490	3,089	2,747	2,244	1,812	1,479	1,167
APPLICATION OF FUNDS										
Net fixed assets ***	2,492	2,455	1,829	1,813	1,703	1,492	1,352	944	623	359
Capital work-in-progress (including intangible assets under development)	830	399	827	315	226	240	123	86	145	103
Investments	78	281	156	20	35	147	20	16	16	16
Gross current assets	2,976	2,663	2,188	2,348	2,204	1,706	1,456	1,341	1,356	1,292
Current liabilities and provisions	1,770	1,512	1,254	1,006	1,080	838	707	576	661	603
Net current assets	1,206	1,151	934	1,342	1,124	868	749	766	695	689
Net assets	4,606	4,285	3,747	3,490	3,089	2,747	2,244	1,812	1,479	1,167
RATIOS										
PBT to Net sales (%)	7.93	12.21	12.29	10.75	11.80	13.16	15.60	14.48	15.62	14.26
PAT to Net sales (%)	5.88	9.05	9.66	7.12	7.79	8.97	10.61	9.76	10.69	9.69
Return on Assets (ROA) (%@)	18.53	26.32	27.77	24.77	27.38	31.77	40.57	48.49	64.56	59.75
Return on net worth (%) &	11.67	16.45	18.91	15.42	17.04	20.32	25.77	26.83	30.33	30.45
Debt : Equity (times)	0.01	0.01	0.01	0.02	0.02	0.03	0.04	0.04	0.06	0.08
Fixed assets turnover (times)#	3.28	2.75	3.64	3.65	3.43	3.45	3.18	4.14	5.06	7.52
Earnings per share (₹)\$	29.93	37.87	38.69	28.31	27.59	28.01	28.78	24.05	21.51	16.78
Dividend (%)+	450.00	1,100.00	1,100.00	708	415	425	425	361	323	252
Dividend per share (₹)\$	4.50	11.00	11.00	7.08	4.15	4.25	4.25	3.61	3.23	2.52
Book value per share (₹)\$	266.46	246.49	214.01	195.26	171.97	151.81	123.87	99.50	79.78	62.05
Share Price (as of 31 st March) - (₹)\$	536.40	853.80	478.05	718.95	797.50	890.05	879.55	833.05	394.40	273.65

*Net sales are after reducing excise duty collection from gross sales.

^\ PBDIT and PBIT are net of non operating income and expenditure

+ Under Ind AS final dividend including taxes are accounted only after approval of the shareholders in AGM.

@ The Finance Act, 2020 has repealed the Dividend Distribution Tax (DDT). The Company is now required to pay/distribute dividend after deducting applicable taxes.

ROA is PBT divided by Average Net Operating Assets (ANOA). Net operating assets exclude CWIP, Cash and Non-Trade Investments

& Return on networth is computed based on average networth

#Year end net fixed assets and manufacturing revenue are considered for computing fixed assets turnover

\$ Earnings, dividend, book value and share price are on face value of ₹2/- each upto FY2011-12 and thereafter on face value of ₹1/- each

** Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. ROCE and RONW for basis as per Ind AS. Hence these numbers are not comparable with previous years. The figures presented for other years as per IGAAP

***Net fixed assets are including Right-of-use asset in view of IND AS 116 Leases w.e.f. 1st April 2019



CORPORATE INFORMATION

BOARD OF DIRECTORS

Jayadev Galla (DIN:00143610) *Chairman, Managing Director & CEO*
Harshavardhana Gourineni (DIN: 07311410) *Executive Director*
Vikramadithya Gourineni (DIN: 03167659) *Executive Director*
N Sri Vishnu Raju (DIN: 00025063) *Non-Executive Independent Director*
T R Narayanaswamy (DIN: 01143563) *Non-Executive Independent Director*
Bhairavi Tushar Jani (DIN: 00185929) *Non-Executive Independent Director*
Annush Ramasamy (DIN: 01810872) *Non-Executive Independent Director*

MANAGEMENT TEAM

S Vijayanand *President - New Energy Business*
C Narasimhulu Naidu *Chief Operations Officer*
M Jagadish *Chief Technology Officer*
Rajesh Jindal *Chief Marketing Officer – India, Automotive Batteries*
Venkata Krishna M.M *Vice President - Sales & Marketing, Industrial Batteries*
Indeevar Govardhanagiri *Chief Marketing Officer – International*
P Muralimohan Reddy *Business SCM Head*
VVS Sridhar *Business HR Head*
Saayon Chakrabarti *Business Head - Americas & Europe*

KEY MANAGERIAL PERSONNEL

Y Delli Babu *Chief Financial Officer*
Vikas Sabharwal *Company Secretary*

STATUTORY AUDITORS

M/s. Brahmayya & Co, Chartered Accountants
D. No. 33-25-33/B, Govindarajulu Naidu Street,
Suryaraopet, Vijayawada - 520 002
M/s. Deloitte Haskins & Sells LLP, Chartered Accountants
KRB Towers Plot No. 1 to 4 & 4A, 1st, 2nd & 3rd Floor,
Jubilee Enclave Madhapur, Hyderabad – 500 081

COST AUDITORS

M/s. Sagar & Associates, Cost Accountants
206, 2nd Floor, Raghava Ratna Towers Chirag Ali Lane
Abids, Hyderabad - 500 001

SECRETARIAL AUDITORS

M/s. R. Sridharan & Associates, Company Secretaries
New No.44, Old No.25, 'Thiruvaramangam Apartments', Flat No. A3, 1st Floor,
Unnamalai Ammal Street,
T.Nagar, Chennai - 600 017

BANKERS

State Bank of India
Kotak Mahindra Bank Limited

REGISTERED OFFICE

Renigunta - Cuddapah Road, Karakambadi,
Tirupati, Andhra Pradesh - 517 520
Tel: 91 877 226 5000 • Fax: 91 877 228 5600
CIN: L31402AP1985PLC005305
Website: www.amararajabatteries.com
E-mail: investorservices@amararaja.com

CORPORATE OPERATIONS OFFICE

Terminal A,1-18/1/AMR/NR,
Nanakramguda, Gachibowli, Hyderabad 500 032
Tel: 91 40 2313 9000 • Fax: 91 40 2313 9001

REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited.
Subramanian Building, No.1, Club House Road,
Chennai - 600 002
Tel: 91 44 2846 0390 • Fax: 91 44 2846 0129
E-mail: investor@cameoindia.com
Website: www.cameoindia.com



BOARD'S REPORT

To,
The Members
AMARA RAJA BATTERIES LIMITED
The Board of Directors are pleased to
present their report for the financial year
ended **March 31, 2022**.

1. SUMMARY OF FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2022, is summarized below:

(₹ in Crores)

Parameters	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	8,695.82	7,149.68	8,697.15	7,149.78
Other income	77.98	87.36	77.98	87.36
Total income	8,773.80	7,237.04	8,775.13	7,237.14
Profit before tax	689.80	873.33	691.12	873.35
Less: Tax expense (including deferred tax)	178.55	226.52	178.55	226.52
Profit for the year	511.25	646.81	512.57	646.83
Total other comprehensive Income/ (Loss)	0.70	(6.75)	0.74	(6.74)
Total comprehensive income for the year	511.95	640.06	513.31	640.09

Your Company's standalone revenue from operations for the year grew to ₹8,695.82 crores from ₹7,149.68 crores last year registering a growth of 22%. The net profit for the year was ₹511.25 crores as against ₹646.81 crores in the previous year. The Earnings Per Share (EPS) for the year stood at ₹29.93 per share, compared to ₹37.87 per share for the previous year.

The Directors propose to transfer an amount of ₹51.13 crores to the general reserve. An amount of ₹3,873.18 crores are in the retained earnings.



2. PERFORMANCE REVIEW

Automotive battery business

The year started with an expectation of normalcy. Soon, this got shattered and the deadly form of Covid-19 surfaced bringing the country to a standstill. However, this didn't last long and within two months, the business bounced back and there was no looking back.

The four-wheeler (4W) vehicle production experienced high growth during 2021-22. The growth happened across all vehicle categories. The domestic vehicle sales also witnessed good growth across categories. Not to be left behind, very high growth in exports of vehicles, contributed in the sharp recovery after a pandemic hit 2020-21. The exception to this recovery was the two-wheeler (2W) domestic sales, which continued to slide during the year. Though exports of these vehicles showed very high growth, it was not sufficient to bring in the production growth in 2W vehicles. In spite of various challenges faced, we were able to maintain our shares in the OE business segment

Our performance in aftermarket business, however, remained strong. During the year, both the 4W & 2W battery segments showed double digit growths. Growth witnessed in both the segments, in spite of various challenges, is a testimony to the brand strength of Amaron® and PowerZone™, and the preference it created. The wide and deep distribution strength, ensured that, our batteries were always available at places, when and where, the customers wanted them. We continually maintained high capacity utilization, to ensure adequate product availability.

Though, markets and trade opened up, Work from Home (WFH) situation, moved into a hybrid mode. Two years

of WFH model, started showing a dip in demand for batteries, as life of batteries started improving owing to reduced usage of vehicles. This is, however, expected to be a temporary phenomenon. Various initiatives taken in past year and many planned in the next year, will ensure that we will always remain ahead, and continue aggressive growths.

Our business in international markets was no exception, and we continued our growth further, supported by a strong brand, quality product and distribution strength in key and focused markets in the Indian Ocean Rim.

Our capacity enhancement are continuing as per plan, coupled with efficiency improvement across all our plants

Industrial battery business

The Industrial Battery Business has shown a decent growth over the previous year by about 28% in value terms. The growth has come from all the segments of the business. Overall the demand is seen picking up in the market though there were some hiccups in the first quarter due to the pandemic's second wave in India.

Lesser effect of Covid in fiscal year 2021-22 compared to fiscal year 2020-21 has aided the Telecom segment's new site rollouts and hence development potential. Potential will expand significantly in fiscal year 2022-23 owing to an increase in O&M replacement and energy-saving initiatives. Fewer deliveries to BSNL than anticipated contributed to an increase in the business's total share. We have expanded our portfolio of telecom sites in the AP and Orissa circles.

The needs of the UPS OEs rebounded from the previous year, with pent-up demand from all sectors beginning in the second quarter. This has contributed to the business's



growth throughout the year. Moreover, with our expanded product line, we could build a strong presence in the rapidly growing data centre industries.

The Company's exports to the Middle East and Asia-Pacific experienced a phenomenal rise. The measures done in the past to hire dedicated contract personnel are now producing positive outcomes. Even though there were travel limitations to maintain seamless operations, we were able to contact customers through virtual channels. Managed input supplies and exports in the face of unknown interruptions in the global supply chain.

Motive Power and Solar, among other business categories, have also seen development and are expanding in a positive manner.

3. Dividend

The Directors are pleased to recommend a final dividend of ₹0.50/- per equity share (50%) of ₹1 each for the financial year ended March 31, 2022, subject to the approval of the members at the ensuing Annual General Meeting. The final dividend, if approved, would involve a cash outflow of ₹8.54 crores. The recommended final dividend is in addition to the interim dividend of ₹4.00 per equity share (400%) of ₹1 each declared on November 12, 2021, paid to the shareholders on December 10, 2021.

The total dividend for FY 2021-22 is ₹4.50/- per equity share of ₹1 each (450%), The total dividend outflow including the proposed final dividend for the financial year ended March 31, 2022, aggregated to ₹76.87 crores, a payout of 15.03% of the Profit after tax of the Company, which is in line with the Dividend Distribution Policy of the Company.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Dividend Distribution Policy, is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, July 31, 2022, to Saturday, August 6, 2022, both days inclusive, for determining the entitlement of the shareholders for the final dividend for the Financial Year ended March 31, 2022, and for annual book closure.

The final dividend, if approved at the 37th Annual General Meeting (AGM) will be paid to those members whose names appear on the register of members of the Company as of the end of the day on Saturday, July 30, 2022. In terms of the provisions of the Income Tax Act, 1961, such dividends will be taxable in the hands of the Shareholders.

4. Financial position

The net worth as of March 31, 2022, improved to ₹4,551.39 crores with the net addition of ₹341.13 crores to the other equity during the year. There is no interest-bearing debt as of March 31, 2022. The surplus cash at the year-end stood at ₹34.31 crores. CRISIL had re-affirmed the ratings on the Company's long-term bank loan facilities at 'CRISIL AA+/Stable' and on the short-term bank facilities at 'CRISIL A1+.'

A detailed analysis of the financial performance and financial position is provided in a separate section and forms an integral part of this report.

5. Subsidiaries and Consolidated Financial Results

i. Subsidiary Company

Amara Raja Batteries Middle East (FZE) (ARBME), Sharjah, UAE, a wholly-owned subsidiary of the Company, reported net revenue of ₹6.14 crores with a Profit After Tax of ₹1.21 crores for the financial year ended March 31, 2022.

ii. Consolidated Financial Results

In accordance with the provisions of the Companies Act, 2013 the Act, Regulation 33 of the Listing Regulations and applicable Accounting Standards, the audited consolidated financial statements of the Company for the financial year 2021-22, together with Auditors Report thereon forms part of the Annual Report. A statement showing the salient features of the financial statements of the subsidiaries, associates and joint ventures in the prescribed Form AOC-1 is provided as **Annexure I** forms an integral part of this report.

In accordance with Section 136 of the Act, the financial statements of the Subsidiary Company will be made available to the members of the Company on request and will also be kept for inspection during business hours at the Registered Office of the Company. The financial statements and all other documents required to be attached to this report and separate audited financial statements of the wholly owned subsidiary are available



on Company's website at <https://www.amararajabatteries.com/Investors/annual-reports/>

During the year, Company has not done any revision to the financial statements or report and there were no changes to the Company's financial statements during the last three preceding financial statements.

6. Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

7. Directors and Key Managerial Personnel

During the year under review, the following were the changes to the Board of Directors of the Company

S. No	Name	Date of Change	Change
1	Dr. Ramachandra N Galla (DIN: 00133761)	August 14, 2021	Retired as Director & Chairman of the Company.
2	Dr. Ramadevi Gourineni (DIN:01347211)	June 12, 2021	Ceased to be a Director due to resignation
3	Mr. Harshavardhana Gourineni (DIN: 07311410)	June 12, 2021	Appointed as Executive Director.
4	Mr. Vikramadithya Gourineni (DIN: 03167659)	June 12, 2021	Appointed as Executive Director.
5	Mr. Annush Ramasamy (DIN: 01810872)	June 12, 2021	Appointed as Independent Director.

In accordance with provisions of Section 152 of the Act and pursuant to Articles of Association of the Company, Mr. Harshavardhana Gourineni (DIN: 07311410), is liable to retire by rotation at the ensuing 37th Annual General Meeting and being eligible, offers himself for re-appointment. The brief details required to be disclosed in accordance with Regulation 36 of Listing Regulations, Act and Secretarial Standards are included in the notice of the 37th Annual General Meeting forming part of this Annual Report

Key Managerial Personnel

Pursuant to the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following have been designated as Key Managerial Personnel of the Company as of March 31, 2022:

Mr. Jayadev Galla - Chairman, Managing Director & CEO

Mr. Y Delli Babu - Chief Financial Officer

Mr. Vikas Sabharwal - Company Secretary

During the year under review, based upon the recommendation of the Nomination and Remuneration Committee, Mr. S Vijayanand was re-designated as President –New Energy responsible for building the New Energy Business with effect from June 12, 2021.

There were no other change in the Directors & Key Managerial Personnel and the Company is in compliance with the required provisions of the Act, and Listing Regulations.

8. Auditors'

i. Statutory Auditors and their Report

M/s. Brahmayya & Co., Chartered Accountants (FRN 000513S) and M/s Deloitte Haskins & Sells LLP, Chartered Accountants (FRN 117366W/W-100018), Joint Statutory Auditors of the Company has issued an unmodified Auditor's Report (Standalone & Consolidated) for Financial Year ended March 31, 2022, and the Joint Statutory Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were re-appointed as the Joint Statutory Auditors at the Annual General Meeting held on August 7, 2020, for a term of five (5) years from the conclusion of the 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting.



ii. Cost Auditors and their Report

Pursuant to Section 148 of the Act read with the Rules framed thereunder, the cost audit records maintained by the Company in respect of its specified products are required to be audited by a Cost Auditor. The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Sagar & Associates, as Cost Auditors (Firm Registration No: 000118) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, at a remuneration of ₹4.75 lacs plus taxes and reimbursements.

The requisite resolution for ratification of remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice to the 37th Annual General Meeting, which forms an integral part of this Annual Report.

The Cost Audit Report for the financial year ended March 31, 2021, was duly filed with the Central Government within the due date and the Company has maintained the Cost Records/Accounts as required under Section 148(12) of the Act and there were no adverse observations or remarks in the said report.

During the year under review, the Cost Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

iii. Secretarial Auditors and their report

Pursuant to the provisions of Section 204 of the Act, Regulation 24A of the Listing Regulations and rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. R. Sridharan & Associates, (Firm Registration No: S2003TN063400) Practicing Company Secretaries to undertake the Secretarial Audit of the Company and provide Annual Secretarial Compliance Report.

The Secretarial Audit Report issued by M/s. R. Sridharan & Associates, Company Secretaries for the financial year ended March 31, 2022 in Form MR-3 is provided as **Annexure II**, which forms an integral part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The Annual Secretarial Compliance Report issued by M/s. R. Sridharan & Associates, Company Secretaries for the financial year ended March 31, 2022 in format prescribed

by SEBI has been submitted to the Stock Exchanges within the prescribed time limit. The report does not contain any qualifications reservations or adverse remarks.

During the year under review, the Secretarial Auditors have not reported any matter under Section 143 of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

iv. Internal Auditors

The Company has an effective full-time in-house and professionally competent internal audit team, which regularly monitors the effectiveness of the internal control systems. This function reports on the adequacy and effectiveness of the internal control systems of the Company as well as the periodical results of its review of the Company's operations as per an internal audit plan duly approved. The internal audit team works in tandem with M/s. E Phalguna Kumar & Co., Chartered Accountants (Firm Registration No: 0026445), whose professional services have been availed by the Company to audit specific locations and processes as per the Internal Audit plan.

Together they provide a robust framework. The recommendations of the internal audit teams on improvements in the operating procedures and control systems for strengthening the operating procedures were also presented periodically to the Audit Committee.

During the year under review, the Internal Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

9. Board and its Committees

i. Independent Directors and their declaration of independence:

The Board of Directors of the Company comprises an optimum number of Independent Directors. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act:

- Mr. N Sri Vishnu Raju (DIN:00025063);
- Mr. T R Narayanaswamy (DIN: 01143563);



- Ms. Bhairavi Tushar Jani (DIN: 00185929); &
- Mr. Annush Ramasamy (DIN: 01810872);

Each Independent Director has confirmed to the Company that he or she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. There has been no change in the circumstances which may affect their status as an Independent Director during the year, which had been considered and taken on record by the Board.

All the Independent Directors are registered for a lifetime in the database maintained by the Indian Institute of Corporate Affairs (IICA) and a declaration in this regard was received from each of them. In the opinion of the Board, all the Independent Directors are persons of integrity and possess the relevant expertise and experience (including proficiency) as required under the Act and the Rules made thereunder.

ii. Number of Meetings of the Board

During the year, eight (8) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meetings and attendance by the directors are given in the Corporate Governance Report forming an integral part of this annual report. The maximum time gap between any two consecutive meetings was within the period prescribed under the Act and Listing Regulations.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of Listing Regulations forms an integral part of the Corporate Governance Report.

iii. Committees of the Board

In compliance with the provisions of Sections 135, 177, 178 of the Act and Listing Regulations, the Board constituted the following sub committees

- Audit Committee;
- Corporate Social Responsibility Committee;
- Nomination & Remuneration Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee; &
- Loan & Investment Committee;

The details of the composition of the Committees, brief terms of reference, their meeting and attendance of the members forms an integral part of the Corporate Governance Report.

During the year, Board has accepted all the recommendations of the Committee(s), and there is no instance, where any recommendation(s) of the Committee(s) were not accepted by the Board.

iv. Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for the selection and appointment of Directors, Senior Management Personnel and their remuneration. The Nomination and Remuneration Policy adopted by the Board is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>.

v. Evaluation of the Board's performance

As per provisions of the Act, and Regulation 17(10) of the Listing Regulations, an evaluation of the performance of the board, its committees and members was undertaken. The details of the same forms an integral part of the Corporate Governance Report.

10. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, including any statutory modifications or re-enactments thereof for the time being in force, the Board of Directors of the Company confirm, to the best of their knowledge and belief, that in the preparation of annual financial statements for the financial year ended March 31, 2022:

- i) applicable accounting standards and Schedule III of the Act have been followed;
- ii) appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as of March 31, 2022, and of the profit of the Company for the financial year ended March 31, 2022;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The audit committee meets at regular intervals to review the internal audit function;

- iv) financial statements have been prepared on a going concern basis;
- v) proper internal financial controls are in place and that such internal financial controls were adequate and were operating effectively;
- vi) systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

11. Corporate Governance

The Company is committed to good Corporate Governance and best corporate practices. The report on Corporate Governance for the year ended March 31, 2022, pursuant to Regulation 34 of the Listing Regulations along with the Additional Shareholders Information (ASI) are provided as **Annexure III** forms an integral part of this Annual Report

The certificate regarding the compliance of conditions of corporate governance issued by M/s R. Sridharan & Associates, Practicing Company Secretaries forms an integral part of the Corporate Governance Report.

12. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report (BRR) detailing initiatives taken from an environmental, social and governance perspective are disclosed in the prescribed format. BRR is provided as **Annexure IV**, which forms an integral part of this Annual Report.

13. Management discussion and analysis

Management discussion and analysis report, highlighting the performance and prospects of the Company's business is provided in a separate section and forms an integral part of this Annual Report.

14. Annual Return

The Annual Return pursuant to Section 92(3) read with Section 134(3)(a) of the Act is available on Company's website at <https://www.amararajabatteries.com/Investors/annual-general-meetings>

15. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has been an integral part of the Company's culture. The Company has associated itself through Rajanna Trust with philanthropic activities in the field of Education, Health, Environment and Rural Development. During the year, the Company has undertaken various CSR projects in the areas of education and rural development.

A brief outline of the CSR Policy of the Company, the CSR initiatives/activities undertaken by the Company during the year and the details of the composition of the CSR Committee are given in the Annual CSR Report provided as **Annexure V**, which forms an integral part of this Annual Report.

The said policy is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

16. Transactions with the Related Parties

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-22, there were no materially significant transactions with the related parties which might be deemed to have had a potential material conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.



The summary statement of transactions entered into with the related parties pursuant to the approval so granted are reviewed and approved by the Audit Committee on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

The members at the 36th Annual General Meeting held on August 14, 2021, approved and authorised the Board and/ or its Committee to enter into transactions with Mangal Industries Limited (MIL) up to a cumulative value of transactions of ₹1500 crores in each financial year. During the financial year 2021-22, the transactions with MIL amounted to ₹972.95 crores, was a material transaction under Regulation 23 of the Listing Regulations and the policy adopted by the Company.

The details of the Related Party Transactions pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Form AOC – 2, as provided as **Annexure VI**, which forms an integral part of this Annual Report.

None of the Non-Executive Directors, other than receipt of Sitting Fee/ commission, has any pecuniary relationships or transactions vis-à-vis the Company.

17. Internal Financial Controls related to financial statements

The Company has put in place an adequate system of internal controls commensurate with its size and the nature of its operations. The Company's internal control system covers the following aspects:

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statutes, regulations, management authorisation, policies and procedures.
- Ensure optimum use of available resources.

These systems are reviewed and improved on a regular basis. It has a budgetary control system to monitor revenue and expenditure against the approved budget on an ongoing basis.

The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the

significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

18. Risk Management

The Company has constituted a Risk Management Committee. Details of the constitution of the Committee are set out in the Corporate Governance Report.

The Company has an elaborate Risk Management framework in place, which helps in identifying the risks and proper mitigation thereof and also lays down the procedure for risk assessment and its mitigation through a Risk Management Committee.

Key risks and their mitigation arising out of reviews by the internal committee are assessed and reported to the Risk Management Committee on a periodic basis. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

During the year, the risk assessment parameters were reviewed. The Risk Management Committee reviewed the elements of risk and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

19. Whistle Blower Policy /Vigil Mechanism

The Company has established a whistle blower policy/ vigil mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for the appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with the complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. The Whistle Blower Policy established by the Board is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

20. Health, Safety and Environmental protection (HSE)

The Company gives utmost importance to the employee's health and safety, given the nature of the operations of the Company. The Company believes that "a safe and healthy workplace not only protects employees from injury



and illness, it also elevates the employee morale". The Company continues to be certified under ISO 14001:2015 and ISO 45001:2018 for its environmental management systems and occupational health and safety management systems respectively.

All the manufacturing plants continued to be certified under ISO 50001:2018 for their energy management systems, which helped the Company to institutionalize the system requirements and conserve energy.

21. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace

The Company has in place a policy on the prevention of sexual harassment and has constituted an Internal Committee in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. During the year, no complaint was received by Committee. There are no outstanding complaints as on March 31, 2022. The Company conducts the required workshops, and awareness programmes as part of the induction processes and regular training sessions.

22. Other disclosures

i. Share Capital

The paid-up equity share capital of the Company as of March 31, 2022, stood at ₹17.08 crores comprising 17,08,12,500 equity shares of ₹1 each. During the year under review, the Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

As of March 31, 2022, RINGalla Family Private Limited (RFPL), Promoter holds 4,79,32,452 equity shares of ₹1 each constituting 28.06% of the paid-up share capital of the Company.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The annual listing fees for the years 2021 & 2022 have been paid to these exchanges.

ii. Particulars of loans, guarantees and investments

The details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules,

2014 as of March 31, 2022, are given in Note 38 to the standalone financial statements of the Company.

iii. Deposits from Public

The Company has not accepted any deposits from the public falling within the ambit of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. There are no outstanding deposits as of March 31, 2022.

iv. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and the Rules made there under.

v. Significant and material orders passed by Regulators or Courts

During the year under review, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

During the previous year, the Company has received closure orders dated April 30, 2021, from the Andhra Pradesh Pollution Control Board (APPCB), for the Company's Plants situated at Karakambadi, Tirupati and Nunegundlapalli village, Chittoor District, Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh has granted an interim suspension of said orders of APPCB.

In compliance with the orders issued by the Hon'ble High Court of Andhra Pradesh, the Company is committed to working closely with APPCB officials for a satisfactory resolution of the matter in the interest of all stakeholders. The Company has always placed its highest priority on the environment and on the health and safety of its workforce and communities around it.

Apart from the above, there are no significant and/or material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

vi. Compliance with Secretarial Standards

During the year under review, the Company has complied with the Secretarial Standards with respect to Meetings of the Board of the Directors (SS-1) and General Meetings



(SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

vii. Investor Education and Protection Fund (IEPF)

Section 124 of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), mandates the companies to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend remains unpaid or unclaimed for seven consecutive years or more be transferred to the Demat account of the IEPF Authority.

The details relating to the amount of unclaimed dividend transferred to the IEPF and the shares transferred to the Demat account of the IEPF Authority during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

Shareholders are requested to ensure their dividends are encashed on time. In case of non-encashment of dividends, shareholders are advised to approach the Company or RTA to claim their unclaimed dividends

viii. Particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014, are annexed hereto as **Annexure VII**, which forms an integral part of this Annual Report.

ix. Particulars of Employees and Remuneration

The information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure VIII**, which forms an integral part of this Annual Report.

A statement showing names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the said rules is provided in "**Annexure IX**". However, as per the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members excluding the aforesaid statement. The statement is available for inspection at the

Registered Office of the Company during working hours up to the date of 37th Annual General Meeting.

23. Familiarisation Programme for Directors

In addition to giving a formal appointment letter to the newly appointed Director on the Board, a detailed induction plan covering the role, function, duties, responsibilities and the details of compliance requirements expected from the Director under the Act and relevant Regulations of Listing Regulations are given and explained to a new Director.

24. Other Statutory Disclosures

The Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items, during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of sweat equity shares or any other securities.
- Provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Employee Stock Options/Plans.
- No Shares are held in trust for the benefit of employees where the voting rights are not exercised directly by the employees.
- There were no instances of failure of implementation of Corporate Actions.

25. Awards and Recognitions

In keeping with the Company's exemplary performance in the area of quality and manufacturing excellence, we are proud to share the following successes in the past financial year.

- The Company has been awarded the highest 'Gold Award – Sectoral Topper in Auto Components' during in CII-SR EHS (Environment, Health and Safety) Excellence Awards 2021 by the Confederation of Indian Industry (CII).
- The Company won 'Par Excellence' awards at the International Convention on Quality Circles held in November 2021. The theme of the convention



“Quality Concepts Facilitating Societal and Economic Turnaround” acknowledges the efforts made by the Company for improvements & innovations in the face of the unprecedented challenges brought on by the pandemic. The Company won various awards for ABD 1, SBD 1, LVRLA, and TBD.

- Amara Raja’s rethinking of the supply chain ecosystem to tackle the limitations brought by the pandemic was recognized at the Manufacturing Supply Chain Awards, we won in the category of ‘Best- in- Class Excellence in Transport Optimization’ and also in the category of ‘Operational Excellence in Reverse Logistics’.
- At the 15th CII Six Sigma National Competition held in September 2021, the Company won Gold for the SBD1 and ABD1 Teams, Platinum for SBD 2, and SCM (Logistics) won Silver. The CII-Six Sigma Awards are given at an annual conference organized by the CII Institute of Quality (CII-IQ). An eminent Jury evaluates the presentation with respect to pre-determined criteria and identifies the Award Winners who exemplify best in class practices that others in the industry can learn from.
- The Company’s Amara Raja Growth Corridor has won the Excellent Energy Efficient Unit’ Award by CII at the 22nd National Award for Excellence in Energy Management. This award recognizes the outstanding contribution in the area of energy efficiency made by Amara Raja’s plants and is an acknowledgement of our sincere commitment to our ESG goals.

26. Industrial relations

During the year under review, industrial relations remained cordial and stable. The Directors wish to place on record their sincere appreciation for the co-operation received from employees at all levels.

27. Change in the nature of business

During the year under review, there were no change in the nature of business of the Company.

28. Reconciliation of Share Capital Audit

As required by the Listing Regulations, a quarterly audit of the Company’s Share Capital is being carried out by an Independent Practicing Company Secretary with a view to reconcile the total share capital, admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Practicing Company Secretary’s certificate in regard to the same is submitted to BSE and NSE and is also placed before the Board of Directors.

29. Acknowledgement

The Directors take this opportunity to thank all the stakeholders of the Company for their continued support and express their sense of gratitude to the customers, vendors, banks, financial institutions, channel partners, business associates, Central and State Governments for their co-operation and look forward to their continued support in future. The Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels and applaud them for their superior levels of competence, dedication and commitment towards the Company.

The Directors are thankful to the shareholders for their continued patronage.

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO

Place: Hyderabad
Date: May 20, 2022



Annexure I

Form AOC-1

(Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement showing salient features of the financial statements of subsidiaries, joint ventures and associates as per Companies Act, 2013 ('Act')

Part A: Subsidiaries	(Amount in ₹ crores)
1 Name of the Subsidiary	Amara Raja Batteries Middle East (FZE), Sharjah, UAE
2 Date of Incorporation/Acquisition	July 31, 2018
3 Reporting period for the subsidiary concerned	Same as Holding Company, April 1, 2021 to March 31, 2022
4 Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	United Arab Emirates Dirham(AED) 1 AED = 20.64 INR
5 Share Capital	0.56
6 Reserves and Surplus	1.13
7 Total Assets	2.99
8 Total Liabilities	1.30
9 Investments (included in Total Assets)	-
10 Total Income (including other income)	6.14
11 Profit before tax	1.21
12 Provision for tax	-
13 Profit after tax	1.21
14 Proposed Dividend	-
15 Extent of shareholding (in percentage)	100%
Names of subsidiaries which are yet to commence operations	Nil
Names of subsidiaries which have been liquidated or sold during the year.	Nil
Part B: Joint Ventures/ Associates	There are no Joint Ventures/Associates.

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO
(DIN: 00143610)

Y Delli Babu

Chief Financial Officer

Hyderabad, May 20, 2022

Harshavardhana Gourineni

Executive Director
(DIN: 07311410)

Vikas Sabharwal

Company Secretary

Vikramadithya Gourineni

Executive Director
(DIN: 03167659)



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,

AMARA RAJA BATTERIES LIMITED

CIN: L31402AP1985PLC005305

Renigunta - Cuddapah Road,

Karakambadi,

Tirupati, Andhra Pradesh- 517520

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AMARA RAJA BATTERIES LIMITED [Corporate Identification Number: L31402AP1985PLC005305]** (hereinafter referred to as "the Company") for the financial year ended 31st March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the year under review);



- d) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the year under review);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the year under review);
 - f) The Securities and Exchange Board of India (Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021; (Not applicable during the year under review);
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the year under review); and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the year under review);
- (vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:
1. The Batteries (Management and Handling) Rules, 2001;
 2. Acts and Rules relating to Environmental protection and energy conservation;
 3. Acts and Rules relating to hazardous substances and chemicals;

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Hereinafter referred to as "Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Woman Independent Director and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda



items before the meeting and for meaningful participation at the meeting. Notes on Agenda which are circulated less than the specified period the necessary compliances under the Companies Act, 2013 and secretarial standard on Meeting of the Board of Directors are complied with. Board Meetings that were held through video conferencing or other audio visual means, / the directors who were participated through video conferencing during the period under review the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolution(s) have been recorded.

We further report that based on the review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of the Listing Regulations and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16 (c) and 24A of the Listing Regulations during the period under review.

We further report that during the audit period, there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

PLACE : CHENNAI
DATE : 20TH MAY, 2022

**For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

CS R.SRIDHARAN

CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775D000332102

This report is to be read with our letter of even date which is annexed as **ANNEXURE -A** and forms an integral part of this report.



Annexure A

The Members

AMARA RAJA BATTERIES LIMITED

CIN: L31402AP1985PLC005305

Renigunta-Cuddapah Road,

Karakambadi,

Tirupati, Andhra Pradesh –517520.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE : CHENNAI

DATE : 20TH MAY, 2022

For R.SRIDHARAN & ASSOCIATES

COMPANY SECRETARIES

CS R.SRIDHARAN

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000332102



Annexure III

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Schedule V thereto, compliance with the requirements of Corporate Governance is set out below:

1. Company's Philosophy on Corporate Governance

Corporate Governance is based on good principles and practices such that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meets its stakeholder's aspirations and societal expectations. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Amara Raja Batteries Limited ("Amara Raja" or "the Company") is committed to the adoption of best governance practices and to its adherence to the business of the Company. The Company's corporate governance practices are driven by timely disclosures, transparent accounting policies, internal control on operations and high levels of integrity in decision making with an objective to enhance the value to the stakeholders.

The Company is in compliance with the applicable corporate governance requirements as enshrined in the Companies Act, 2013 ("the Act") read with the Rules made thereunder, the Listing Regulations and other applicable laws.

2. Board of Directors

As of March 31, 2022, the Board of Directors ("Board") was composed of a judicious mix of Executive Directors & Non-Executive Directors (including Independent Directors) to maintain independence, in-depth knowledge, specialized skills and rich experience, which is essential to separate the two main functions of Board viz., governance and management. The Board of Directors of the Company consists of seven (7) Directors, four (4) of whom are Non-Executive and Independent Directors and three (3) of whom are Executive Directors. Independent Directors account for more than half of the Board's overall strength. The Board is made up of one (1) Chairman (Managing Director & CEO), two (2) Executive Directors, and four (4) Independent Directors, one (1) of whom is a Woman Director.



Table 1: Details of the composition of the Board and their Directorships as on March 31, 2022:

Name	Designation	Category	Relationship with other directors	Date of appointment	Directorships as per Section 165 of the Act ⁽²⁾		Committee memberships ⁽³⁾	Chairmanship in Committees ⁽³⁾	Attendance at Last AGM
					Public Companies	Private Companies			
Mr. Jayadev Galla DIN : 00143610	CMD & CEO	Promoter & Executive Director	None ⁽¹⁾	August 1, 2003 ⁽⁴⁾	4	5	3	1	Yes
Mr. Harshavardhana Gourineni DIN : 07311410	Executive Director	Promoter & Executive Director	None ⁽¹⁾	June 12, 2021	2	4	1	Nil	Yes
Mr. Vikramadithya Gourineni DIN : 03167659	Executive Director	Promoter & Executive Director	None ⁽¹⁾	June 12, 2021	3	5	1	Nil	Yes
Mr. N Sri Vishnu Raju DIN : 00025063	Director	Independent & Non-Executive Director	None	August 14, 2008 ⁽⁵⁾	3	17	3	1	Yes
Mr. T R Narayanaswamy DIN : 01143563	Director	Independent & Non-Executive Director	None	June 1, 2009 ⁽⁶⁾	1	7	1	1	Yes
Ms. Bhairavi Tushar Jani DIN : 00185929	Director	Independent & Non-Executive Director	None	March 28, 2015 ⁽⁷⁾	1	14	1	Nil	Yes
Mr. Annush Ramasamy DIN: 01810872	Director	Independent & Non-Executive Director	None	June 12, 2021	3	10	Nil	Nil	Yes

Foot Note:

- (1) Mr. Jayadev Galla, Mr. Harshavardhana Gourineni and Mr. Vikramadithya Gourineni are not relatives in terms of Section 2(76) of the Act. However, as per the revised definition of Related Party in terms of Listing Regulations, they are forming part of the Related Party;
- (2) Number of Directorships excludes foreign companies, Section 8 companies as per Companies Act, 2013 and includes Directorship in the Company;
- (3) Only Chairmanships/Memberships of the Audit Committee(s) and Stakeholders Relationship Committee(s) of listed and unlisted public companies(s), including this Company are considered;
- (4) Mr. Jayadev Galla was appointed as Managing Director w.e.f August 1, 2003; Chief Executive Officer on June 12, 2021; Chairman of the Board on August 14, 2021;
- (5) Mr. N Sri Vishnu Raju, Independent Director original date of appointment is August 14, 2008. He was appointed as Independent Director as per the requirements of Section 149 of the Act, w.e.f August 6, 2014, for the first term and w.e.f August 6, 2019, for the second term;
- (6) Mr. T R Narayanaswamy, Independent Director original date of appointment is June 1, 2009. He was appointed as Independent Director as per the requirements of Section 149 of the Act w.e.f August 6, 2014, for the first term and w.e.f August 6, 2019, for the second term;
- (7) Ms. Bhairavi Tushar Jani, Independent Director, original date of appointment is March 28, 2015. She was appointed as Independent Director as per requirements of Section 149 of the Act on August 14, 2015 and w.e.f August 14, 2020, for the second term.



Core competencies of the Board of Directors as per Schedule C of Corporate Governance requirements of the Listing Regulations:

The Board of Directors has identified the skills/expertise/competencies required for the Company's effective operation, which include knowledge of the Company's businesses, policies, and culture, major risks/threats, and potential opportunities, as well as knowledge of the industry in which the Company operates; technical/professional skills, and specialized knowledge.

The Directors have expertise in 'Strategy, Governance, and Board Service,' 'Business Understanding,' 'Industry & Sector Knowledge,' 'Finance,' 'Technology,' and 'Human Resources.' Such knowledge helps the Board of Directors to drive the Company on the appropriate path.

As part of its fiduciary duties, the Board gives the Company's management leadership, strategic guidance, and objective and independent opinions. This makes sure that the management follows high standards of ethics, transparency, and disclosure. It looks at the Company's governance, risk and compliance framework, business plans, and organisation structure on a regular basis to make sure they are in line with the highest standards.

Table-2: Details of their individual competence, expertise and skills:

Name of the Director	Matrix of Board Expertise					
	Strategy, Governance and Board service	Business Understanding	Industry & Sector Knowledge	Finance	Technology	Human Resources
Mr. Jayadev Galla	√	√	√	√	√	√
Mr. Harshavardhana Gourineni	√	√	√	√	√	√
Mr. Vikramadithya Gourineni	√	√	√	√	√	√
Mr. N Sri Vishnu Raju	√	√	√	√	√	√
Mr. T R Narayanaswamy	√	√	√	√	√	√
Ms. Bhairavi Tushar Jani	√	√	√	√	√	√
Mr. Annush Ramasamy	√	√	√	√	√	√

Declarations:

1. The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations.
2. None of the Directors including Independent Directors is serving as an independent director in more than seven listed entities as required under Regulation 17 of Listing Regulations and Mr. Jayadev Galla, Chairman, Managing Director & CEO, Mr. Harshavardhana Gourineni, Executive Director and Mr. Vikramadithya Gourineni, Executive Director are not serving as an Independent Director in any other listed company.
3. None of the Independent Directors is Managing Director or Whole Time Director on any other listed entities as required under Regulation 17 of Listing Regulations.
4. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he/she is a Director as required under Regulation 26 of Listing Regulations.
5. None of the Directors holds any shares or control in the Company except Mr. Jayadev Galla, Mr. Harshavardhana Gourineni and Mr. Vikramadithya Gourineni, who are also Directors in 'RNGalla Family Private Limited and/or Mangal Industries Limited', these companies, together with the said Directors are termed as Promoters of the Company and holds 28.06% of the equity share capital of the Company.
6. The maximum tenure of Independent Directors is in accordance with the Act and rules made thereunder read with Regulation 25 of the Listing Regulations.



7. As per the requirements of Regulations 25(6) of the Listing Regulations, there was no requirement to replace the vacancy created by the resignation of the Independent Directors.
8. During the financial year 2021-22, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on a quarterly basis and other information as and when applicable were placed before the Board for its consideration.
9. The senior management personnel confirmed that they do not have any personal interest in respect of all material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.
10. The Company has a suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies with the requirement of Regulation 25(10) of Listing Regulations.
11. A formal letter of appointment is issued to all Independent Directors, a specimen of which is been placed on the Company's website at <https://www.amararajabatteries.com/Investors/board-of-directors>
12. Details of Directors along with their profiles are available on the website of the Company and the profile of the Director proposed to be reappointed along with the names of the Companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard and Listing Regulations are furnished as an Annexure-II to the notice of the 37th Annual General Meeting.
13. None of the Directors is Director or holds any position in other Listed Entities, except Mr. N Sri Vishnu Raju, Independent Director. Details, as required under Listing regulations, are given in Table -3.

Table-3: Details of Directors, who are directors in other listed entities:

Name of the Director	Name of the Listed Entity	Category and Designation
Mr. N Sri Vishnu Raju	Heritage Foods Limited	Independent Director
	Zydus Wellness Limited	Independent Director

14. All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.
15. All the Independent Directors had registered with Indian Institute of Corporate Affairs for lifetime and had complied with Rule 6 (1) and (2) of Companies (Appointment and Qualification of Directors) Rules, 2014. The tenure of the Independent Directors is in accordance with the provisions of the Act and rules made thereunder.
16. During the year, none of the Independent Directors has resigned from the Directorship of the Company before the expiry of the term of appointment.

Board Meetings, Procedure & Term of Board membership

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance. The schedule of meetings and their agenda is finalized in consultation with the Chairman of the Board, the Independent Directors and Committee Chairpersons. Agendas are circulated in advance with appropriate presentations, detailed notes, supporting documents and executive summaries.



As per the requirements of the Act, the Board of Directors must meet at least four times a year, with a maximum gap of 120 days between two Board Meetings. During the year, the majority of the Board Meetings were held through video conference in accordance with the provisions of law. Our Board met eight (8) times during the financial year under review on May 22, 2021, June 12, 2021, August 14, 2021, September 24, 2021, November 12, 2021, December 24, 2021, February 10, 2022, and March 22, 2022, thereby complying the applicable statutory requirements. Details of the attendance of Directors, Board Strength and number of Directors present are given in Tables -4 & 5.

A detailed presentation is made covering various highlights and performances of the business at each Board Meeting. The Board reviews the items on the agenda and in particular quarterly financial results, annual financial statements, annual operating plans and budgets, capital budgets, etc. The compliance reports of laws applicable to the Company and minutes of the Committee meetings are also reviewed/noted by the Board. Other significant details included in the presentation/agenda discussion covers dangerous occurrences, any material effluent or pollution problems, material default in financial obligations, public or product liability claims, related party transactions, borrowings, updates on internal controls, Internal Financial Controls information on recruitment and remuneration of key executives below the Board level including Chief Financial officer & Company Secretary, Risk analysis of various products, markets and businesses, detailed analysis of potential acquisition targets and possible divestments, details of any joint venture or collaboration agreements, contracts/arrangements in which director(s) are interested, materially important show cause, demand, prosecution and penalty notices, if any.

The important decisions taken by the Board and Committee meetings are communicated to the respective departments for the implementation of the said decisions. Action taken/status reports on decisions/suggestions of the previous meeting(s) are followed up and placed at the next meeting for information and further recommended actions if any. During the year under review, the Board has accepted all the recommendations from the Committees.

Table-4: Attendance of Directors:

Name	Designation	No. of Board Meetings	
		Held during the tenure	Attended During the tenure
Mr. Jayadev Galla ⁽¹⁾	Chairman, Managing Director & CEO	8	8
Mr. Harshavardhana Gourineni ⁽²⁾	Executive Director	7	7
Mr. Vikramadithya Gourineni ⁽²⁾	Executive Director	7	6
Mr. N Sri Vishnu Raju	Independent Director	8	8
Mr. T R Narayanaswamy	Independent Director	8	7
Ms. Bhairavi Tushar Jani	Independent Director	8	6
Mr. Annush Ramasamy ⁽²⁾	Independent Director	7	6
Dr. Ramachandra N Galla ⁽³⁾	Chairman	3	3
Dr. Ramadevi Gourineni ⁽⁴⁾	Director	2	1

Foot Note:

- (1) Was appointed as Chief Executive Officer on June 12, 2021, and Chairman of the Board w.e.f. August 15, 2021
- (2) Was appointed as Director w.e.f June 12, 2021
- (3) Ceased to be Director w.e.f August 14, 2021
- (4) Ceased to be Director w.e.f June 12, 2021



Table-5: Dates of Meetings and Attendance:

Date of Meeting	Board Strength	No. of Directors Present
May 22, 2021	6	5
June 12, 2021	9	8
August 14, 2021	8	8
September 24, 2021	7	7
November 12, 2021	7	5
December 24, 2021	7	5
February 10, 2022	7	7
March 22, 2022	7	7

Board Induction, Training and Familiarisation

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the roles, functions duties and responsibilities expected of them as a Director/ Independent Director of the Company. They also explained in detail the compliances required from him under the Act, Listing Regulations, Insider Trading Regulations and other relevant regulations on regular basis.

A handbook covering the roles, functions duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act and the relevant Listing Regulations along with Annual Reports, investor presentations, recent press releases, research reports, Code of Conduct for Directors and Senior Management Personnel, key policies of the Company and the Memorandum and Articles of Association and the brief on Company's Board practices.

The newly appointed Independent Directors are given induction and orientation with respect to Company's Vision, Core Purpose, Core Values and business operations. In addition, detailed presentations are made by Senior Management Personnel on the business environment and performance of the Company at every Board Meeting.

The above initiatives help the Independent Directors to understand the Company, its business and the regulatory framework in which the Company operates and enables the Directors to fulfil their role/responsibility. The details of the familiarisation program are available on the Company's website i.e. <https://www.amararjabatteries.com/Investors/board-of-directors>

Board Evaluation

During the year, Board has carried out an annual self-evaluation of its performance, the working of its committees and peer evaluation of each Director internally. For this purpose, each Director completed a questionnaire involving peer evaluation and feedback on the processes of the Board and its Committees. The contribution and impact of individual members were evaluated on a number of parameters, such as level of engagement, independence of judgment, conflict resolution, contributions to enhance the Board's overall effectiveness etc. Positive attributes and improvement areas for each Director were provided to them on a confidential basis.

The Committees were evaluated on various parameters such as effective discharge of their roles, responsibilities and advice given to the Board for discharging its fiduciary responsibilities, including adequate and periodical updates to the Board on the Committees' functioning.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The Directors performance was evaluated on parameters such as level of engagement and contribution in safeguarding the interest of the Company etc.



Further, the performance of the Board as a whole, performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors

Independent Directors Meeting

During the year, our Independent Directors met three (3) times in sessions without the presence of Executive Directors and other members of management. The Company is ready to facilitate more such sessions as and when required by the Independent Directors. During these meetings, the Independent Directors review the performance of the Company and its senior management, that of the Chairman, Managing Director, and the Board, Corporate strategy, risks, competition, succession planning for the Board and senior management and the quality of information given to the Board.

3. Audit Committee

Responsibilities & Terms of Reference:

As per the requirements of the Act and Listing Regulations, the Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The constitution and terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Act and Regulation 18 of the Listing Regulations read with Part C of Schedule II of the Listing Regulations.

The primary focus of the Audit Committee is to have an oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- a. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors, Statutory Auditors and Cost Auditors of the Company;
- b. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- c. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of 134 (3)(c) of the Act
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- d. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- f. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- g. Approval or any subsequent modification of transactions of the Company with related parties;



- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the Company, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;
- k. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- l. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- m. Discussion with Internal Auditors of any significant findings and follow up thereon;
- n. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;
- o. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; if any;
- q. Reviewing, the functioning of the Whistle Blower mechanism as and when adopted by the Company;
- r. Approval for the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- s. To recommend to the Board the policy on materiality of related party transactions and also on dealing with the related party transactions;
- t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- u. Such other matters as may be required under the provisions of the Act, the rules made thereunder and the Listing Regulations as amended from time to time;
- v. To carry out any other function as may be delegated by the Board from time to time.

Constitution and meetings of the Committee

The Audit Committee comprises entirely Independent Directors. All members are financially literate and bring expertise in the fields of finance, economics, logistics, strategy and management. The Committee comprises three (3) Independent Directors.

During the financial year 2021-22, five (5) meetings of the Audit Committee were held on May 22, 2021, August 14, 2021, November 12, 2021, February 10, 2022, and March 22, 2022. The maximum time gap between any of the two consecutive meetings was not more than 120 days. The necessary quorum was present in all the meetings. The details of the Meetings and attendance of the members are provided in Table 6 and Table 7.

The Company Secretary acts as the Secretary to the Audit Committee. The Chief Financial Officer along with the Statutory Auditors and Internal Auditors are invitees to the said Committee. The Auditors and Senior Management personnel are invited as and when required.

Mr. N Sri Vishnu Raju, Independent Director and Chairman of the Audit Committee was present at the 36th Annual General Meeting of the Company held on August 14, 2021.

During the year, there were no changes to the composition of the Committee.



Table-6: Meetings of the Audit Committee and attendance of members:

Members of the Committee	Category	Meetings held in the Member's tenure	No. of Meetings attended
Mr. N Sri Vishnu Raju, Chairman	Independent & Non-Executive Director	5	5
Mr. T R Narayanaswamy	Independent & Non-Executive Director	5	5
Ms. Bhairavi Tushar Jani	Independent & Non-Executive Director	5	5

Table-7: Dates of Meetings and Attendance:

Date of Meeting	Committee Strength	No. of Members Present
May 22, 2021	3	3
August 14, 2021	3	3
November 12, 2021	3	3
February 10, 2022	3	3
March 22, 2022	3	3

4. Nomination and Remuneration Committee

Responsibilities & Terms of Reference:

The constitution and terms of reference of the Nomination and Remuneration Committee ("NRC") are in accordance with and cover all the matters specified under Section 178 of the Act and Regulation 19 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations.

The Nomination and Remuneration Committee also entirely consists of Independent Directors. Its primary functions are to:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- To devise a policy on diversity of the Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- To consider and recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend to the Board, that all remuneration, in whatever form, be payable to senior management;
- Such other matters as may be required to discharge their responsibilities under the Listing Regulations as amended from time to time.



Constitution and Meetings of the Committee

The current composition of the Nomination and Remuneration Committee comprises three (3) Non-Executive Independent Directors and the Committee is empowered with the powers as prescribed under Regulation 19 of Listing Regulations and Section 178 of the Act. The Committee also acts in terms of reference and directions of the Board from time to time.

During the financial year 2021-22, three (3) meetings of the Nomination and Remuneration Committee were held on May 22, 2021, June 12, 2021, and February 10, 2022. The details of the Meetings and attendance of the members are provided in Table 8 and Table 9.

Nomination and Remuneration Policy

The Board of Directors at its meeting held on March 28, 2015, approved the Nomination and Remuneration policy. The said policy is applicable to all the Directors, Key Managerial personnel and Senior Management Personnel of the Company and the same is available on the Company's website <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

The Company Secretary acts as the Secretary to the Committee. Mr. N Sri Vishnu Raju, Independent Director and Chairman of the Committee was present at the 36th Annual General Meeting of the Company held on August 14, 2021.

During the year, there were no changes to the composition of the Committee.

Table-8: Meetings of the Nomination and Remuneration Committee and Attendance of Members:

Members of the Committee	Category	Meetings held in the Member's tenure	No. of Meetings attended
Mr. N Sri Vishnu Raju, Chairman	Independent & Non-Executive Director	3	3
Mr. T R Narayanaswamy	Independent & Non-Executive Director	3	3
Ms. Bhairavi Tushar Jani	Independent & Non-Executive Director	3	2

Table-9: Dates of Meetings and Attendance:

Date of Meeting	Committee Strength	No. of Members Present
May 22, 2021	3	3
June 12, 2021	3	2
February 10, 2022	3	3

Remuneration to Directors

i) Managing Director/Executive Director

The remuneration structure of Managing Director/Executive Director comprises of basic salary, commission, perquisites and allowances, contribution to provident fund etc. The remuneration is determined considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

The Managing Director & Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by him.

ii) Non-Executive Directors

The Non-Executive Independent Directors are entitled to a sitting fee for attending the Board/Committee meetings and also for reimbursement of out of pocket expenses for attending the meetings and they are also entitled to Commission.

Though the shareholders have approved payment of commission to Non-Executive Independent Directors up to 1% of net profits of the Company calculated as per the provisions of Sections 197, 198 and all other applicable provisions of the Act



and the Rules made thereunder for each of the financial years from FY 2018-19 to FY 2023-24, the commission paid to the Non-Executive Independent Directors is usually restricted to a fixed sum, which is within the aforesaid limits.

A sitting fee of ₹20,000/- for attending each meeting of the Board and ₹10,000/- for attending each meeting of any Committee(s) of the Board was paid to the Directors during the year under review.

The sitting fees/commission is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors.

iii) Details of Remuneration paid to the Directors for the year ended March 31, 2022, are given in Table 10:

Table-10: Remuneration paid or payable to the Directors for FY 2021-22: (₹ crores)

Name	Salaries	Perquisites and Allowances	Commission*	Retirement benefits	Sitting Fee*	Total
Mr. Jayadev Galla, Chairman, Managing Director & CEO	2.40	-	35.60	-	-	38.00
Mr. Harshavardhana Gourineni, Executive Director	1.16	0.01	14.09	-	-	15.26
Mr. Vikramadithya Gourineni, Executive Director	1.16	0.01	14.09	-	-	15.26
Mr. N Sri Vishnu Raju, Independent Director	-	-	0.05	-	0.03	0.08
Mr. T R Narayanaswamy, Independent Director	-	-	0.05	-	0.03	0.08
Ms. Bhairavi Tushar Jani, Independent Director	-	-	0.05	-	0.02	0.07
Mr. Annush Ramasamy, Independent Director	-	-	0.04	-	0.01	0.05

*excludes GST

Notes:

- The shareholders at the 35th Annual General Meeting held on August 7, 2020, appointed Mr. Jayadev Galla as Vice Chairman and Managing Director of the Company for a period of five years with effect from September 1, 2020, to August 31, 2025. The agreement entered into with Mr. Jayadev Galla may be terminated by either party by giving three months' notice and there is no severance fee or compensation payable by the Company upon termination of the agreement. There are no stock options issued by the Company.
- The shareholders at the 36th Annual General Meeting held on August 14, 2021, appointed Mr. Harshavardhana Gourineni and Mr. Vikramadithya Gourineni, as Executive Directors of the Company for a period of five years with effect from June 12, 2021, to June 11, 2026. There are no stock options issued by the Company.
- The remuneration and commission paid to the Managing Director and Executive Directors are within the limits as approved by the members and the Act.
- As of March 31, 2022, none of the Independent Directors hold stock options or shares of the Company.
- The criteria of making payment to the Non-Executive Directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company, but they also bring along with their significant professional expertise and rich experience across the wide spectrum of functional areas. There are no payments made to Non-Executive Directors apart from sitting fee, commission and reimbursements of expenses (if any) for attending the meetings of the Company.



5. Stakeholders Relationship Committee

Responsibilities & Terms of Reference:

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to the handling of queries and grievances of security holders. It primarily focuses on:

- Review investor complaints and their redressal;
- Review of measures taken for the effective exercise of voting rights by shareholders;
- Review work done by the share transfer agent including adherence to the service standards;
- Review of corporate actions related to security holders;
- Review initiatives for reduction of quantum of unclaimed dividends and ensure timely receipt of dividend/ annual report/ statutory notices.

The constitution and terms of reference of the Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Act and Regulation 20 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations.

Constitution and meetings of the Committee

The current composition of the Stakeholders Relationship Committee comprises four (4) Directors i.e. One (1) Non-Executive Independent Director as Chairman and three (3) Executive Directors as Members. The Committee is empowered with the powers as prescribed under Regulation 20 of Listing Regulations. The Committee also acts in terms of reference and directions of the Board from time to time.

During the financial year 2021-22, one (1) meeting of the Stakeholders Relationship Committee was held on May 22, 2021. The composition of the Stakeholders Relationship Committee and the attendance of members are in Table 11 & Table 12.

Mr. Vikas Sabharwal, Company Secretary and Compliance Officer of the Company also act as the Secretary to the Committee. Chairman of the Committee was present at the 36th Annual General Meeting of the Company held on August 14, 2021.

Table-11: Meetings of the Stakeholders Relationship Committee and attendance of members:

Members of the Committee	Category	Meetings held in the Member's tenure	No. of Meetings attended
Mr. T R Narayanaswamy, Chairman ⁽¹⁾	Independent & Non-Executive Director	1	1
Mr. Jayadev Galla	Promoter & Executive Director	1	1
Mr. Harshavardhana Gourineni ⁽²⁾	Promoter & Executive Director	NA	NA
Mr. Vikramadithya Gourineni ⁽²⁾	Promoter & Executive Director	NA	NA
Dr. Ramachandra N Galla, Chairman ⁽³⁾	Promoter & Non-Executive Director	1	1

Foot Note:

- (1) Re-designated as Chairman of the Committee w.e.f. August 15, 2021.
- (2) Was appointed as the Member of the Committee w.e.f. August 15, 2021.
- (3) Ceased to be Member and Chairman of the Committee w.e.f. August 14, 2021.



Table-12: Dates of Meetings and attendance:

Date of Meeting	Committee Strength	No. of Members Present
May 22, 2021	3	3

During the year 2021-22, eight (8) complaints pertaining to non-receipt of rejected dematerialized documents and transfer of shares were received. All the Complaints were redressed to the satisfaction of the shareholders. There were no pending complaints as on March 31, 2022.

Particulars	Opening Balance	Received	Replied	Closing Balance
Request for revalidation and issue of duplicate dividend warrants	-	2	2	-
Share transfers	-	1	1	-
Dematerialization of shares	-	3	3	-
Issue of duplicate share certificates	-	2	2	-

6. Risk Management Committee

In compliance with Regulation 21 of the Listing Regulations, the Board had constituted the Risk Management Committee with effect from April 1, 2019. The terms of reference of the Committee cover all the matters specified in said Listing Regulations. The Committee is headed by Mr. N Sri Vishnu Raju, Non-Executive Independent Director. The Company Secretary acts as the Secretary to the Committee.

The Company has in place an enterprise-wide risk management system. The Risk Management Committee oversees and reviews the risk management framework as well as the assessment of risks, their management and mitigation procedures. The Committee reports its findings and observations to the Board if any. A section on risk management practices of the company under the Enterprise Risk Management forms a part of the chapter on Management Discussion and Analysis in this Annual Report.

During the financial year 2021-22, two (2) meetings of the Risk Management Committee were held on December 24, 2021, and March 22, 2022. The composition of the Risk Management Committee and the attendance of members are in Table 13 & Table 14.

Table-13: Meetings of the Risk Management Committee and attendance of members:

Members of the Committee	Category	Meetings held in the Member's tenure	No. of Meetings attended
Mr. N Sri Vishnu Raju, Chairman	Independent & Non-Executive Director	2	2
Mr. T R Narayanaswamy	Independent & Non-Executive Director	2	1
Mr. S Vijayanand	Member	2	2

Table-14: Dates of Meetings and attendance:

Date of Meeting	Committee Strength	No. of Members Present
December 24, 2021	3	2
March 22, 2022	3	3



7. Corporate Social Responsibility Committee

In compliance with Section 135 of the Act, the Board had constituted the Corporate Social Responsibility Committee. The terms of reference of the Committee covers all the matters specified in Section 135 of the Act. The Committee is headed by Mr. Jayadev Galla, Chairman, Managing Director & CEO. During the financial year 2021-22, two (2) meetings of the Committee were held on May 22, 2021, and August 14, 2021. The composition of the Corporate Social Responsibility Committee and the attendance of members are in Table 15 & Table 16.

Table-15: Meetings of the Corporate Social Responsibility Committee and attendance of members:

Members of the Committee	Category	Meetings held in the Member's tenure	No of the Meetings attended
Mr. Jayadev Galla, Chairman ⁽¹⁾	Promoter & Executive Director	NA	NA
Mr. T R Narayanaswamy	Independent & Non-Executive Director	2	2
Mr. N Sri Vishnu Raju	Independent & Non-Executive Director	2	2
Dr. Ramachandra N Galla, Chairman ⁽²⁾	Promoter & Non-Executive Director	2	2

(1) Appointed as Member and Chairman of the Committee w.e.f. August 15, 2021

(2) Ceased to be Member and Chairman of the Committee w.e.f. August 14, 2021.

Table-16: Dates of Meetings and Attendance:

Date of Meeting	Committee Strength	No. of Members Present
May 22, 2021	3	3
August 14, 2021	3	3

8. Loan and Investment Committee

The Board has constituted a Loan and Investment Committee consisting of Mr. Jayadev Galla, Chairman, Managing Director & CEO, Mr. Harshavardhana Gourineni, Executive Director, Mr. Vikramadithya Gourineni, Executive Director and Mr. N Sri Vishnu Raju, Non-Executive Independent Director as members of the said committee to approve the borrowings/ investment decisions of the Company as per the powers entrusted to it and within the limits specified by the Board, from time to time. The Committee is headed by Mr. Jayadev Galla, Chairman, Managing Director & CEO. The Committee meets as and when required and the minutes of the meeting of the Committee are placed before the Board for noting. No meeting of the said Committee was held during the financial year 2021-22.

9. Means of communication

Quarterly and annual results: Quarterly and annual results of the company are published in Business Line (all editions) and Andhra Jyothi and Eenadu (Rayalaseema Edition). These are also disseminated and made available on the company's website: www.amararajabatteries.com The financial results were sent, if asked for, to the registered e-mail IDs of members.

News releases, presentations, etc.: The Company has established systems and procedures to disseminate relevant information to its stakeholders, including members, analysts, business partners, customers, employees and the society at large. It also participates in earnings calls with analysts and investors.

Website: The primary source of information regarding the company's operations is the company's website: www.amararajabatteries.com, where all official news releases and presentations made to institutional investors and analysts are posted. It contains a separate dedicated investors section, as required under Regulation 46(2) of the Listing Regulations, where the information for members is available. A transcript of the proceedings of the AGM is also made available on the company's website



Annual report: The Company's annual report containing, inter alia, the Board's report, Additional Shareholders' Information, the Corporate Governance Report, Business Responsibility Report, Management's Discussion and Analysis (MD&A), Audited Standalone and Consolidated Financial Statements, Auditors' Report and other important information are circulated to members and others so entitled. The annual report is also available on the company's website in a user-friendly and downloadable form.

Compliances with stock exchanges: Stock Exchanges maintains separate online portals for the electronic submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these portals.

Annual General Meeting is the principal forum for face to face communication with shareholders, where the Directors / Senior Management personnel / Auditors / Chief Financial Officer respond to the specific queries of the shareholders.

Designated exclusive e-mail ID: We have designated an e-mail ID exclusively for investor services: investorservices@amararaja.com.

Register to receive electronic communications: We provide an option to the members to register their e-mail ID through the RTA to receive electronic communications. Members who wish to receive electronic communications may register with the RTA.

Disclosures: We have a policy on the determination of materiality for disclosure of certain events.

10. Other Disclosures

i. Disclosure of related party transactions

All transactions entered into with related parties during the financial year were on an arm's length basis and in the ordinary course of business. The transactions with the related parties are in compliance with Section 188 of the Act and Regulation 23 of the Listing Regulations.

Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions entered into are reviewed by an independent audit firm to confirm that they were in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Audit Committee and/or Board on a quarterly basis.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in note 34 of the notes forming part of the financial statements.

The Board of Directors at their meeting held on March 22, 2022, revised the policy on dealing with related party transactions. The policy lays down the criteria for determining the materiality of transactions. The said policy has been posted on the Company's website at the following link <https://www.amararajabatteries.com/Investors/corporate-governance-policies>.

There are no Loans and advances in the nature of loans to firms/companies in which Directors are interested and all related party transactions are on arm's length basis and ordinary course of business.

ii. Subsidiary Companies

The Company has only one subsidiary i.e. Amara Raja Batteries Middle East (FZE), Sharjah, UAE ("ARBME"), which is not a material subsidiary.

The Audit Committee reviews the financial statements of our subsidiary. It also reviews the investments, if any, made by such subsidiary, the statement of all significant transactions and arrangements, if any entered into by subsidiary, and the compliances of each materially significant subsidiary, if any, on a periodic basis.



iii. Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, the guidelines issued by SEBI and other accounting principles generally accepted in India.

iv. Management discussion and analysis: The chapter on Management Discussion and Analysis forms a part of this annual report

v. Senior Management Code of Conduct

The Board had approved a code of conduct in compliance with the Listing Regulations. The said code is applicable to all the Directors and the Senior Management Personnel of the Company and the same is available on Company's website i.e. www.amararajabatteries.com. All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the financial year ended March 31, 2022. In terms of Schedule V to the Listing Regulations, a declaration signed by Mr. Jayadev Galla, Chairman, Managing Director & CEO is enclosed in this report as **Annexure A**.

vi. Compliance(s) of matters relating to Capital Market

The Company has complied with all applicable rules and Listing Regulations prescribed by stock exchanges (NSE/BSE), Securities and Exchange Board of India ("SEBI") or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed on the Company in the last 3 years on any matters by SEBI.

vii. Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism to provide an avenue to raise concerns. The mechanism provides adequate safeguards against victimization of employees who avail of it, and also for the appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. No personnel had been denied access to the Audit Committee. The said policy has been posted on the Company's website at the following link <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

viii. Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for the prevention of Insider Trading ("Insider Trading Code") in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Board of Directors have revised the said policy on September 24, 2021 w.e.f. October 1, 2021, in view of the amendments in the Insider Trading Regulation.

Necessary procedures have been laid down for directors, officers, designated persons and their relatives for trading in the securities of the Company. These are periodically communicated to such employees who are considered insiders of the company. Apart from this, regular insider trading awareness mails are conducted for the benefit of designated persons. Trading window closure/blackouts/ quiet periods, when the directors and designated persons are not permitted to trade in the securities of the company, are intimated in advance to all concerned. Violations of the policy, if any are appropriately acted on and reported to the SEBI/Stock Exchanges. The Company also maintains a structured digital database, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and also implemented an online application for approving pre-clearances to insiders, who intend to trade in the securities of the Company.

The Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code. Reports on matters related to insider trading code are reported to the Audit Committee on a quarterly basis.



ix. Disclosure of commodity price risks and hedging activities

As the Company is not engaged in a commodity business, commodity risk is not applicable. The foreign exchange risk is being managed/hedged to the extent considered necessary. The Company had not entered into any forward contracts for any foreign exchange risks during the year under review.

x. Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

During the financial year 2021-22, the Company has not raised any funds through preferential allotment or qualified institutions placement.

xi. Internal Financial Controls with reference to Financial Statements

The Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems, processes, and procedures are periodically reviewed and appropriately revised to strengthen them to mitigate emerging risks associated with the growing size and complexity of Company's operations.

xii. CEO & CFO Certification

A certificate of the CEO, as well as the CFO of the Company on financial statements and applicable internal controls as stipulated under Regulation 17(8) of the Listing Regulations, is enclosed as **Annexure B** to this report.

xiii. Agreements with Media: The Company has not entered into any agreement with any media company and/or its associates.

xiv. Certificate from a Company Secretary in practice with regard to disqualification of Directors

A certificate from M/s. R. Sridharan & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and certificate is annexed to this report as **Annexure C**.

xv. Details of recommendation of any committee of the Board which are not accepted by the Board

The Board of Directors accepted all the recommendation(s) of the Committees of the Board during the financial year ended March 31, 2022.

xvi. Details of fees paid to the Joint Statutory Auditor(s) and all entities in the network firm/network entity of which each of the Joint Statutory Auditors is a part for the financial year ended March 31, 2022, are provided in Table 17.

Table-17: Details of Audit Fee:

(₹ crores)

Particulars	FY 2021-22
Statutory audit fees	0.90
Limited review fees	0.20
Tax audit fees	0.05
Reimbursement of expenses	0.02



xvii. During the year there were nil complaints received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

xviii. The Company has complied with the requirements of sub-paras (2) to (10) of Schedule V of the Listing Regulations

11. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with the mandatory requirements of the Corporate Governance as per Listing Regulations during the year under review:

With regard to the non-mandatory requirements the Company has complied to the extent stated below:

- Shareholder rights: Quarterly financial results are published in leading newspapers, viz. The Business Line (English) and vernacular – Eenadu, and Andhra Jyothi. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
- Modified opinion(s) in Annual Report: The financial statements for the financial year ended March 31, 2022, were with unmodified audit opinion.
- Other Non-Mandatory Requirements: At present, other discretionary requirements have not been adopted by the Company

12. Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows: The Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.

13. During the year under review, the Company had not raised any money from public issue, rights issue, preferential issue or any other issues.

14. Compliance with Corporate Governance

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the requisite format duly signed by the Company Secretary. Pursuant to Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate regarding compliance with conditions of Corporate Governance is annexed to this report as **Annexure D**.

15. Additional Shareholders' Information: The chapter on Additional Shareholders' Information is annexed to this report as **Annexure E**.

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO

Place: Hyderabad

Date: May 20, 2022



Annexure A:

Declaration on Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all the Board Members and Senior Management Personnel of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2022, as envisaged in Regulation 26(3) of Listing Regulations.

Place: Hyderabad

Date: May 20, 2022

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO



Annexure B:

CEO and CFO Certificate to the Board pursuant to Regulation 17 (8) of the Listing Regulations

We, Jayadev Galla, Managing Director & CEO and Y Delli Babu, Chief Financial Officer to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2022, and these statements:
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are no transactions entered into by the company during the year, which are fraudulent, illegal or violate the company's code of business conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- D. We have disclosed, wherever applicable, to the auditors and the audit committee:
 - i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Jayadev Galla

Chairman, Managing Director & CEO

Y Delli Babu

Chief Financial Officer

Hyderabad, May 20, 2022



Annexure C:

Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members

AMARA RAJA BATTERIES LIMITED

CIN: L31402AP1985PLC005305
Renigunta- Cuddapah Road,
Karakambadi, Tirupati,
Andhra Pradesh- 517520

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AMARA RAJA BATTERIES LIMITED (CIN: L31402AP1985PLC005305) having its Registered Office at Renigunta- Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517520 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such other statutory authority.

S. NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	00143610	Jayadev Galla	Executive Director – Chairman – Managing Director& CEO	01/09/2015
2.	07311410	Harshavardhana Gourineni	Whole Time Director	12/06/2021
3.	03167659	Vikramadithya Gourineni	Whole Time Director	12/06/2021
4.	00025063	N Sri Vishnu Raju	Non-Executive - Independent Director	14/08/2008
5.	01143563	T R Narayanaswamy	Non-Executive - Independent Director	01/06/2009
6.	00185929	Bhairavi Tushar Jani	Non-Executive - Independent Director	28/03/2015
7.	01810872	Annush Ramasamy	Non-Executive - Independent Director	12/06/2021

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR R SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

CS R SRIDHARAN

FCS NO. 4775

CP NO. 3239

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000332181

Place: Chennai

Date : 20th MAY, 2022



Annexure D:

Corporate Governance Certificate

The Members

Amara Raja Batteries Limited

Renigunta Cuddapah Road,
Karakambadi,
Tirupati – 517520.

We have examined, documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **Amara Raja Batteries Limited, (CIN: L31402AP1985PLC005305)** [herein after referred as “the Company”] having its Registered Office at Renigunta Cuddapah Road, Karakambadi, Tirupati – 517520, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called “SEBI (LODR) Regulations 2015”) for the financial year ended 31st March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations 2015 for the financial year ended 31st March, 2022.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR R SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES**

CS R SRIDHARAN

FCS NO. 4775

CP NO. 3239

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000332146

Place: Chennai

Date : 20th MAY, 2022



Annexure E:

Additional Shareholders' Information

1. General Information to Shareholders

Name of the Company	Amara Raja Batteries Limited	
Address	Registered Office:	Renigunta - Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520 Tel: 91 877 226 5000; Fax: 91 877 228 5600
	Corporate Office (Correspondence Address for Shareholders):	Terminal A, 1-18/1/AMR/NR, Nanakramguda, Gachibowli, Hyderabad, Telangana - 500 032 Tel: 91 40 2313 9000; Fax: 91 40 2313 9001
Corporate Identification Number (CIN)	L31402AP1985PLC005305	
Website	www.amararajabatteries.com	
E-Mail ID	investorservices@amararaja.com	
Compliance Officer	Mr. Vikas Sabharwal, Company Secretary and Compliance Officer Tel: 91 40 2313 9000; Fax: 91 40 2313 9001; E-mail Id : vsl@amararaja.com	
IEPF Nodal Officers	Nodal Officer: Mr. Vikas Sabharwal, Company Secretary and Compliance Officer, E-mail Id: vsl@amararaja.com Deputy Nodal Officer: Mr. Naresh Miryala, Deputy Company Secretary, E-mail Id: nkm2@amararaja.com	
Details of 37th Annual General Meeting	Date of Meeting : Saturday, August 6, 2022 Time of Meeting : 2:30 PM (IST) Onwards Place of Meeting : Deemed Venue – Registered office of the Company Mode of Meeting : Through OAVM (e-Mode) Ministry of Corporate Affairs (MCA) issued general circular nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020, and May 5, 2020, respectively and general circular no(s). 02/2021 dated January 13, 2021, 02/2022 dated May 05, 2022, and the Securities and Exchange Board of India (SEBI) vide it's Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and Circular No. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021, and Circular No SEBI/HO/CMD/CMD2/CIR/P/2022/62 dated May 13, 2022, permitted the holding of the 37 th Annual General Meeting (AGM) through Video Conference (VC) or Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue.	
E-Voting Dates	Cut-off (for determining shareholders eligible for e-voting) : Saturday, July 30, 2022 E-Voting Start Date : Tuesday, August 2, 2022 (At 9:00 AM) E-Voting End Date : Friday, August 5, 2022 (At 5:00 PM)	
Book Closure Dates	The dates of book closure are from Sunday, July 31, 2022 to Saturday, August 6, 2022 , (both days inclusive) for the purpose of payment of the final dividend for FY 2021-22 and the 37 th Annual General Meeting.	



Name of the Company	Amara Raja Batteries Limited
Dividend Policy	Dividends, other than interim dividend(s), are to be declared at the Annual General Meeting(s) based on the recommendation of the Board of Directors. As required under Regulation 43A of the Listing Regulations, the Board of Directors at its meeting held on 15 th May, 2019 had adopted a revised policy Listing for distributing dividends up to 30% of the profit after tax (PAT). Accordingly, every year the Company would pay a dividend amount up to 30% of the profit after tax (PAT) to all the eligible shareholders.
Dividend Details for FY 2021-22	<p>Final Dividend for FY 2021-22</p> <p>Rate : ₹0.50/- per equity share of ₹1 each (50%)</p> <p>Date of Approval : Saturday, August 6, 2022, Subject to the approval of Members at 37th Annual General Meeting</p> <p>Divided payment date : On or before September 4, 2022</p> <p>Cut of Date for Dividend : Saturday, July 30, 2022</p> <p>To be paid to those shareholders, in case of shares held in physical form, whose names appear in the register of members as of the close of business hours on Saturday, July 30, 2022, and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on Saturday, July 30, 2022, as per details furnished by the depositories for this purpose.</p> <p>Interim Dividend for FY 2021-22</p> <p>Rate : ₹4 per equity share of ₹1 each (400%)</p> <p>Date of Approval : November 12, 2021</p> <p>Divided payment date : December 10, 2021</p>
Listing Details and Listing Fee	<p>National Stock Exchange of India Limited (NSE) : AMARAJABAT – EQ (Script Code)</p> <p>BSE Limited (BSE) : 500008 (Script Code)</p> <p>The listing fees for the listing of equity shares of the Company have been paid for FY 2021-22 & FY 2022-23 to both NSE and BSE.</p>
International Securities Identification Number (ISIN)	<p>INE885A01032 (ISIN number for equity shares of ₹1 each)</p> <p>ISIN is a unique identification number of a traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company.</p>
Registrar and Share Transfer Agent (RTA)	<p>For shares related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or a client ID and DP ID at the following address:</p> <p>Unit : Amara Raja Batteries Limited</p> <p>Name of the RTA : Cameo Corporate Services Limited</p> <p>Contact person : Mr. P. Muralidharan, Joint Manager</p> <p>Address : V Floor, Subramanian Building, No.1, Club House Road, Chennai - 600002</p> <p>Tel : 91 44 28460390</p> <p>Fax : 91 44 28460129</p> <p>E-mail id : investor@cameoindia.com</p> <p>Website : www.cameoindia.com</p>
Credit Ratings	<p>Name of the Rating Agency : CRISIL</p> <p>Long Term Rating : CRISIL AA+/Stable (Reaffirmed)</p> <p>Short Term Rating : CRISIL A1+ (Reaffirmed)</p> <p>No other debt instruments or any fixed deposit program or any scheme or proposal for mobilization of funds were issued or undertaken by the Company during the financial year.</p>
Outstanding Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDR/ ADR/Warrants and convertible instruments.



Name of the Company	Amara Raja Batteries Limited
Nomination Facility	Shareholders holding physical shares may, if they so desire, send their nominations in form SH-13 under Companies (Share Capital and Debentures) Rules, 2015, as amended, to the RTA of the Company. Further, shareholders may cancel/vary their nomination already made, in form SH-14 by sending it to the RTA. Those holding shares in dematerialized form may contact their respective depository participant (DP) to avail the nomination facility.
Shareholders Forms	Forms for shareholders holding physical shares can be downloaded from https://www.amararajabatteries.com/Investors/downloads
Questions prior to AGM	Members seeking any information or asking questions with regard to the financial statements of the Company or on any matter in the annual report 2021-22, are requested to write from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorservices@amararaja.com on or before Tuesday, August 2, 2022 (5:00 PM) IST. Such information sought or questions by the members shall be furnished or replied by the Company suitably.
National Electronic Clearing Service (NECS) Facility for remittance of Dividend electronically	The company provides the facility for the remittance of dividends to shareholders through NECS. Under this facility, shareholders can receive dividends electronically by way of direct credit to their bank account. With this service, problems such as loss of dividend warrants during postal transit/fraudulent encashment are avoided. This also expedites the credit of dividends directly to the shareholder's account as compared to the payment through a physical dividend warrant. Shareholders are advised to write to RTA or Company for any further details on how to avail this facility.
Plant Locations	<ul style="list-style-type: none"> (a) 4 Wheeler Battery Plant: Renigunta - Cuddapah Road, Karakambadi, Tirupati, Chittoor District Andhra Pradesh - 517520, India (b) LVRLA Battery Plant: Renigunta - Cuddapah Road, Karakambadi, Tirupati, Chittoor District Andhra Pradesh - 517520, India (c) 2 Wheeler Battery Plant: Renigunta - Cuddapah Road, Karakambadi, Tirupati, Chittoor District Andhra Pradesh - 517520, India. (d) 4 Wheeler Battery Plant: Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416 (e) MVRLA Battery Plant: Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416 (f) Tubular Battery Plant: Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416 (g) 2 Wheeler Battery Plant: Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416



2. Last three Annual General Meeting(s)

The details of date/time and venue and the special resolution(s) passed at the last three Annual General Meetings are given below:

For the Financial year	Venue	Day, date and time	Special Resolution(s)
2020-21	Through Video Conferencing / Other Audio-Visual Means (Deemed the meeting: Renigunta-Cuddapah Road, Karakambadi Tirupati, Andhra Pradesh – 517 520)	Saturday, August 14, 2021 at 3:00 P.M.	<ul style="list-style-type: none"> ● Special resolution was passed to approve the appointment of Mr. Harshavardhana Gourineni (DIN 07311410) as an Executive Director and fix his remuneration ● Special resolution was passed to approve the appointment of Mr. Vikramadithya Gourineni (DIN 03167659) as an Executive Director and fix his remuneration ● Special resolution was passed to amend the main objects clause of the Memorandum of Association of the Company
2019-20	Through Video Conferencing / Other Audio-Visual Means (Deemed the meeting: Renigunta-Cuddapah Road, Karakambadi Tirupati, Andhra Pradesh – 517 520)	Friday, August 7, 2020 at 10:30 A.M. IST	<ul style="list-style-type: none"> ● Special resolution was passed to approve the re-appointment of Dr. Ramachandra N Galla (DIN : 00133761) as a Director of the Company. ● Special resolution was passed to approve the re-appointment of Ms. Bhairavi Tushar Jani (DIN: 00185929) as an Independent Director for a second term. ● Special resolution was passed to approve the re-appointment of Mr. Jayadev Galla (DIN: 00143610) as Vice Chairman and Managing Director and fix his remuneration. ● Special resolution was passed to approve payment of Commission to Dr. Ramachandra N Galla (DIN: 00133761) @ 3% of the net profits of the Company for financial year 2020-21.
2018-19	Auditorium situated at the Registered Office i.e Renigunta-Cuddapah Road Karakambadi Tirupati, Andhra Pradesh – 517 520	Saturday, July 20, 2019 at 12:00 noon	<ul style="list-style-type: none"> ● Special resolution was passed to approve the re-appointment of Dr. Ramachandra N Galla (DIN : 00133761) as a Director of the Company. ● Special resolution was passed to approve payment of Commission to Dr. Ramachandra N Galla (DIN: 00133761) @ 3% of the net profits of the Company for each of the financial years 2018-19 and 2019-20. ● Special resolution was passed to approve payment of Commission to Non-Executive Independent Director(s) such commission not exceeding 1% of the net profits of the Company for each of the financial years from 2018-19 and 2023-24. ● Special resolution was passed to approve payment of remuneration to Mr. Jayadev Galla (DIN: 00143610) @ 5% of the net profits of the Company for remaining tenure of his appointment. ● Special resolution was passed to appoint Mr. N Sri Vishnu Raju (DIN: 00025063) as an independent director for a second term. ● Special resolution was passed to appoint Mr. T R Narayanaswamy (DIN: 01143563) as an independent director for a second term.



3. Postal Ballot during the last three years: Details of Postal Ballot conducted during the last three years is as below and There is no proposal to conduct a postal ballot for any matter in the ensuing annual general meeting.

Year	No of Postal Ballots conducted	Details of Resolution and Voting pattern																														
FY 2021-22	Nil																															
FY 2020-21	One (April 30, 2020)	<p>Business Transacted:</p> <p>(a) Special Resolution: Alteration of Articles of Association of the Company</p> <p>Voting Details</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>9,13,14,999</td> <td>99.77</td> </tr> <tr> <td>Votes cast against</td> <td>2,14,286</td> <td>0.23</td> </tr> <tr> <td>Total Valid Votes</td> <td>9,15,29,285</td> <td>100.00</td> </tr> <tr> <td>Invalid Votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>(b) Ordinary resolution to de-classify M/s. Johnson Controls (Mauritius) Private Limited as Promoter of the Company</p> <p>Voting Details</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>9,15,28,972</td> <td>99.99</td> </tr> <tr> <td>Votes cast against</td> <td>313</td> <td>0.01</td> </tr> <tr> <td>Total Valid Votes</td> <td>9,15,29,285</td> <td>100.00</td> </tr> <tr> <td>Invalid Votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The shareholders approved the said resolution(s) with the requisite majority on April 30, 2020, and the results were declared on May 2, 2020.</p> <p>Mr. V Suresh, Practising Company Secretary was appointed as Scrutinizer for conducting voting through remote e-voting, and postal ballot forms, in a fair and transparent manner.</p>	Particulars	No.	%	Votes cast in favour	9,13,14,999	99.77	Votes cast against	2,14,286	0.23	Total Valid Votes	9,15,29,285	100.00	Invalid Votes	-	-	Particulars	No.	%	Votes cast in favour	9,15,28,972	99.99	Votes cast against	313	0.01	Total Valid Votes	9,15,29,285	100.00	Invalid Votes	-	-
Particulars	No.	%																														
Votes cast in favour	9,13,14,999	99.77																														
Votes cast against	2,14,286	0.23																														
Total Valid Votes	9,15,29,285	100.00																														
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Votes cast in favour	9,15,28,972	99.99																														
Votes cast against	313	0.01																														
Total Valid Votes	9,15,29,285	100.00																														
Invalid Votes	-	-																														
FY 2019-20	Nil																															

Procedure for postal ballot

In compliance with the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with applicable Rules made thereunder, the Company provides an e-voting facility to all its shareholders, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing an e-voting facility to all its shareholders. The shareholders have the option to vote either by postal ballot or e-voting.

The Company dispatches the notice of postal ballot and forms along with a self-addressed business reply envelope to its shareholders whose names appear on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to the shareholders in the electronic form to the e-mail IDs registered with the DPs/RTA.

The voting rights are reckoned on the paid-up value of the shares registered in the names of the shareholders as of the cut-off date. Shareholders desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the closing of the voting period.

Shareholders desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last day of e-voting. The last date specified by the Company for receipt of duly completed postal ballot forms or e-voting is deemed to be the date of passing of the resolution.

The Scrutinizer submits his report to the chairman of the Board of Directors or any person authorized by him, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced. The results are also displayed on the website of the Company i.e www.amararajabatteries.com besides being communicated to the stock exchanges and NSDL.



4. Financial Calendar

The tentative calendar for the declaration of financial results of FY 2022-23

For the quarter ending June 30, 2022	Second week of August 2022
For the quarter and half year ending September 30, 2022	Second week of November 2022
For the quarter and nine months ending December 31, 2022	Second week of February 2023
For the quarter and year ending March 31, 2023	Third week of May 2023
Annual General Meeting for FY 2022-23	Second week of August 2023

5. Shareholding pattern as of March 31, 2022

The shareholding pattern classified on the basis of category and distribution of ownership respectively is given below:

a. Distribution of shareholding on basis of category:

Category	As on March 31, 2022		As on March 31, 2021		% change
	No. of Shares held	%	No. of Shares held	%	
Promoters holding					
Individuals	-	-	-	-	-
Companies	479,32,452	28.06	479,32,452	28.06	0.00
Sub Total	479,32,452	28.06	479,32,452	28.06	0.00
Indian Institution(s) and Govt. holding					
Mutual Funds	48,63,558	2.85	1,00,06,600	5.86	(3.01)
Alternate Investment Funds	1,42,250	0.08	1,77,397	0.10	(0.02)
Banks /Financial Institutions	1,37,22,406	8.03	94,72,275	5.55	2.49
Foreign Portfolio Investor	3,09,10,211	18.10	3,64,45,625	21.34	(3.24)
Insurance Companies	7,10,400	0.42	19,38,574	1.13	(0.72)
State Government/Central Government	0	0.00	0	0.00	0.00
Sub Total	5,03,48,825	29.48	5,80,40,471	33.98	(4.50)
Indian Public	3,74,19,704	21.91	147,15,153	8.61	13.29
Overseas Body Corporate	2,39,13,750	14.00	4,09,95,000	24.00	(10.00)
Bodies Corporate	23,42,635	1.37	17,78,452	1.04	0.33
Foreign Institutional Investors	1,500	0.00	0	0	0.00
Non Resident Indians	65,89,539	3.86	59,07,766	3.46	0.40
Foreign Portfolio Investor (Individual) Category III	661	0.00	300	0.00	0.00
Clearing members	6,80,095	0.40	3,51,797	0.21	0.19
Employees	46,102	0.03	0	0.00	0.03
Hindu Undivided Family	7,66,661	0.44	2,99,065	0.18	0.27
Investor Education Provident Fund	7,14,928	0.42	7,34,425	0.43	(0.01)
Others	55,648	0.03	57,619	0.03	0.00
Sub Total	7,25,31,223	42.46	6,48,39,577	37.96	4.50
Total	17,08,12,500	100.00	17,08,12,500	100.00	0.00



b. Distribution of shareholding on basis of ownership as of March 31, 2022:

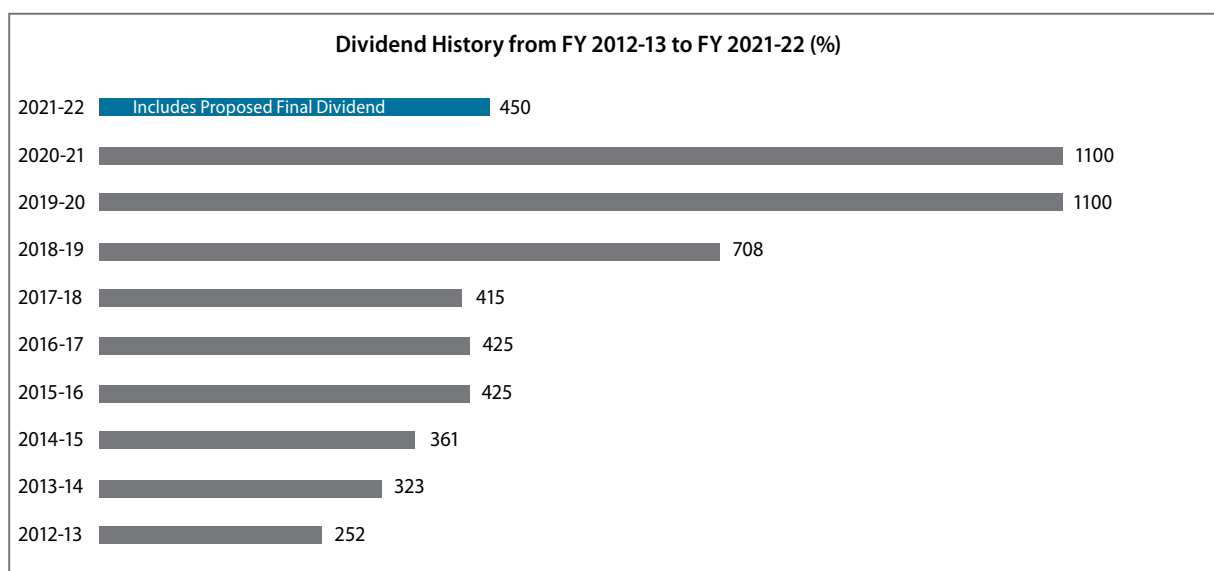
No. of shares held	No. of shareholders	% to no. of shareholders	No. of shares held	% to total shares
1 – 100	4,93,048	89.24	1,17,25,456	6.86
101 – 500	49,203	8.91	1,05,52,254	6.18
501 – 1000	5,568	1.01	42,49,766	2.49
1001 – 2000	2,843	0.51	41,35,028	2.42
2001 – 3000	776	0.14	20,43,472	1.20
3001 – 4000	211	0.04	7,42,526	0.43
4001 – 5000	217	0.04	10,02,192	0.59
5001 – 10000	320	0.06	23,29,996	1.36
10001 and above	288	0.05	13,40,31,810	78.47
Total	552,474	100.00	17,08,12,500	100.00

6. Name of the persons who hold more than 1% of equity shares of the Company as of March 31, 2022

Name of the shareholder	No. of shares held	%
RNGalla Family Private Limited	4,79,32,452	28.06
Clarios ARBL Holding LP	2,39,13,750	14.00
Nalanda India Equity Fund Limited	1,68,80,938	9.88
Life Insurance Corporation of India	1,23,54,916	7.23
Vanguard Emerging Markets Stock Index Fund, a series of vanguard international Equity index funds	17,45,940	1.02

7. Dividend History

The following graph shows the dividend history (Final & Interim) of the company from FY 2012-13 to FY 2021-22. This chart is inclusive of the proposed dividend at the 37th Annual General Meeting.





8. Old share certificates with face value of ₹10 and ₹2 are no longer valid

During the year 2007-08, the Company sub-divided the face value of its equity shares from ₹10 to ₹2 and further during the year 2012-13, the Company further sub-divided the face value of its equity shares from ₹2 to ₹1. Hence, the old share certificates with a face value of ₹10 and ₹2 are no longer valid.

The shareholders who are still holding the share with face value of ₹10 and ₹2, are requested to submit those share certificates along with their demat account details including client master list, either to the company or to the RTA. On receipt and subject to verification of these share certificate(s) and submission of additional documents, as may be required, the shares will get credited to the demat account of the shareholders or will inform the shareholders of the process to claim the shares from Investor Education and Protection Fund Authority (IEPFA), in case the shares were transferred to IEPFA.

9. Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our RTA. To expedite the process of share transfers, the Company secretary has been delegated the power to attend to the share transfer formalities at regular intervals.

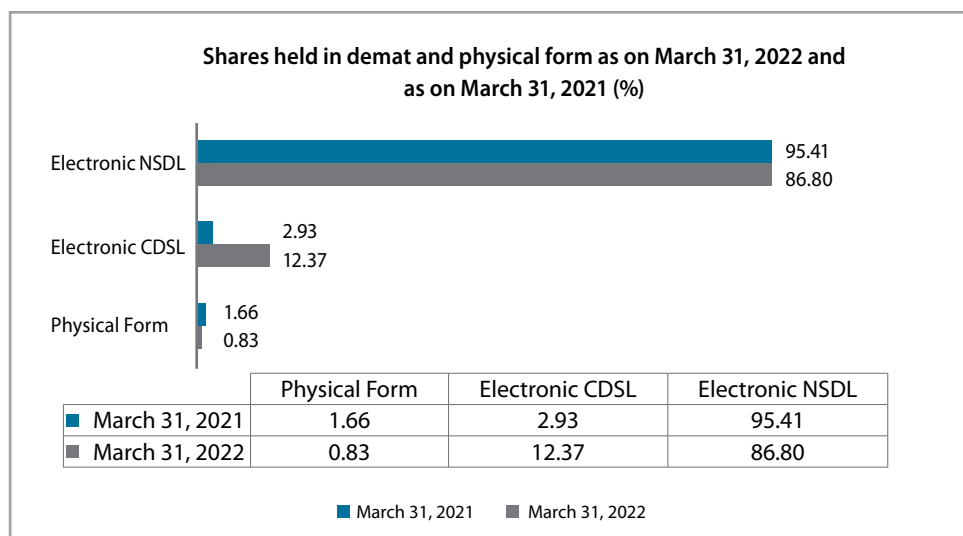
Pursuant to Regulation 40 of Listing Regulations, as amended vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 shareholders may please note that w.e.f. April 1, 2019, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only. Therefore, the shareholders are requested to dematerialize their shares for their own benefit.

Accordingly, shareholders are requested to note that effective from April 1, 2019, no share transfers in physical form shall be processed or accepted by the Company or Registrar and Share Transfer Agent.

10. Dematerialisation

To facilitate easy access of the dematerialized system to the investors, the Company have signed up with both the depositories in India — the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and have established connectivity with the depositories through our RTA. The dematerialization of shares is done through RTA and the dematerialization process is generally completed within 21 days from the date of receipt of a valid dematerialization request along with the relevant documents.

The following Chart gives the breakup of dematerialized shares and shares in physical form as on March 31, 2022 compared with March 31, 2021:





11. Transfer of unclaimed dividend and underlying shares to Investor Education and Protection Fund (IEPF)

During the year under review, in terms of Section 124 (5) of the Act, an amount of ₹38,27,844/- being unclaimed final dividend pertaining to the financial year 2013-14 was transferred to IEPF on September 22, 2021.

Further, during the year under review, the Company after sending required notices the shareholders and news paper publications, transferred 9083 equity shares of ₹1 each to the IEPF Authority.

Members who have not yet encashed their final dividend from the financial year 2014-15 onwards are requested to make their claims without any delay to Cameo Corporate Services Limited, Registrar and Share Transfer Agent (RTA) of the Company for claiming the unclaimed/unpaid dividends. The following table gives information relating to due dates for the transfer of unclaimed/unpaid dividends to IEPF:

Financial Year	Type of payment	Date of Declaration	Unclaimed dividend as on March 31, 2022 (₹)	Due Date of Transfer to IEPF
2014-15	Final Dividend	August 14, 2015	41,24,656.04	September 19, 2022
2015-16	Interim Dividend	March 15, 2016	47,91,263.00	April 20, 2023
2016-17	Final Dividend	August 07, 2017	50,35,633.75	September 12, 2024
2017-18	Interim Dividend	November 09, 2017	23,65,928.00	December 15, 2024
2017-18	Final Dividend	August 11, 2018	11,25,623.90	September 16, 2025
2018-19	Interim Dividend	November 9, 2018	31,52,360.00	December 15, 2025
2018-19	Final Dividend	July 20, 2019	21,90,521.40	August 25, 2026
2019-20	I Interim Dividend	November 9, 2019	27,08,226.00	December 15, 2026
2019-20	II Interim Dividend	March 9, 2020	25,16,840.00	April 14, 2027
2020-21	Interim Dividend	February 13, 2021	19,87,146.00	March 21, 2028
2020-21	Final Dividend	August 14, 2021	25,70,896.00	September 13, 2029
2021-22	Interim Dividend	November 12, 2021	39,15,654.00	December 11, 2029

As required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) the Company uploaded on its website www.amararajabatteries.com the particulars of unclaimed dividend as of March 31, 2021, with information containing the names, addresses of the person entitled to receive the amount, nature of amount, the due date for transfer to IEPF and such other information as required by the IEPF Rules. The same is also available on the IEPF's website www.iepf.gov.in

All shareholders, whose dividend remains unpaid/ unclaimed, are requested to refer to the same on the Company's website or on www.iepf.gov.in and lodge their claim to RTA by submitting an application in writing and supported by a deed of indemnity immediately.

All shareholders whose shares, unclaimed dividend etc. has been transferred to IEPF, are requested to claim the same from the IEPF Authority by submitting an online application in Form IEPF-5 available on the website of Investor Education and Protection Fund at www.iepf.gov.in/IEPFA/refund.html



12. Disclosures with respect to unclaimed suspense account:

The following is the reconciliation of the unclaimed shares in the “Amara Raja Batteries Limited -Unclaimed Suspense Account” (suspense account).

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on April 1, 2021	22	53250
Number of equity shareholders who approached the Company for transfer of shares of ₹1 each from the suspense account	Nil	Nil
Number of equity shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Number of equity shareholders whose shares were transferred to Investor Education and Protection Fund (IEPF) during the year	Nil	Nil
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on March 31, 2022	22	53250

All corporate benefits that accrue on these shares such as bonus shares, split, etc., shall also be credited to the Unclaimed Suspense Account. The voting rights on the shares outstanding in the Suspense account shall remain frozen till a claim from the rightful owner of such shares is received.

13. Stock Data

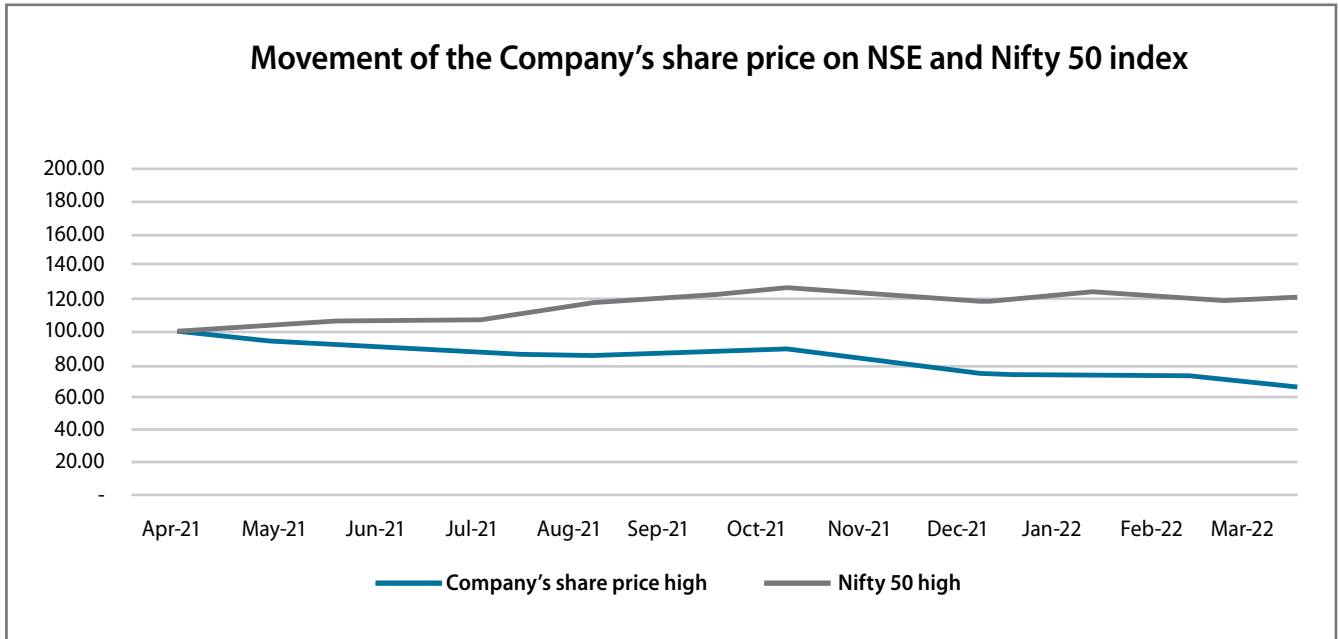
a. High, Low prices (based on WAP) of the Company's shares traded on NSE and BSE and performance of Nifty 50 and BSE Sensex during the period from April 1, 2021, to March 31, 2022, are furnished below:

Month	BSE		SENSEX		NSE		NIFTY 50	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr-21	859.92	793.38	50,029.83	47,705.80	860.34	794.42	14,894.90	14,296.40
May-21	800.27	737.98	51,937.44	48,253.51	801.86	737.92	15,582.80	14,496.50
Jun-21	780.68	739.64	52,925.04	51,849.48	780.53	739.97	15,869.25	15,574.85
Jul-21	750.02	699.88	53,158.85	52,198.51	749.98	700.02	15,924.20	15,632.10
Aug-21	732.38	672.48	57,552.39	52,950.63	732.73	672.79	17,132.20	15,885.15
Sept-21	763.04	707.62	60,077.88	57,338.21	762.48	707.63	17,855.10	17,076.25
Oct-21	773.12	681.47	61,765.59	58,765.58	774.02	683.87	18,477.05	17,532.05
Nov-21	708.51	615.27	60,718.71	57,064.87	708.28	615.48	18,109.45	16,983.20
Dec-21	644.97	594.82	58,807.13	55,822.01	645.18	594.32	17,516.85	16,614.20
Jan-22	657.41	598.12	61,308.91	57,200.23	657.55	597.99	18,308.10	17,101.95
Feb-22	638.64	539.85	59,558.33	54,529.91	638.87	539.14	17,780.00	16,247.95
Mar-22	584.95	537.48	58,683.99	52,842.75	583.96	537.67	17,498.25	15,863.15



Performance of the Company’s share price vis-à-vis-Nifty 50

A comparative line chart showing performance of share price (WAP high) of the Company on NSE with NSE Nifty 50 (closing high) during the financial year 2021-22.



Notes: All values are indexed to 100 as on April 1, 2021.

- 14. Disclosure on legal proceedings pertaining to shares: There is no pending case relating to disputes over the title of the shares of the company, in which the company has been made a party.
- 15. Information on Memorandum and Articles of Association: The company’s memorandum and articles of association are available on its website <https://www.amararajabatteries.com/Investors/downloads>



BUSINESS REPOSPPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- | | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Company | L31402AP1985PLC005305 |
| 2. Name of the Company | Amara Raja Batteries Limited |
| 3. Registered address | Renignuta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517520 |
| 4. Website | www.amararajabatteries.com |
| 5. E-mail id | investorservices@amararaja.com |
| 6. Financial Year reported | March 31, 2022 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise) | Group 272* - Manufacture of batteries and accumulators
*As per National Industrial Classification – Ministry of Statistics and Programme Implementation |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | Batteries for Automotive and Industrial Application(s). |
| 9. Total number of locations where business activity is undertaken by the Company | |
| (a) Number of International Locations | Nil |
| (b) Number of National Locations | Plant Locations:
a) Renigunta - Cuddapah Road, Karakambadi, Tirupati Andhra Pradesh-517 520
b) Nunegundlapalle Village Bangarupalayam Mandal, Chittoor District Andhra Pradesh-517 416 |
| | Distribution Network:
Present across PAN India through franchisees and dealers. National & International (44 countries) |
| 10. Markets served by the Company – Local/ State/ National/International | |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- | | |
|--|--|
| 1. Paid up Capital (INR) | ₹17.08 crores |
| 2. Total Turnover (INR) | ₹8,695.82 crores |
| 3. Total profit after taxes (INR) | ₹511.25 crores |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company's total spending on CSR for the year ended March 31, 2022 was ₹16.43 crores which is 3.21 % of the profit after tax. |
| 5. List of activities in which expenditure in 4 above has been incurred | Please refer Annexure V to Board's Report for CSR related information and also CSR section in the annual report. |



SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] The Company has not mandated any supplier, distributor etc., to participate in BR Initiatives of the Company. However, they are encouraged to adopt Business Responsibility initiatives and follow the concept expected of responsible businesses.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	00143610
Name	Mr. Jayadev Galla
Designation	Chairman, Managing Director & CEO

(b) Details of the BR head

DIN Number (if applicable)	-
Name	Mr. Prashant Tiwari
Designation	Chief Sustainability Officer
Telephone number	040-23139000
e-mail id	pt1@amararaja.com

2. Principle-wise (as per NVGs) BR Policy/policies

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the well-being of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect, and make efforts to restore the environment
- P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner



3. Principle-wise (as per NVGs) BR Policy/policies

SI No.	P1 Details of compliance (Reply in Y/N)	P2 Ethics, Transparency and Accountability	P3 Product life cycle sustainability	P4 Employment Well-being	P5 Stakeholders Engagement	P6 Human Rights	P7 Environment	P8 Policy Advocacy	P9 Community Development	P9 Customer Value
1.	Do we have a policy/ policies for....	Yes This forms part of the Code of Conduct of the Company which is applicable to all employees.	Yes Health, Safety and Environment, (HSE) Policy is addressing product life cycle sustainability.	Yes There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Leave Policy, Road Safety Policy, Group Mediclaim Policy, etc.	Yes Stakeholder engagement is integral part of our CSR policy & the Consumer policy and adequately covered in internal sustainability report.	Yes This forms part of the Code of Conduct of the Company which is applicable to all employees.	Yes This forms part of the Company's HSE Policy.	No The Company has a CSR Policy.	Yes The Company has a Consumer Policy.	Yes The Company has a Consumer Policy.
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3.	Does the policy conform to any national/ international standards? If yes, specify?	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	NA	Yes the policy is in line with national standards	Yes the policy is in line with national standards
4.	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Code of Conduct comprising of these principles has been approved by the Board	Environment policy is approved by CEO	HR Policies are approved by President-HR. The Executive Committee comprising of senior management and relevant stakeholders are consulted and engaged in framing/ modification of HR policies.	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	Environment policy is approved by CEO	NA	CSR Policy is approved by the Board.	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director



SI No.	P1 Details of compliance (Reply in Y/N)	P2 Ethics, Transparency and Accountability	P3 Product life cycle sustainability	P4 Employment Well-being	P5 Stakeholders Engagement	P6 Human Rights	P7 Environment	P8 Policy Advocacy	P9 Community Development	P10 Customer Value
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	NA	Yes	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	
6.	Indicate the link for the policy to be viewed online?	https://www.amaratajabatteries.com/Investors/corporate-governance-policies	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	NA	https://www.amaratajabatteries.com/Investors/corporate-governance-policies	View restricted to the respective stakeholders
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, policies have been communicated to the respective stakeholders	Yes, all policies are placed on the intranet of the Company. New employees are given a formal induction on these policies.	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	NA	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders
8.	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes



SI No.	P1 Details of compliance (Reply in Y/N)	P2 Ethics, Transparency and Accountability	P3 Product life cycle sustainability	P4 Employment Well-being	P5 Stakeholders Engagement	P6 Human Rights	P7 Environment	P8 Policy Advocacy	P9 Community Development	P9 Customer Value
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances related to the policy/policies?	The whistle blower mechanism provides employees to report any concern or grievances pertaining to any potential violation of the Company's code of conduct.	The quality, marketing, technology and operations departments work together collaboratively to address the issues pertaining to the product life sustainability.	Policy grievances pertaining to employee well-being related concerns are handled by the respective business HR managers. Further an annual communication meet with senior management team is a forum to raise any grievances or concerns of the employees of the Company.	The continuous engagement with the customers, suppliers, channel partners and annual channel partners meet enables the Company to capture and address their concerns and grievances, if any. An investor grievance mechanism is in place to respond to the grievances of the investors.	Policy grievances pertaining to employee well-being related concerns are handled by the respective business HR managers. Further an annual communication meet with senior management team is a forum to raise any grievances or concerns of the employees of the Company.	HSE department conducts regular meetings and resolves all grievances.	NA	NA	The customer complaints mechanism records and addresses the grievances of the customers on product, quality, service, warranty and other related issues
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental policies are subject to internal and external audits as a part of certification process. Audit observations and suggestions are part of the inputs in revising and improving the processes.								



4. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The BR performance of the Company is regularly assessed by the Functional Heads along with the Business Leaders on monthly basis. Executive Committee comprising of Senior Management Personnel reviews the same periodically via appointed councils and on need basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes. The Company publishes BR report annually and the same forms part of annual report, which can be accessed in the Company's website i.e www.amararajabatteries.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The policy relating to ethics, bribery and corruption extends beyond our Company employees, both permanent and temporary, Directors and also covers the Amara Raja group of Companies.

The Company has adopted a Code of conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and the members of the Senior Management of the Company are required to affirm on an annual compliance of this code. This Code requires the Directors and senior management personnel of the Company to act honestly, ethically and with integrity. The Code guides the Directors and senior management personnel to conduct themselves in professional, courteous and respectful manner and also to ensure their independent judgement is not impacted.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The vigil mechanism serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The Company has not received any significant grievances. Regular grievances are captured, investigated and resolved.

Principle 2

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company manufactures batteries catering to requirements of Automotive and Industrial application. The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water and raw materials. The Company is utilising renewable energy sources as part of its commitment towards environment. The Company ensures compliance requirements of the law that relate to products and services, environmental aspects and occupational hazards.

The company designs, develops and supplies products for

1. Renewable energy storage (Green Energy)/BESS
2. Electric Mobility (e-Rickshaw/e-Auto)- Using Li-Ion & Lead acid technologies



3. The batteries manufactured are designed keeping in view the most UPS by optimized size, weight & cost for various applications like UPS, Automotive & Telecom Applications.
4. Further these batteries are designed to ensure Safety during the manufacturing, transportation and as well as usage by the customers/consumers.
5. All the batteries are designed keeping in mind the state of the art Materials, reduced maintenance & longer usage life
6. For each such product, provide Hi-Life batteries with quick rechargeability for Telecom Towers with attractive TCO to save/limit/eliminate diesel Generation & time leading to CO2 Reduction and saving fossil fuels
7. Developed corrosion resistive, weight optimized & enhanced performance products for 2W using advanced manufacturing technology

2. The following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company continuously strives to optimize the manufacturing process thereby effectively utilizing/reducing the consumption of the raw materials. The Company has reduced the consumption of lead per battery for various products in both industrial and automotive battery division.

In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to has reduce wastage and optimize consumption. The Company is planning to generate clean electrical energy by further commissioning 50MW Solar Project by Q2 FY23. This ensures use of clean energy and also entails power at low cost. The Company undertakes various projects to improve green cover and rainwater harvesting ponds in the manufacturing plants. The increase in green cover would help in keeping the surrounding at a lesser temperature than the surroundings and also helps in reducing the ambient noise levels and air pollution from the operations. Rainwater harvesting ponds would help in improving the groundwater levels.

The Company has installed irreversible electromagnetic water flow meters to monitor water consumption in the plant. This allows us to analyse and identify the consumption of water in different areas, points of concern and accordingly undertake remedial measures in high water consumption areas.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is committed to develop sustainable energy storage solutions with strong focus on minimising environment footprint during usage and ease recyclability. Our design innovation theme focuses on light weighting, improving corrosion resistance & life, product labelling requirements, improvement in performance & safety to deliver the environment benefits during entire product lifecycle.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's vision has always been to source the materials through sustainable and quality procurement practices. Over the years, company has been sourcing primary raw materials like Lead, separators from well-established global and local vendor base. Lead acid batteries, being 99% recyclable, the key input, Lead is sourced predominantly from



the secondary producers who recycles the Used Lead Acid Batteries. Also, company has been continually adopting multi-modal transport systems that are sustainable from social, environmental point of view. Conscious efforts are being made to increase the share of transports that leaves less carbon foot print in the future.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company strongly believes that a robust and healthy MSME ecosystem is the backbone of country's economic growth and wellbeing! While believing so, we constantly engage with multiple medium and small scale enterprises in the vicinity of our manufacturing and service operations for sourcing various goods and services. Our Organization closely works with its vendor base, nurtures them and ensures they adopt best business practices and make sure they sustain those practices through regular tracking and audit processes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Company, being a staunch believer in circular economy principles for sustainable growth, has over the years, been constantly sourcing a slice of Lead and Alloys through safe and sustainable Lead recycling practices and through tie ups with local smelting partners. Currently, our company sources close to 25% of our Lead and alloy requirements through recycling and our endeavour is to increase this to considerable levels over the next five years through setting up robust scrap collection mechanisms, reverse logistics operations and our own upcoming captive smelting and refining facilities.

Principle 3

1. Please indicate the Total number of employees

The Company has 9,911 employees as on March 31, 2022.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

The Company do not hire or engage employees on contractual or casual basis in the manufacturing plants. However, there are 81 associates on third party rolls and engaged by the Company for field operations.

3. Please indicate the Number of permanent women employees

The Company has 452 permanent women employees and 403 trainees as on March 31, 2022.

4. Please indicate the Number of permanent employees with disabilities

The Company has 19 permanent employees with disabilities and the Company is an Equal Opportunity Employer.

5. Do you have an employee association that is recognized by management

The Company has an employee association recognized by management.

6. What percentage of your permanent employees is members of this recognized employee association?

We follow a unique and matured model of association. There is a single Union that exists, which represents all sections of employees across all locations. This association is run in its true spirit, participated by employees from various sections and the Management. Issues related to employees are discussed and addressed suitably with a macro view of entire organization.

The horizon of collaborative effort of management and association is not just confined to policies, practices and processes, it takes care of reinforcing core values, progressively building culture of institution.



7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- a. Permanent Employees - 30%
- b. Permanent Women Employees - 21%
- c. Casual/Temporary/Contractual Employees - NA
- d. Employees with Disabilities - 31%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

It part of the processes adopted by the company.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company builds a lasting relationship with all the stakeholders, internal and external, through meaningful discussions. This process helps us review the actions, rethink the roadmaps, redress grievances and recognize new venues of growth for all the stakeholders.

The details of engagements platforms for each stakeholders are as follows:

Key Stakeholders	Engagement Platforms
Employees	Intranet, Group Communication Meeting, Company Communication Meeting, Family Day, Foundation Day, Training Programs, Annual health check-ups, celebrations, in-house publications, Open Houses, Notice Boards, Internal Mobile app, Internal Chat bot etc.,
Investors and Shareholders	Quarterly results, Annual Reports, Earnings call, Analyst meet, press releases, website
Society	Rajanna Trust, Krishnadevaraya Educational and Cultural Association (KECA) and regular engagements with Community Leaders.
Customers & Partners	Customers: Regular business meetings, Customer satisfaction survey Franchisees/Channel partners/ Suppliers: Regular business meetings and annual meet



Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately addresses these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner. This practice extends across the Amara Raja Group of Companies and also encourage our business partners periodically to abide by Human Rights Principles.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

All the complaints received were successfully resolved

Principle 6

1. Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has well-defined policies/principles in place relating to Health, Safety and Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment. The policy and principles are communicated to the relevant external stakeholders. At present, these policies are applicable to the Company only.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. The Company has started to record the emission of Green House Gases as per ISO 14064:2006 and action plan is being arrived at for the reduction of the same.

The Company is planning to generate clean electrical energy by further commissioning 50MW Solar Project by Q2 FY23. This ensures use of clean energy and also entails power at low cost.

3. Does the company identify and assess potential environmental risks? Y/N

The Company has a mechanism to identify and assess risks which includes environmental related risks. The Company is certified with ISO 14001:2015 – Environment Management Systems.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company continues to include in its process to reduce the emission of Green House Gases through utilization of clean energy, wherever possible. The Company has started to record the emission of Green House Gases as per ISO 14064:2006 and action plan is being arrived at for the reduction of the same.



5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is planning to generate clean electrical energy by further commissioning 50MW Solar Project by Q2 FY23. This ensures use of clean energy and also entails power at low cost.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company received two show cause notices from Andhra Pradesh Pollution Control Board, Vijayawada and is pending as an end of financial year.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a. Confederation of Indian Industry (CII)
- b. Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
- c. Federation of Indian Export Organisation (FIEO)
- d. Engineering Export Promotion Council (EEPC)
- e. Employers' Federation of Southern India (EFSI)
- f. Recycling & Environment Industry Association of India
- g. IESA - Customized Energy Solutions India Pvt Ltd
- h. Auto Component Manufacturers Association(ACMA)
- i. Indian Battery Manufacturers Association (IBMA)
- j. World Economic Forum (WEF).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company is represented on the governing bodies and several committees – both at the state and national levels of CII and through these forums the Company actively participates in various issues concerning business and society.



Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has initiated and continues to implement a series of programs, which address the developmental needs of the communities that it supports. This include the development of essential infrastructure in rural areas, ensuring access to high quality schools in the villages of Karakambadi, Pettamitta and Diguvmagham of Chittoor District. The Company strongly believes in the true spirit of giving back to the society. In line with this a certain percentage of the profits were contributed to the Rajanna Trust, a vehicle for carrying the CSR activities of the Company. The Company also has a well-defined CSR policy which is in line with the provisions of the Companies Act, 2013. The report on the CSR projects carried by the Company is annexed to the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

The Company, through Rajanna Trust undertakes various CSR initiatives, which are monitored by a dedicated internal team of the Company at periodic intervals.

3. Have you done any impact assessment of your initiative?

The Company has appointed Price Waterhouse Cooper to take up the impact assessment for the eligible projects which are implemented in 2020-21 and have completed one year. The said report will be part of Annual Report 2022-23.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent ₹16.43 crores on the CSR Activities during the financial year 2021-22. The amount was spent on areas are mentioned in Annexure V to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

The community development initiatives of the Company were designed on the basis of a long standing association with and a deep understanding of the community. These programs were designed to address the lacuna in the infrastructure needs of these communities and act as a catalyst for transformation in the region. The Company also employs a collaborative approach to design these programs, seeking to constantly understand the concerns faced by the beneficiaries of these programs.

The main focus of the CSR policy of the Company continues to be on health, education, environment and rural development. The various initiatives taken in these areas have a positive impact on the stakeholders surrounding the communities where such programs were undertaken by the Company.



Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

A well-established system is in place for dealing with customer feedback and complaints. All complaints are appropriately addressed and resolved, in most of the cases at the earliest. As at the end of the financial year, there were negligible percentage of unresolved complaints, compared to size of the Company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company displays product information on the products label as required and mandated by the local laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There were no cases against the Company in relation to unfair trade practices, irresponsible advertising and/or Anti-competitive behavior during the past five years and there are no pending cases as on March 31, 2022.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Consumer survey/Consumer satisfaction survey is being conducted periodically to assess the consumer satisfaction levels.



Annual Report on Corporate Social Responsibility (CSR)

(As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the CSR Policy

CSR Policy of the Company focuses on Education, Health, Environment and Rural Development.

The activities under the Education include primary secondary and higher education skill development of rural youth providing scholarships to underprivileged meritorious students and promoting preventive healthcare activities.

2. Composition of the CSR Committee:

Members of the Committee	Designation / Nature of Directorship	Meetings held in Member's tenure	Meetings attended
Mr. Jayadev Galla ⁽¹⁾	Chairman, Executive Director	NA	NA
Mr. T R Narayanaswamy	Member, Independent Director	2	2
Mr. N Sri Vishnu Raju	Member, Independent Director	2	2
Dr. Ramachandra N Galla ⁽²⁾	Chairman, Non-Executive Director	2	2

(1) Appointed as Member and Chairman of the Committee w.e.f. August 15, 2021

(2) Ceased to be Member and Chairman of the Committee w.e.f. August 14, 2021.

3. Provide the web link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

CSR Policy: <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The Company has appointed Price Waterhouse Cooper (PWC), to take up the Impact Assessment for the eligible projects, which are implemented during 2020-2021 and have completed one year. The said Impact Report will be part of the Annual Report for the year 2022-23.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company for last three financial years: ₹812.30 crores

7. CSR Obligation

a. 2% of the Average Net Profit of the Company as per Section 135(5):	₹16.25 crores
b. Surplus arising out of the CSR projects or programs or activities of the previous financial years :	-
c. Amount required to be set off for the financial year:	-
d. Total CSR obligation for the financial year (7a+7b-7c) :	₹16.25 crores



8. CSR Expenditure

a. CSR amount spent or unspent for the financial year:

Total amount spent for the financial year FY 2021-22	Amount unspent (₹)				
	Total amount transferred to unspent CSR account as per Section 135(6) of the Act Amount	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5) of the Act		
			Name of the Fund	Amount	Date of transfer
₹16.43 Crores	Nil	NA	NA	Nil	NA

b. Details of CSR amount spent against ongoing projects for the financial year

Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project Duration (Years)	Amount Allocated for the Project (₹ Crores)	Amount spent in the current financial Year (₹ Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (₹)	Mode of Implementation - Through Implementing Agency (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Construction of High School building for Amara Raja Vidyalayam	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Diguvamagham Village, Chittoor District	3	14.81	2.32	Nil	Yes	Rajanna Trust	CSR 0000 3252
2.	Construction of Advance welding Lab and PLC training Lab at Amara Raja Skill Development Centre	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	3.00	1.69	Nil	Yes	Rajanna Trust	CSR 0000 3252
3.	Infrastructure Facilities at Educational Complex	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	4.00	2.17	Nil	Yes	Rajanna Trust	CSR 0000 3252
4.	Infrastructure Facilities at Educational Complex	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Diguvamagham Village, Chittoor District	3	2.00	0.46	Nil	Yes	Rajanna Trust	CSR 0000 3252
5.	Underground Drainage and Solid waste management Project	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	3.00	0.24	Nil	Yes	Rajanna Trust	CSR 0000 3252
Total Spent on Ongoing Projects for the Financial Year							6.88					



c. Details of CSR amount spent against other than ongoing projects for the financial year

SI No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount Allocated for the Project (₹ Crores)	Amount spent in the current financial Year (₹ Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration No.
1.	Running and Maintenance expenditure for Amara Raja Skill Development Centre	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta village, Chittoor District	3.27	3.27	Nil	No	Rajanna Trust	CSR 0000 3252
2.	Running and Maintenance expenditure of Amara Raja Educational Institutions	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Karakambadi, Petamitta and Digu-vamagham Villages, Chittoor District	5.68	5.68	Nil	No	Rajanna Trust	CSR 0000 3252
3	PHC & ECO Project Maintenance Expenses	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Karakambadi, Petamitta and Digu-vamagham Villages, Chittoor District	0.60	0.60	Nil	No	Rajanna Trust	CSR 0000 3252
Total Spent on other than Ongoing Projects						9.55					

8(d)	Amount spent in Administrative Overheads	Nil
8(e)	Amount spent on Impact Assessment if any	Nil
8(f)	Total Amount spent for the financial year (8b+8c+8d+8e)	₹16.43 Crores
8(g)	Excess Amount for set off, if any	₹0.18 Crores

SI No.	Particular	Amount (₹ Cr)
1.	Two per cent of average net profit of the company as per Section 135(5)	16.25
2.	Total amount spent for the financial year	16.43
3.	Excess amount spent for the financial year [(ii)-(i)]	0.18
4.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.18

9. a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable



b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl No.	Project Id	Name of the Project	Financial year in which project was commenced	Project Duration	Total Amount allocated for the Project (₹ Crores)	Amount spent on the project in the reporting financial year (₹ Crores)	Cumulative amount spent at the end of reporting financial year (₹ Crores)	Status of the project – Completed/ Ongoing
1.	ARVDM HSB01	High School building - Amara Raja Vidyalayam	2019-20	3 Years	14.81	2.32	14.81	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset wise details)

Asset: High School building - Amara Raja Vidyalayam (ARVDM HSB01)

A	Date of creation or acquisition of the capital asset(s)	March 31, 2022
B	Amount of CSR spent for creation or acquisition of a capital asset	₹14.81 Crores
C	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Rajanna Trust, Dighuvamagham (village & Post), Thavanampalli (Mandal), Chittoor (District)
D	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Construction of High School building (ARES)- Amara Raja Vidyalayam, Diguamagham Village, Chittoor District, Andhra Pradesh

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Act:
Not Applicable**

Place: Hyderabad
Date: May 20, 2022

Jayadev Galla
Chairman, Managing Director & CEO
Chairman of the CSR Committee



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arm's length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act 2013 which are not at arm's length basis.
2. Details of material contracts or arrangements or transactions at an arm's length basis

(a) Name(s) of the related party and nature of the Relationship	Name Relationship	Mangal Industries Limited ("MIL") Promoter of the Company, Owned and Controlled by Promoters of the Company. Wholly Owned Subsidiary of RNgalla Family Private Limited, Promoter of the Company.
(b) Nature of contracts/ arrangements/ transactions	Income: Expenses:	Sale of goods, interest income, other recoveries and sharing of expenses. Purchase of materials, plastic components, storage racks and sharing of expenses.
(c) Duration of the contracts / arrangements/ transactions		On-Going and based on the requirements
(d) Salient terms of the contracts or arrangements or transactions including the value if any*		Based on transfer pricing guidelines

*The members at the annual general meeting held on August 14, 2021, authorized the Board (including Committees of the Board) to enter into transactions with MIL up to ₹1,500 crore in a financial year and all the appropriate approvals of the Board/Audit Committee have been taken for entering into transactions with MIL. Advances paid if any have been adjusted against invoices wherever applicable. Please refer to note 34 to the notes forming part of the financial statements for further information on transactions with MIL.

Place: Hyderabad
Date: May 20, 2022

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO



Annexure-VII

Information under section 134(3)(m) of the act read with rule 8 of the Companies (Accounts) Rules, 2014 and forms part of the Board's report:

A. Conservation of Energy

(i) the steps taken or impact on the conservation of energy

The Company continued its focused energy conservation efforts through up-gradation of process technology, effective production scheduling and various energy saving initiatives including the installation of energy-efficient equipment. Few initiatives are mentioned below.

- Implementing best energy-saving practices in all equipment and processes, including plant lighting.
- BLDC fans for AHUs.
- Auto descaling system for condensers of chillers.
- Improving power factor at SDB level.
- Replacement of old conventional chargers with improved IGBT chargers.
- Compressed air demand reduction.
- Effective utilization of reduced unit rates during off-peak hours by thermal storage.
- Scheduling of non-continuous operating machines during off-peak hours and normal hours and avoid on-peak hours.
- Skin temperature reduction of lead melting pots.
- Optimization of process parameters and cycle times.
- Conducting awareness sessions on energy conservation to suppliers.
- Training of employees on ISO 50001:2018 and Energy savings technics

(ii) the steps taken by the company for utilising alternate sources of energy

Renewable energy initiatives:

- Rooftop solar installations in manufacturing plants at Tirupati.
- Rooftop solar installations for the parking area in Tirupati.

Benefits out of energy conservation measures:

- Got "Excellent Energy efficient unit" award from CII, during the 22nd National Awards for Excellence in Energy management 2021.
- Got "Innovative project award" from CII, during 22nd National awards for Excellence in Energy management for one of the energy-saving project on "Pneumatic cylinder size optimization"
- Reduction in Specific energy consumption.
- Cost saving of ₹53 Mn.

(iii) Capital investment on energy conservation initiatives: ₹55 Mn.

B. Technology Absorption

01. Specific Areas in which Technology Development is carried out by the Company

The 'Technology' activities of the Organization are categorized under three broad areas of focus:



- Product Technology
- Manufacturing Engineering
- Research & Analysis

The Technology projects are identified to address the following specific objectives:

- Development of import substitution in materials and products.
- Exploration of environmentally friendly operations/ materials.
- Manufacturing Technology up-gradation to make the batteries robust and high-end performers.
- Material/Process development activities for enhancing battery performance and cost-efficiency.
- New product development for emerging applications.
- Research on New Energy Storage Technologies/Non-Lead Acid Technologies.
- Technology up-gradation to make the batteries robust and high-end performer
- Value engineering efforts for product improvements.

02. Benefits derived as a result of the above Technology Projects

- Developed reliable products in the AMARON range with Advanced Plate Making Technologies for 2W batteries.
- Developed high-performance 2W batteries with Multi stamp grid technology.
- Developed EFB variants for OE automotive start-stop application (RN & Honda)
- Developed high-performance commercial batteries with Ca-Ca technology.
- Implemented optimized paste recipe and formation program to enhance OCV in Multi Stamped Grid 2 wheeler batteries.
- Implemented optimized curing process for negative plate making of 2-wheeler battery to reduce power and cycle time.
- Implemented (Design registered) 'Replaceable Inter-Cell Weld Check Insert' for battery assembly process to reduce poly scrap by 1.0 tons.
- Developed & validated optimized formation cycle time further by 15% to reduce conversion cost of UPS and Telecom Batteries.
- Eco-friendly polymer materials are evaluated and introduced for LVRLA variants
- Upgraded the raw material specifications and digitalized across the group.
- Developed the in-house test setups to evaluate the Mechanical integrity of Lead Acid batteries under hostile environmental conditions
- Field validation of Fast Charge VRLA Battery for the cellular application was successfully executed.
- Developed and commercialized a cost-effective battery model for UPS Applications.
- Comprehensive study on high/long warranty Tubular product for e-Rickshaw application
- Developed and commercialized Optimized Short tubular batteries for HUPS Application
- In-house validation of 2V Traction batteries of Pilot Project product one model has successfully completed one-year service without any issues
- Development of Ni-rich NMC chemistry-based cylindrical cell technology for electric vehicle applications
- Demonstration of Na-ion cylindrical technology with low cost and abundant materials
- Introduced Advanced Welding technology for Li-Ion battery pack manufacturing
- 1st in INDIA to achieve IATF 16949:2016 & ISO 9001:2015 Certification for Li-Ion batteries
- Designed and developed INDIA's first 21700 Cylindrical cells in our Li-Ion Pilot cell manufacturing facility
- Implemented Traceability system(computerized) for entire Li-Ion pack assembly line
- Execution of High Energy battery packs for Data centre application at Corporate office-HO as POC
- Demonstration of HV Li-Ion Battery pack E-Mobility application using Pouch cells, Active liquid cooling system (BTMS) and Smart BMS with Master & Slave concept along with OTA, IOT features
- Development & Commercialization of Onboard chargers for EV application
- Development, testing & Pilot supply of DC chargers for EV application



Patents filed 02 Nos

- Developed and a patent filed on “novel curing rack for lead-acid battery plates” to improve the curing & drying process efficiency.
- Carbonaceous Crust Based Lead Grids and process for their preparation
- Filed the process patent on “Positive electrode composition to prepare high energy density lithium-ion battery thereof”.

Designs Registered 02 Nos

- “Novel reusable post burning battery jig” to reduce the post-burning appraisal scrap.
- “New bush design” for UPS application
- “Center pin” for Li-ion cylindrical cell

03. Future Plan of Action

- Development of high performance Advance Lead Acid Technology batteries for automotive application.
- Development of a smart intelligent battery that updates the user on the battery’s health on a regular basis.
- Development of advanced ISS batteries with stamped grid technology for automotive applications.
- Process validation and implementation of Advanced Plate Making process for UPS batteries.
- Developing novel curing oven (proto type) to enhance plate quality with reduced cycle time and energy.
- Process validation and launch of ABS poly for UPS batteries.
- Process validation and implementation of Auto TIG welding process for SVRLA (18Ah) battery to eliminate manual soldering process.
- Implementation of optimized formation process of UPS & Telecom batteries.
- Evaluating alternate new formation process technology for 4W automotive batteries w.r.t enhanced productivity and manufacturability.
- Introduction of Novel adhesives for terminal sealing application in UPS batteries
- Evaluation of different grades of polypropylene to meet the market demand/customer requirements
- Optimization of Pasting materials to enhance the productivity of automotive plates
- New paste formulations with advanced absorbents to enhance the electrical performance of 2W batteries.
- Design and Development of New 600Ah Plate profile as a part of technology demonstration for Telecom Application.
- Development of a new vent seal for LVRLA Batteries.
- Concept Evaluation of Advanced Plate making technology for cellular and UPS applications
- Design and development of cost effective batteries for UPS Application.
- Design and Development of high life 200Ah Premium product for HUPS export market.
- Development of New SVRLA Products for UPS Application
- Traction New Product Pilot Project 2 models - Designs ready
- A study on Grid spine design for e-rickshaw application.
- Developing advanced high energy Li-ion cells with improved cycle life and safety
- Developing Li-ion batteries with different Chemistry for high temperature applications
- Development of solid-state Li-ion battery technology for future business
- To incorporate creative/functional features as well as improve ergonomics for Li Ion Battery Packs by collaborating with Design houses for new applications.
- Implementation and Demonstration of Auto screwing solution with embedded Poke-Yoke mechanism like Torque monitoring and Auto screw counting solution to increase productivity and reliability
- Implementation of Robotic systems for Auto Cell & Module insertion to reduce fatigue to the operators in the production line
- Implementation and Demonstration of Auto cell sorting machine with Auto data logging to increase productivity and reliability and eliminate manual errors
- Implementation of High speed Pack assembly line
- Demonstration and Installation of High Energy battery packs for Hybrid ESS



04. Technology absorption, adaptation and innovation

i. Efforts in brief, made towards technology absorption, adaptation and innovation

- Development of a smart intelligent battery that updates the user on the battery's health on a regular basis
- Development of Ni rich NMC chemistry based cylindrical cell technology for electric vehicle applications

ii. Benefits derived as a result of above efforts:

- Cost reduction
- Environmental protection
- Energy conservation
- Enhanced performance and reliability of the product
- Enhanced market share
- Customer Satisfaction
- Penetration into newer markets
- Resource saving

iii. Information regarding Imported Technology

a) Technology Imported	The Company has imported technology for the manufacture of, advanced Punched Grid for the futuristic Automotive batteries from Johnson Controls Inc., USA
b) Year of Import	2018
c) Has the technology been fully absorbed?	Yes, the technology has been fully absorbed and is under implementation in a phased manner
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

iv. Expenditure on Research and Development

(Amount in ₹ crore)

SI No	Parameter	2021-22	2020-21
1	Capital	4.95	0.05
2	Recurring	10.84	10.75
	Total	15.79	10.80

C. Foreign Exchange earnings and outgo

(Amount in ₹ crore)

SI No	Particulars	2021-22	2020-21
1	Foreign exchange used	1,126.07	1,167.40
2	Foreign exchange earned	1,129.26	831.12



Annexure VIII

Information pursuant to Section 197 Of the Act read with Rule 5 (1) Of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. The Ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any for the financial year 2021-22:

S. No	Name of the Director/Key Managerial Personnel	Designation	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
Non-Executive Directors				
1	Dr. Ramachandra N Galla ⁽¹⁾	Non-Executive Director, Chairman	NA ⁽⁵⁾	NA ⁽⁴⁾
2	Dr. Ramadevi Gourineni ⁽²⁾	Non-Executive Director	NA ⁽⁵⁾	NA ⁽⁴⁾
3	Mr. N Sri Vishnu Raju	Independent Director	2.90	13.04
4	Mr. T R Narayanaswamy	Independent Director	2.83	7.04
5	Ms. Bhairavi Tushar Jani	Independent Director	2.56	2.99
6	Mr. Annush Ramasamy ⁽³⁾	Independent Director	1.94	NA ⁽⁴⁾
Executive Directors				
1	Mr. Jayadev Galla	Chairman, Managing Director & CEO	1412.82	(19.73)
2	Mr. Harshavardhana Gourineni ⁽³⁾	Executive Director	567.07	NA ⁽⁴⁾
3	Mr. Vikramadithya Gourineni ⁽³⁾	Executive Director	567.06	NA ⁽⁴⁾
Key Managerial Personnel				
1	Mr. Y Delli Babu	Chief Financial Officer	33.57	41.14
2	Mr. Vikas Sabharwal	Company Secretary	24.49	NA ⁽⁴⁾

1 Ceased to be a Director and Chairman w.e.f. August 14, 2021

2 Ceased to be a Director w.e.f. June 12, 2021

3 Appointed as a Director w.e.f. June 12, 2021

4 Was not employed for the whole of the previous year.

5 Was not employed for the whole of the current year

b. The percentage increase in the median remuneration of employees in the financial year: 8.72%

c. The number of permanent employees on the rolls of the Company: 7615

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the salaries of employees other than the managerial personnel was 9.50%. The remuneration of the Managing Director is linked to the commission based on the profits of the Company.

e. Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO

Place: Hyderabad

Date: May 20, 2022



INDEPENDENT AUDITORS' REPORT

To The Members of Amara Raja Batteries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Amara Raja Batteries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditors' Response
1	<p>Revenue Recognition</p> <p>Refer Note 2M "Revenue Recognition" of the Standalone Financial Statements under Significant Accounting Policies.</p> <p>Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per terms of the contracts with customers.</p> <p>The timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology ('IT') control environment and testing the operating effectiveness of key IT application controls. Understanding the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.
2	<p>Completeness of provision for warranty obligations</p> <p>Refer Note 2 D(i) under Significant Accounting Policies for Use of estimates and judgements in relation to provision for warranty obligations and Note 40 of the Standalone Financial Statements.</p>	<p>We carried out a combination of principal audit procedures involving test of internal controls and substantive testing including:</p> <ul style="list-style-type: none"> Understanding the warranty claims process, evaluating the design and implementation of Company's controls in respect of warranty provisioning. Testing the operating effectiveness of these controls during the year.



Sr. No.	Key Audit Matter	Auditors' Response
	<p>The Company estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.</p> <p>The determination of warranty provision is associated with unavoidable estimation uncertainties.</p> <p>Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.</p>	<ul style="list-style-type: none"> • Carrying out reconciliations with the sales data to determine completeness of transactions on which warranty obligation is determined. • Reviewing contracts with customers for terms of warranty contained therein and the estimation of warranty provision on the basis of these terms. • Testing of the data and assumptions used in the calculation of the provision for warranty obligations including those relating to estimates of failure percentages, etc. • Testing documentation relating to actual warranty replacement and an analysis of the actual failure trend with the estimates used in determining future warranty obligation.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Annexures to the Director's Report (but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon).
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue



as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or



when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /payable by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.
 - (c) Based on the audit procedures performed that have been considered reasonable and



appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

As stated in Note 42 of the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

Hyderabad, May 20, 2022



ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Amara Raja Batteries Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

Hyderabad, May 20, 2022



ANNEXURE "B"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment capital work-in-progress and relevant details of right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) Some of the property, plant and equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on the examination of the registered sale deed / Government orders provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022
- for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
 - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock statements and book debt statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters, and no material discrepancies have been observed.
 - (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a), (c), (d), (e) and (f) of the Order is not applicable.
 - (b) The investments made, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.



- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made, as applicable. The Company has not granted any loans or provided guarantees or securities.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amounts involved (₹ crores)	Amount unpaid (₹ crores)
VAT Laws	VAT	Appellate Authority upto Commissioner level	2011-12 to 2012-13 and 2014-15 to 2017-18	3.70	2.89
		Tribunal	2007-08, 2009-10 and 2011-12 to 2015-16	3.27	1.78
		High Court	2007-08	0.18	0.18
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner level	2004-05, 2011-12 to 2012-13 and 2014-15	0.38	0.37
		Tribunal	2007-08	0.14	-
Entry Tax Laws	Entry Tax	Appellate Authority upto Commissioner level	2010-11 to 2011-12 and 2013-14 to 2014-15	1.17	0.94
Income Tax Act, 1961	Income-tax	Appellate Authority upto Commissioner level	2008-09 2017-18 2021-22	1.03	0.40
Central Excise Act, 1944	Excise Duty	Tribunal	2003-04 to 2007-08 and 2015-16	8.02	7.41
Finance Act, 1994	Service tax	Tribunal	2013-14 to 2017-18	53.59	52.30
GST Laws	Goods and Services tax	Appellate Authority upto Commissioner level	2017-18 and 2019-20 to 2020-21	1.04	0.83
Customs Act, 1962	Custom Duty	Appellate Authority upto Commissioner level	2021-22	0.01	-
Wealth-tax Act, 1957	Wealth-tax	Appellate Authority upto Commissioner level	2010-11 to 2011-12	0.25	0.25

Out of the total disputed dues aggregating ₹72.78 crores as above, ₹69.91 crores has been stayed for recovery by the relevant authorities.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any loan or advances to its subsidiary during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period January 2022 to March 2022 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a), (b), (c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any Core Investment Company ('CIC') as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of



financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the Parent and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the Parent.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

Hyderabad, May 20, 2022

Balance Sheet

As at March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	As at March 31, 2022	As at March 31, 2021
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	2,127.59	2,116.03
(b) Right-of-use assets	3.2	285.18	243.65
(c) Capital work-in-progress	3.1	829.32	397.56
(d) Other intangible assets	4	79.53	95.08
(e) Intangible assets under development	4	0.33	1.72
(f) Financial assets			
(i) Investments	5	43.05	7.12
(ii) Other financial assets	6	8.32	4.30
(g) Income-tax assets (net)	20	7.24	-
(h) Other non-current assets	11	171.27	110.75
Total non-current assets		3,551.83	2,976.21
Current assets			
(a) Inventories	7	1,803.78	1,438.24
(b) Financial assets			
(i) Investments	5	34.73	273.42
(ii) Trade receivables	8	792.56	787.46
(iii) Cash and cash equivalents	9	34.31	96.73
(iv) Bank balances other than (iii) above	10	19.26	79.08
(v) Other financial assets	6	16.66	25.52
(c) Other current assets	11	122.72	120.42
Total current assets		2,824.02	2,820.87
Total assets		6,375.85	5,797.08
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	4,534.31	4,193.18
Total equity		4,551.39	4,210.26
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	16.52	23.39
(ii) Lease liabilities	15	77.28	38.59
(b) Provisions	16	108.26	95.39
(c) Deferred tax liabilities (net)	17	31.37	40.74
(d) Other non-current liabilities	21	63.69	59.26
Total non-current liabilities		297.12	257.37
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	6.87	10.95
(ii) Lease liabilities	15	25.22	19.39
(iii) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		23.05	44.14
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		783.40	702.33
(iv) Other financial liabilities	19	298.78	205.32
(b) Provisions	16	137.25	118.58
(c) Current tax liabilities (net)	20	-	4.18
(d) Other current liabilities	21	252.77	224.56
Total current liabilities		1,527.34	1,329.45
Total equity and liabilities		6,375.85	5,797.08
Corporate information	1		
Significant accounting policies	2		

See accompanying notes to the financial statements

In terms of our report attached

For Brahmayya & Co.
Chartered Accountants
(F.R.N : 0005135)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

Karumanchi Rajaj
Partner
M. No. 202309

Sumit Trivedi
Partner
M. No. 209354

Place: Hyderabad
Date: May 20, 2022

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary



Statement of **Profit and Loss**
For the year ended **March 31, 2022**

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	
Income				
I	Revenue from operations	22	8,695.82	7,149.68
II	Other income	23	77.98	87.36
III	Total Income (I+II)		8,773.80	7,237.04
IV Expenses				
	Cost of materials consumed		5,969.39	4,382.54
	Purchases of stock-in-trade		473.80	429.99
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(321.86)	(67.85)
	Employee benefits expense	25	498.76	426.04
	Finance costs	26	15.10	10.53
	Depreciation and amortization expense	27	395.72	319.16
	Other expenses	28	1,053.09	863.30
	Total Expenses		8,084.00	6,363.71
V	Profit before tax (III - IV)		689.80	873.33
VI	Tax expense	29		
	(i) Current tax		187.92	229.91
	(ii) Deferred tax		(9.37)	(3.39)
	Total tax expense		178.55	226.52
VII	Profit for the year (V - VI)		511.25	646.81
VIII	Other Comprehensive Income/(Loss)			
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		1.76	(0.02)
	(b) Equity instruments through other comprehensive income		(1.06)	(6.73)
	Total Other Comprehensive Income/(Loss)		0.70	(6.75)
IX	Total comprehensive income for the year (VII + VIII)		511.95	640.06
Earnings per share (of ₹1 /- each)				
	Basic and Diluted (₹)	35	29.93	37.87
	Corporate information	1		
	Significant accounting policies	2		

See accompanying notes to the financial statements

**In terms of our report attached
For Brahmaya & Co.**
Chartered Accountants
(F.R.N : 0005135)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Karumanchi Rajaj
Partner
M. No. 202309

Sumit Trivedi
Partner
M. No. 209354

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Place: Hyderabad
Date: May 20, 2022

Vikas Sabharwal
Company Secretary

Cash Flow Statement

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flows from operating activities				
Profit before tax		689.80		873.33
Adjustments for:				
Depreciation and amortisation expense	395.72		319.16	
Loss/(Gain) on sale of property, plant and equipment (net) / written off	6.96		0.91	
Finance costs	15.10		10.53	
Interest income on bank deposits	(2.13)		(4.15)	
Dividend income from equity instruments designated at FVTOCI	(0.00)		(0.00)	
Gain on disposal of mutual fund units	(11.62)		(14.18)	
Deferred revenue recognised	(12.85)		(9.65)	
Net gain arising on financial assets mandatorily measured at FVTPL	(0.21)		(2.23)	
Liabilities no longer required written back	(9.39)		(13.16)	
Provision for doubtful trade receivables written back	(2.96)		(19.22)	
Provision for doubtful trade receivables and advances	2.07		9.25	
Advances written-off	1.30		-	
Bad trade receivables written off (net)	1.92		0.48	
Net unrealised foreign exchange gain	(0.82)		(19.42)	
		383.09		258.32
Operating profit before working capital changes		1,072.89		1,131.65
Movements in working capital				
Adjustments for (increase)/decrease in operating assets:				
- Trade receivables	(4.72)		(135.76)	
- Inventories	(365.54)		(295.55)	
- Other assets	(6.82)		62.52	
Adjustments for increase/(decrease) in operating liabilities:				
- Trade payables	68.78		144.01	
- Other liabilities	42.76		70.47	
- Provisions	24.94		24.21	
		(240.60)		(130.10)
Cash generated from operations		832.29		1,001.55
Income taxes paid (net)		(199.34)		(199.52)
Net cash generated from operating activities [A]		632.95		802.03
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(760.92)		(496.66)	
Proceeds from sale of property, plant and equipment	1.17		0.28	
Purchase of non-current investments	(36.99)		-	
Purchase of current investments	(1,307.00)		(1,459.79)	
Proceeds from sale / redemption of current investments	1,557.52		1,345.03	
Proceeds from sale of non-current investments	-		0.07	
Bank balances not considered as cash and cash equivalents (net)	59.66		(27.68)	
Interest received	4.67		3.78	
Dividend income	0.00		0.00	
Net cash used in investing activities [B]		(481.89)		(634.97)



Cash Flow Statement (Contd.)

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2022		For the year ended March 31, 2021
C. Cash flows from financing activities			
Repayment of borrowings	(10.95)		(12.46)
Repayment of lease liabilities	(24.97)		(19.68)
Finance costs (including on lease liabilities)	(6.74)		(3.95)
Dividend paid	(170.82)		(85.41)
Net cash used in financing activities [C]		(213.48)	(121.50)
Net increase/(decrease) in cash and cash equivalents [A+B+C]		(62.42)	45.56
Cash and cash equivalents at the beginning of the year		96.73	32.60
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-	18.57
Cash and cash equivalents at the end of the year (Refer Note 9)		34.31	96.73

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS - 7) - Statement of Cash Flows.

(b) Reconciliation of liabilities from financing activities for the year ended March 31, 2022

	As at March 31, 2021	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2022
Borrowings	34.34	(10.95)	-	23.39
Lease liabilities	57.98	(30.95)	75.47	102.50
Total	92.32	(41.90)	75.47	125.89

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

	As at March 31, 2020	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2021
Borrowings	46.80	(12.46)	-	34.34
Lease liabilities	37.10	(23.12)	44.00	57.98
Total	83.90	(35.58)	44.00	92.32

See accompanying notes to the financial statements

In terms of our report attached For Brahmaya & Co. Chartered Accountants (F.R.N : 0005135)	For Deloitte Haskins & Sells LLP Chartered Accountants (F.R.N : 117366W/W-100018)	For and on behalf of the Board of Directors	
		Jayadev Galla Chairman, Managing Director & CEO	Harshavardhana Gourineni Executive Director
Karumanchi Rajaj Partner M. No. 202309	Sumit Trivedi Partner M. No. 209354	Vikramadithya Gourineni Executive Director	Y Delli Babu Chief Financial Officer
Place: Hyderabad Date: May 20, 2022		Vikas Sabharwal Company Secretary	

Statement of **Changes In Equity** For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

A) Equity share capital

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	17.08	17.08
Changes in equity share capital during the year	-	-
Balance at the end of the year	17.08	17.08

B) Other equity

	Reserves and surplus				Equity investments through other comprehensive income	Total
	Securities premium	Capital reserve*	General reserve	Retained earnings		
Balance at March 31, 2020	31.19	0.00	517.91	3,085.42	4.01	3,638.53
Profit for the year	-	-	-	646.81	-	646.81
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	(0.02)	(6.73)	(6.75)
Total comprehensive income for the year 2020-21	-	-	-	646.79	(6.73)	640.06
Payment of dividends [Refer Note 42]	-	-	-	(85.41)	-	(85.41)
Transfer for General reserve	-	-	64.68	(64.68)	-	-
Balance at March 31, 2021	31.19	0.00	582.59	3,582.12	(2.72)	4,193.18
Profit for the year	-	-	-	511.25	-	511.25
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	1.76	(1.06)	0.70
Total comprehensive income for the year 2021-22	-	-	-	513.01	(1.06)	511.95
Payment of dividends [Refer Note 42]	-	-	-	(170.82)	-	(170.82)
Transfer for General reserve	-	-	51.13	(51.13)	-	-
Balance at March 31, 2022	31.19	0.00	633.72	3,873.18	(3.78)	4,534.31

* Amounts below ₹1 Lakh

See accompanying notes to the financial statements

**In terms of our report attached
For Brahmaya & Co.**
Chartered Accountants
(F.R.N : 0005135)

Karumanchi Rajaj
Partner
M. No. 202309

Place: Hyderabad
Date: May 20, 2022

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

Sumit Trivedi
Partner
M. No. 209354

For and on behalf of the Board of Directors
Jayadev Galla
Chairman, Managing Director & CEO

Vikramadithya Gourineni
Executive Director

Vikas Sabharwal
Company Secretary

Harshavardhana Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

1. Corporate Information

Amara Raja Batteries Limited "the Company" is one of the largest manufacturers of lead-acid storage batteries for industrial and automotive applications in India. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Company's products are supplied to customer groups viz., Telecom, Railways, Power Control, Solar and UPS under Industrial Battery business; and to Automobile OEMs, Replacement Market and Private Label Customers under Automotive Battery business. The Company's products are exported to various countries in the Indian Ocean Rim. The Company also provides installation, commissioning and maintenance services. The leading automotive and industrial battery brands of the Company are Amaron®, PowerZone®, Power Stack®, AmaronVolt® and Quanta®.

2. Significant Accounting Policies

A. Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards "Ind AS" notified under Section 133 of the Companies Act, 2013 "the Act" read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

B. Basis of preparation and presentation

These financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. These financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, current portion of long-term borrowings disclosed under the head of 'Other Financial Liabilities' in the previous year has been disclosed as 'Borrowings' under current financial liabilities.

C. Operating Cycle

All assets have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

D. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

i) Provision for warranty

The Company estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.

ii) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived

after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

iii) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. For certain investments in equity instruments, where more recent information to measure fair value is insufficient, or there is a wide range of possible fair value measurements, cost is considered as the best estimate of fair value. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Income Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

v) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the financial statements.

vi) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

E. Inventories

Inventories are stated at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

- (i) **Raw materials and bought-out components, stores and spares and loose tools:** Weighted average cost. Cost includes purchase cost and other attributable expenses.
- (ii) **Finished Goods and Work-in-progress:** Weighted average cost of production which comprises direct material cost, direct wages and appropriate overheads based on normal level of activity.
- (iii) **Stock-in-trade:** Weighted average cost.

F. Investment in subsidiaries:

Investment in subsidiaries are carried at cost less accumulated impairment, if any.

G. Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2015 measured as per the Accounting Standards notified under the Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, which the Company elected in accordance with Ind AS 101.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or the principal item of the relevant assets, whichever is lower.

Capital work in progress are items of property, plant and equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

(ii) Depreciation:

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following category of assets, in which case the life of the assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support, etc., Freehold land is not depreciated.

Asset	Useful lives (in years)
Buildings	3-60
Plant and machinery (including electrical installations and moulds)	1-10
Solar equipment	25
Furniture and fixtures	5-10
Vehicles	3-10
Office equipment	3-5
Computers	3-6

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate and accounted for on a prospective basis.

Assets individually costing ₹5,000 and below are fully depreciated in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as

the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is de-recognised.

H. Intangible assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

Intangible assets that have a finite lives are amortised over their estimated useful lives as per the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, but the effect of any change in estimates being accounted for on a prospective basis.

Intangible assets comprising software are amortised over a period of 5 years. The amortisation period for technical know-how has been assessed as 8 years, representing the period over which economic benefits from the use of technical know-how is expected to be utilized.

All intangible assets are tested for impairment. Amortisation expenses, impairment losses and reversal of impairment losses are considered in the Statement of Profit and Loss. Thus, after initial recognition an intangible asset is carried at its costs less accumulated amortization and /or impairment losses.

I. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment loss recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying

amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

J. Foreign currency transactions and translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of each reporting period are translated at the exchange rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

K. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant.

Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

L. Employee benefits

(i) Defined contribution plans

The Company's contributions to Provident Fund (Government administered), Employees' State Insurance Scheme and Superannuation Fund (under a scheme of Life Insurance Corporation of India), considered as defined contribution plans are charged

as an expense in the Statement of Profit and Loss when the employees have rendered services entitling them to the contributions.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit obligations recognized in the Balance Sheet represents the present value of the defined obligations as reduced by the fair value of plan assets, if applicable. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and are not re-classified to the Statement of Profit and Loss in the subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss.

(iii) Short term and other long term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.



Notes to the **Financial Statements**

All amounts are in ₹ crores, except share data and where otherwise stated

M. Revenue recognition

Sale of goods:

Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per the terms of contracts with customers.

Sales related warranties associated with batteries cannot be purchased separately and they serve as an assurance that the products sold comply with agreed upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Sale of services:

Revenue from installation, commissioning and maintenance services is recognised based on the contracts with customers and when the services are rendered by measuring progress towards satisfaction of performance obligation for such services.

Other Income:

Interest income is recognised using effective interest method. Dividend income is accounted for in the year when the right to receive such dividend is established and the amount of dividend can be measured reliably.

N. Financial instruments, Financial assets, Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Company commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Recognition: Financial assets include Investments, Trade receivables, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows arising from payments of principal and/or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition

may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the equity instruments through other comprehensive income will not be reclassified to profit or loss on disposal of the investments.

(ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

O. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.



Notes to the **Financial Statements**

All amounts are in ₹ crores, except share data and where otherwise stated

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

P. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities based on the taxable profit for the year. Taxable profit differs from Profit before tax as reported in the Statement of Profit and Loss

because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income-tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the corresponding current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Q. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle such obligation and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

R. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and

equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

S. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

T. Cash and cash equivalents

Cash and cash equivalents for purposes of cash flow statement include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

U. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the standalone financial statements of the Company.

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
Leasehold improvements	2.58	8.57
Buildings	643.20	615.18
Plant and Equipment (including electrical installations)	1,409.60	1,430.38
Furniture and fixtures	14.28	11.85
Vehicles	19.35	12.06
Office equipment	31.10	30.96
Computers	6.24	5.79
	2,127.59	2,116.03
Capital work-in-progress [Refer note (ii)]	829.32	397.56
	829.32	397.56



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

	Freehold land	Leasehold improvements	Buildings	Plant and Equipment (including electrical installations)	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
(A) Cost or deemed cost									
Balance at March 31, 2020	1.24	49.76	589.30	1,960.00	17.22	16.15	56.67	28.05	2,718.39
Additions	-	-	161.87	572.40	3.56	4.44	16.90	2.19	761.36
Disposals	-	-	(0.13)	(1.81)	-	(0.70)	(0.04)	(0.34)	(3.02)
Balance at March 31, 2021	1.24	49.76	751.04	2,530.59	20.78	19.89	73.53	29.90	3,476.73
Additions	-	-	55.15	282.58	4.68	11.50	10.13	3.31	367.35
Disposals	-	-	(0.07)	(27.61)	(0.11)	(4.06)	(0.39)	(0.00)	(32.24)
Balance at March 31, 2022	1.24	49.76	806.12	2,785.56	25.35	27.33	83.27	33.21	3,811.84
(B) Accumulated depreciation and impairment									
Balance at March 31, 2020	-	31.99	110.73	860.98	7.20	5.58	32.90	21.40	1,070.78
Depreciation expense	-	9.20	25.14	240.54	1.73	2.45	9.70	2.99	291.75
Eliminated on disposal	-	-	(0.01)	(1.31)	-	(0.20)	(0.03)	(0.28)	(1.83)
Balance at March 31, 2021	-	41.19	135.86	1,100.21	8.93	7.83	42.57	24.11	1,360.70
Depreciation expense	-	5.99	27.12	297.31	2.16	2.33	9.89	2.86	347.66
Eliminated on disposal	-	-	(0.06)	(21.56)	(0.02)	(2.18)	(0.29)	(0.00)	(24.11)
Balance at March 31, 2022	-	47.18	162.92	1,375.96	11.07	7.98	52.17	26.97	1,684.25
(C) Carrying amount									
Balance at March 31, 2021	1.24	8.57	615.18	1,430.38	11.85	12.06	30.96	5.79	2,116.03
Balance at March 31, 2022	1.24	2.58	643.20	1,409.60	14.28	19.35	31.10	6.24	2,127.59

Notes:

(i) The amount of expenditure recognised in the carrying amount of property, plant and equipment (including capital work-in-progress) in the course of construction is ₹7.13 crores (March 31, 2021: ₹27.22 crores) [Refer Note 37].

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

(ii) Capital work-in-progress ageing schedule *

Particulars	Amount in capital work-in-progress for a period of				As at March 31, 2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	659.68	107.59	60.05	2.00	829.32
	659.68	107.59	60.05	2.00	829.32

Particulars	Amount in capital work-in-progress for a period of				As at March 31, 2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	295.40	92.30	6.86	3.00	397.56
	295.40	92.30	6.86	3.00	397.56

*There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.

NOTE 3.2 : RIGHT-OF-USE ASSETS

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets	285.18	243.65
	285.18	243.65

	Leasehold land	Buildings	Plant and Equipment (including electrical installations)	Office equipment	Computers	Total
(A) Cost or deemed cost						
Balance at March 31, 2020	80.59	102.93	13.59	0.01	0.30	197.42
Additions	34.47	49.07	4.90	-	0.05	88.49
Disposals	-	(9.36)	-	-	-	(9.36)
Balance at March 31, 2021	115.06	142.64	18.49	0.01	0.35	276.55
Additions	3.70	69.38	-	-	-	73.08
Disposals	-	(25.37)	-	-	-	(25.37)
Balance at March 31, 2022	118.76	186.65	18.49	0.01	0.35	324.26

(B) Accumulated amortisation and impairment

Balance at March 31, 2020	0.73	18.09	0.12	-	-	18.94
Amortisation expense	0.99	20.97	0.16	0.00*	0.00*	22.12
Eliminated on disposal	-	(8.16)	-	-	-	(8.16)
Balance at March 31, 2021	1.72	30.90	0.28	0.00	0.00	32.90
Amortisation expense	1.21	27.83	0.18	0.00*	0.00*	29.22
Eliminated on disposal	-	(23.04)	-	-	-	(23.04)
Balance at March 31, 2022	2.93	35.69	0.46	0.00	0.00	39.08

(C) Carrying amount

Balance at March 31, 2021	113.34	111.74	18.21	0.01	0.35	243.65
Balance at March 31, 2022	115.83	150.96	18.03	0.01	0.35	285.18

*Amount below ₹1 lakh



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 4: OTHER INTANGIBLE ASSETS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Technical Know-how	58.79	71.43
Software	20.74	23.65
	79.53	95.08
Intangible assets under development [Refer Note below]	0.33	1.72
	0.33	1.72

	Technical Know-how	Software	Total
(A) Cost or deemed cost			
Balance at March 31, 2020	-	11.07	11.07
Additions	72.70	25.77	98.47
Disposals	-	-	-
Balance at March 31, 2021	72.70	36.84	109.54
Additions	1.00	3.14	4.14
Disposals	-	-	-
Balance at March 31, 2022	73.70	39.98	113.68

(B) Accumulated amortisation and impairment

Balance at March 31, 2020	-	7.94	7.94
Amortisation expense	1.27	5.25	6.52
Eliminated on disposal	-	-	-
Balance at March 31, 2021	1.27	13.19	14.46
Amortisation expense	13.64	6.05	19.69
Eliminated on disposal	-	-	-
Balance at March 31, 2022	14.91	19.24	34.15

(C) Carrying amount

Balance at March 31, 2021	71.43	23.65	95.08
Balance at March 31, 2022	58.79	20.74	79.53

Notes:

(i) The amount of expenditure recognised in the carrying amount of intangible assets in the course of development is ₹ Nil (March 31, 2021: ₹ 0.96 crores)

(ii) Intangible assets under development ageing schedule *

Particulars	Amount in intangible assets under development for a period of				As at March 31, 2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	0.08	0.25	-	-	0.33
	0.08	0.25	-	-	0.33

Particulars	Amount in intangible assets under development for a period of				As at March 31, 2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	1.65	0.07	-	-	1.72
	1.65	0.07	-	-	1.72

*There are no intangible assets under development where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 5: INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(I) Investments in equity instruments		
Quoted investments (fully paid) [at FVTOCI]		
(i) Standard Batteries Limited 125 (March 31, 2021: 125) equity shares of ₹1 each *	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2021: 25) equity shares of ₹2 each *	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2021: 10,000) equity shares of ₹1 each	0.15	0.19
(iv) HBL Power Systems Limited 5,500 (March 31, 2021: 5,500) equity shares of ₹1 each	0.03	0.02
Total aggregate quoted investments [A]	0.18	0.21
Unquoted investments (fully paid)		
(a) Investments in subsidiary (at cost unless stated otherwise)		
(i) Amara Raja Batteries Middle East (FZE), U.A.E 2 (March 31, 2021: 2) equity shares of 1,50,000 AED each	0.57	0.57
(b) Investments in others (at FVTOCI)		
(i) Indian Lead Limited 1,128 (March 31, 2021: 1,128) equity shares of ₹10 each *	0.00	0.00
(ii) Atria Wind Private Limited 2,500 (March 31, 2021: 2,500) equity shares of ₹100 each	0.03	0.03
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2021: 1,206,000) equity shares of ₹10 each [also refer footnote to Note 30(i) in respect of the lien on investment]	5.27	6.30
(iv) Log 9 Materials Scientific Private Limited 22,524 (March 31, 2021: Nil) equity shares of ₹1 each [also refer footnote (ii) to Note 41D]	5.47	-
Total aggregate unquoted investments [B]	11.34	6.90
Total investments in equity instruments [C = A+B]	11.52	7.11
(II) Investment in Preference Shares		
Unquoted investments (fully paid) [at FVTOCI]		
(i) Log 9 Materials Scientific Private Limited 58,347 (March 31, 2021: Nil) Compulsorily Convertible Preference Shares of ₹100 each [D] [also refer footnote (ii) to Note 41D]	31.52	-
(III) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) [E]	0.01	0.01
Total Non-current investments [F=C+D+E]	43.05	7.12
Note: The 6 years National Savings Certificates have been lodged as security with government departments.		
Aggregate book value of quoted investments - at cost	0.01	0.01
Aggregate market value of quoted investments	0.18	0.21
Aggregate carrying value of unquoted investments	42.86	6.90

* Amounts below ₹1 lakh



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 5: INVESTMENTS (CONTD...)

	As at March 31, 2022	As at March 31, 2021
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Savings Fund - Direct Plan - Growth Nil units (March 31, 2021: 17,607.18 units of ₹34.20)	-	0.06
SBI Savings Fund - Regular Plan - Growth 28,82,670.63 units of ₹33.69 (March 31, 2021: 2,37,84,493.64 units of ₹32.57)	9.71	77.47
SBI Liquid Fund - Direct Growth Nil units (March 31, 2021: 859.50 units of ₹3,221.62)	-	0.28
HDFC Liquid Fund - Direct Plan - Growth Option Nil units (March 31, 2021: 30,558.04 units of ₹4,045.00)	-	12.36
HDFC Ultra Short Term Fund - Direct - Growth Nil units (March 31, 2021: 1,26,69,141.53 units of ₹11.94)	-	15.13
ICICI Prudential Liquid - Direct Plan - Growth 3,019.42 units of ₹315.26 (March 31, 2021: 19,28,499.57 units of ₹304.74)	0.10	58.77
ICICI Prudential Liquid - Ultra Short Term Fund DP Growth 1,306.81 units of ₹23.81 (March 31, 2021: Nil)	0.00*	-
UTI - Liquid Cash Plan - Direct Growth Plan 21,891.27 units of ₹3,488.04 (March 31, 2021: 1,36,967.46 units of ₹3,370.49)	7.64	46.16
UTI - Ultra Short Term Fund - Direct Growth Plan 509.65 units of ₹3,646.21 (March 31, 2021: Nil)	0.19	-
Kotak Liquid - Direct Plan Growth Nil units (March 31, 2021: 4,867.28 units of ₹4,159.05)	-	2.02
Kotak Overnight Fund - Direct Plan Growth 26.37 units of ₹1,133.80 (March 31, 2021: Nil)	0.00*	-
Aditya Birla Sun Life Saving Fund - Growth- Direct 2,51,707.23 units of ₹445.31 (March 31, 2021: 13,09,651.72 units of ₹426.84)	11.21	55.90
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan 1,71,544.37 units of ₹343.13 (March 31, 2021: 1,58,909.38 units of ₹331.53)	5.88	5.27
Total Quoted investments measured at FVTPL	34.73	273.42
Total Current investments	34.73	273.42
Aggregate book value of quoted investments - at cost	34.52	271.19
Aggregate market value of quoted investments	34.73	273.42

* Amounts below ₹1 lakh

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 6: OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits*	8.32	4.30
Total	8.32	4.30

* Includes to related parties ₹4.48 crores (As at March 31, 2021: ₹1.03 crores)

Current		
(a) Advances to related parties:		
(i) Reimbursable expenses	13.92	15.84
(b) Security deposits #	1.04	4.96
(c) Interest accruals:		
(i) Interest accrued on deposits	1.69	4.42
(ii) Interest accrued on overdue trade receivables	0.01	0.04
(d) Others	-	0.26
Total	16.66	25.52

Includes to related parties ₹ Nil (As at March 31, 2021: ₹3.45 crores)

NOTE 7: INVENTORIES

	As at March 31, 2022	As at March 31, 2021
(at lower of cost and net realisable value)		
(a) Raw materials and bought-out components	621.37	587.33
(b) Work-in-progress	436.39	291.16
(c) Finished goods	505.33	333.96
(d) Stock-in-trade (goods purchased for resale)	102.58	97.32
(e) Stores and spares (including secondary packing material)	137.42	127.86
(f) Loose tools	0.69	0.61
Total	1,803.78	1,438.24
Raw materials includes material-in-transit	104.45	141.58

Notes:

- (i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss, Notes 24 and 28.
- (ii) The cost of inventories recognised as an expense includes ₹5 crores (during 2020-21: ₹2.21 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2020-21: ₹ Nil) in respect of reversal of such write-downs.
- (iii) There are no inventories expected to be liquidated after more than twelve months.
- (iv) The mode of valuation of inventories has been stated in Note 2.E.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(a) Unsecured, considered good	792.56	787.46
(b) Considered doubtful	6.75	9.20
	799.31	796.66
Less: Allowance for doubtful receivables	(6.75)	(9.20)
Total	792.56	787.46

Trade Receivables ageing schedule

	Not due	Outstanding for following periods from due date of payment					As at March 31, 2022
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	621.25	168.17	3.14	-	-	-	792.56
(ii) Undisputed, considered doubtful	-	-	-	1.44	0.80	2.78	5.02
(iii) Disputed, considered good	-	-	-	-	-	-	-
(iv) Disputed, considered doubtful	-	-	-	0.28	0.28	1.17	1.73
	621.25	168.17	3.14	1.72	1.08	3.95	799.31
Less: Allowance for doubtful receivables							(6.75)
Total							792.56

	Not due	Outstanding for following periods from due date of payment					As at March 31, 2021
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	553.55	228.50	4.77	0.64	-	-	787.46
(ii) Undisputed, considered doubtful	-	-	-	1.55	2.06	3.91	7.52
(iii) Disputed, considered good	-	-	-	-	-	-	-
(iv) Disputed, considered doubtful	-	-	-	0.28	1.40	-	1.68
	553.55	228.50	4.77	2.47	3.46	3.91	796.66
Less: Allowance for doubtful receivables							(9.20)
Total							787.46

Notes:

- (i) The average credit period for after market sales is one week and for sales to other customers is in the range of 30 - 60 days. No interest is charged on overdue receivables, except for overdue balances of related parties.
- (ii) There are no customers who represent more than 10% of the total balance of trade receivables as at March 31, 2022 and March 31, 2021.
- (iii) The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.
- (iv) **Movement in the expected credit loss allowance**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	9.20	24.53
Add: Provision created during the year	2.07	4.91
Less: Provision reversed/released during the year	(4.52)	(20.24)
Balance at the end of the year	6.75	9.20

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 9: CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) in current accounts	28.80	85.40
(ii) in EEFC accounts	0.63	8.26
(b) Cash on hand	0.01	0.02
(c) Cheques on hand	4.87	3.05
Cash and cash equivalents as per the cash flow statement	34.31	96.73

NOTE 10: OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
(a) In deposit accounts		
(i) original maturity more than 3 months but less than 12 months	5.21	74.20
(b) In earmarked accounts		
(i) Dividend accounts	3.44	3.60
(ii) Balances held as margin money against guarantees given	10.61	1.28
Total	19.26	79.08

NOTE 11: OTHER ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Capital advances	110.78	50.05
(b) Capital advances to related parties	3.73	8.20
(c) Prepaid expenses	1.17	1.29
(d) Balances with government authorities	13.80	13.33
(e) Other deposits (Electricity deposits, for other utilities, etc.)	41.79	37.88
Total	171.27	110.75
Current		
(a) Contractually reimbursable expenses	2.89	2.80
(b) Commercial advances	52.65	57.90
(c) Advances to employees	0.32	0.30
(d) Balances with government authorities (Advances, GST credit and VAT credit)	23.73	23.23
(e) Prepaid expenses	13.09	8.84
(f) Other receivables (export incentives, etc.)	30.04	27.35
Total	122.72	120.42



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 12: EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹1/- each	20,00,00,000	20.00	20,00,00,000	20.00
(b) Issued				
Equity shares of ₹1/- each	17,50,28,500	17.50	17,50,28,500	17.50
(c) Subscribed and fully paid-up				
Equity shares of ₹1/- each	17,08,12,500	17.08	17,08,12,500	17.08
	17,08,12,500	17.08	17,08,12,500	17.08

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares	Number of shares	Share capital (Amount)
Balance at March 31, 2020	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2021	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2022	17,08,12,500	17.08

(ii) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹1 each. Each holder of equity share is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of the equity shares:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06
Clarios ARBL Holdings LP (formerly known as Panther ARBL Holdings LP)	2,39,13,750	14.00	4,09,95,000	24.00
Nalanda India Equity Fund Limited	1,68,80,938	9.88	1,68,80,938	9.88
Life Insurance Corporation of India	1,23,54,916	7.23	-	-

(iv) Details of equity shares held by promoters at the end of the year

Promoter Name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	%	Number of shares	%	
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06	0.00%

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 13: OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
(a) General reserve	633.72	582.59
This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.		
(b) Capital reserve*	0.00	0.00
Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instruments is transferred to capital reserve.		
(c) Securities premium	31.19	31.19
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.		
(d) Equity instruments through other comprehensive income	(3.78)	(2.72)
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	3,873.18	3,582.12
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.		
Total	4,534.31	4,193.18

*Amount below ₹1 Lakh

NOTE 14: BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	16.52	23.39
Total	16.52	23.39
Current		
Unsecured - at amortised cost		
Sales tax deferment loans [Refer Note below]	6.87	10.95
Total	6.87	10.95

Note:

The interest free sales tax deferment loans were availed by the Company under the Government of Andhra Pradesh TARGET 2000 New Industrial Policy as per which the loans are repayable at the end of the 14th year from the year in which these loans were availed. The Company has also entered into agreements with the Deputy Commissioner of Commercial Taxes, Chittoor in respect of the aforementioned loans as per which the repayment schedule of the loans have been determined as being repayable at the end of the 14th year from the month in which these loans were availed. The Management is however of the view that these loans are repayable at the end of the 14th year from the year in which these loans were availed in terms of the sanction of these loans by the Government of Andhra Pradesh, Commissionerate of Industries and are accordingly making an yearly repayment of these loans.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 15: LEASE LIABILITIES*

	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities	77.28	38.59
Total	77.28	38.59
Current		
Lease Liabilities	25.22	19.39
Total	25.22	19.39

* Also Refer Note 36

NOTE 16 : PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits		
- Leave encashment	20.27	18.18
Other provisions		
- Product warranty [Refer Note 40]	87.99	77.21
Total	108.26	95.39
Current		
Employee Benefits		
- Leave encashment	4.54	3.82
- Gratuity [Refer Note 32]	0.83	5.92
Other provisions		
- Product warranty [Refer Note 40]	131.88	108.84
Total	137.25	118.58

17. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet :		
(a) Deferred tax assets	13.67	15.86
(b) Deferred tax liabilities	(45.04)	(56.60)
Total	(31.37)	(40.74)

2021-2022 Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(55.91)	10.87	-	(45.04)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	2.32	(0.62)	-	1.70
Provision for employee benefits	8.22	(1.57)	-	6.65
Others	(0.69)	0.69	-	-
	(40.74)	9.37	-	(31.37)

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

2020-2021 Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(63.08)	7.17	-	(55.91)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	6.54	(4.22)	-	2.32
Provision for employee benefits	5.53	2.69	-	8.22
Others	1.56	(2.25)	-	(0.69)
	(44.13)	3.39	-	(40.74)

NOTE 18: TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of Micro enterprises and small enterprises [Refer Note 31]	23.05	44.14
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	783.40	702.33
	806.45	746.47

Trade Payables ageing schedule

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	23.05	-	-	-	-	23.05
(ii) Other than MSME	513.23	122.59	1.09	0.92	2.68	640.51
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	142.89	-	-	-	-	142.89
	679.17	122.59	1.09	0.92	2.68	806.45

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2021
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	44.14	-	-	-	-	44.14
(ii) Other than MSME	452.15	98.48	4.04	1.94	1.82	558.43
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	143.90	-	-	-	-	143.90
	640.19	98.48	4.04	1.94	1.82	746.47

NOTE 19: OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
(a) Unpaid dividends	3.44	3.60
(b) Other payables:		
(i) Payables on purchase of property, plant and equipment	149.47	71.52
(ii) Others (employee related, others) [Refer Note below]	145.87	130.20
Total	298.78	205.32

Note:

Other liabilities includes employees related payables (including payable to Chairman, Managing Director & CEO and Executive Directors), commission payable to Other Directors, outstanding liabilities for incentives and trade schemes, etc.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 20: INCOME TAX ASSETS /LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance tax / TDS receivable (net of provisions)	7.24	-
Total	7.24	-
Current		
Income tax payable (net of advance tax)	-	4.18
Total	-	4.18

NOTE 21: OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	63.69	59.26
Total	63.69	59.26
Current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	12.81	11.69
(b) Statutory remittances (GST, PF, VAT, TDS, etc.)	51.70	43.16
(c) Advances from customers	51.32	27.12
(d) Others (includes accruals relating to trade promotion schemes)	136.94	142.59
Total	252.77	224.56

Note:

The deferred revenue of ₹76.50 crores (March 31, 2021: ₹70.95 crores) arises primarily as a result of duty benefit received on import of plant and equipment under Export Promotion Capital Goods (EPCG) schemes of the Government of India. The deferred revenue will be recognised in the Statement of Profit and Loss in the proportion of depreciation charged on such assets.

NOTE 22: REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Sale of products (Refer Note (i) below)	8,611.53	7,091.49
b. Sale of services (Refer Note (ii) below)	41.84	41.65
c. Other operating revenues (Refer Note (iii) below)	42.45	16.54
Total	8,695.82	7,149.68
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	8,080.76	6,682.26
Sub-total - Sale of manufactured goods	8,080.76	6,682.26
Traded goods		
- Storage batteries	432.28	317.21
- Home UPS	98.49	92.02
Sub-total - Sale of traded goods	530.77	409.23
Total - Sale of products	8,611.53	7,091.49

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 22: REVENUE FROM OPERATIONS (CONTD.)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Sale of services comprise:		
- Installation and Commissioning	5.04	4.26
- Annual Maintenance	0.40	13.09
- Others (subject and other matters experts, service charges, etc.)	36.40	24.30
Total - Sale of services	41.84	41.65
(iii) Other operating revenues comprise:		
- Sale of process scrap	4.35	4.28
- Export benefits (including MEIS, RoDTEP, Duty Drawback & EPCG benefits) [Refer Note (iv) below]	38.10	12.26
Total - Other operating revenues	42.45	16.54

(iv) Includes ₹12.85 crores (for the year ended March 31, 2021: ₹9.65 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 21]

NOTE 23: OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income		
(i) Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	2.13	4.15
- Other financial assets carried at amortised cost	0.78	0.73
- Unwinding of discounts on rental deposits	0.27	0.17
	3.18	5.05
b) Dividend income		
(i) Dividend from equity investments designated as at FVTOCI *	0.00	0.00
*Amount below ₹1 Lakh	0.00	0.00
c) Other non-operating income		
(i) Interest income on other deposits	1.42	1.26
(ii) Sale of non process scrap	6.13	4.87
(iii) Liabilities no longer required written back	9.39	13.16
(iv) Provision for doubtful trade receivables written back	2.96	19.22
(v) Others	9.51	4.45
	29.41	42.96
d) Other gains and losses		
(i) Gain on disposal of mutual fund units	11.62	14.18
(ii) Net foreign exchange gains	33.56	22.94
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	0.21	2.23
	45.39	39.35
Total (a+b+c+d)	77.98	87.36

Note:

The amount represents the increase in fair value on non-derivative current investments which are mandatorily measured at fair value. [Refer Note 5].



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Inventories at the beginning of the year				
Finished goods - storage batteries		333.96		339.97
Work-in-progress		291.16		276.58
Stock-in-trade				
- Storage batteries	81.71		17.98	
- Home UPS	15.61	97.32	20.06	38.04
[A]		722.44		654.59
Inventories at the end of the year				
Finished goods - storage batteries		505.33		333.96
Work-in-progress		436.39		291.16
Stock-in-trade				
- Storage batteries	58.69		81.71	
- Home UPS	43.89	102.58	15.61	97.32
[B]		1,044.30		722.44
(Increase) in finished goods, work-in-progress and stock-in-trade [A-B]		(321.86)		(67.85)

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	389.22	328.13
(b) Contribution to provident and other funds [Refer Note 32]	37.64	43.30
(c) Staff welfare expenses	71.90	54.61
Total	498.76	426.04

NOTE 26: FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	8.36	6.58
(ii) Interest on leases liabilities [Refer Note 36]	5.98	3.44
(iii) Others	0.76	0.51
Total	15.10	10.53

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (including on right-of-use assets) [Refer Note 3.1 and 3.2]	376.88	313.87
Amortisation of intangible assets [Refer Note 4]	19.69	6.52
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	(0.85)	(1.23)
Total	395.72	319.16

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 28: OTHER EXPENSES

	For the year ended March 31, 2022		For the year ended March 31, 2021
Consumption of stores and spares (including packing material)		126.76	97.24
Tools consumed		0.90	0.84
Power and fuel		249.58	212.98
Rent		2.15	1.49
Repairs and maintenance			
- Plant and machinery		9.16	6.53
- Buildings		6.97	3.87
- Others		6.40	6.16
Insurance		12.55	9.85
Rates and taxes		4.27	7.05
Communication		2.00	2.03
Travelling and conveyance		12.23	6.33
Outward freight and handling charges		260.05	203.74
Advertisement and sales promotion		38.34	27.02
Expenditure on Corporate Social Responsibility (Refer Note 43)		16.43	15.20
Legal and professional		26.52	9.89
Payment to auditors [Refer Note below]		1.22	0.95
Bad trade receivables written off	3.48		1.50
Less : Provision released	(1.56)		(1.02)
		1.92	0.48
Provision for doubtful trade receivables		2.07	4.91
Provision for doubtful advances and other receivables		1.30	4.34
Loss on sale of property, plant and equipment (net) / written off		6.96	0.91
Warranty expenses (net)		148.98	102.77
Service expenses		29.91	23.13
Printing and stationery		1.88	1.48
Miscellaneous expenses		84.54	114.11
Total		1,053.09	863.30
Note:			
Payment to auditors comprise (net of GST) *			
(a) To statutory auditors			
- Statutory audit fee		0.90	0.70
- Limited review fee		0.20	0.15
- Tax audit fee		0.05	0.05
- Reimbursement of expenses		0.02	0.01
(b) To cost auditor for cost audit		0.05	0.04
		1.22	0.95

* Excludes payment to other than network firm of ₹Nil (for the year ended March 31, 2021: ₹0.10 crores) in respect of other non-audit services.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 29: INCOME TAX RECOGNISED IN PROFIT OR LOSS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of the current year	187.97	229.50
In respect of the prior years	(0.05)	0.41
Total	187.92	229.91
Deferred Tax		
In respect of the current year	(9.37)	(3.39)
Total	(9.37)	(3.39)
Total income tax expense recognised	178.55	226.52
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	689.80	873.33
Income tax expense calculated at 25.168% (2020-21 : 25.168%)	173.61	219.80
Tax effects of amounts which are not deductible in determining taxable profit	7.30	8.33
Effect of concessions (research and development and other allowances)	(2.36)	(1.61)
Income tax expense recognised in profit or loss	178.55	226.52

Note: The tax rate used for the year 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Company not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	61.00	58.42
- Sales tax/VAT and GST	9.89	10.91
- Income tax	0.86	3.86
- Electricity related [Refer Note below]	33.43	25.22
- Other (Building and other construction workers welfare cess, wealth tax, etc.)	8.95	8.95

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

Note :

Includes an amount of ₹ 8.04 crores which has been claimed by Andhra Pradesh Gas Power Corporation Limited ('APGPCL') with respect to the power supplied by it to the Company through Andhra Pradesh Southern Power Distribution Corporation Limited ('APSPDCL'). The Management has contended that the said dues charged by APSPDCL as part of the regular electricity bills has been duly discharged by the Company to APSPDCL.

APGPCL has also consequently placed a lien on the investment held by the Company in it for non-payment of dues. The Management has initiated arbitration proceedings against the claim and the said action of APGPCL and is confident of a favourable outcome in this matter.

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	373.41	750.66
(b) As part of its strategic initiatives to venture into new energy business and EV batteries, the Company has entered into transaction agreements with InoBat Auto AS, Oslo Norway ('InoBat Auto') for investments by way of equity and convertible instruments in InoBat Auto in one or more tranches for a value upto EURO 10 million. The investment was completed on May 5, 2022.		
(c) The Company has certain outstanding export obligations/ commitments which the Management is confident of meeting within the stipulated period of time / obtaining suitable extensions, wherever required.		

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

Note 31: BASED ON AND TO THE EXTENT OF INFORMATION AVAILABLE WITH THE COMPANY UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT), THE RELEVANT PARTICULARS AS AT REPORTING DATE ARE FURNISHED BELOW:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	23.05	44.14
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	0.04
(vi) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 32: EMPLOYEE BENEFITS

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹14.51 crores (Year ended March 31, 2021: ₹12.12 crores) for provident fund contributions, ₹15.35 crores (Year ended March 31, 2021: ₹15.38 crores) for Superannuation Fund contributions and ₹3.93 crores (Year ended March 31, 2021: ₹3.74 crores) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Risk Management:

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

	As at March 31, 2022	As at March 31, 2021
Present value of obligation	59.03	55.98
Fair value of plan assets	(58.20)	(50.06)
Liability recognised in the Balance Sheet	0.83	5.92



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total Net
As at March 31, 2020	40.13	43.67	3.54
Current service cost	-	3.80	3.80
Past service cost	-	7.31	7.31
Interest cost	-	2.86	2.86
Interest income	2.64	-	(2.64)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(0.03)	(0.03)
Contributions	8.87	-	(8.87)
Benefit payments	(1.70)	(1.70)	-
Return on plan assets, excluding interest income	0.05	-	(0.05)
Transfer to Group Companies	0.07	0.07	-
As at March 31, 2021	50.06	55.98	5.92
Current service cost	-	4.48	4.48
Past service cost	-	(2.07)	(2.07)
Interest cost	-	3.68	3.68
Interest income	3.29	-	(3.29)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(1.19)	(1.19)
Contributions	6.13	-	(6.13)
Benefit payments	(2.39)	(2.39)	-
Return on plan assets, excluding interest income	0.57	-	(0.57)
Transfer to Group Companies	0.54	0.54	-
As at March 31, 2022	58.20	59.03	0.83

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses		
Current service cost	4.48	3.80
Interest cost	3.68	2.86
Past service cost	(2.07)	7.31
Interest income	(3.29)	(2.64)
Net impact on profit before tax	2.80	11.33
Remeasurement of the net defined benefit plan		
Actuarial (gain)/loss arising from changes in financial assumptions	(1.19)	(0.03)
Return on plan assets, excluding interest income	(0.57)	0.05
Net impact on other comprehensive income before tax	(1.76)	0.02

(iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31, 2022	As at March 31, 2021
Funded with Life Insurance Corporation of India	100%	100%

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.57%
Salary escalation rate	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Demographic assumptions

Mortality in Service: Indian Assured Lives Mortality 2012-14 (Urban) [Year ended March 31, 2021: Indian Assured Lives Mortality (2006-08) Ultimate table].

(vi) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.34)	3.76	(3.27)	3.69
Salary escalation rate (1% movement)	3.41	(3.16)	3.32	(3.07)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2022	As at March 31, 2021
Within 1 year	6.75	6.09
1-2 year	6.29	6.05
2-3 year	6.86	5.83
3-4 year	5.74	6.07
4-5 year	5.90	5.20
5-10 year	26.66	24.67
> 10 Year	41.02	39.06

The Company expects to contribute ₹5.11 crores to its defined benefit plans during the next fiscal year.

NOTE 33: SEGMENT REPORTING

The Chairman, Managing Director & CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and marketing of lead acid storage batteries. Accordingly, manufacturing and trading of lead acid storage batteries is considered as the operating segment of the Company.

Geographical information

The Company operates in India and makes certain sales to customers situated outside India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Company are situated within India.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 33: SEGMENT REPORTING (CONTD.)

Revenue

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	7,558.17	6,268.17
Outside India	1,137.65	881.51
Total	8,695.82	7,149.68

Refer to Note 41 on Financial Instruments and related disclosures for information on revenue from major customers.

NOTE 34: RELATED PARTY TRANSACTIONS

(a) Details of related parties

Entity exercising significant influence

RNGalla Family Private Limited

Entity where control exists - Subsidiary

Amara Raja Batteries Middle East (FZE), U.A.E.

Key Management Personnel [KMP]

Jayadev Galla	Chairman, Managing Director & CEO (Vice-Chairman & Managing Director upto August 13, 2021 and Chairman w.e.f. August 14, 2021)
Harshavardhana Gourineni	Executive Director (w.e.f. June 12, 2021)
Vikramadithya Gourineni	Executive Director (w.e.f. June 12, 2021)

Relative of Key Management Personnel

Dr. Ramachandra N. Galla	Chairman and Non-Executive Director (upto August 14, 2021)
Dr. Ramadevi Gourineni	Non-Executive Director (upto June 12, 2021)
G. Amara Kumari	Relative of Jayadev Galla
Ashok Galla	Relative of Jayadev Galla
Siddharth Galla	Relative of Jayadev Galla

Entities in which KMP / Relatives of KMP exercise significant influence

Asistmi Solutions Private Limited
Amara Raja Electronics Limited
G2 Healthcare Private Limited
Nine Nines Lifestyle Private Limited
Rajanna Trust
Amara Raja Blaze Technologies Private Limited (w.e.f. July 24, 2020)
HG Global Private Limited (w.e.f. July 09, 2021)

Subsidiaries of the entity exercising significant influence

Mangal Industries Limited
Amara Raja Infra Private Limited
Amara Raja Power Systems Limited
Amara Raja Media and Entertainment Private Limited

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with the above related parties during the year were:

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	15.46	20.83
Amara Raja Electronics Limited	0.02	-
Mangal Industries Limited	1.02	0.56
RNGalla Family Private Limited	0.05	0.02
Amara Raja Batteries Middle East (FZE)	3.79	2.31
Rental Income		
Mangal Industries Limited	0.18	-
Purchase of goods		
Amara Raja Power Systems Limited	67.28	105.74
Amara Raja Electronics Limited	92.25	4.41
Mangal Industries Limited	864.02	808.42
RNGalla Family Private Limited	0.05	0.01
Availing of services		
Amara Raja Infra Private Limited	86.79	80.47
Rajanna Trust	0.13	0.12
G2 Healthcare Private Limited	1.41	0.19
Amara Raja Batteries Middle East (FZE)	1.02	0.51
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	242.84	40.07
Amara Raja Electronics Limited	0.42	0.97
Mangal Industries Limited	56.80	43.87
Amara Raja Infra Private Limited	108.71	176.96
Rent Expense		
Jayadev Galla	3.64	4.06
Dr. Ramachandra N. Galla	0.57	0.64
Dr. Ramadevi Gourineni	3.30	3.66
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	2.43	0.22
Donation Expense		
Rajanna Trust	16.43	17.48



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.14	0.01
Amara Raja Electronics Limited	0.00	-
Mangal Industries Limited	0.08	-
Amara Raja Infra Private Limited	0.03	0.13
RNGalla Family Private Limited	-	4.86
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	47.93	23.97
Expenses recovered from		
Amara Raja Power Systems Limited	7.76	8.57
Amara Raja Electronics Limited	0.87	0.81
Mangal Industries Limited	11.49	11.16
Amara Raja Infra Private Limited	4.55	4.10
RNGalla Family Private Limited	0.55	0.57
Interest Income		
Amara Raja Power Systems Limited	0.12	0.32
Amara Raja Electronics Limited	0.16	0.03
Mangal Industries Limited	0.73	0.43
Amara Raja Infra Private Limited	0.01	0.05
RNGalla Family Private Limited	0.00	0.01
Other recoveries		
Mangal Industries Limited	38.61	39.63
Remuneration		
Jayadev Galla	38.01	47.35
Harshavardhana Gourineni	15.25	-
Vikramadithya Gourineni	15.25	-
Commission		
Dr. Ramachandra N. Galla	-	28.41

* Current year transactions have been disclosed net of applicable taxes. Previous year transactions were disclosed gross of applicable taxes.

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(c) Balances receivable from / payable to related parties are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Amara Raja Power Systems Limited	8.35	7.13
Mangal Industries Limited	10.46	-
Amara Raja Batteries Middle East (FZE)	1.12	0.94
Security Deposits		
Jayadev Galla	2.12	2.12
Dr. Ramachandra N. Galla	0.32	0.32
Dr. Ramadevi Gourineni	2.04	2.04
Interest Receivable		
Amara Raja Power Systems Limited	-	0.02
Amara Raja Electronics Limited	0.14	0.00
Mangal Industries Limited	0.01	0.02
Amara Raja Infra Private Limited	0.00	0.00
RNGalla Family Private Limited	0.00	0.00
Rent Receivable		
Mangal Industries Limited	0.20	-
Advances (including contractually reimbursable expenses)		
Amara Raja Power Systems Limited	7.51	6.79
Amara Raja Electronics Limited	9.47	1.67
Mangal Industries Limited	3.05	17.26
Amara Raja Infra Private Limited	2.16	1.57
RNGalla Family Private Limited	0.12	0.08
Trade payables		
Amara Raja Power Systems Limited	0.45	8.27
Amara Raja Electronics Limited	9.52	0.11
Mangal Industries Limited	4.86	27.41
Amara Raja Infra Private Limited	8.26	7.76
RNGalla Family Private Limited	-	0.79
Amara Raja Batteries Middle East (FZE)	0.99	0.05
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	64.85	8.33
Amara Raja Electronics Limited	-	0.05
Mangal Industries Limited	9.53	5.88
Amara Raja Infra Private Limited	19.10	21.89



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables		
Rajanna Trust	-	2.27
Investment in subsidiary		
Amara Raja Batteries Middle East (FZE)	0.57	0.57
Other Payables (Employee Related)		
Jayadev Galla	35.60	45.06
Harshavardhana Gourineni	14.10	-
Vikramadithya Gourineni	14.10	-
Commission payable to Non-Executive Directors		
Dr. Ramachandra N. Galla	-	28.41
Rent Payable		
Jayadev Galla	0.34	0.33
Dr. Ramachandra N. Galla	0.04	0.04
Dr. Ramadevi Gourineni	0.28	0.25
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	0.44	0.21
Capital commitments		
Amara Raja Power Systems Limited	24.87	236.55
Amara Raja Electronics Limited	0.36	0.07
Mangal Industries Limited	42.40	44.08
Amara Raja Infra Private Limited	82.62	102.64

NOTE 35: EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (in ₹ crores) [A]	511.25	646.81
Weighted average number of equity shares outstanding during the year (No's) [B]	17,08,12,500	17,08,12,500
Earnings per share (Face Value of ₹1 per share)		
- Basic and diluted (in ₹) [A/B]	29.93	37.87

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 36: LEASES

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	25.22	19.39
Non-current liabilities	77.28	38.59
	102.50	57.98
(ii) The following is the movement of lease liabilities during the year ended March 31:		
Balance at the beginning	57.98	37.10
Additions during the year	63.51	37.12
Finance cost accrued during the year	5.98	3.44
Payment of lease liabilities	(24.97)	(19.68)
Balance at the end	102.50	57.98
(iii) Maturity analysis of lease liabilities		
Less than one year	25.22	19.39
One to five years	64.26	34.25
More than five years	13.02	4.34
	102.50	57.98

NOTE 37: REVENUE EXPENDITURE CAPITALIZED TO FIXED ASSETS/ CAPITAL WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Employee benefits expense	-	6.55
(b) Cost of material consumed (net) (Refer Note below)	6.28	13.94
(c) Power and Fuel	-	5.37
(d) Depreciation and amortization expense	0.85	1.23
(e) Others	-	1.09
Total	7.13	28.18

Note: Net of income from sale of batteries, scrap, etc., ₹13.03 crores (Year ended March 31, 2021: ₹27.52 crores)

NOTE 38: DISCLOSURE AS PER REGULATION 53(F) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

- (i) Loans and advances in the nature of loans given to Companies in which Directors are interested ₹ Nil (March 31, 2021: ₹ Nil)
- (ii) Details of investments made under Section 186 of the Companies Act, 2013 are disclosed in Note 5. There are no loans/guarantees issued under Section 186 of the Companies Act, 2013 read with rules issued thereunder.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 39: DETAILS OF EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue expenditure:		
(a) Cost of materials consumed	0.88	0.85
(b) Consumption of stores and spares (including secondary packing material)	0.36	0.15
(c) Employee benefits expense	8.10	8.34
(d) Power and fuel	0.78	0.63
(e) Others	0.72	0.78
Total Revenue expenditure [A]	10.84	10.75
Capital expenditure [B]	4.95	0.05
Total [A+B]	15.79	10.80

NOTE 40: DETAILS OF PROVISIONS

(a) Provision for warranty is made for estimated warranty claims in respect of sale of certain storage batteries which are still under warranty at the end of the reporting period, the estimated cost of which is accrued at the time of sale. These claims are expected to be settled as and when warranty claims arise. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligation for warranties. Management estimates the provision based on historical warranty claim information and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. The products are generally covered under a free warranty period ranging from 6 months to 42 months.

(b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at April 1	186.05	161.17
Additional provisions recognised	156.91	142.24
Amount utilised / reversed during the year	(131.45)	(123.94)
Unwinding of discount and effect of changes in the discount rate	8.36	6.58
Balance as at March 31	219.87	186.05
Out of the above,		
Classified under Non-current provisions (Refer Note 16)	87.99	77.21
Classified under Current provisions (Refer Note 16)	131.88	108.84

NOTE 41: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

A. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

Equity share capital and other equity are considered for the purpose of Company's Capital Management.

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 41: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
Measured at amortised cost				
(i) Cash and cash equivalents	34.31	96.73	34.31	96.73
(ii) Other bank balances	19.26	79.08	19.26	79.08
(iii) Trade receivables	792.56	787.46	792.56	787.46
(iv) Other financial assets	24.98	29.82	24.98	29.82
(v) Investments	0.01	0.01	0.01	0.01
Measured at cost				
(i) Investment in subsidiary	0.57	0.57	0.57	0.57
Measured at FVTOCI				
(i) Investments in equity instruments	10.95	6.54	10.95	6.54
(ii) Investments in preference shares	31.52	-	31.52	-
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	34.73	273.42	34.73	273.42
Total Financial assets	948.89	1,273.63	948.89	1,273.63
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	23.39	34.34	23.39	34.34
(ii) Trade payables	806.45	746.47	806.45	746.47
(iii) Other financial liabilities	298.78	205.32	298.78	205.32
(iv) Lease Liabilities	102.50	57.98	102.50	57.98
Total Financial liabilities	1,231.12	1,044.11	1,231.12	1,044.11

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

Liquidity Risk

The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Company's current assets aggregate ₹2,824.02 crores (March 31, 2021 ₹2,820.87 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹88.30 crores (March 31, 2021 ₹449.23 crores) against an aggregate current liability of ₹1,527.34 crores (March 31, 2021 ₹1,329.45 crores). The table below provides details regarding the contractual maturities of significant non-current financial liabilities as of March 31, 2022 and March 31, 2021. Contractual maturities in respect of lease liabilities has been disclosed in Note 36.

	As at March 31, 2022			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	16.52	-	-	16.52

	As at March 31, 2021			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	13.75	9.64	-	23.39

Further, while the Company's total equity stands at ₹4,551.39 crores (March 31, 2021: ₹4,210.26 crores), it has borrowings of ₹23.39 crores (March 31, 2021: ₹34.34 crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

The Company continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at March 31, 2022 is ₹42.47 crores (March 31, 2021 ₹6.54 crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income. As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing current investments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Company invests in Mutual Fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the Mutual Fund schemes in which the Company has invested, such price risk is not significant. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Foreign Currency Risk

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials and property, plant and equipment. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risk.

The Company manages currency exposures within prescribed limits. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

The carrying amounts of non-derivative foreign currency denominated financial assets and liabilities are as follows:

As at March 31, 2022	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	84.48	-	-	-	84.48
- Cash and cash equivalents	0.63	0.00	-	0.00	0.63
Financial Liabilities					
- Trade Payables	(128.30)	(3.43)	(1.17)	(0.97)	(133.87)
- Other financial liabilities	(28.54)	(9.82)	(0.48)	-	(38.84)
Net financial asset / (liability)	(71.73)	(13.25)	(1.65)	(0.97)	(87.60)

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

As at March 31, 2021	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	87.68	-	-	-	87.68
- Cash and cash equivalents	8.26	-	-	0.00	8.26
Financial Liabilities					
- Trade Payables	(119.90)	(4.30)	(2.36)	(0.34)	(126.90)
- Other financial liabilities	(16.39)	(9.01)	-	-	(25.40)
Net financial asset / (liability)	(40.35)	(13.31)	(2.36)	(0.34)	(56.36)

* Others includes currencies such as Japanese Yen, Dirhams, Rupiah, South Korean Won, Yuan etc.

Foreign currency sensitivity analysis

For every percentage point increase in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax for the year ended March 31, 2022 would change by ₹ (0.93) crores [March 31, 2021: ₹(0.56 crores)]. For every percentage point decrease in the underlying exchange rate would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligation.

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The credit risk on cash and bank balances and fixed deposits is limited because the counterparties are banks with high credit ratings.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top customer from whom the Company receives 10% or more of its revenues	-	-
Revenue from top 5 customers	1,010.68	754.47

D. Fair value measurement

Fair value hierarchy

The fair value of financial instruments as referred to in Note 41.B above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The following levels have been used for classification:

- **Level 1:** Quoted prices (unadjusted) for identical instruments in active market.
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs
- **Level 3:** Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly for certain unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain unquoted equity instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Financial Instrument	Valuation Technique	Key inputs used	Sensitivity
Investments in unquoted equity instrument at FVTOCI [1.65% equity instrument in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India]	Discounted Cash Flow Method	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 0% (as at March 31, 2021: 0%). Weighted average cost of capital (WACC) as determined 15% to 16% (as at March 31, 2021: 15% to 16%).	If the Long-term revenue growth rates used were 1% higher/lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹ 0.29 crores and ₹(0.25) crores respectively [as at March 31, 2021: ₹0.26 crores and ₹(0.24) crores respectively] A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹(0.41) crores and ₹ 0.48 crores respectively [as at March 31, 2021: ₹(0.37) crores and ₹0.42 crores respectively]

Notes:

(i) These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

(ii) The Company as part of its strategic initiatives has made an investment of ₹36.99 crores in Log 9 Materials Scientific Private Limited ('Log 9 Materials') by acquiring 11.86% (on a fully diluted basis) of shareholding in Log 9 Materials. Log 9 Materials is an advanced battery and deep-tech start up providing state of art batteries be it in terms of EV batteries, energy storage on fuel cells. The investment was recognised at transaction cost and irrevocably designated at fair value through other comprehensive income. Owing to the nature of this initial investment (in unquoted instrument) and as permitted by Ind AS, where insufficient, more recent information is not available to measure fair value, cost has been assessed to be the best estimate of fair value as at March 31, 2022.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

Particulars	Fair value hierarchy (Level)	As at March 31, 2022	As at March 31, 2021
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (non-current)	3	8.32	4.30
Sub-total		8.32	4.30
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.18	0.21
ii) Equity Shares - Unquoted [Refer Note (ii) above]	3	10.77	6.33
iii) Preference Shares - Unquoted [Refer Note (ii) above]	3	31.52	-
Sub-total		42.47	6.54
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	34.73	273.42
Sub-total		34.73	273.42
Total		85.52	284.26
Financial liabilities			
a) Measured at amortised cost			
i) Borrowings	3	23.39	34.34
ii) Lease Liabilities	3	102.50	57.98
Total		125.89	92.32

Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 42: DIVIDEND

Dividend on equity shares paid during the year	FY 2021-22	FY 2020-21
Final dividend for FY 2020-21 (₹6 per equity share of ₹1 each) [for FY 2019-20 ₹Nil]	102.49	-
Interim dividend for the FY 2021-22 (₹4 per equity share of ₹1 each) [for FY 2020-21 ₹5 per equity share of ₹1 each]	68.33	85.41
	170.82	85.41

Interim dividend of ₹4 per equity share of face value of ₹1 each approved by the Board of Directors at its meeting held on November 12, 2021 was paid during the current year. The Board of Directors at its meeting held on May 20, 2022 has recommended a dividend of ₹0.50 per equity share of face value of ₹1 each which is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability. The total dividend (including interim dividend) for FY 2021-22 amounts to ₹4.5 per equity share (Previous year ₹11 per equity share).

NOTE 43: CORPORATE SOCIAL RESPONSIBILITY

Particulars	FY 2021-22	FY 2020-21
(i) Gross amount required to be spent by the Company during the year	16.25	15.20
(ii) Amount spent during the year on:		
(a) Construction/acquisition of any assets	6.88	8.08
(b) On purposes other than (i) above	9.55	7.12
Total spent	16.43	15.20
(iii) Related party transactions in relation to Corporate Social Responsibility	16.43	15.20

(iv) Details of excess amount spent

	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Details of excess amount spent	-	16.25	16.43	0.18

(v) Nature of CSR activities undertaken by the Company

- Affordable quality education in rural areas
- Provide healthcare to rural india
- Soil conservation and vegetative regeneration
- Development of surrounding villages that include construction of roads, rain water storage tanks and supply channel amongst others.

NOTE 44: KEY FINANCIAL RATIOS

Sl. No.	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance
1	Current ratio	Current assets	Current liabilities	1.85	2.12	-13%
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	0.01	0.01	0%
3	Debt service coverage ratio	Earnings available for debt service#	Finance costs (excluding costs pertaining to lease liabilities and unwinding of discount on warranty provision) + Repayment of Borrowings	77.01	73.84	4%
4	Return on equity (%)	Profit for the year	Average Total Equity	11.67%	16.45%	-29%*
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.78	3.68	3%



Notes to the Financial Statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 44: KEY FINANCIAL RATIOS (CONTD.)

Sr. No.	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance
6	Trade Receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	10.95	10.02	9%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade Payables	8.34	7.35	13%
8	Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	6.71	4.79	40%^
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	5.88%	9.05%	-35%*
10	Return on Capital employed (%)	Profit before interest (excluding interest on lease liabilities) and tax	Capital employed [Total Equity + Total Debt (Borrowings)+ Deferred tax liabilities]	14.99%	20.39%	-26%*
11	Return on investment (%)	Income during the year	Time weighted average of investments			
a	Return on Mutual Funds			3.52%	3.44%	2%
b	Return on Fixed deposits			6.04%	6.39%	-5%

* Impact on ratios is on account of decrease in profits owing to cost pressures

^ Growth in revenue along coupled with reduction in working capital

Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities and unwinding of discount on warranty provision) + Net loss on sale of property, plant and equipment-Deferred revenue income recognised

NOTE 45:

The Company on April 30, 2021 received closure orders from the Andhra Pradesh Pollution Control Board ('APPCB') for the Company's plants situated at Karakambadi, Tirupati and Nunegundlapalli Village, Chittoor District. Consequently, the Company went in appeal against the said orders to the Hon'ble High Court of Andhra Pradesh at Amravati, which granted interim suspension of the closure orders. The plants of the Company were closed for a period of 5 days during the quarter ended June 30, 2021, from the date of closure orders till the date of the said interim suspension. The Company did not incur any material loss during the period of closure. In the interim, APPCB has issued further two show cause notices in February, 2022 against which the Company filed a special leave petition with the Hon'ble Supreme Court which vide its order dated May 19, 2022 has stayed further proceedings arising out of the said show cause notices. The Management has been working with the APPCB to satisfactorily resolve the matter.

NOTE 46:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits has been enacted. However, the date on which the Code will come into effect has not yet been notified. The Management will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective.

NOTE 47:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 20, 2022.

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Place: Hyderabad
Date: May 20, 2022



INDEPENDENT AUDITORS' REPORT

To The Members of Amara Raja Batteries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Amara Raja Batteries Limited** ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their

consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	<p>Revenue Recognition</p> <p>Refer Note 2L "Revenue Recognition" of the Consolidated Financial Statements under Significant Accounting Policies.</p> <p>Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per terms of the contracts with customers.</p> <p>The timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology ('IT') control environment and testing the operating effectiveness of key IT application controls. Understanding the revenue recognition process, evaluating the design and implementation of Parent's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.



Sr. No.	Key Audit Matter	Auditors' Response
2	<p>Completeness of provision for warranty obligations</p> <p>Refer Note 2 D(i) under Significant Accounting Policies for Use of estimates and judgements in relation to provision for warranty obligations and Note 39 of the Consolidated Financial Statements.</p> <p>The Parent estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.</p> <p>The determination of warranty provision is associated with unavoidable estimation uncertainties.</p> <p>Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.</p>	<p>We carried out a combination of principal audit procedures involving test of internal controls and substantive testing including:</p> <ul style="list-style-type: none"> • Understanding the warranty claims process, evaluating the design and implementation of Parent's controls in respect of warranty provisioning. • Testing the operating effectiveness of these controls during the year. • Carrying out reconciliations with the sales data to determine completeness of transactions on which warranty obligation is determined. • Reviewing contracts with customers for terms of warranty contained therein and the estimation of warranty provision on the basis of these terms. • Testing of the data and assumptions used in the calculation of the provision for warranty obligations including those relating to estimates of failure percentages, etc. • Testing documentation relating to actual warranty replacement and an analysis of the actual failure trend with the estimates used in determining future warranty obligation.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's Reports and Annexures to the Director's Report, but does not include the consolidated financial statements, standalone financial statements and our auditors' reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to the entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates

to the subsidiary, is traced from their financial statements audited by the other auditor.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate



accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate



the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹2.99 crores as at March 31, 2022, total revenues of ₹6.14 crores and net cash inflows amounting to ₹0.35 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary

referred to in the Other Matters section above, we report, to the extent applicable that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
- With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / payable by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.
 - iv) (a) The Management of the Parent whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management of the Parent whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent, during the year is in accordance with Section 123 of the Act, as applicable.
- The interim dividend declared and paid by the Parent during the year is in accordance with Section 123 of the Act.
- As stated in Note 41 of the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.
2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under Section 143 issued by us and the auditor of the subsidiary company included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For BRAHMAYYA & Co.
Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AJHUWH7235

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUF54958

Hyderabad, May 20, 2022



ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Amara Raja Batteries Limited** (hereinafter referred to as "Parent"), as of that date. The subsidiary is a company which is incorporated outside India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of

internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and



that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 22202309AJHUWH7235

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 22209354AJHUF54958

Hyderabad, May 20, 2022

Consolidated Balance Sheet

As at March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	As at March 31, 2022	As at March 31, 2021
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	2,127.59	2,116.03
(b) Right-of-use assets	3.2	285.18	243.65
(c) Capital work-in-progress	3.1	829.32	397.56
(d) Other intangible assets	4	79.53	95.08
(e) Intangible assets under development	4	0.33	1.72
(f) Financial assets			
(i) Investments	5	42.48	6.55
(ii) Other financial assets	6	8.33	4.31
(g) Income-tax assets (net)	20	7.24	-
(h) Other non-current assets	11	171.27	110.75
Total non-current assets		3,551.27	2,975.65
Current assets			
(a) Inventories	7	1,804.56	1,438.93
(b) Financial assets			
(i) Investments	5	34.73	273.42
(ii) Trade receivables	8	792.00	786.93
(iii) Cash and cash equivalents	9	34.86	96.93
(iv) Bank balances other than (iii) above	10	19.26	79.08
(v) Other financial assets	6	16.68	25.52
(c) Other current assets	11	122.74	120.43
Total current assets		2,824.83	2,821.24
Total assets		6,376.10	5,796.89
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	4,535.40	4,192.91
Total equity attributable to owners of the Company		4,552.48	4,209.99
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	16.52	23.39
(ii) Lease liabilities	15	77.28	38.59
(b) Provisions	16	108.29	95.41
(c) Deferred tax liabilities (net)	17	31.37	40.74
(d) Other non-current liabilities	21	63.69	59.26
Total non-current liabilities		297.15	257.39
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	6.87	10.95
(ii) Lease liabilities	15	25.22	19.39
(iii) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		23.05	44.14
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		782.45	702.36
(iv) Other financial liabilities	19	298.79	205.33
(b) Provisions	16	137.29	118.60
(c) Current tax liabilities (net)	20	-	4.18
(d) Other current liabilities	21	252.80	224.56
Total current liabilities		1,526.47	1,329.51
Total equity and liabilities		6,376.10	5,796.89
Corporate information	1		
Significant accounting policies	2		

See accompanying notes to the consolidated financial statements

**In terms of our report attached
For Brahmayya & Co.**
Chartered Accountants
(F.R.N : 0005135)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Karumanchi Rajaj
Partner
M. No. 202309

Sumit Trivedi
Partner
M.No. 209354

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Place: Hyderabad
Date: May 20, 2022

Vikas Sabharwal
Company Secretary



Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	
Income				
I	Revenue from operations	22	8,697.15	7,149.78
II	Other income	23	77.98	87.36
III	Total Income (I+II)		8,775.13	7,237.14
IV Expenses				
	Cost of materials consumed		5,969.39	4,382.54
	Purchases of stock-in-trade		473.91	430.07
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(321.95)	(68.23)
	Employee benefits expense	25	499.31	426.64
	Finance costs	26	15.10	10.53
	Depreciation and amortization expense	27	395.72	319.16
	Other expenses	28	1,052.53	863.08
	Total Expenses		8,084.01	6,363.79
V	Profit before tax (III - IV)		691.12	873.35
VI Tax expense				
	(i) Current tax		187.92	229.91
	(ii) Deferred tax		(9.37)	(3.39)
	Total tax expense		178.55	226.52
VII	Profit for the year (V - VI)*		512.57	646.83
VIII Other Comprehensive Income/(Loss)				
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		1.76	(0.02)
	(b) Equity instruments through other comprehensive income		(1.06)	(6.73)
	(ii) Items that will be reclassified to profit or loss:			
	(a) Exchange difference arising on translation of foreign operation		0.04	0.01
	Total Other Comprehensive Income/(Loss)		0.74	(6.74)
IX	Total comprehensive income for the year (VII + VIII)*		513.31	640.09
	* Attributable to owners of the Company			
Earnings per share (of ₹1 /- each)				
	Basic and Diluted (₹)	35	30.01	37.87
	Corporate information	1		
	Significant accounting policies	2		

See accompanying notes to the consolidated financial statements

**In terms of our report attached
For Brahmaya & Co.**
Chartered Accountants
(F.R.N : 0005135)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Karumanchi Rajaj
Partner
M. No. 202309

Sumit Trivedi
Partner
M.No. 209354

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Place: Hyderabad
Date: May 20, 2022

Vikas Sabharwal
Company Secretary

Consolidated Cash flow statement

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flows from operating activities				
Profit before tax		691.12		873.35
Adjustments for:				
Depreciation and amortisation expense	395.72		319.16	
Loss/(Gain) on sale of property, plant and equipment (net) / written off	6.96		0.91	
Finance costs	15.10		10.53	
Interest income on bank deposits	(2.13)		(4.15)	
Dividend income from equity instruments designated at FVTOCI	(0.00)		(0.00)	
Gain on disposal of mutual fund units	(11.62)		(14.18)	
Deferred revenue recognised	(12.85)		(9.65)	
Net gain arising on financial assets mandatorily measured at FVTPL	(0.21)		(2.23)	
Liabilities no longer required written back	(9.39)		(13.16)	
Provision for doubtful trade receivables written back	(2.96)		(19.22)	
Provision for doubtful trade receivables and advances	2.07		9.25	
Advances written-off	1.30		-	
Bad trade receivables written off (net)	1.92		0.48	
Net unrealised foreign exchange gain	(0.82)		(19.42)	
		383.09		258.32
Operating profit before working capital changes		1,074.21		1,131.67
Movements in working capital				
Adjustments for (increase)/decrease in operating assets:				
- Trade receivables	(4.69)		(135.21)	
- Inventories	(365.63)		(295.93)	
- Other assets	(6.85)		62.53	
Adjustments for increase/(decrease) in operating liabilities:				
- Trade payables	67.80		143.99	
- Other liabilities	42.79		70.45	
- Provisions	24.97		24.23	
		(241.61)		(129.94)
Cash generated from operations		832.60		1,001.73
Income taxes paid (net)		(199.34)		(199.52)
Net cash generated from operating activities [A]		633.26		802.21
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(760.92)		(496.66)	
Proceeds from sale of property, plant and equipment	1.17		0.28	
Purchase of non-current investments	(36.99)		-	
Purchase of current investments	(1,307.00)		(1,459.79)	
Proceeds from sale / redemption of current investments	1,557.52		1,345.03	
Proceeds from sale of non-current investments	-		0.07	
Bank balances not considered as cash and cash equivalents (net)	59.66		(27.68)	
Interest received	4.67		3.78	
Dividend income	0.00		0.00	
Net cash used in investing activities [B]		(481.89)		(634.97)



Consolidated Cash flow statement (contd...)

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2022		For the year ended March 31, 2021
C. Cash flows from financing activities			
Repayment of borrowings	(10.95)		(12.46)
Repayment of lease liabilities	(24.97)		(19.68)
Finance costs (including on lease liabilities)	(6.74)		(3.95)
Dividend paid	(170.82)		(85.41)
Net cash used in financing activities [C]		(213.48)	(121.50)
Net increase / (decrease) in cash and cash equivalents [A+B+C]		(62.11)	45.74
Cash and cash equivalents at the beginning of the year		96.93	32.62
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-	18.57
Exchange differences in translating the financial statements of foreign subsidiary		0.04	-
Cash and cash equivalents at the end of the year (Refer Note 9)		34.86	96.93

Notes:

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS - 7) - Statement of Cash Flows.
- (b) Reconciliation of liabilities from financing activities for the year ended March 31, 2022

	As at March 31, 2021	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2022
Borrowings	34.34	(10.95)	-	23.39
Lease liabilities	57.98	(30.95)	75.47	102.50
Total	92.32	(41.90)	75.47	125.89

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

	As at March 31, 2020	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2021
Borrowings	46.80	(12.46)	-	34.34
Lease liabilities	37.10	(23.12)	44.00	57.98
Total	83.90	(35.58)	44.00	92.32

See accompanying notes to the consolidated financial statements

<p>In terms of our report attached For Brahmaya & Co. Chartered Accountants (F.R.N : 000513S)</p> <p>Karumanchi Rajaj Partner M. No. 202309</p> <p>Place: Hyderabad Date: May 20, 2022</p>	<p>For Deloitte Haskins & Sells LLP Chartered Accountants (F.R.N : 117366W/W-100018)</p> <p>Sumit Trivedi Partner M.No. 209354</p>	<p>For and on behalf of the Board of Directors Jayadev Galla Chairman, Managing Director & CEO</p> <p>Vikramadithya Gourineni Executive Director</p> <p>Vikas Sabharwal Company Secretary</p>	<p>Harshavardhana Gourineni Executive Director</p> <p>Y Delli Babu Chief Financial Officer</p>
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Consolidated Statement of **changes in equity**

For the year ended March 31, 2022

All amounts are in ₹ crores, except share data and where otherwise stated

A) Equity share capital

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	17.08	17.08
Changes in equity share capital during the year	-	-
Balance at the end of the year	17.08	17.08

B) Other equity

	Reserves and surplus				Foreign Currency Translation Reserve Account	Equity investments through other comprehensive income	Total
	Securities premium	Capital reserve*	General reserve	Retained earnings			
Balance at March 31, 2020	31.19	0.00	517.91	3,085.14	(0.02)	4.01	3,638.23
Profit for the year	-	-	-	646.83	-	-	646.83
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	(0.02)	0.01	(6.73)	(6.74)
Total comprehensive income for the year 2020-21	-	-	-	646.81	0.01	(6.73)	640.09
Payment of dividends [Refer Note 41]	-	-	-	(85.41)	-	-	(85.41)
Transfer for General reserve	-	-	64.68	(64.68)	-	-	-
Balance at March 31, 2021	31.19	0.00	582.59	3,581.86	(0.01)	(2.72)	4,192.91
Profit for the year	-	-	-	512.57	-	-	512.57
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	1.76	0.04	(1.06)	0.74
Total comprehensive income for the year 2021-22	-	-	-	514.33	0.04	(1.06)	513.31
Payment of dividends [Refer Note 41]	-	-	-	(170.82)	-	-	(170.82)
Transfer for General reserve	-	-	51.13	(51.13)	-	-	-
Balance at March 31, 2022	31.19	0.00	633.72	3,874.24	0.03	(3.78)	4,535.40

* Amounts below ₹1 Lakh

See accompanying notes to the consolidated financial statements

**In terms of our report attached
For Brahmayya & Co.**
Chartered Accountants
(F.R.N : 0005135)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Karumanchi Rajaj
Partner
M. No. 202309

Sumit Trivedi
Partner
M.No. 209354

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Place: Hyderabad
Date: May 20, 2022

Vikas Sabharwal
Company Secretary



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

1. Group Information

The Consolidated Financial Statements comprise financial statements of Amara Raja Batteries Limited (“the parent” or “the Company”) and its wholly-owned subsidiary Amara Raja Batteries Middle East (FZE) U.A.E. (collectively, the Group).

The Company is one of the largest manufacturers of lead-acid storage batteries for industrial and automotive applications in India. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Company’s products are supplied to customer groups viz., Telecom, Railways, Power Control, Solar and UPS under Industrial Battery business; and to Automobile OEMs, Replacement Market and Private Label Customers under Automotive Battery business. The Company’s products are exported to various countries in the Indian Ocean Rim. The Company also provides installation, commissioning and maintenance services. The leading automotive and industrial battery brands of the Company are Amaron®, PowerZone®, Power Stack®, AmaronVolt® and Quanta®.

The subsidiary is incorporated for trading of lead acid storage batteries in the Middle East.

2. Significant Accounting Policies

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (“the Act”) read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

B. Basis of preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. These consolidated financial statements are presented in Indian Rupees (₹).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date,

regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee’s activities and significantly affect the Group’s returns from its investment. Such assessment requires the exercise of judgment and is disclosed by way of note in the Consolidated Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group’s investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the Consolidated Financial Statements. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Consolidated Statement of Profit and Loss as it arises and is not reversed.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, current portion of long-term borrowings disclosed under the head of ‘Other Financial Liabilities’ in the previous year has been disclosed as ‘Borrowings’ under current financial liabilities.

C. Operating Cycle

All assets have been classified as current or non-current as per the Group’s normal operating cycle and other

criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

D. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

i) Provision for warranty

The Group estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.

ii) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

iii) Fair value measurement of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. For certain investments in equity instruments, where more recent information to measure fair value is insufficient, or there is a wide range of possible fair value measurements, cost is considered as the best estimate of fair value. The Group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Income Taxes

The Parent's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

v) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Consolidated Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the consolidated financial statements.

vi) Other estimates

The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations,



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customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

E. Inventories

Inventories are stated at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

- (i) **Raw materials and bought-out components, stores and spares and loose tools:** Weighted average cost. Cost includes purchase cost and other attributable expenses.
- (ii) **Finished Goods and Work-in-progress:** Weighted average cost of production which comprises direct material cost, direct wages and appropriate overheads based on normal level of activity.
- (iii) **Stock-in-trade:** Weighted average cost.

F. Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2015 measured as per the Accounting Standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, which the Group elected in accordance with Ind AS 101.

Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or the principal item of the relevant assets, whichever is lower.

Capital work-in-progress are items of property, plant and equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

(ii) Depreciation:

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following category of assets, in which case the life of the assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support, etc., Freehold land is not depreciated.

Asset	Useful lives (in years)
Buildings	3-60
Plant and machinery (including electrical installations and moulds)	1-10
Solar Equipment	25
Furniture and fixtures	5-10
Vehicles	3-10
Office equipment	3-5
Computers	3-6

Property, plant and equipment's residual values and useful lives are reviewed at each Consolidated Balance Sheet date and changes, if any, are treated as changes in accounting estimate and accounted for on a prospective basis.

Assets individually costing ₹5,000 and below are fully depreciated in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

G. Intangible assets

Intangible assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is

considered finite where there is a likelihood of technical and technological obsolescence.

Intangible assets that have a finite lives are amortised over their estimated useful lives as per the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, but the effect of any change in estimates being accounted for on a prospective basis.

Intangible assets comprising software are amortised over a period of 5 years. The amortisation period for Technical Know-how has been assessed as 8 years, representing the period over which economic benefits from the use of Technical Know-how is expected to be utilized.

All intangible assets are tested for impairment. Amortisation expenses, impairment losses and reversal of impairment losses are considered in the Consolidated Statement of Profit and Loss. After initial recognition an intangible asset is carried at its costs less accumulated amortization and / or impairment losses.

H. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment loss recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

I. Foreign currency transactions and translations

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date

on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of each reporting period are translated at the exchange rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of other comprehensive income ('OCI'). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss.

J. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant.

Government grants related to revenue are recognised on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognised as deferred revenue in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

K. Employee benefits

(i) Defined contribution plans

The Group's contributions to Provident Fund (Government administered), Employees' State



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All amounts are in ₹ crores, except share data and where otherwise stated

Insurance Scheme and Superannuation Fund (under a scheme of Life Insurance Corporation of India), considered as defined contribution plans are charged as an expense in the Consolidated Statement of Profit and Loss when the employees have rendered services entitling them to the contributions.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The defined benefit obligations recognized in the Consolidated Balance Sheet represents the present value of the defined obligations as reduced by the fair value of plan assets, if applicable. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur and are not re-classified to the Consolidated Statement of Profit and Loss in the subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Consolidated Statement of Profit and Loss.

(iii) Short term and other long term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated

absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Consolidated Statement of Profit and Loss.

L. Revenue recognition

Sale of goods:

Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per the terms of contracts with customers.

Sales related warranties associated with batteries cannot be purchased separately and they serve as an assurance that the products sold comply with agreed upon specifications. Accordingly, the Group accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Sale of services:

Revenue from installation, commissioning and maintenance services is recognised based on the contracts with customers and when the services are rendered by measuring progress towards satisfaction of performance obligation for such services.

Other Income:

Interest income is recognised using effective interest method. Dividend income is accounted for in the year when the right to receive such dividend is established and the amount of dividend can be measured reliably.

M. Financial instruments, Financial assets, Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation

or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Group commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Group's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Recognition: Financial assets include Investments, Trade receivables, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Consolidated Statement of Profit and Loss.

Classification: Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows arising from payments of principal and/ or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

Impairment: The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reclassification: When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Consolidated Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Consolidated Statement of Profit and Loss unless the asset represents an



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equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the "equity instruments through other comprehensive income" will not be reclassified to profit or loss on disposal of the investments.

(ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

N. Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether, (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

O. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities based on the taxable profit for the year. Taxable profit differs from "Profit before tax" as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the tax laws. The tax rates and tax laws used to compute the current tax amount are those that are enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively

enacted by the end of the reporting date. The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the parent and subsidiary Company as per their applicable laws and then aggregated. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the corresponding current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

P. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle such obligation and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Q. Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent



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basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

R. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. Cash and cash equivalents

Cash and cash equivalents for purposes of cash flow statement include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

T. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the consolidated financial statements of the Company.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
Leasehold improvements	2.58	8.57
Buildings	643.20	615.18
Plant and Equipment (including electrical installations)	1,409.60	1,430.38
Furniture and fixtures	14.28	11.85
Vehicles	19.35	12.06
Office equipment	31.10	30.96
Computers	6.24	5.79
	2,127.59	2,116.03
Capital work-in-progress [Refer note (ii)]	829.32	397.56
	829.32	397.56

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

	Freehold land	Leasehold improvements	Buildings	Plant and Equipment (including electrical installations)	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
(A) Cost or deemed cost									
Balance at March 31, 2020	1.24	49.76	589.30	1,960.00	17.22	16.15	56.67	28.05	2,718.39
Additions	-	-	161.87	572.40	3.56	4.44	16.90	2.19	761.36
Disposals	-	-	(0.13)	(1.81)	-	(0.70)	(0.04)	(0.34)	(3.02)
Balance at March 31, 2021	1.24	49.76	751.04	2,530.59	20.78	19.89	73.53	29.90	3,476.73
Additions	-	-	55.15	282.58	4.68	11.50	10.13	3.31	367.35
Disposals	-	-	(0.07)	(27.61)	(0.11)	(4.06)	(0.39)	(0.00)	(32.24)
Balance at March 31, 2022	1.24	49.76	806.12	2,785.56	25.35	27.33	83.27	33.21	3,811.84
(B) Accumulated depreciation and impairment									
Balance at March 31, 2020	-	31.99	110.73	860.98	7.20	5.58	32.90	21.40	1,070.78
Depreciation expense	-	9.20	25.14	240.54	1.73	2.45	9.70	2.99	291.75
Eliminated on disposal	-	-	(0.01)	(1.31)	-	(0.20)	(0.03)	(0.28)	(1.83)
Balance at March 31, 2021	-	41.19	135.86	1,100.21	8.93	7.83	42.57	24.11	1,360.70
Depreciation expense	-	5.99	27.12	297.31	2.16	2.33	9.89	2.86	347.66
Eliminated on disposal	-	-	(0.06)	(21.56)	(0.02)	(2.18)	(0.29)	(0.00)	(24.11)
Balance at March 31, 2022	-	47.18	162.92	1,375.96	11.07	7.98	52.17	26.97	1,684.25
(C) Carrying amount									
Balance at March 31, 2021	1.24	8.57	615.18	1,430.38	11.85	12.06	30.96	5.79	2,116.03
Balance at March 31, 2022	1.24	2.58	643.20	1,409.60	14.28	19.35	31.10	6.24	2,127.59

Notes:

(i) The amount of expenditure recognised in the carrying amount of property, plant and equipment (including capital work-in-progress) in the course of construction is ₹7.13 crores (March 31, 2021: ₹27.22 crores) [Refer Note 37].



Notes to the consolidated financial statements

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NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

(ii) Capital work-in-progress ageing schedule *

Particulars	Amount in capital work-in-progress for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2022
Projects in Progress	659.68	107.59	60.05	2.00	829.32
	659.68	107.59	60.05	2.00	829.32

Particulars	Amount in capital work-in-progress for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2021
Projects in Progress	295.40	92.30	6.86	3.00	397.56
	295.40	92.30	6.86	3.00	397.56

* There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.

NOTE 3.2 : RIGHT-OF-USE ASSETS

	As at	As at
	March 31, 2022	March 31, 2021
Right-of-use assets	285.18	243.65
	285.18	243.65

	Leasehold land	Buildings	Plant and Equipment (including electrical installations)	Office equipment	Computers	Total
(A) Cost or deemed cost						
Balance at March 31, 2020	80.59	102.93	13.59	0.01	0.30	197.42
Additions	34.47	49.07	4.90	-	0.05	88.49
Disposals	-	(9.36)	-	-	-	(9.36)
Balance at March 31, 2021	115.06	142.64	18.49	0.01	0.35	276.55
Additions	3.70	69.38	-	-	-	73.08
Disposals	-	(25.37)	-	-	-	(25.37)
Balance at March 31, 2022	118.76	186.65	18.49	0.01	0.35	324.26
(B) Accumulated amortisation and impairment						
Balance at March 31, 2020	0.73	18.09	0.12	-	-	18.94
Amortisation expense	0.99	20.97	0.16	0.00*	0.00*	22.12
Eliminated on disposal	-	(8.16)	-	-	-	(8.16)
Balance at March 31, 2021	1.72	30.90	0.28	0.00	0.00	32.90
Amortisation expense	1.21	27.83	0.18	0.00*	0.00*	29.22
Eliminated on disposal	-	(23.04)	-	-	-	(23.04)
Balance at March 31, 2022	2.93	35.69	0.46	0.00	0.00	39.08
(C) Carrying amount						
Balance at March 31, 2021	113.34	111.74	18.21	0.01	0.35	243.65
Balance at March 31, 2022	115.83	150.96	18.03	0.01	0.35	285.18

*Amount below ₹1 lakh

Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 4: OTHER INTANGIBLE ASSETS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Technical Know-how	58.79	71.43
Software	20.74	23.65
	79.53	95.08
Intangible assets under development [Refer Note below]	0.33	1.72
	0.33	1.72

	Technical Know-how	Software	Total
(A) Cost or deemed cost			
Balance at March 31, 2020	-	11.07	11.07
Additions	72.70	25.77	98.47
Disposals	-	-	-
Balance at March 31, 2021	72.70	36.84	109.54
Additions	1.00	3.14	4.14
Disposals	-	-	-
Balance at March 31, 2022	73.70	39.98	113.68

(B) Accumulated amortisation and impairment

Balance at March 31, 2020	-	7.94	7.94
Amortisation expense	1.27	5.25	6.52
Eliminated on disposal	-	-	-
Balance at March 31, 2021	1.27	13.19	14.46
Amortisation expense	13.64	6.05	19.69
Eliminated on disposal	-	-	-
Balance at March 31, 2022	14.91	19.24	34.15

(C) Carrying amount

Balance at March 31, 2021	71.43	23.65	95.08
Balance at March 31, 2022	58.79	20.74	79.53

Notes:

(i) The amount of expenditure recognised in the carrying amount of intangible assets in the course of development is ₹ Nil (March 31, 2021: ₹0.96 crores)

(ii) Intangible assets under development ageing schedule *

Particulars	Amount in intangible assets under development for a period of				As at March 31, 2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	0.08	0.25	-	-	0.33
	0.08	0.25	-	-	0.33

Particulars	Amount in intangible assets under development for a period of				As at March 31, 2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	1.65	0.07	-	-	1.72
	1.65	0.07	-	-	1.72

* There are no intangible assets under development where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 5: INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(I) Investments in equity instruments		
Quoted investments (fully paid) [at FVTOCI]		
(i) Standard Batteries Limited 125 (March 31, 2021: 125) equity shares of ₹1 each *	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2021: 25) equity shares of ₹2 each *	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2021: 10,000) equity shares of ₹1 each	0.15	0.19
(iv) HBL Power Systems Limited 5,500 (March 31, 2021: 5,500) equity shares of ₹1 each	0.03	0.02
Total aggregate quoted investments [A]	0.18	0.21
Unquoted investments (fully paid)		
(a) Investments in others (at FVTOCI)		
(i) Indian Lead Limited 1,128 (March 31, 2021: 1,128) equity shares of ₹10 each *	0.00	0.00
(ii) Atria Wind Private Limited 2,500 (March 31, 2021: 2,500) equity shares of ₹100 each	0.03	0.03
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2021: 1,206,000) equity shares of ₹10 each [also refer footnote to Note 30(i) in respect of the lien on investment]	5.27	6.30
(iv) Log 9 Materials Scientific Private Limited 22,524 (March 31, 2021: Nil) equity shares of ₹1 each [also refer footnote (ii) to Note 40D]	5.47	-
Total aggregate unquoted investments [B]	10.77	6.33
Total investments in equity instruments [C = A+B]	10.95	6.54
(II) Investments in preference shares		
Unquoted investments (fully paid) [at FVTOCI]		
(i) Log 9 Materials Scientific Private Limited 58,347 (March 31, 2021: Nil) Compulsorily Convertible Preference Shares of ₹100 each [D] [also refer footnote (ii) to Note 40D]	31.52	-
(III) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) [E]	0.01	0.01
Total Non-current investments [F=C+D+E]	42.48	6.55

Note:

The 6 years National Savings Certificates have been lodged as security with government departments.

Aggregate book value of quoted investments - at cost	0.01	0.01
Aggregate market value of quoted investments	0.18	0.21
Aggregate carrying value of unquoted investments	42.29	6.33

* Amounts below ₹1 lakh

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 5: INVESTMENTS (CONTD...)

	As at March 31, 2022	As at March 31, 2021
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Savings Fund - Direct Plan - Growth Nil units (March 31, 2021: 17,607.18 units of ₹34.20)	-	0.06
SBI Savings Fund - Regular Plan - Growth 28,82,670.63 units of ₹33.69 (March 31, 2021: 2,37,84,493.64 units of ₹32.57)	9.71	77.47
SBI Liquid Fund - Direct Growth Nil units (March 31, 2021: 859.50 units of ₹3,221.62)	-	0.28
HDFC Liquid Fund - Direct Plan - Growth Option Nil units (March 31, 2021: 30,558.04 units of ₹4,045.00)	-	12.36
HDFC Ultra Short Term Fund - Direct - Growth Nil units (March 31, 2021: 1,26,69,141.53 units of ₹11.94)	-	15.13
ICICI Prudential Liquid - Direct Plan - Growth 3,019.42 units of ₹315.26 (March 31, 2021: 19,28,499.57 units of ₹304.74)	0.10	58.77
ICICI Prudential Liquid - Ultra Short Term Fund DP Growth 1,306.81 units of ₹23.81 (March 31, 2021: Nil)	0.00*	-
UTI - Liquid Cash Plan - Direct Growth Plan 21,891.27 units of ₹3,488.04 (March 31, 2021: 1,36,967.46 units of ₹3,370.49)	7.64	46.16
UTI - Ultra Short Term Fund - Direct Growth Plan 509.65 units of ₹3,646.21 (March 31, 2021: Nil)	0.19	-
Kotak Liquid - Direct Plan Growth Nil units (March 31, 2021: 4,867.28 units of ₹4,159.05)	-	2.02
Kotak Overnight Fund - Direct Plan Growth 26.37 units of ₹1,133.80 (March 31, 2021: Nil)	0.00*	-
Aditya Birla Sun Life Saving Fund - Growth- Direct 2,51,707.23 units of ₹445.31 (March 31, 2021: 13,09,651.72 units of ₹426.84)	11.21	55.90
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan 1,71,544.37 units of ₹343.13 (March 31, 2021: 1,58,909.38 units of ₹331.53)	5.88	5.27
Total Quoted investments measured at FVTPL	34.73	273.42
Total Current investments	34.73	273.42
Aggregate book value of quoted investments - at cost	34.52	271.19
Aggregate market value of quoted investments	34.73	273.42

* Amounts below ₹1 lakh



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 6: OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits*	8.33	4.31
Total	8.33	4.31

* Includes to related parties ₹4.48 crores (As at March 31, 2021: ₹1.03 crores)

Current		
(a) Advances to related parties:		
(i) Reimbursable expenses	13.92	15.84
(b) Security deposits #	1.06	4.96
(c) Interest accruals:		
(i) Interest accrued on deposits	1.69	4.42
(ii) Interest accrued on overdue trade receivables	0.01	0.04
(d) Others	-	0.26
Total	16.68	25.52

Includes to related parties ₹ Nil (As at March 31, 2021: ₹3.45 crores)

NOTE 7: INVENTORIES

	As at March 31, 2022	As at March 31, 2021
(at lower of cost and net realisable value)		
(a) Raw materials and bought-out components	621.37	587.33
(b) Work-in-progress	436.39	291.16
(c) Finished goods	505.33	333.96
(d) Stock-in-trade (goods purchased for resale)	103.36	98.01
(e) Stores and spares (including secondary packing material)	137.42	127.86
(f) Loose tools	0.69	0.61
Total	1,804.56	1,438.93
Raw materials includes material-in-transit	104.45	141.58

Notes:

- (i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss, Notes 24 and 28.
- (ii) The cost of inventories recognised as an expense includes ₹5 crores (during 2020-21: ₹2.21 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2020-21: ₹ Nil) in respect of reversal of such write-downs.
- (iii) There are no inventories expected to be liquidated after more than twelve months.
- (iv) The mode of valuation of inventories has been stated in Note 2.E.

Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(a) Unsecured, considered good	792.00	786.93
(b) Considered doubtful	6.75	9.20
	798.75	796.13
Less: Allowance for doubtful receivables	(6.75)	(9.20)
Total	792.00	786.93

Trade Receivables ageing schedule

	Outstanding for following periods from due date of payment						As at March 31, 2022
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	620.79	168.07	3.14	-	-	-	792.00
(ii) Undisputed, considered doubtful	-	-	-	1.44	0.80	2.78	5.02
(iii) Disputed, considered good	-	-	-	-	-	-	-
(iv) Disputed, considered doubtful	-	-	-	0.28	0.28	1.17	1.73
	620.79	168.07	3.14	1.72	1.08	3.95	798.75
Less: Allowance for doubtful receivables							(6.75)
Total							792.00

	Outstanding for following periods from due date of payment						As at March 31, 2021
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	553.02	228.50	4.77	0.64	-	-	786.93
(ii) Undisputed, considered doubtful	-	-	-	1.55	2.06	3.91	7.52
(iii) Disputed, considered good	-	-	-	-	-	-	-
(iv) Disputed, considered doubtful	-	-	-	0.28	1.40	-	1.68
	553.02	228.50	4.77	2.47	3.46	3.91	796.13
Less: Allowance for doubtful receivables							(9.20)
Total							786.93

Notes:

- (i) The average credit period for after market sales is one week and for sales to other customers is in the range of 30 - 60 days. No interest is charged on overdue receivables, except for overdue balances of related parties.
- (ii) There are no customers who represent more than 10% of the total balance of trade receivables as at March 31, 2022 and March 31, 2021.
- (iii) The Group has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

(iv) Movement in the expected credit loss allowance

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	9.20	24.53
Add: Provision created during the year	2.07	4.91
Less: Provision reversed/released during the year	(4.52)	(20.24)
Balance at the end of the year	6.75	9.20



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 9: CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) in current accounts	29.35	85.60
(ii) in EEFC accounts	0.63	8.26
(b) Cash on hand	0.01	0.02
(c) Cheques on hand	4.87	3.05
Cash and cash equivalents as per the cash flow statement	34.86	96.93

NOTE 10: OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
(a) In deposit accounts		
(i) original maturity more than 3 months but less than 12 months	5.21	74.20
(b) In earmarked accounts		
(i) Dividend accounts	3.44	3.60
(ii) Balances held as margin money against guarantees given	10.61	1.28
Total	19.26	79.08

NOTE 11: OTHER ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Capital advances	110.78	50.05
(b) Capital advances to related parties	3.73	8.20
(c) Prepaid expenses	1.17	1.29
(d) Balances with government authorities	13.80	13.33
(e) Other deposits (Electricity deposits, for other utilities, etc.)	41.79	37.88
Total	171.27	110.75
Current		
(a) Contractually reimbursable expenses	2.89	2.80
(b) Commercial advances	52.66	57.90
(c) Advances to employees	0.32	0.30
(d) Balances with government authorities (Advances, GST credit and VAT credit)	23.74	23.24
(e) Prepaid expenses	13.09	8.84
(f) Other receivables (export incentives, etc.)	30.04	27.35
Total	122.74	120.43

Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 12: EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹1/- each	20,00,00,000	20.00	20,00,00,000	20.00
(b) Issued				
Equity shares of ₹1/- each	17,50,28,500	17.50	17,50,28,500	17.50
(c) Subscribed and fully paid-up				
Equity shares of ₹1/- each	17,08,12,500	17.08	17,08,12,500	17.08
	17,08,12,500	17.08	17,08,12,500	17.08

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares	Number of shares	Share capital (Amount)
Balance at March 31, 2020	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2021	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2022	17,08,12,500	17.08

(ii) Rights, preferences and restrictions attached to the equity shares:

The Parent Company has only one class of shares referred to as equity shares having a face value of ₹1 each. Each holder of equity share is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of the equity shares:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06
Clarios ARBL Holdings LP (formerly known as Panther ARBL Holdings LP)	2,39,13,750	14.00	4,09,95,000	24.00
Nalanda India Equity Fund Limited	1,68,80,938	9.88	1,68,80,938	9.88
Life Insurance Corporation of India	1,23,54,916	7.23	-	-

(iv) Details of equity shares held by promoters at the end of the year

Promoter Name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	%	Number of shares	%	
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06	0.00%



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 13: OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
(a) General reserve	633.72	582.59
This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Group in accordance with the provisions of the Companies Act, 2013.		
(b) Capital reserve*	0.00	0.00
Any profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments is transferred to capital reserve.		
(c) Securities premium	31.19	31.19
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.		
(d) Equity instruments through other comprehensive income	(3.78)	(2.72)
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	3,874.24	3,581.86
Retained earnings represents the cumulative undistributed profits of the Group and can be utilised in accordance with the provisions of the Companies Act, 2013.		
(f) Foreign Currency Translation Reserve	0.03	(0.01)
This reserve contains balance of foreign exchange differences from translation of financial statements of the Group's foreign subsidiary arising at the time of consolidation of such subsidiary. Exchange differences accounted in this reserve are reclassified to profit or loss on the disposal of the foreign subsidiary.		
Total	4,535.40	4,192.91

*Amount below ₹1 Lakh

NOTE 14: BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	16.52	23.39
Total	16.52	23.39
Current		
Unsecured - at amortised cost		
Sales tax deferment loans [Refer Note below]	6.87	10.95
Total	6.87	10.95

Note:

The interest free sales tax deferment loans were availed by the Company under the Government of Andhra Pradesh TARGET 2000 New Industrial Policy as per which the loans are repayable at the end of the 14th year from the year in which these loans were availed. The Parent Company has also entered into agreements with the Deputy Commissioner of Commercial Taxes, Chittoor in respect of the aforementioned loans as per which the repayment schedule of the loans have been determined as being repayable at the end of the 14th year from the month in which these loans were availed. The Management is however of the view that these loans are repayable at the end of the 14th year from the year in which these loans were availed in terms of the sanction of these loans by the Government of Andhra Pradesh, Commissionerate of Industries and are accordingly making an yearly repayment of these loans.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 15: LEASE LIABILITIES*

	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities	77.28	38.59
Total	77.28	38.59
Current		
Lease Liabilities	25.22	19.39
Total	25.22	19.39

* Also Refer Note 36

NOTE 16 : PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Employee benefits		
(i) Leave encashment	20.30	18.20
(b) Other provisions		
(i) Product warranty [Refer Note 39]	87.99	77.21
Total	108.29	95.41
Current		
(a) Employee Benefits		
(i) Leave encashment	4.54	3.82
(ii) Gratuity [Refer Note 32]	0.87	5.94
(b) Other provisions		
(i) Product warranty [Refer Note 39]	131.88	108.84
Total	137.29	118.60

17. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet :		
(a) Deferred tax assets	13.67	15.86
(b) Deferred tax liabilities	(45.04)	(56.60)
Total	(31.37)	(40.74)

2021-2022	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) / assets in relation to :				
Property, plant and equipment	(55.91)	10.87	-	(45.04)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	2.32	(0.62)	-	1.70
Provision for employee benefits	8.22	(1.57)	-	6.65
Others	(0.69)	0.69	-	-
	(40.74)	9.37	-	(31.37)



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

2020-2021 Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(63.08)	7.17	-	(55.91)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	6.54	(4.22)	-	2.32
Provision for employee benefits	5.53	2.69	-	8.22
Others	1.56	(2.25)	-	(0.69)
	(44.13)	3.39	-	(40.74)

NOTE 18: TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of Micro enterprises and small enterprises [Refer Note 31]	23.05	44.14
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	782.45	702.36
	805.50	746.50

Trade Payables ageing schedule

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	23.05	-	-	-	-	23.05
(ii) Other than MSME	512.28	122.59	1.09	0.92	2.68	639.56
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	142.89	-	-	-	-	142.89
	678.22	122.59	1.09	0.92	2.68	805.50

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2021
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	44.14	-	-	-	-	44.14
(ii) Other than MSME	452.15	98.51	4.04	1.94	1.82	558.46
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	143.90	-	-	-	-	143.90
	640.19	98.51	4.04	1.94	1.82	746.50

NOTE 19: OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
(a) Unpaid dividends	3.44	3.60
(b) Other payables:		
(i) Payables on purchase of property, plant and equipment	149.47	71.52
(ii) Others (employee related, others) [Refer Note below]	145.88	130.21
Total	298.79	205.33

Note:

Other liabilities includes employees related payables (including payable to Chairman, Managing Director & CEO and Executive Directors), commission payable to Other Directors, outstanding liabilities for incentives and trade schemes, etc.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 20: INCOME TAX ASSETS /LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance tax / TDS receivable (net of provisions)	7.24	-
Total	7.24	-
Current		
Income tax payable (net of advance tax)	-	4.18
Total	-	4.18

NOTE 21: OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	63.69	59.26
Total	63.69	59.26
Current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	12.81	11.69
(b) Statutory remittances (GST, PF, VAT, TDS, etc.)	51.70	43.16
(c) Advances from customers	51.35	27.12
(d) Others (includes accruals relating to trade promotion schemes)	136.94	142.59
Total	252.80	224.56

Note:

The deferred revenue of ₹76.50 crores (March 31, 2021: ₹70.95 crores) arises primarily as a result of duty benefit received on import of plant and equipment under Export Promotion Capital Goods (EPCG) schemes of the Government of India. The deferred revenue will be recognised in the Statement of Profit and Loss in the proportion of depreciation charged on such assets.

NOTE 22: REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Sale of products (Refer Note (i) below)	8,612.86	7,091.59
b. Sale of services (Refer Note (ii) below)	41.84	41.65
c. Other operating revenues (Refer Note (iii) below)	42.45	16.54
Total	8,697.15	7,149.78
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	8,080.76	6,682.26
Sub-total - Sale of manufactured goods	8,080.76	6,682.26
Traded goods		
- Storage batteries	433.61	317.31
- Home UPS	98.49	92.02
Sub-total - Sale of traded goods	532.10	409.33
Total - Sale of products	8,612.86	7,091.59



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 22: REVENUE FROM OPERATIONS (CONTD.)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Sale of services comprise:		
- Installation and Commissioning	5.04	4.26
- Annual Maintenance	0.40	13.09
- Others (subject and other matters experts, service charges, etc.)	36.40	24.30
Total - Sale of services	41.84	41.65
(iii) Other operating revenues comprise:		
- Sale of process scrap	4.35	4.28
- Export benefits (including MEIS, RoDTEP, Duty Drawback & EPCG benefits) [Refer Note (iv) below]	38.10	12.26
Total - Other operating revenues	42.45	16.54

(iv) Includes ₹12.85 crores (for the year ended March 31, 2021: ₹9.65 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 21]

NOTE 23: OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income		
(i) Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	2.13	4.15
- Other financial assets carried at amortised cost	0.78	0.73
- Unwinding of discounts on rental deposits	0.27	0.17
	3.18	5.05
b) Dividend income		
(i) Dividend from equity investments designated as at FVTOCI *	0.00	0.00
*Amount below ₹1 Lakh	0.00	0.00
c) Other non-operating income		
(i) Interest income on other deposits	1.42	1.26
(ii) Sale of non process scrap	6.13	4.87
(iii) Liabilities no longer required written back	9.39	13.16
(iv) Provision for doubtful trade receivables written back	2.96	19.22
(v) Others	9.51	4.45
	29.41	42.96
d) Other gains and losses		
(i) Gain on disposal of mutual fund units	11.62	14.18
(ii) Net foreign exchange gains	33.56	22.94
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	0.21	2.23
	45.39	39.35
Total (a+b+c+d)	77.98	87.36

Note:

The amount represents the increase in fair value on non-derivative current investments which are mandatorily measured at fair value [Refer Note 5]

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Inventories at the beginning of the year				
Finished goods - storage batteries		333.96		339.97
Work-in-progress		291.16		276.58
Stock-in-trade				
- Storage batteries	82.40		18.29	
- Home UPS	15.61	98.01	20.06	38.35
[A]		723.13		654.90
Inventories at the end of the year				
Finished goods - storage batteries		505.33		333.96
Work-in-progress		436.39		291.16
Stock-in-trade		-		
- Storage batteries	59.47		82.40	
- Home UPS	43.89	103.36	15.61	98.01
[B]		1,045.08		723.13
(Increase) in finished goods, work-in-progress and stock-in-trade [A-B]		(321.95)		(68.23)

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	389.61	328.53
(b) Contribution to provident and other funds [Refer Note 32]	37.66	43.34
(c) Staff welfare expenses	72.04	54.77
Total	499.31	426.64

NOTE 26: FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	8.36	6.58
(ii) Interest on leases liabilities [Refer Note 36]	5.98	3.44
(iii) Others	0.76	0.51
Total	15.10	10.53

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (including on right-of-use assets) [Refer Note 3.1 and 3.2]	376.88	313.87
Amortisation of intangible assets [Refer Note 4]	19.69	6.52
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	(0.85)	(1.23)
Total	395.72	319.16



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 28: OTHER EXPENSES

	For the year ended March 31, 2022		For the year ended March 31, 2021
Consumption of stores and spares (including packing material)		126.76	97.24
Tools consumed		0.90	0.84
Power and fuel		249.58	212.98
Rent		2.29	1.58
Repairs and maintenance			
- Plant and machinery		9.16	6.53
- Buildings		6.97	3.87
- Others		6.40	6.16
Insurance		12.55	9.85
Rates and taxes		4.45	7.13
Communication		2.01	2.05
Travelling and conveyance		12.24	6.35
Outward freight and handling charges		260.05	203.74
Advertisement and sales promotion		38.34	27.02
Expenditure on Corporate Social Responsibility [Refer Note 44]		16.43	15.20
Legal and professional		26.59	9.93
Payment to auditors [Refer Note below]		1.24	0.97
Bad trade receivables written off	3.48		1.50
Less : Provision released	(1.56)		(1.02)
		1.92	0.48
Provision for doubtful trade receivables		2.07	4.91
Provision for doubtful advances and other receivables		1.30	4.34
Loss on sale of property, plant and equipment (net) / written off		6.96	0.91
Warranty expenses (net)		148.98	102.77
Service expenses		29.91	23.13
Printing and stationery		1.88	1.48
Miscellaneous expenses		83.55	113.62
Total		1,052.53	863.08
Note:			
Payment to auditors comprise (net of GST) *			
(a) To statutory auditors			
- Statutory audit fee		0.92	0.72
- Limited review fee		0.20	0.15
- Tax audit fee		0.05	0.05
- Reimbursement of expenses		0.02	0.01
(b) To cost auditor for cost audit		0.05	0.04
		1.24	0.97

* Excludes payment to other than network firm of ₹ Nil (for the year ended March 31, 2021: ₹ 0.10 crores) in respect of other non-audit services.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 29: INCOME TAX RECOGNISED IN PROFIT OR LOSS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of the current year	187.97	229.50
In respect of the prior years	(0.05)	0.41
Total	187.92	229.91
Deferred Tax		
In respect of the current year	(9.37)	(3.39)
Total	(9.37)	(3.39)
Total income tax expense recognised	178.55	226.52
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	691.12	873.35
Income tax expense calculated at 25.168% (2020-21 : 25.168%)	173.94	219.80
Tax effects of amounts which are not deductible in determining taxable profit	7.30	8.33
Effect of concessions (research and development and other allowances)	(2.69)	(1.61)
Income tax expense recognised in profit or loss	178.55	226.52

Note:

The tax rate used for the year 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Company not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	61.00	58.42
- Sales tax/VAT and GST	9.89	10.91
- Income tax	0.86	3.86
- Electricity related [Refer Note below]	33.43	25.22
- Other (Building and other construction workers welfare cess, wealth tax, etc.)	8.95	8.95

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

Note :

Includes an amount of ₹8.04 crores which has been claimed by Andhra Pradesh Gas Power Corporation Limited ('APGPCL') with respect to the power supplied by it to the Parent Company through Andhra Pradesh Southern Power Distribution Corporation Limited ('APSPDCL'). The Management of the Parent has contended that the said dues charged by APSPDCL as part of the regular electricity bills has been duly discharged by the Company to APSPDCL.

APGPCL has also consequently placed a lien on the investment held by the Parent Company in it for non-payment of dues. The Management of the Parent has initiated arbitration proceedings against the claim and the said action of APGPCL and is confident of a favourable outcome in this matter.

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)

(b) As part of its strategic initiatives to venture into new energy business and EV batteries, the Parent Company has entered into transaction agreements with InoBat Auto AS, Oslo Norway ('InoBat Auto') for investments by way of equity and convertible instruments in InoBat Auto in one or more tranches for a value upto EURO 10 million. The investment was completed on May 5, 2022.

(c) The Group has certain outstanding export obligations/ commitments which the Management is confident of meeting within the stipulated period of time / obtaining suitable extensions, wherever required.

	373.41	750.66



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 31: BASED ON AND TO THE EXTENT OF INFORMATION AVAILABLE WITH THE COMPANY UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT), THE RELEVANT PARTICULARS AS AT REPORTING DATE ARE FURNISHED BELOW:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	23.05	44.14
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	0.04
(vi) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 32: EMPLOYEE BENEFITS

The Parent Company has adopted Indian Accounting Standard - 19 (Ind AS 19) on 'Employee Benefits'. These consolidated financial statements include the obligations as per the requirement of this standard except for the subsidiary which is incorporated outside India which has determined the valuation provision for employee benefits as per the requirements of Sharjah, U.A.E. In the opinion of the Management the impact of this deviation is not considered material.

a. Defined contribution plans

The Parent Company makes Provident Fund, Superannuation Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Parent Company recognised ₹14.51 crores (Year ended March 31, 2021: ₹12.12 crores) for provident fund contributions, ₹15.35 crores (Year ended March 31, 2021: ₹15.38 crores) for Superannuation Fund contributions and ₹3.93 crores (Year ended March 31, 2021: ₹3.74 crores) towards Employees' State Insurance Scheme contributions in the Consolidated Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Risk Management:

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

	As at March 31, 2022	As at March 31, 2021
Present value of obligation	59.07	56.00
Fair value of plan assets	(58.20)	(50.06)
Liability recognised in the Balance Sheet	0.87	5.94

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total Net
As at March 31, 2020	40.13	43.69	3.56
Current service cost	-	3.80	3.80
Past service cost	-	7.31	7.31
Interest cost	-	2.86	2.86
Interest income	2.64	-	(2.64)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(0.03)	(0.03)
Contributions	8.87	-	(8.87)
Benefit payments	(1.70)	(1.70)	-
Return on plan assets, excluding interest income	0.05	-	(0.05)
Transfer to Group Companies	0.07	0.07	-
As at March 31, 2021	50.06	56.00	5.94
Current service cost	-	4.50	4.50
Past service cost	-	(2.07)	(2.07)
Interest cost	-	3.68	3.68
Interest income	3.29	-	(3.29)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(1.19)	(1.19)
Contributions	6.13	-	(6.13)
Benefit payments	(2.39)	(2.39)	-
Return on plan assets, excluding interest income	0.57	-	(0.57)
Transfer to Group Companies	0.54	0.54	-
As at March 31, 2022	58.20	59.07	0.87

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses		
Current service cost	4.50	3.80
Interest cost	3.68	2.86
Past service cost	(2.07)	7.31
Interest income	(3.29)	(2.64)
Net impact on profit before tax	2.80	11.33
Remeasurement of the net defined benefit plan		
Actuarial (gain)/loss arising from changes in financial assumptions	(1.19)	(0.03)
Return on plan assets, excluding interest income	(0.57)	0.05
Net impact on other comprehensive income before tax	(1.76)	0.02

(iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31, 2022	As at March 31, 2021
Funded with Life Insurance Corporation of India	100%	100%



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.57%
Salary escalation rate	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Demographic assumptions

Mortality in Service: Indian Assured Lives Mortality 2012-14 (Urban) [Year ended March 31, 2021: Indian Assured Lives Mortality (2006-08) Ultimate table].

(vi) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.34)	3.76	(3.27)	3.69
Salary escalation rate (1% movement)	3.41	(3.16)	3.32	(3.07)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2022	As at March 31, 2021
Within 1 year	6.75	6.09
1-2 year	6.29	6.05
2-3 year	6.86	5.83
3-4 year	5.74	6.07
4-5 year	5.90	5.20
5-10 year	26.66	24.67
> 10 Year	41.02	39.06

The Company expects to contribute ₹5.11 crores to its defined benefit plans during the next fiscal year.

NOTE 33: SEGMENT REPORTING

The Chairman, Managing Director & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and marketing of lead acid storage batteries. Accordingly, manufacturing and trading of lead acid storage batteries is considered as the operating segment of the Group.

Geographical information

The Group operates in India and makes certain sales to customers situated outside India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Group are situated within India.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 33: SEGMENT REPORTING (Contd...)

Revenue

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	7,558.17	6,268.17
Outside India	1,138.98	881.61
Total	8,697.15	7,149.78

Refer to Note 40 on Financial Instruments and related disclosures for information on revenue from major customers.

NOTE 34: RELATED PARTY TRANSACTIONS

(a) Details of related parties

Entity exercising significant influence

RNGalla Family Private Limited

Key Management Personnel [KMP]

Jayadev Galla	Chairman, Managing Director & CEO (Vice-Chairman & Managing Director upto August 13, 2021 and Chairman w.e.f. August 14, 2021)
Harshavardhana Gourineni	Executive Director (w.e.f. June 12, 2021)
Vikramadithya Gourineni	Executive Director (w.e.f. June 12, 2021)

Relative of Key Management Personnel

Dr. Ramachandra N. Galla	Chairman and Non-Executive Director (upto August 14, 2021)
Dr. Ramadevi Gourineni	Non-Executive Director (upto June 12, 2021)
G. Amara Kumari	Relative of Jayadev Galla
Ashok Galla	Relative of Jayadev Galla
Siddharth Galla	Relative of Jayadev Galla

Entities in which KMP / Relatives of KMP exercise significant influence

Asistmi Solutions Private Limited
Amara Raja Electronics Limited
G2 Healthcare Private Limited
Nine Nines Lifestyle Private Limited
Rajanna Trust
Amara Raja Blaze Technologies Private Limited (w.e.f. July 24, 2020)
HG Global Private Limited (w.e.f. July 09, 2021)

Subsidiaries of the entity exercising significant influence

Mangal Industries Limited
Amara Raja Infra Private Limited
Amara Raja Power Systems Limited
Amara Raja Media and Entertainment Private Limited



Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with the above related parties during the year were:

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	15.46	20.83
Amara Raja Electronics Limited	0.02	-
Mangal Industries Limited	1.02	0.56
RNGalla Family Private Limited	0.05	0.02
Rental Income		
Mangal Industries Limited	0.18	-
Purchase of goods		
Amara Raja Power Systems Limited	67.28	105.74
Amara Raja Electronics Limited	92.25	4.41
Mangal Industries Limited	864.02	808.42
RNGalla Family Private Limited	0.05	0.01
Availing of services		
Amara Raja Infra Private Limited	86.79	80.47
Rajanna Trust	0.13	0.12
G2 Healthcare Private Limited	1.41	0.19
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	242.84	40.07
Amara Raja Electronics Limited	0.42	0.97
Mangal Industries Limited	56.80	43.87
Amara Raja Infra Private Limited	108.71	176.96
Rent Expense		
Jayadev Galla	3.64	4.06
Dr. Ramachandra N. Galla	0.57	0.64
Dr. Ramadevi Gourineni	3.30	3.66
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	2.43	0.22
Donation Expense		
Rajanna Trust	16.43	17.48

Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with the above related parties during the year were:

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.14	0.01
Amara Raja Electronics Limited	0.00	-
Mangal Industries Limited	0.08	-
Amara Raja Infra Private Limited	0.03	0.13
RNGalla Family Private Limited	-	4.86
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	47.93	23.97
Expenses recovered from		
Amara Raja Power Systems Limited	7.76	8.57
Amara Raja Electronics Limited	0.87	0.81
Mangal Industries Limited	11.49	11.16
Amara Raja Infra Private Limited	4.55	4.10
RNGalla Family Private Limited	0.55	0.57
Interest Income		
Amara Raja Power Systems Limited	0.12	0.32
Amara Raja Electronics Limited	0.16	0.03
Mangal Industries Limited	0.73	0.43
Amara Raja Infra Private Limited	0.01	0.05
RNGalla Family Private Limited	0.00	0.01
Other recoveries		
Mangal Industries Limited	38.61	39.63
Remuneration		
Jayadev Galla	38.01	47.35
Harshavardhana Gourineni	15.25	-
Vikramadithya Gourineni	15.25	-
Commission		
Dr. Ramachandra N. Galla	-	28.41

*Current year transactions have been disclosed net of applicable taxes. Previous year transactions were disclosed gross of applicable taxes.



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(c) Balances receivable from / payable to related parties are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Amara Raja Power Systems Limited	8.35	7.13
Mangal Industries Limited	10.46	-
Security Deposits		
Jayadev Galla	2.12	2.12
Dr. Ramachandra N. Galla	0.32	0.32
Dr. Ramadevi Gourineni	2.04	2.04
Interest Receivable		
Amara Raja Power Systems Limited	-	0.02
Amara Raja Electronics Limited	0.14	0.00
Mangal Industries Limited	0.01	0.02
Amara Raja Infra Private Limited	0.00	0.00
RNGalla Family Private Limited	0.00	0.00
Rent Receivable		
Mangal Industries Limited	0.20	-
Advances (including contractually reimbursable expenses)		
Amara Raja Power Systems Limited	7.51	6.79
Amara Raja Electronics Limited	9.47	1.67
Mangal Industries Limited	3.05	17.26
Amara Raja Infra Private Limited	2.16	1.57
RNGalla Family Private Limited	0.12	0.08
Trade payables		
Amara Raja Power Systems Limited	0.45	8.27
Amara Raja Electronics Limited	9.52	0.11
Mangal Industries Limited	4.86	27.41
Amara Raja Infra Private Limited	8.26	7.76
RNGalla Family Private Limited	-	0.79
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	64.85	8.33
Amara Raja Electronics Limited	-	0.05
Mangal Industries Limited	9.53	5.88
Amara Raja Infra Private Limited	19.10	21.89
Other Payables		
Rajanna Trust	-	2.27

Notes to the **consolidated financial statements**

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(c) Balances receivable from / payable to related parties are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables (Employee Related)		
Jayadev Galla	35.60	45.06
Harshavardhana Gourineni	14.10	-
Vikramadithya Gourineni	14.10	-
Commission payable to Non-Executive Directors		
Dr. Ramachandra N. Galla	-	28.41
Rent Payable		
Jayadev Galla	0.34	0.33
Dr. Ramachandra N. Galla	0.04	0.04
Dr. Ramadevi Gourineni	0.28	0.25
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	0.44	0.21
Capital commitments		
Amara Raja Power Systems Limited	24.87	236.55
Amara Raja Electronics Limited	0.36	0.07
Mangal Industries Limited	42.40	44.08
Amara Raja Infra Private Limited	82.62	102.64

NOTE 35: EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (in ₹ crores) [A]	512.57	646.83
Weighted average number of equity shares outstanding during the year (No's) [B]	17,08,12,500	17,08,12,500
Earnings per share (Face Value of ₹1 per share)		
- Basic and diluted (in ₹) [A/B]	30.01	37.87



Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 36: LEASES

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	25.22	19.39
Non-current liabilities	77.28	38.59
	102.50	57.98
(ii) The following is the movement of lease liabilities during the year ended March 31:		
Balance at the beginning	57.98	37.10
Additions during the year	63.51	37.12
Finance cost accrued during the year	5.98	3.44
Payment of lease liabilities	(24.97)	(19.68)
Balance at the end	102.50	57.98
(iii) Maturity analysis of lease liabilities		
Less than one year	25.22	19.39
One to five years	64.26	34.25
More than five years	13.02	4.34
	102.50	57.98

NOTE 37: REVENUE EXPENDITURE CAPITALIZED TO FIXED ASSETS/ CAPITAL WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Employee benefits expense	-	6.55
(b) Cost of material consumed (net) (Refer Note below)	6.28	13.94
(c) Power and Fuel	-	5.37
(d) Depreciation and amortization expense	0.85	1.23
(e) Others	-	1.09
Total	7.13	28.18

Note: Net of income from sale of batteries, scrap, etc., ₹13.03 crores (Year ended March 31, 2021: ₹27.52 crores)

NOTE 38: DETAILS OF EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue expenditure:		
(a) Cost of materials consumed	0.88	0.85
(b) Consumption of stores and spares (including secondary packing material)	0.36	0.15
(c) Employee benefits expense	8.10	8.34
(d) Power and fuel	0.78	0.63
(e) Others	0.72	0.78
Total Revenue expenditure [A]	10.84	10.75
Capital expenditure [B]	4.95	0.05
Total [A+B]	15.79	10.80

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 39: DETAILS OF PROVISIONS

(a) Provision for warranty is made for estimated warranty claims in respect of sale of certain storage batteries which are still under warranty at the end of the reporting period, the estimated cost of which is accrued at the time of sale. These claims are expected to be settled as and when warranty claims arise. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Group obligation for warranties. Management estimates the provision based on historical warranty claim information and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. The products are generally covered under a free warranty period ranging from 6 months to 42 months.

(b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

	For the year ended March 31, 2022	For the year ended Mar3ch 31, 2021
Balance as at April 1	186.05	161.17
Additional provisions recognised	156.91	142.24
Amount utilised / reversed during the year	(131.45)	(123.94)
Unwinding of discount and effect of changes in the discount rate	8.36	6.58
Balance as at March 31	219.87	186.05
Out of the above,		
Classified under Non-current provisions (Refer Note 16)	87.99	77.21
Classified under Current provisions (Refer Note 16)	131.88	108.84

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

A. Capital Management

The Group financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accruals. The Group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

Equity share capital and other equity are considered for the purpose of Group's Capital Management.

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
Measured at amortised cost				
(i) Cash and cash equivalents	34.86	96.93	34.86	96.93
(ii) Other bank balances	19.26	79.08	19.26	79.08
(iii) Trade receivables	792.00	786.93	792.00	786.93
(iv) Other financial assets	25.01	29.83	25.01	29.83
(v) Investments	0.01	0.01	0.01	0.01
Measured at FVTOCI				
(i) Investments in equity instruments	10.95	6.54	10.95	6.54
(ii) Investments in preference shares	31.52	-	31.52	-



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	34.73	273.42	34.73	273.42
Total Financial assets	948.34	1,272.74	948.34	1,272.74
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	23.39	34.34	23.39	34.34
(ii) Trade payables	805.50	746.50	805.50	746.50
(iii) Other financial liabilities	298.79	205.33	298.79	205.33
(iv) Lease Liabilities	102.50	57.98	102.50	57.98
Total Financial liabilities	1,230.18	1,044.15	1,230.18	1,044.15

C. Financial risk management objectives

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard. The key risks and mitigating actions are overseen by the Board of Directors of the Group.

Liquidity Risk

The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's current assets aggregate ₹2,824.83 crores (March 31, 2021 ₹2,821.24 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹88.85 crores (March 31, 2021 ₹449.43 crores) against an aggregate current liability of ₹1,526.47 crores (March 31, 2021 ₹1,329.51 crores). The table below provides details regarding the contractual maturities of significant non-current financial liabilities as of March 31, 2022 and March 31, 2021. Contractual maturities in respect of lease liabilities has been disclosed in Note 36.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	As at March 31, 2022			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	16.52	-	-	16.52

	As at March 31, 2021			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	13.75	9.64	-	23.39

Further, while the Group's total equity stands at ₹4,552.48 crores (March 31, 2021: ₹4,209.99 crores), it has borrowings of ₹23.39 crores (March 31, 2021: ₹34.34 crores). In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

The Group continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at March 31, 2022 is ₹42.47 crores (March 31, 2021 ₹6.54 crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing current investments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Group invests in Mutual Fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the Mutual Fund schemes in which the Group has invested, such price risk is not significant. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Foreign Currency Risk

The Group is subject to the risk that changes in foreign currency values impact the Group's export revenues and import of raw materials and property, plant and equipment. The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risk.

The Group manages currency exposures within prescribed limits. The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

The carrying amounts of non-derivative foreign currency denominated financial assets and liabilities are as follows:

As at March 31, 2022	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	83.92	-	-	-	83.92
- Cash and cash equivalents	0.63	0.00	-	0.00	0.63
Financial Liabilities					
- Trade Payables	(127.35)	(3.43)	(1.17)	(0.97)	(132.92)
- Other financial liabilities	(28.54)	(9.82)	(0.48)	-	(38.84)
Net financial asset / (liability)	(71.34)	(13.25)	(1.65)	(0.97)	(87.21)

As at March 31, 2021	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	86.74	-	-	0.41	87.15
- Cash and cash equivalents	8.26	-	-	0.00	8.26
Financial Liabilities					
- Trade Payables	(118.96)	(4.30)	(2.36)	(0.35)	(125.97)
- Other financial liabilities	(16.39)	(9.01)	-	-	(25.40)
Net financial asset / (liability)	(40.35)	(13.31)	(2.36)	0.06	(55.96)

* Others includes currencies such as Japanese Yen, Dirhams, Rupiah, South Korean Won, Yuan etc.



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

Foreign currency sensitivity analysis

For every percentage point increase in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax for the year ended March 31, 2022 would change by ₹(0.93) crores [March 31, 2021: ₹(0.56 crores)]. For every percentage point decrease in the underlying exchange rate would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligation.

Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. loss allowances and impairment is recognised, where considered appropriate by responsible management.

The credit risk on cash and bank balances and fixed deposits is limited because the counterparties are banks with high credit ratings.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top customer from whom the group receives 10% or more of its revenues	-	-
Revenue from top 5 customers	1,010.68	754.47

D. Fair value measurement

Fair value hierarchy

The fair value of financial instruments as referred to in Note 40.B above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The following levels have been used for classification:

- **Level 1:** Quoted prices (unadjusted) for identical instruments in active market.
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs
- **Level 3:** Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly for certain unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain unquoted equity instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

Financial Instrument	Valuation Technique	Key inputs used	Sensitivity
Investments in unquoted equity instrument at FVTOCI [1.65% equity instrument in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India]	Discounted Cash Flow Method	<p>Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 0% (as at March 31, 2021: 0%).</p> <p>Weighted average cost of capital (WACC) as determined 15% to 16% (as at March 31, 2021: 15% to 16%).</p>	<p>If the Long-term revenue growth rates used were 1% higher/lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹0.29 crores and ₹(0.25) crores respectively [as at March 31, 2021: ₹0.26 crores and ₹(0.24) crores respectively]</p> <p>A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹(0.41) crores and ₹0.48 crores respectively [as at March 31, 2021: ₹(0.37) crores and ₹0.42 crores respectively]</p>

Notes:

- (i) These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.
- (ii) The Parent Company as part of its strategic initiatives has made an investment of ₹36.99 crores in Log 9 Materials Scientific Private Limited ('Log 9 Materials') by acquiring 11.86% (on a fully diluted basis) of shareholding in Log 9 Materials. Log 9 Materials is an advanced battery and deep-tech start up providing state of art batteries be it in terms of EV batteries, energy storage on fuel cells. The investment was recognised at transaction cost and irrevocably designated at fair value through other comprehensive income. Owing to the nature of this initial investment (in unquoted instrument) and as permitted by Ind AS, where insufficient, more recent information is not available to measure fair value, cost has been assessed to be the best estimate of fair value as at March 31, 2022.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

Particulars	Fair value hierarchy (Level)	As at March 31, 2022	As at March 31, 2021
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (non-current)	3	8.33	4.31
Sub-total		8.33	4.31
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.18	0.21
ii) Equity Shares - Unquoted [Refer Note (ii) above]	3	10.77	6.33
iii) Preference Shares - Unquoted [Refer Note (ii) above]	3	31.52	-
Sub-total		42.47	6.54
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	34.73	273.42
Sub-total		34.73	273.42
Total		85.53	284.27
Financial liabilities			
a) Measured at amortised cost			
i) Borrowings	3	23.39	34.34
ii) Lease Liabilities	3	102.50	57.98
Total		125.89	92.32



Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 41: DIVIDEND

Dividend on equity shares paid during the year	FY 2021-22	FY 2020-21
Final dividend for FY 2020-21 (₹6 per equity share of ₹1 each) [for FY 2019-20 ₹Nil]	102.49	-
Interim dividend for the FY 2021-2022 (₹4 per equity share of ₹1 each) [for FY 2020-21 ₹5 per equity share of ₹1 each]	68.33	85.41
	170.82	85.41

Interim dividend of ₹4 per equity share of face value of ₹1 each approved by the Board of Directors of the Parent Company at its meeting held on November 12, 2021 was paid during the current year. The Board of Directors at its meeting held on May 20, 2022 has recommended a dividend of ₹0.50 per equity share of face value of ₹1 each which is subject to approval of the shareholders at the ensuing Annual General Meeting of the Parent Company and hence is not recognized as a liability. The total dividend (including interim dividend) for FY 2021-22 amounts to ₹4.5 per equity share (Previous year ₹11 per equity share).

NOTE 42: The wholly-owned subsidiary (which along with Amara Raja Batteries Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements is :

Name	Country of Incorporation	Percentage of ownership as at March 31, 2022
Amara Raja Batteries Middle East (FZE)	Sharjah, UAE	100%

These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of the wholly-owned subsidiary on the audited financial statements prepared for consolidation in accordance with the requirements of Indian Accounting Standard - 110 (Ind AS 110) on "Consolidated Financial Statements".

NOTE 43: Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at March 31, 2022		As at March 31, 2022		As at March 31, 2022		As at March 31, 2022	
	Net Assets		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or (loss)	Amount	As % of consolidated other Comprehensive Income/(loss)	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	0.04%	1.69	0.24%	1.21	5.41%	0.04	0.24%	1.25

Name of the entity	As at March 31, 2021		As at March 31, 2021		As at March 31, 2021		As at March 31, 2021	
	Net Assets		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or (Loss)	Amount	As % of consolidated other Comprehensive Income/(loss)	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	0.01%	0.47	0.01%	0.10	-0.15%	0.01	0.02%	0.11

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 44: CORPORATE SOCIAL RESPONSIBILITY

Particulars	FY 2021-22		FY 2020-21
(i) Gross amount required to be spent by the Group during the year			15.20
(ii) Amount spent during the year on :			
(a) Construction/acquisition of any asset	6.88		8.08
(b) On purposes other than (i) above	9.55		7.12
Total spent		16.43	15.20
(iii) Related party transactions in relation to Corporate Social Responsibility		16.43	15.20

(iv) Details of excess amount spent

	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Details of excess amount spent	-	16.25	16.43	0.18

(v) Nature of CSR activities undertaken by the Group

- Affordable quality education in rural areas
- Provide healthcare to rural india
- Soil conservation and vegetative regeneration
- Development of surrounding villages that include construction of roads, rain water storage tanks and supply channel amongst others.

NOTE 45:

The Parent Company on April 30, 2021 received closure orders from the Andhra Pradesh Pollution Control Board ('APPCB') for the Parent Company's plants situated at Karakambadi, Tirupati and Nunegundlapalli Village, Chittoor District. Consequently, the Parent Company went in appeal against the said orders to the Hon'ble High Court of Andhra Pradesh at Amravati, which granted interim suspension of the closure orders. The plants of the Parent Company were closed for a period of 5 days during the quarter ended June 30, 2021, from the date of closure orders till the date of the said interim suspension. The Parent Company did not incur any material loss during the period of closure. In the interim, APPCB has issued further two show cause notices in February, 2022 against which the Parent Company filed a special leave petition with the Hon'ble Supreme Court which vide its order dated May 19, 2022 has stayed further proceedings arising out of the said show cause notices. The Management of the Parent Company has been working with the APPCB to satisfactorily resolve the matter.

NOTE 46:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits has been enacted. However, the date on which the Code will come into effect has not yet been notified. The Management of the Parent Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective.

NOTE 47:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 20, 2022.

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Place: Hyderabad
Date: May 20, 2022



NOTICE OF THE
ANNUAL GENERAL
MEETING

NOTICE OF THE ANNUAL GENERAL MEETING

To the members of

Amara Raja Batteries Limited

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the members of Amara Raja Batteries Limited will be held on Saturday, August 06, 2022 from 02:30 P.M IST onwards through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

Ordinary Business:

To consider, and if thought fit, to pass, the following resolution nos. from 1 to 4, as an ordinary resolution(s).

1. **To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022, the report of the Auditors' thereon and the report of the Board of Directors'.**
2. **To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the Auditors' report thereon.**
3. **To confirm the payment of Interim Dividend (₹4.00/- per equity share i.e. 400%) on Equity Shares and to declare final dividend (₹0.50/- per equity share i.e. 50%) on Equity Shares of the Company for financial year ended March 31, 2022.**
4. **To reappoint Mr. Harshavardhana Gourineni (DIN: 07311410) who retires by rotation as a Director, and being eligible offers himself for reappointment.**

Special Business:

5. **To ratify the remuneration of the Cost Auditors for the financial year 2022-23.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Sagar & Associates, Cost Accountants, Hyderabad, Firm Registration No. 000118, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23 at a remuneration of ₹4,75,000/- (Rupees Four lakhs Seventy Five Thousand only) plus reimbursement of out of pocket expenses and applicable taxes be and is hereby ratified.

RESOLVED FURTHER that any of the Directors or Key Managerial Personnel of the Company be and they are hereby severally authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board of Directors
For Amara Raja Batteries Limited**

Vikas Sabharwal
Company Secretary

Place: Hyderabad

Date: May 20, 2022

Corporate Identification Number (CIN): L31402AP1985PLC005305

Registered Office:

Renigunta-Cuddapah Road
Karakambadi, Tirupati, Andhra Pradesh – 517 520
Tel: 91 (877) 226 5000
Fax: 91 (877) 228 5600
E-mail id: investorservices@amararaja.com
Website: www.amararajabatteries.com



Notes:

1. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as the Circulars), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. The VC/OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM. Members can attend and participate in the AGM through VC/OAVM only by following the instructions given in Serial No. 25 of this Notice.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. Since this AGM is being held pursuant to the aforesaid Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization should be sent to the Scrutinizer by email through its registered email address to rsaeoting@gmail.com with a copy marked to evoting@nsdl.com.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (Act), the Rules made thereunder and pursuant to the relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), which sets out details relating to the special business to be transacted at the meeting, is annexed hereto as an **Annexure-I** and forms part of the notice. The Board of Directors of the Company at its meeting held on May 20, 2022 considered that the special business under Item no. 5 which is unavoidable, and hence need to be transacted at the 37th AGM of the Company.
7. Brief profile of Mr. Harshavardhana Gourineni, Director, proposed to be reappointed, along with the names of the Companies in which he holds directorships and memberships/ chairmanships of Board, Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Listing Regulations are furnished as an **Annexure-II** and forms part of the notice.
8. In compliance with the aforesaid Circulars, the Annual Report 2021-22 including the notice of the AGM, inter-alia, indicating the process and manner of remote e-voting, attending AGM through VC/OAVM and instructions for members for e-voting on the day of AGM are being sent by electronic mode to all the members whose e-mail address are registered with the Company/Depositories for communication purposes. Members holding shares in physical / demat form who have not registered their email address with the Company or the Depository Participants can get the same registered with the Company as per the procedure provided in Serial No. 24.
9. Members may also note that the notice of the AGM and the Annual Report 2021-22 would be posted on the Company's website www.amararajabatteries.com, and also on the websites of the stock exchanges i.e BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM notice will be also available on the website of NSDL www.evoting.nsdl.com.
10. The registers i.e. Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available electronically for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e. August 06, 2022.



Members seeking to inspect such documents can send an email to investorservices@amararaja.com.

11. The register of members and share transfer books of the Company will remain closed from Sunday, July 31, 2022 to Saturday, August 6, 2022 (both days inclusive), for the purpose of determining the entitlement of member to the final dividend for the financial year 2021-22, if declared at the meeting.
12. The final dividend, if declared, shall be paid on or before September 4, 2022 to those members whose name appear in the register of members as of the close of business hours on Saturday, July 30, 2022 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on Saturday, July 30, 2022 as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
13. Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the members effective from April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at investorservices@amararaja.com and/or investor@cameoindia.com.

For more details, members are requested to refer "**Communication on tax deduction at source on dividend distribution**" appended to this notice.
14. The recorded transcript of the AGM, shall also be made available on the website of the Company www.amararajabatteries.com in the Investors section as soon as possible, after the meeting is concluded.
15. **Questions prior to AGM:** Members seeking any information or ask questions with regard to the financial statements of the Company or on any matter in the annual report 2021-22, are requested to write from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at investorservices@amararaja.com on or before Tuesday, August 2, 2022. Such

information sought or questions by the members shall be furnished or replied by the Company suitably.

16. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Unit: Amara Raja Batteries Limited, V Floor, Subramanian Building, Club House Road, Anna Salai, Chennai - 600002 ("Cameo" or "RTA") for assistance in this regard.
17. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with their Depository participants (DPs), in case the shares are held by them in electronic form/ Demat form and with Cameo Corporate Services Limited in case the shares are held by them in physical form for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically. Alternatively, members holding shares in physical form are requested to visit <https://investors.cameoindia.com> to register their e-mail address and mobile number with the Company.
18. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to Cameo in case the shares are held by them in physical form.
19. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank



details to the RTA. The following documents need to be provided for updation of Bank Account Details - Name and Branch of the Bank in which you wish to receive dividend, Bank Account type, Bank Account number, 9 digits MICR Code number, 11 digits IFSC Code and a Scanned Copy of the cancelled cheque bearing the name of the first shareholder.

20. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of this, in order to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members holding shares in physical form are requested to convert their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, for assistance in this regard.
21. Pursuant to the provisions of Section 124(5) of the Act, the amount of dividend (s) declared/paid up to the financial year 2013-14 and remaining unpaid for 7 years has been transferred, from time to time on respective due dates, to the Investors Education and Protection Fund (IEPF). Due date for transfer of unclaimed/unpaid dividend for FY 2014-15 and thereafter to IEPF are given in other requirements/information part of the Corporate Governance report. Details of unpaid/unclaimed dividends lying with the Company as on March 31, 2022 is available on the website of the Company i.e. www.amararajabatteries.com.
22. As per the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 and amendments made thereunder (Rules), all shares in respect of which dividend remains unpaid or unclaimed for seven years, or more, are required to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The shareholders are requested to claim their unpaid/unclaimed dividend in order to avoid transfer of shares to IEPF Authority. The Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as per Rules. The details of shares transferred to IEPF have also been uploaded on the website of the IEPF Authority and the same can be accessed at www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed

from IEPF. Concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/refund.html> or contact Cameo for lodging claim for refund of shares and / or dividend from the IEPF Authority.

23. **Voting through Electronic Means (Remote e-voting):**

- I. In compliance with the provisions of Section 108, 110 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide e-voting facility to the members to exercise their right to vote on resolutions set forth in the notice convening the 37th AGM by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting ('Remote e-voting'). The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorised agency to provide e-voting facilities. The instructions for remote e-voting are given in Serial No. 24.
- II. The remote e-voting event number (EVEN) is **120423**. The remote e-voting will commence on **August 2, 2022** (9:00 a.m IST) and ends on **August 05, 2022** (5:00 p.m IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form as on **July 30, 2022** i.e. cut off date may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently or cast the vote again.
- III. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Saturday, July 30, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800



22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Saturday, July 30, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

- IV. The members who have cast their vote by e-voting prior to the meeting may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- V. The facility for remote e-voting shall be made available during the AGM and those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The procedure for e-Voting on the day of the AGM is same as the instructions given in Serial No. 24 for Remote e-voting.
- VI. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. Saturday, July 30, 2022. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date i.e. Saturday, July 30, 2022 shall only be entitled to avail the facility of remote e-voting and during the AGM.
- VII. The Board of Directors has appointed Mr. R Sridharan (Membership No. FCS 4775 and CP No. 3239) from M/s R. Sridharan & Associates, Practicing Company Secretaries as a Scrutinizer and failing him Ms. Srinidhi Sridharan, (Membership No. ACS 47244 and CP No. 17990) from M/s Srinidhi Sridharan & Associates to scrutinize the remote e-voting process and voting during the AGM in a fair and transparent manner.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting during the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 48 hours from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorised by the Chairman for counter signature.
- IX. The Results shall be declared by the Chairman or by an authorized person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.
- X. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company www.amararajabatteries.com and on NSDL's website <https://evoting.nsdl.com> and communicated to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same on their website(s).

24. Evoting instructions:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	8 Character DP ID followed by 8 Digit Client ID
b) For Members who hold shares in demat account with CDSL. For example if your Beneficiary ID is 12***** then your user ID is 12*****	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form. For example if folio number is 001*** and EVEN is 120423 then user ID is 120423001***	EVEN Number followed by Folio Number registered with the company

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.



- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsaevoting@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Assistant Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorservices@amararaja.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name,



client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorservices@amararaja.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder a members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

25. Instructions for members attending the AGM through VC/OAVM are as under:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not

have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- II. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first serve basis.
- III. Members are encouraged to join the Meeting through laptops for better experience.
- IV. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- VI. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorservices@amararaja.com. The same will be replied by the Company suitably.
- VII. Registration as speaker at AGM: Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorservices@amararaja.com from Saturday, **July 30, 2022** (9:00 a.m IST) to Tuesday, **August 2, 2022** (5:00 p.m IST). Those members who have registered themselves as a speaker in advance will only be allowed to express their views/ask questions during the AGM.
- VIII. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- IX. In case any assistance is needed, members may contact: (a). NSDL on evoting@nsdl.co.in or at toll free no. 1800 1020 990 and 1800 22 44 30 (b). Mrs. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

**By order of the Board of Directors
For Amara Raja Batteries Limited**

Vikas Sabharwal
Company Secretary

Place: Hyderabad
Date: May 20, 2022



Annexure – I

Statement pursuant to Section 102 (1) of the Companies Act, 2013(Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations)

The following statement sets out all material facts relating to special business mentioned in the accompanying notice dated May 20, 2022 and shall be taken as forming part of the notice.

Item No. 5

The Board of Directors at their meeting held on May 20, 2022, on recommendation of the Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad, Firm Registration No. 000118, as Cost Auditors of the Company to conduct the audit of the cost records of the Company in respect of products manufactured by the Company falling under CETA code 8507 i.e. Electric Accumulators, including separators for the financial year 2022-23 on a remuneration of ₹4,75,000 (Rupees Four Lakhs Seventy-Five Thousand only) plus reimbursement of out of pocket expenses and applicable taxes.

Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, approval of the members is sought by way of an ordinary resolution as set out at item no. 5 of the notice ratifying the remuneration payable to the Cost Auditors for the financial year 2022-23.

The Board, based on the recommendation of the Audit Committee, unanimously, recommends the ordinary resolution as set out in item no. 5 of this notice.

None of the Directors and Key Managerial Personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 5 of this notice.

Place: Hyderabad

Date: May 20, 2022

**By order of the Board of Directors
For Amara Raja Batteries Limited**

Vikas Sabharwal

Company Secretary

Brief particulars of the Director proposed for re-appointment at the Annual General Meeting and other details pursuant to Secretarial Standard-2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Brief resume of the director	<p>Mr. Harshavardhana Gourineni (DIN: 07311410) (age 33 years) is fluent in conversational Spanish and has earned a Bachelor of Science degree in Industrial and Organization Psychology from the Purdue University, USA.</p> <p>He was the MD and CEO of Mangal Industries Ltd. (MIL), part of the Amara Raja group of companies and India's leading automotive manufacturer and Storage Solutions. He also played an instrumental role behind the establishment of two new business segments in MIL – Toolworks and Trading House.</p> <p>His current focus area is green energy, sustainability and innovating new technologies that will transform the energy sector and reduce the carbon footprint in the near future.</p> <p>He is currently handling the responsibility of driving the lead acid battery value maximization strategies apart from other key initiatives, as an Executive Director of the Company.</p>
2. Terms and conditions of appointment or re-appointment	As approved by the Members at the 36 th Annual General Meeting held on August 14, 2021.
3. Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable,	As approved by the Members at the 36 th Annual General Meeting held on August 14, 2021.
4. Date of first appointment on the Board	June 12, 2021
5. Shareholding in the Company	Nil
6. Number of Meetings of the Board attended during the year	Seven (7)
7. Disclosure of relationships between directors inter-se	He is nephew of Mr. Jayadev Galla, Chairman, Managing Director and CEO and brother of Mr. Vikramadithya Gourineni, Executive Director
8. Names of listed entities in which the person also holds the Directorship and the Membership of Committees of the board along with listed entities from which the person has resigned in the past three years	NIL

9. Other Directorships, Membership/ Chairmanship of Committees (Audit Committee and Stakeholders Relationship Committee) of other Boards

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
I. Mangal Industries Limited	Director	-	-
II. Amara Raja Infra Private Limited	Director	-	-
III. Amara Raja Media and Entertainment Private Limited	Director	-	-
IV. RNGalla Family Private Limited	Director	-	-
V. HG Global Private Limited	Chairman	-	-
VI. HG Chemicle Private Limited	Chairman	-	-

**By order of the Board of Directors
For Amara Raja Batteries Limited**

Vikas Sabharwal
Company Secretary

Place: Hyderabad
Date: May 20, 2022



COMMUNICATION ON TAX DEDUCTION AT SOURCE ON DIVIDEND DISTRIBUTION

Dear Shareholders,

As you may be aware that as per the revised provisions of the Income Tax Act 1961 ("IT Act"), dividends paid or distributed by a company after April 1, 2020, are taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the applicable rates ("TDS") at the time of making the payment of dividends as and when declared by the Company. **However, no withholding of tax is applicable if the dividend payable to resident individual shareholders having valid PAN is less than ₹5,000 per annum.**

The TDS would vary depending on the residential status of the shareholder and documents submitted by them and accepted by the Company in this regard. Accordingly, the dividend, when declared, will be paid after deducting TDS.

The following table below provides a brief of the applicable TDS provisions under the Act for Resident and Non-Resident shareholder(s) categories along with the required documents.

For Resident Shareholder(s):

Particulars	Applicable TDS Rate	Documents required (if any)
With PAN	10%	Update the PAN, if not already done. with the depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agent – Cameo Corporate Services Limited at https://investors.cameoindia.com (in case of shares held in physical mode).
Without PAN/ Invalid PAN	20%	N. A.
Submit Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to resident individual)/ Form 15H (applicable to resident individual who is 60 years and older), fulfilling certain conditions under the Act. Form 15 G/ 15 H can be downloaded from https://investors.cameoindia.com . There is also provision to upload the 15G/15H in the website https://investors.cameoindia.com provided by the Company's Registrar and Share transfer agent M/s Cameo Corporate Services Limited.
Submit Order under Section 197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authority.
Shareholders to whom Section 194 of the Act is not applicable	NIL	Documentary evidence that the said provisions are not applicable.
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt., RBI)	NIL	Documentary evidence that the shareholder is covered under said Section 196 of the Act and Declaration that their income is exempt under Section 10 (23D) of the Income Tax Act, 1961 and therefore no TDS is required under Section 196 (iv) of the Income Tax Act, 1961.
Alternative Investment Funds (AIF) registered with SEBI	Nil	AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate

*Notwithstanding the above, tax would not be deducted on payment of dividend to resident individual shareholder(s), if the total dividend to be paid in any financial year does not exceed INR 5,000.

**For Non-Resident Shareholder(s):**

Particulars	Applicable Rate	Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	None
Other Non-resident shareholders	20% (plus applicable surcharge and cess) or Tax Treaty Rate** (whichever is lower)	<p>Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the Company:</p> <p>Self-attested copy of the PAN Card, if any, allotted by the Indian authorities.</p> <p>Self-attested Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident.</p> <p>Self-declaration in Form 10F duly filled and signed</p> <p>Self-declaration (as per Annexure A to this communication) from Non-resident, primarily covering the following:</p> <p>Shareholder is and will continue to remain a tax resident of the Country of its residence during the financial year for which it is declared;</p> <p>Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;</p> <p>Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;</p> <p>Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and</p> <p>Shareholder does not have a taxable presence or a permanent establishment in India during the financial year for which it is declared.</p>
Submitting Order u/s 197 of the Act (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

** The Company is not obligated to apply the beneficial Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the company.

Notes:

- Shareholders who are exempted from TDS provisions through any circular or notification may need to provide documentary evidence in relation to the same to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder. The aforesaid documents, as applicable, are required to be duly completed, signed and shall be sent to investor@cameoindia.com or investorservices@amararaja.com. The Company shall determine the appropriate TDS / withholding tax rate applicable based on the declarations received by it as on the Record Date(s) fixed by it for the dividend(s) proposed, if any.
- The updation of PAN, submission of Form 15G/15H, submission of documents including declaration from non-resident shareholders and any documents submission with regard to TDS shall reach the RTA at investor@cameoindia.com.
- The above communication on TDS sets out the provisions of the law in a summary only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.
- Kindly note that no claim shall lie against the Company for the tax deducted at source on Dividend. It may further be noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the shareholders, the shareholders may file return of income and claim refund of tax, as appropriate.
- The Company shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometaxindiaefiling.gov.in/>



6. If the tax is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details / documents by Company before Dividend Processing Period, the shareholder(s) may claim an appropriate refund in the return of income filed with their respective Tax authorities.
7. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
8. In the event the registered shareholder intends to transfer the TDS credit on the dividend income to other persons as per Rule 37BA of the Income Tax Act 1962, such shareholder is required to submit the duly signed Declaration containing the name, address and PAN of the person to whom the TDS credit is to be given and the reasons for giving the credit to such person. Incomplete declaration forms will not be entertained by the company for transfer of TDS credit. The registered shareholder shall indemnify the Company for any incorrect or misleading information furnished in the Declaration.

9. Updating of Bank Account:

Shareholders holding shares in demat mode are requested to ensure that their bank account details are updated with their respective demat accounts, to enable the Company to make timely credit of dividends in their respective bank accounts.

In case of any query you reach out to us by sending an email at investor@cameoindia.com or investorservices@amararaja.com or contact Mr. P Muralidharan, Joint Manager, Cameo Corporate Services Limited at +91 44 28460718.



Annexure A

Format for declaration for claiming benefits under DTAA (only for non-resident shareholders)

Date:

To

Amara Raja Batteries Limited

Renigunta-Cuddapah Road

Karakambadi, Tirupati

Andhra Pradesh - 517520

Dear Sir/Madam,

Re: Declaration provided to Amara Raja Batteries Limited (“The Company”) for claiming the tax treaty benefits for the financial year 2022-23 (ending on March 31, 2023).

Declaration

This is to confirm that,

-<Name of shareholder>] is a tax resident of<Country of residence> as per the provisions of the Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion/ Tax Treaty between India and<Country of residence> [the “India- Country of residence> Double Taxation Avoidance Agreement (DTAA)];
- I/We will continue to maintain the ‘tax resident’ status in *his/her/its respective Country for the application of the provisions of the India- Country of residence> Tax Treaty, during the financial year 2022-23.
- I/We is/are eligible to claim the benefits under the provisions of India-[COUNTRY OF RESIDENCE] DTAA;
- The claim of benefits by me/us is not impaired in any way;
- I/We are the beneficial owner of [NO OF SHARES] shares held in the Company as per Folio _____ / demat account _____ (if shares are held under different Folio No., give separate details for all). Further, I/we is/are the beneficial owner of dividend receivable from the Company in relation to aforementioned shares;
- I/We does not have any taxable presence, fixed base or permanent establishment in India as per the provisions of the India- [COUNTRY OF RESIDENCE] DTAA during the Financial Year 2022-23; and
- I/We am/are the holder/ not the holder of (strikethrough whichever is not applicable) PAN allotted by the Income Tax Authorities in India.
- I/We will immediately inform the Company if there is a change in the status.

*I/We hereby confirm that the declarations made above are complete, true and bona fide. This declaration is issued to the Company to enable them to decide upon the withholding tax applicable on the dividend income receivable by me/us.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

Yours faithfully,

For[Name of shareholder]

Authorized Signatory [Name/designation]

Email address: [Please insert]

Contact Number: [Please insert]



AMARA RAJA
Gotta be a better way

AMARA RAJA BATTERIES LIMITED

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