



AMARA RAJA
Gotta be a better way



PROGRESS...
ON!

AMARA RAJA BATTERIES LIMITED
ANNUAL REPORT 2019-20



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Every road forks into two
ways: down one way,
there's a continuity of
life as it comes, down
the other, there's a zeal
to bring in disruptive
changes to make path-
breaking transformations.
We chose the second
lane. It called for a lot of
blood, sweat and hard toil,
yet we stuck on. And, we
triumphed. **We progressed
at every step** and emerged
better every day.

Along the way, **we
reinvented ourselves**,
to remain relevant and
resolute in sync with the
evolving paradigm of
business and advancing
technology. **We
resolved every issue**
differently, devised
every system inimitably,
and confronted every
challenge distinctively.

Because, **we always
believed there's
Gotta be a Better Way.**

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 Values

Innovation

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

Excellence

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

Entrepreneurship

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

Experiences

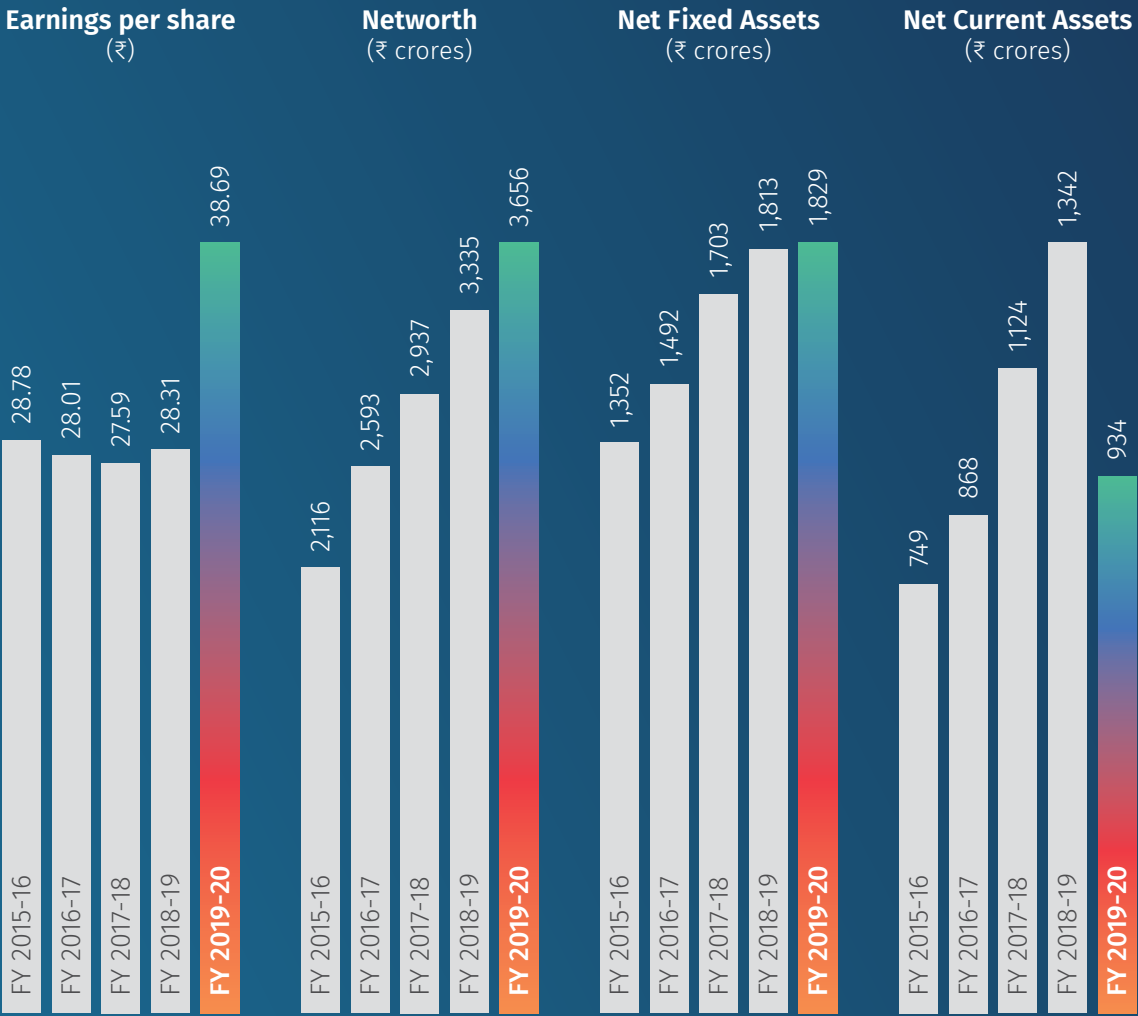
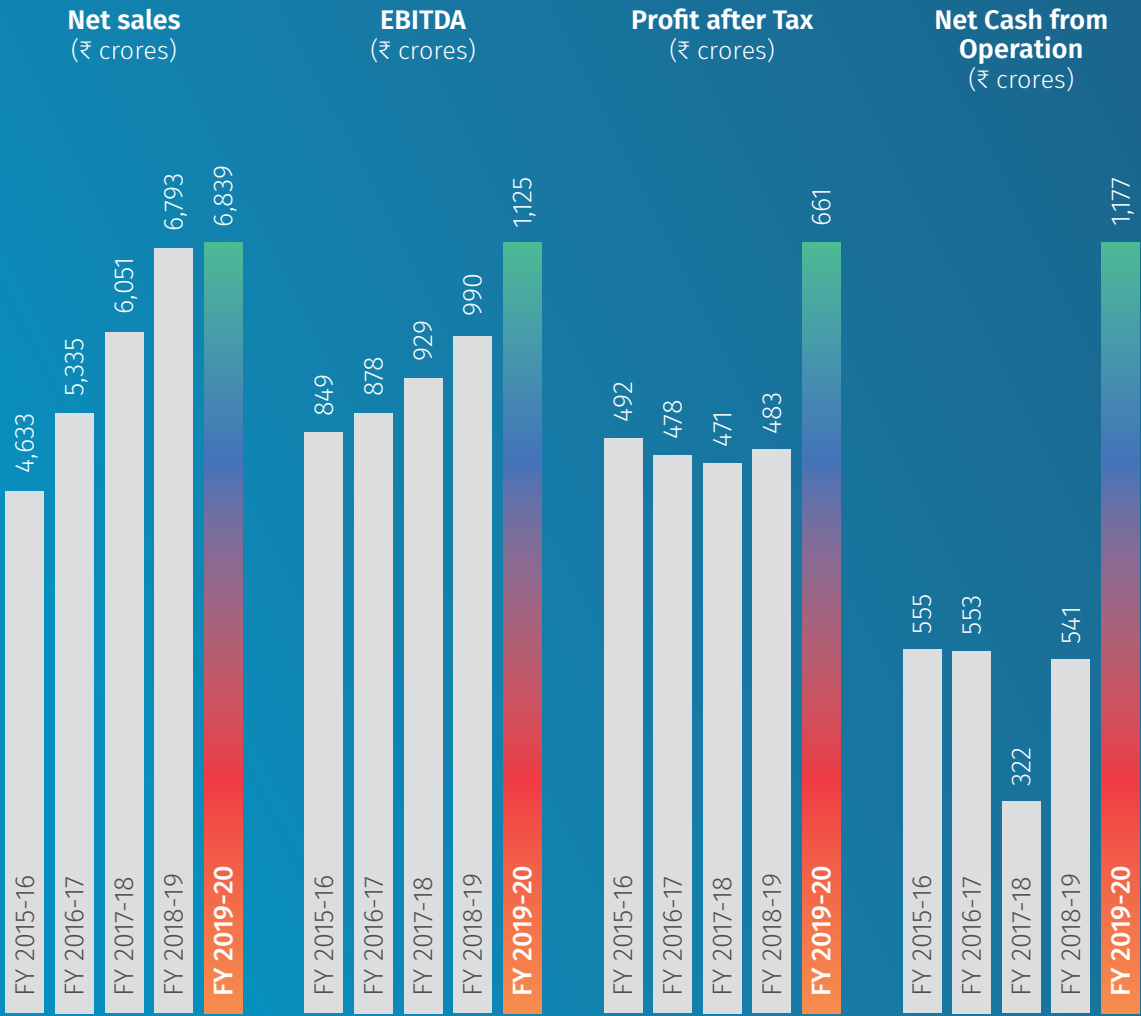
Experiences to us are what we create for our stakeholders, which makes them feel part of something special, leading to endearing relationships.

Responsibility

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

Amara Raja has remained steadfast on its growth journey across key performance metrics despite hurdles posed by the significant headwinds prevailing in the economic and sectoral environment. A comparative, five-year summary of key financial performance indicators highlights the Company's ability to sustain its momentum. This in no uncertain terms is ...Progress On!



From the management

“Technology leadership has been our hallmark since inception. This niche edge has powered the Company to redefine the domestic storage battery market by introducing globally benchmarked products. In 2019-20, we took giant strides in strengthening our technology repository.”

Dr. Ramachandra N Galla
Chairman



Dear Friends

We take great pleasure to address you as we look forward to a year with renewed hope and optimism.

As we look back at the year gone by, we find a sense of satisfaction and success in our performance. We were able to keep up our core philosophy – making meaningful progress in every aspect of our business. We believe that progress, at Amara Raja, is not a strategy or a KRA, it is rather the organisational DNA. Progress comes to us naturally.

Progress on!

At Amara Raja, 2019 -20 has been a year of great achievements.

From the financial perspective, we vaulted out of the ₹700-730-crore profitability band after 3-4 years with a 20% leap on our pre-tax profit, which stood at ₹840 crore on 31 March 2020.

From the business perspective, our automotive division secured approvals from two large two-wheeler OEs operating in India. The benefits will accrue in the current year. The industrial division, even as we completed the world's largest lead-acid energy storage system in Africa, bagged the contract for

supplying lithium ion packs for the largest single site lithium ion installation in India by a leading telecom player.

Technology leadership has been our hallmark since inception. This niche edge has powered the Company to redefine the domestic storage battery market by introducing globally benchmarked products. In 2019-20, we took giant strides in strengthening our technology repository.

Plates are at the heart of the functioning of a battery. Plate making at Amara Raja has progressed from workhorse gravity casting to continuous plate making. And now we are readying to launch the advanced stamped grid technology.

Our teams worked with subject-matter experts from Clarios (erstwhile Johnson Controls International plc). Commissioning of new manufacturing lines are under progress. We are also undertaking an extensive fleet-testing programme to assess the performance of the battery in Indian vehicle application. Our new products will hit the market shortly.

Our industrial division also contoured an innovative technology-driven shift – from products to solutions. We have successfully entered the telecom tower management space with the deployment of the Intelligent Telecom Monitoring System at cellphone towers, a product of our R&D work in IoT. This solution allows us to monitor tower performance across every parameter in diverse environments, real time, on handheld devices. This achievement has the promise to open a sustainable and growing revenue vertical for the Company. It surely is an exciting prospect.

From the sustainability perspective, we have put up a 9.25-MW solar rooftop installation at our operating unit, which is one of the largest industrial rooftop installations in India. Another 8.4-MW installation should be operational this year.

We are ready for the future – confident, capable and placed firmly. Progress on, indeed.



Mr. Jayadev Galla

Vice Chairman and Managing Director

Our today...

The new fiscal began in an unprecedented way with the Corona virus pandemic bringing life to a sudden halt. Lockdowns imposed across large parts of the world took a massive toll on business activities.

To deal with such trying times, we created crisis management teams with clear objectives and deliverables. While one team focused on the safety of our entire workforce, another team zeroed in on business continuity – communicating with customers and addressing priority deliveries, especially to the telecom sector.

As they say grave adversity presents interesting opportunity, it was the same with Covid-19. The pandemic presented a rare but narrow window of opportunity to reflect, reimagine and reset our world. Our leadership became more cohesive. Instead of talking from a business function perspective, or a company standpoint, official discussions and debates happened at a Group level. We believe this is very promising from a business continuity perspective.

Although the Covid-19 toll continues to rise in the country, a resilient India unlocked itself systemically, and opened up business activities in measured steps. This was a dire necessity to keep the wheels of the economy moving. While every business enterprise, large and small, is making a concerted effort towards economic revival, I believe that we have greater distances to cover to arrive at complete recovery.

The collateral damage done by the microbe has hit almost every industry in some way or the other. But some sectors had a positive rub-off. Telecom, for instance, saw green shoots of recovery after years of considerable turmoil. The data center space also looks promising as Indian enterprises, small and large, increasingly aligned themselves and will continue to do so, with the digital transformation sweeping the Indian landmass.

And tomorrow...

The journey ahead of us is indeed riveting. We will only sharpen our focus on technology deployment, efficiency improvement, sustainable manufacturing and exports.

As we look aggressively to venture beyond India's boundaries, we are focused on building a robust exports-driven global business by leveraging our diversified product portfolio and making inroads into lucrative overseas markets. We will unleash the power of the brand Amara by leveraging our existing relationships with global OEMs in India. To equip ourselves for a wider domain, we are creating new capacities which should be operational in the current year.

We are also focused on the prospects of bringing new technology to our customers because we are confident that this will start another exciting Amara chapter in the history of automotive batteries.

To sum it up...

We are uniquely positioned to grow across segments and channels – both locally and globally, given the depth of our

portfolio, sound technology, strong financials, brand equity and, above all, a great team. Their passion, professionalism and perseverance of working with our customers, partners and with each other gives us an exceptional edge in this competitive business space.

We will persistently explore new ways to improve our topline growth and profitability. We will further optimise our plant efficiencies by improving engineering quality and overall productivity. Fiscal prudence and a relentless focus on efficient capital allocation is our guiding principle. In sync with this, we continue to pursue returns-accretive projects with a strategic intent of continuing to deliver industry-leading returns through the cycle.

As we continue our journey of scaling new peaks, we would like to thank the Board for guiding us to execute our respective responsibilities in the best possible manner. We would like to extend our gratitude to each and every member of the Amara Raja team for their relentless efforts in making it a positively disruptive brand in the storage battery space. We would also thank all our stakeholders, bankers and government authorities for the support and assistance they provided throughout our journey.

We solicit your continued cooperation.

Warm regards

The Management Team

INSTITUTE
OF QUALITY

Confeder

Awards & Recognition

13th
Sigma
NATIONAL COMPETITION

23 September 2019, Bengaluru



Amara Raja team receiving awards at the 13th Six Sigma National Conference and Competitions organised by CII.



Amara Raja team with three Gold awards and one silver award at ICQCC (International Convention of Quality Control Circles) 2019 competition held at Tokyo, Japan.



Mr. S Vijayanand, CEO and Amara Raja team with the ABK AOTS 5S Sustenance Awards.



Mr G. Balaji, Head of Manufacturing Engineering and team receiving the innovation award in the category of Manufacturing - Large Enterprise at CII Industrial Innovation Awards Ceremony 2019.



Mr. L Venkata Madhav, President - Supply Chain Management receiving the 'Operational Excellence in Reverse Logistics' at the 9th Edition Manufacturing Supply Chain Awards Event.



In the backdrop of an increasingly competitive market, disruptions in different sectors, and existing and predicted economic challenges, it has become vital for a company to draw up a narrative that shows its ability to sustain the growth momentum. It helps the shareholder gain an insight into the organisation to decide on his investments – a review titled **Management Discussion & Analysis.**

World Economy: Performance & Prospects

The global economy continued to slide in 2019 and was eventually pushed to the edge by a host of factors like a sharp slowdown in manufacturing activity, a steep plunge in demand for capital goods, and volatility in global trade triggered by higher tariffs and trade policy uncertainties.

These factors were added to a sustained contraction in automotive industry that led to large-scale unemployment across

markets. An intensifying social unrest in many countries and several weather-related disasters too contributed greatly to the downturn.

The woes have been so strong that in 2019 the world economy recorded its lowest growth of 2.9% in a decade. This dragged the core inflation further down across advanced economies and below historical averages in emerging markets and developing economies.

As the world stepped into a new year, it encountered its worst nightmare in history. As on 1st July 2020, the Covid-19 pandemic claimed more than 5 lakh lives and the count kept rising with little sign of abatement.

The world economy suffered irreversible damage because of the containment measures like lockdown that kept more than 60% of the global populace indoors for days, stopping all business activities.

The fast plunge in global economic outlook and a breakdown of the OPEC+ (the Organization of Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) agreement among oil suppliers weighed heavily on commodity prices. From mid-January to end-March, base metal prices fell about 15%, natural gas prices slumped 38%, and crude oil dropped about 65%.

The financial market sentiment



deteriorated since mid-February 2020 when the Corona virus outbreak began taking a scary magnitude. Financial conditions in advanced as well as emerging market economies turned significantly tight with drastic selloff in equity markets, significant widening of high-yield corporate and emerging market sovereign spreads, and reversal of portfolio flow to emerging market funds particularly in case of hard currency bonds and equities. Signs of dollar funding shortages have emerged amid general rebalancing of portfolios toward cash and safe assets. Currencies that had depreciated significantly in the early part of 2020 appreciated with time.

The steep decline in activity has

come with a catastrophic hit to the global labor market with companies being forced to cut down on workforce. Low-skilled workers have been hit hardest.

Outlook: The health crisis has had a severe impact on the global economic activity. Global lending agency IMF anticipates a steep recession and a slow recovery. As a result of the pandemic, the global economy is projected to contract sharply by -4.9% in 2020, much worse than what it was during the 2008-09 financial crisis.

The crisis has paved way for an external demand shock, tightening of global financial conditions and a continued slump in commodity prices.

The downward revision to growth prospects for emerging markets and developing economies over 2020-21 (2.8 percentage points) exceeds the revision for advanced economies (1.8 percentage points). The GDP of emerging and developing Asia is expected to contract by 0.8%.

Indian Economy: Performance & Prospects

The Indian economy slowed down in sync with the global economic turmoil to its lowest pace of growth in a decade at 4.2% in 2019-20 from 6.1% a year before.

On the output front, agriculture (3.7% growth) and mining (3.1% growth) seemed to have held forts, while on the expenditure front, government spending perhaps saved the day for the economy. Manufacturing and gross fixed capital formation stayed extremely disappointing. The three components of demand fell sharply during the year – consumption demand kept sliding to a historic low, while investments and exports stayed in the negative territory.

Keeping the agri sector performance in perspective, the 3.7% growth at current price level translates to an 11.3% growth, which is 60% more than the rate of growth for the non-agri sector. Industrial output for fiscal 2019-20 contracted 0.7% compared with a growth rate of 3.8% in 2018-19.

The government's tax revenue remained subdued throughout the financial year as the economy slowed. Total receipts stood at ₹17.5 lakh crore, about 10% short of the budgeted ₹19.31 lakh crore. On the other hand, expenditure for FY20 reached ₹26.86 lakh crore or 99.5% of the target.

With a considerable revenue shortfall and limited expenditure compression, the government's fiscal deficit overshot its revised estimates by a massive ₹170,000 crore, taking the deficit for FY2020 to 4.6% of GDP as against a revised estimate of 3.8%.

India's Foreign direct investment (FDI) receipts grew by 13% to a record \$49.97 billion in 2019-20 – up from \$44.36 a year ago – perhaps because of India's consistent upward move in the World Bank's 'Ease of Doing Business' ranking. India jumped 14 places to stand at 63rd position on the index.

According to the Department for Promotion of Industry and

Internal Trade (DPIIT), services sector attracted foreign inflow of \$7.85 billion in 2019-20, computer software and hardware received \$7.67 billion, telecommunications \$4.44 billion, trading \$4.57 billion, automobile \$2.82 billion and construction \$2 billion.

India continued to make steady progress in GST collections. Between November 2019 and February 2020, GST collections surpassed the ₹1-lakh-crore mark. In March 2020 though it slipped below this benchmark. For, 2019-20, GST for domestic transaction grew 8% over the revenues during last year. GST from import on goods reduced by 8% over the last year. Overall, the

While the first green shoots were seen in some sectors of the economy, the Covid-19 pandemic made the dreaded onslaught on India. Although the authorities declared a lockdown only in the last week of March, the adverse impact was experienced by business enterprises across the board, in particular those with a global presence. India's GDP growth rate slowed down to 3.1% in the fourth quarter of 2019-20 with the Corona virus further ailing the consumer demand and private investments in the March quarter.

The Covid-19 outbreak ran riots on the teetering economy, leading to large-scale loss of

gross GST revenues grew at 4% over the year-ago period.

employment. In April 2020, India's manufacturing and services activities recorded the sharpest contraction among the world's top 10 economies. The agriculture sector functioned with lesser hitches as there has been no shortage of food grains, vegetables and dairy products. A part of services sector remained agile and alive, especially the BFSI and the Telecom and IT sectors, as the work-from-home culture became the only means of keeping commerce alive.

But that's not the end of the road. Built over a strong foundation and seasoned by several crises, the Indian economy has gathered enough strength to rebound. Experts believe that that while the economic damage of the pandemic has so far been deep and far-reaching in India, there is hope that the economic activities will spike once the Covid restrictions are eased.

The lead-acid battery sector

The lead-acid battery industry has been in existence for more than 150 years, but the ubiquitous technology displays remarkable traction even today.

With a proven arrangement for reliable and low-cost energy storage, lead-acid battery plays an important role in our day-to-day life.

Growth in the lead-acid battery market is led by increasing industrialization and urbanization, rising inclination towards green energy sources. There has been significant technological advancements to push the performance boundaries of lead acid batteries enabling their deployment in new and merging application

segments. While lithium ion batteries have built a remarkable presence in EVs and grid scale energy storage application, lead-acid batteries continue to stay ahead in terms of production costs, adoption and recycling – lead-acid batteries are 99% recyclable – making them the biggest contender for affordable energy storage solutions.

The Indian Lead acid battery market is about \$5bn in FY20 and is likely to de-grow in FY21 due to Covid19 impact. While the post COVID19 market rebound in after market segment is expected to be sharp, the OE de-growth over last several quarters will have a dampening impact in the medium term. The 5 year CAGR upto FY25 is expected

to be in the range of 5-7% largely determined by the speed and scale of auto OE recovery.

With developments in the packaging of batteries and their construction, the durability and storage capacities of lead-acid batteries have improved considerably, presenting opportunities in few other emerging sectors like renewable energy.

India is planning to diversify its energy sources in addition to its target of providing 24x7 electricity to every citizen by making large increments in renewable energy generation capacities. This is estimated to be a significant driver for the lead-acid battery market.

Stationary lead-acid batteries are

more efficient in storage of energy obtained from renewable sources like wind and solar and are more suitable installations in offshore and onshore platforms to store, supply and direct electric power as per requirements.

The sectoral structure

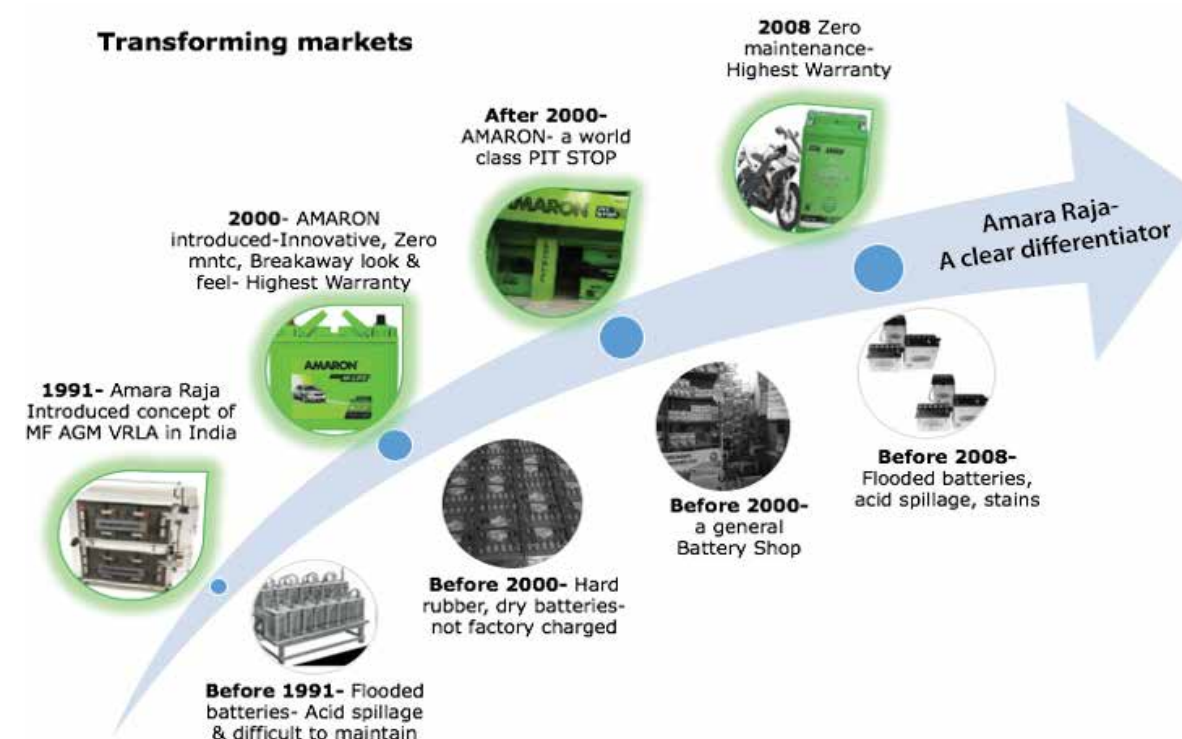
The Indian lead-acid battery industry is split equally between the automotive segment and the non-automotive segment. The industry is divided into three segments: (a) Organized segment – controlled by five manufacturers, (b) SME

segment and (c) SSI segment. Given the high share of replacement demand for sectors like automotive, home inverter, UPS and traction, the share of unorganized/semi-organized players is high. To beat the increasing competition, the organized players are promoting more and more entry-level brands at competitive pricing and shorter warranty periods and are expanding their distribution network in the semi-urban and rural markets. This should help raise their share in the overall battery market.

"In a recent study, Future Market Insights reported that Global Lead Acid Battery market is pegged to surpass a value pool of \$116.6bn by 2030. The report claims that stationary energy storage has enormous near-term potential. Businesses such as battery manufacturers, grid operators are set to establish collaborative relationships with solar power developers and energy service companies."

Amara Raja – transforming the Indian battery market for nearly 3 decades

Transforming markets



Business Operations

Amara Raja Batteries Limited is the technology leader and one of the largest manufacturers of lead-acid batteries for both industrial and automotive applications in the Indian storage battery industry.

The Company is a leading manufacturer of automotive batteries and home UPS/ Inverter batteries under the brands Amaron® and PowerZone™, which are distributed through pan-India sales & service retail network.

Amara Raja supplies automotive batteries under OE relationships to Ford India, Honda, Hyundai, Mahindra & Mahindra, Maruti Suzuki, Ashok Leyland, Tata Motors, Honda Motorcycles & Scooters India Private Ltd, Royal Enfield, Bajaj Auto Ltd among others. The Company

is also the leading private label supplier for prominent brands. In India, Amara Raja is the preferred supplier to major telecom service providers, telecom equipment manufacturers, the UPS sector (OEM & Replacement), Indian Railways and to the Power, Oil & Gas, Motive among other industry segments. Amara Raja's Industrial Battery Division comprises of brands such as PowerStack®, Amaron Volt®, Amaron Sleek®, Amaron Brute®, Amaron Solar and Amaron Quanta®. The Company's products are exported to most of the countries in the Indian Ocean Rim.

The Automotive Battery division



Construction progress of third automotive battery plant at Nunegundlapalli Village, Chittoor District.

Meet Amaron, the flagship Amara Raja offerings that have transformed the automotive battery space in India.

The Tirupati and Chittoor manufacturing facilities are benchmarked to the ISO/IATF 16949, ISO 14001, OHSAS 18001 and EnMS 50001 standards.

The iconic Amaron and PowerZone range finds application in passenger vehicles, commercial vehicles, tractors, three-wheelers and two-wheelers and caters to OEs and the aftermarket segments. The automotive battery division also produces home UPS batteries.

Over the years, Amara Raja has set up an entrenched distribution network comprising 30,000-plus Amaron and PowerZone retailers for a pan-India reach. This distribution edge has helped the Company sustain its competitive dominance in the aftermarket segment.

Our progress in 2019-20

For Amara Raja, 2019-20 was

an exciting year. Despite the continued deceleration in the automotive sector, the team put up a healthy show. Although sales volumes to OEs declined, the aftermarket segment grew, not only compensating the loss in the OE segment, but also ensuring overall growth of the business. The standout feature for the year was a host of approvals it secured that are potent to accelerate growth.

OE market: The team widened its OE customer base in 2019-20.

- Secured approvals from two large two-wheeler OEs operating in India.
- Firmed up business share with a fast-growing two-wheeler major.
- Received two awards from India's largest passenger manufacturer for people practices and vendor quality system.

- Bagged contract from leading OEs for their recent launches as well as for the upgraded versions of existing models to be launched shortly.

These achievements will help Amaron firm up its connect with OE players and grow its aftermarket volumes subsequently.

Private label: The team expanded its private label business by adding good customers to this revenue vertical, which will translate into increased volumes.

- Secured a sales and marketing license from an MNC operating in India.
- Became a preferred supplier to major STUs in India.

Aftermarket: The Company strengthened its aftermarket presence by beefing up its distribution network that led to additional volumes. A host of initiatives were launched to entrench its presence in the Indian markets.

- Conducted the Franchisee Customer Executive (FACE) Training Program across the country. About 925 participants from sales and service were benefitted.
- Strengthened the warranty

replenishment process to channel partners for quick turnout of claim settlements.

Li-ion: The team continued its efforts to expand the market place with its lithium-ion packs, which was launched in 2018-19. While a number of customers accepted the product for undertaking field trials, some placed direct orders for the product. This will give the Company rich insight into the product, its application, its challenges and the overall market opportunity, and also help explore opportunities to backward integrate in the same business space.

HUPS: The team took its home UPS batteries to the power-deficient pockets of India and the effort led to a higher sales volume.

International market: In the international markets, the Company's products gained traction in a number of geographies, resulting in an increase in export volumes. It emerged as the largest automotive battery exporter in India and was awarded as the 'Largest Exporter' by the Export Promotion council in the Electrical category. Amaron has emerged as the fastest growing brand in the ASEAN and the Middle East markets.

With an eye on mid-term, the Company continued to seed its presence across geographies and

raise its market share in select areas.

- Opened two Pitstops, taking the tally of international Pitstop count to 15.
- Introduced PowerZone and JPC (brand owned by Nissan).
- Launched Amaron in new countries.
- Launched EFB range of batteries in the markets.
- Continued programs like service training, dealer meets and plant visits.

At the facilities: Our operations team worked toward improving internal efficiency to raise man-machine productivity, better product performance and enhance customer experience.

In 2019-20, the team identified ways to improve plant operations. Besides automation solutions, it implemented more than 100 projects under various initiatives such as like TPM, Lean Six Sigma, 5S, Suggestion Scheme and Energy Management Projects. These initiatives led to higher productivity, lower scrap generation, improved product quality, lower energy consumption and cost optimisation. The saved cost was ploughed back into the system for technology upgrade.

The team introduced the automated guided vehicle solution at one of its units in the formation area. It improved people productivity

and reduced the area required for formation operations. It would be replicated to other operating units as well.

We collaborated with machine suppliers to make innovative modifications in pasting. This significantly improved productivity of machines.

On the safety front, we nearly doubled our capacity of the Dust and Fume Collection System to cut down on air pollution. The team aligned the operations with the global POKAYOKE tool – a mistake proofing mechanism – to make the working environment safer and healthier. It also incorporated engineering control in critical machines to ward off accidents.

During the year under review, the Company invested heavily in augmenting capacities.

- A third unit at its Chittoor facility for manufacturing batteries for passenger cars will go on stream by the end of 2020-21.
- It added more lines at its two-wheeler battery plant for serving the demand from OE alliances forged in 2019-20.
- A capacity enhancement project has been launched at its tubular battery unit to meet the demand for home UPS applications.



Recognition in 2019-20

- Received two awards from Maruti Suzuki Limited for people practices and vendor quality system.
- Received the 5S Sustenance Award for two plants under the Automotive Battery division.
- Received the Total Productive Maintenance Award from JIPM, Japan for two manufacturing facilities.

Our prospects Automotive sector

The last 15 months have been somewhat of a nightmare of sorts for the Indian automotive industry. The industry, one of the key employment generators and a significant contributor to the economic progress, witnessed its worst slowdown in 2019-20 with domestic sales plunging nearly 18%.

The Society of Indian Automobile Manufacturers (SIAM) showed that the cumulative sale of domestic passenger vehicles, commercial vehicles, three-wheelers and two-wheelers sales stood at 21.55 million units in 2019-20 as against 26.27 million units a year ago.

Exports provided marginal relief with a meagre growth of 2.9%. Overall exports in the fiscal stood at 4.77 million units as against 4.63 million units from FY2018-19.

Why did the automotive sector continue to slide?

The decline in the automotive sector is a fallout of multiple events coming up close on the heels of one another, impacting customer confidence. The factors behind the decline can be summed up as:

- Cost of vehicle ownership went up largely because of an increase in fuel prices, higher interest rates and a hike in vehicle insurance costs.
- The NBFC crisis resulted in a severe liquidity crunch, almost drying up credit for dealers and customers.
- Customers postponed purchase of vehicles for the onset of the Bharat Stage (BS)-VI emission standard vehicles.
- The new axle load norms on the commercial vehicle industry will

also bring down gross vehicle weights in India at par with that of other markets.

A reputed research house said the slowdown in the sector is very different from those the industry experienced earlier. The slowdown needs government intervention to correct itself.

Several auto makers, however, have expressed their intention to invest in India's automotive industry. Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- Force Motors planned to invest ₹600 crore (\$85.85 million) to develop two models over the next two years.
- Morris Garages (MG), a British automobile brand, announced plans to invest ₹3,000 crore (\$429.25 million) more.

March Mayhem

CATEGORY	MAR 2019	MAR 2020	% CHANGE	FY19	FY20	% CHANGE
Passenger Vehicles	291,861	143,014	-51	3,377,389	2,775,679	-17.82
Commercial Vehicles	109,002	13,027	-88.05	1,007,311	717,688	-28.75
Three-wheelers	66,274	27,608	-58.34	701,005	636,569	-9.19
Two-wheelers	1,440,593	866,849	-39.83	21,179,847	17,417,616	-17.76
ALL	1,908,097	1,050,367	-44.95	26,266,179	21,548,494	-17.96

Domestic sales only || Source : Society of Indian Automobile Manufacturers (SIAM)

BCCL

- Audi India plans to launch nine new models, including sedans and SUVs along with futuristic e-tron electric vehicle (EV) from 2019 onwards.
- MG Motor India to launch MG ZS EV electric SUV in early 2020 and plans to launch affordable EV in the next 3-4 years.
- Hyundai plans to invest \$1 billion by 2020.
- SAIC Motor has announced to invest \$310 million.
- Mercedes Benz has increased the manufacturing capacity of its Chakan Plant to 20,000 units per year, highest for any luxury car manufacturing in India.

2) Passenger vehicles

India was the favourite destination of multinational car manufacturers before the slowdown. The annual sales of passenger vehicles were increasing consistently through the last five years. India was expected to overtake Japan and Germany and emerge as the third-largest global car market after the US and China. But the slowdown in the automobile sector has changed the scenario. The downslide for this segment started in July 2018 and continued ever since.

Sales of passenger vehicles, comprising cars, utility vehicles and vans, suffered a 17.8% degrowth vis-à-vis the 2018-19 sales. According to SIAM, cumulative PV sales in 2019-20 stood at 2,775,679 units, dipping below the 3-million-unit mark for

the first time since 2016-17. While passenger car volumes slipped over 23%, utility vehicle sales grew by 0.48% on the back of by launches like the Kia Seltos and MG Hector.

Worryingly, 2019-20 sales were also down on 2015-16 sales figures, reflecting a 5-year low. While the buyer sentiment has been low since the beginning of 2018-19, the switch to BS-VI emission norms on April 1, 2020 brought its own set of complications which hampered sales significantly.

The Covid-19 pandemic and the related lockdowns at the tail-end of 2019-20 only compounded the grave situation. March, traditionally a month of strong demand, saw sales nosedive 51% from the same period a year ago.

Going forward: The prospects for the current year, in terms of new vehicle sales, do not appear encouraging owing to the fast spreading pandemic and the extended lockdowns imposed to contain this disease. The resultant job losses, enterprise shutdowns and salary cuts have significantly tarnished customer confidence. As such discretionary expenses, which also covers purchase of a passenger vehicle, will be sent to the backburner for some time. It is expected that green shoots of demand growth should emerge towards the later half of the current financial year.

Aftermarket: In India, about 2.5–3

million vehicles are sold every year over the last 4-5 years. This provides a large and growing aftermarket opportunity for batteries. In addition to being a large market, it is a lucrative space for the following reasons:

- B2C nature of business
- Better pricing power with diffused customer base
- Demand for higher quality and performance

With cities getting increasingly congested, growing vehicle population and the government imposing emission norms, the start-stop-start action of vehicles is expected to increase which will strengthen the demand for quality batteries in the aftermarket segment. India is the fifth largest car market in the world. India's continuous rise in the league will strengthen the aftermarket segment battery demand over the medium term.

In the immediate near-term, battery makers could witness replacement demand driven by an upsurge in the aftermarket demand for replacement of old and discharged batteries.

3) Two-wheelers

The shaky macro-economic environment in the country saw two-wheeler volumes falling by 17.76% from 21.18 million units in 2018-19 to 17.42 million in 2019-20. Exports provided a silver lining to the prevailing gloom growing by more than 7% over the previous year.

Recovery in markets such as Africa, Latin America, Central America, Africa and Southeast Asia has helped Indian two-wheeler companies to expand their presence further and increase their export volumes.

The domestic electric two-wheeler segment had a successful 2019-20. Electric two-wheeler sales in India in 2019-20 registered a growth of 20.6%, compared to the 2018-19 figures.

Going forward: Credible sources suggest that the two-wheeler market, in terms of new vehicle sales, will be faster on the rebound. This optimism is based on the presumption that the average Indian who hitherto used public or share transport for this daily movement would now, owing to safety and health compulsions due to the Covid-19 pandemic, shift to a two-wheeler. Low interest rates could lure him into making the shift.

Aftermarket: India is one of the largest two-wheeler market in the world, adding more than 15 million vehicles annually to the wheels-on-the-street inventory for the last 3-4 years. Between 2012 and 2018, over 124 million bikes were sold in the country, creating a huge aftermarket opportunity.

Further regulatory requirements have only enhanced the aftermarket opportunity for quality batteries:

- In April 2017, the government mandated the use of AHO (Automatic Headlight On) in two-wheelers. The government has also mandated ABS braking system in all new > 125 cc two-wheelers

in April 2018. Both AHO and ABS would result in higher consumption of battery power, reducing the battery life, which would eventually result in higher battery sales in the replacement market.

- Increasing penetration of advanced digital speedometers in two-wheelers boosts demand for automotive batteries in the replacement market.

Also, new variants introduced by two-wheeler OEs are based on battery-based ignition (akin to passenger vehicles). This has graduated batteries from an important part to a critical requirement.

4) E-mobility

The Union government is trying to encourage the adoption of electric mobility to reduce the dependence on crude oil imports and bring down pollution across cities. With its cleaner carbon footprint and reduced localised pollution, e-mobility can serve as a solution.

Though the Indian Government laid out a broad plan in 2013 with the 'National Electric Mobility Mission Plan (NEMMP) 2020', e-mobility has seen better traction in the recent times with the Phase 2 of the FAME (Faster Adoption and Manufacturing of Hybrid and Electric vehicles) rolled out on 1st April 2019. The second phase aims at boosting electric mobility and increasing the number of electric vehicles in commercial fleets. This includes buses using EV technology, electric, plug-in hybrid, and strong hybrid four-wheelers

as well as electric three-wheelers including e-rickshaws and electric two-wheelers. It also focuses on the establishment of charging infrastructure across multiple cities.

5) E-rickshaws

The Indian electric rickshaw market has witnessed significant growth in recently, owing to rising environmental awareness, government incentives and implementation of stringent regulations to curb environmental degradation.

Analysing the dominance of electric rickshaws, which cover 80% of the EV market in India, Frost and Sullivan has said in a recent report that e-rickshaws in India will grow to 1 million units by FY2025 from 0.4 million in FY2019. Around 72% of the electric rickshaws plying on Indian roads providing last mile mobility solutions to in Tier II and III cities, are 0-2 years old and approximately 98% of them are powered by lead acid batteries. It presents an interesting opportunity for us.

By 2040, more than half of all new car sales in the world and a third of the planet's automobile fleet -- equal to 559 million vehicles -- will be electric, according to a global outlook published by Bloomberg New Energy Finance (BNEF). It expects EVs to comprise about 7% of vehicle sales in India by 2030 and 27% in 2040.

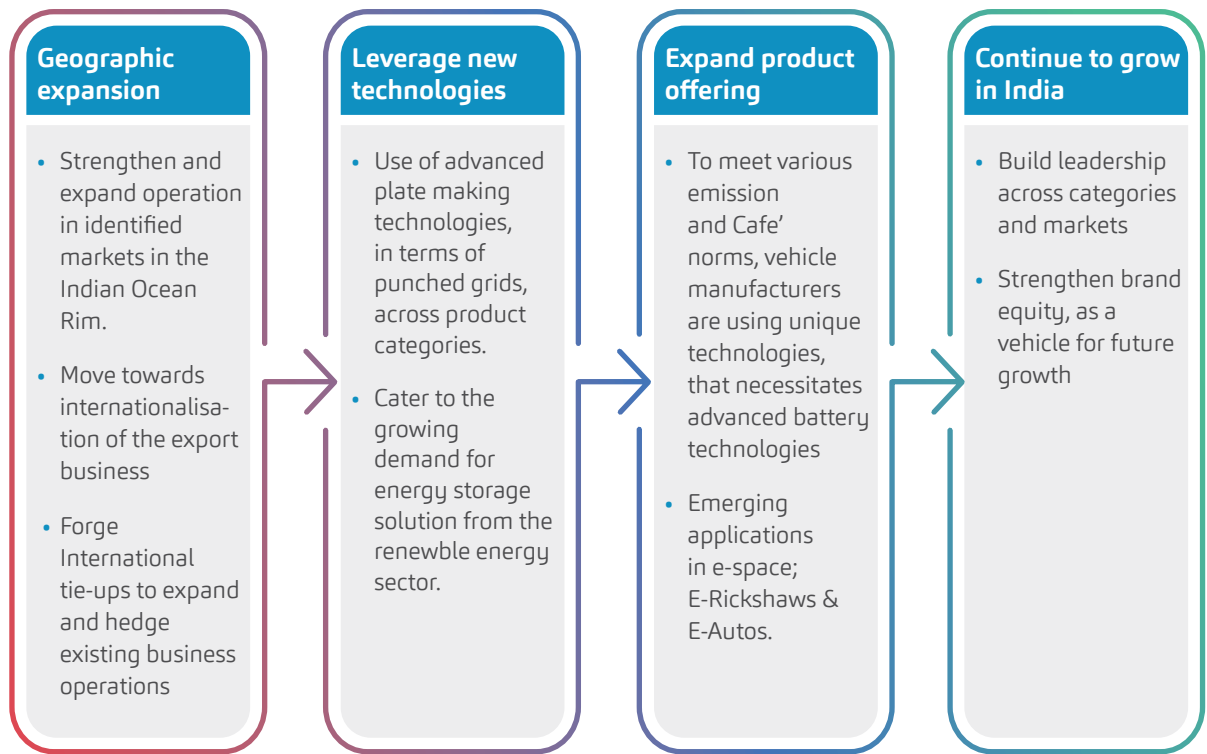
Business strategy

The automotive battery business has developed preferred brands like Amaron and PowerZone. Both the brands have garnered significant

market share and continue to acquire more. The brands operate in market segments of automotive, two-wheeler and inverter batteries.

The automotive battery business

has drawn up a roadmap designed to sustain its growth momentum over the medium term. It covers geographic expansion, new products and applications, and new technologies and processes.



Progress agenda for 2020-21

Although the slump in the automotive market is likely to continue this year, leading to a reduced OE demand, the Company will use this period to prepare itself for a resurgence when the tide and economic winds turn favourable.

In the interim, the automotive

battery team would continue to improve its prospects in all its verticals. While the projects team would focus on commissioning new capacities in all products – four-wheeler batteries, two-wheeler batteries and tubular batteries – the business development team would sharpen its expertise on identifying and capitalising on growth

opportunities, both in India and in the global markets.

Improving internal efficiencies and introducing automation solutions will continue to be a high-priority area for the team. Having received the TPM award for one operating plant, the team plans to replicate this success in other units too.

Industrial Battery Division

One of the largest global installation of Lead Acid based Energy Storage Solution powering a university campus in Africa...

The Industrial Battery Division powers telecom equipment, UPS, railways and solar and motive power sectors. Amara Raja's world-class facilities located at Tirupati and Chittoor, benchmarked to the ISO 9001, ISO 14001, BS OHSAS 18001 and EnMS 5001 standards, manufacture batteries ranging from 7 Ah to 6,000 Ah capacity.

The Company largely handles the business on B2B basis to serve customers like telecom operators, tower companies, UPS OEMs, power utilities and solar integrators. The Company has a strong distribution network covering 130 AQUA channel partners across the nation to serve the replacement markets of UPS batteries. The sales team is aptly supported by a network of 120 SWEAR service partners in addition to its own personnel.

The Company brand's Amaron Quanta®, Amaron Volt®, Amaron Sleek®, Amaron Brute®, Amaron Solar and Power Stack® are well recognised and accepted by the customers both in domestic and international segments.

Our progress in 2019-20

The Company performed well during the year despite subdued growth in some of the customer segments. It could have been even better if the Covid-19 pandemic hadn't affected the year-end closing sales in March 2020.

In the market place: The slowdown in battery demand continued in **the telecom sector** for the third consecutive year. Despite this, the division performed well and increased its market share. Some of the considerable achievements of the Company in the telecom sector during the year were:

- Regained dominance in battery supply to India's largest tower company.
- Commercialised the Fixed Energy Cost Model (FCM) by managing more than 500 sites for a leading telecom operator.
- Improved SLAs (99.998% uptime) in site operations and maintenance services, leading to customer satisfaction and preference.
- Bagged the first order of single-site installation of 500 KWh for LiB solution for the switching center of a major telecom operator.

In the **UPS sector**, the Company's performance was particularly heartening with the strengthening of credentials at major UPS OEMs and in the fast-growing data center segment. Its growth exceeded the industry average, increasing the market share.

The High Wattage variant in Amaron Quanta developed three years back for data center applications emerged as the most-preferred battery among major customers.

The growth in data centers, IT&ITeS and government initiatives to push local manufacturing has fueled demand for batteries driving the product vertical to register a double-digit growth, some of the most significant achievements of the Company in the segment during the year were:

- Consolidated its position as the most preferred battery supplier for UPS applications.
- Expanded the distribution network by adding 10 AQUA partners across India.
- Expanded the product range with the competitive range of SVRLA batteries and superior performance tubular batteries.
- Strengthened preferred supplier status with all major UPS OEMs in India.

In the **Solar and energy storage** solution space, the Company launched long-warranty variants of Amaron Solar Tubular and VRLA series. The product basket now covers the complete range of 2 Volt & 12 Volt VRLA and tubular range of batteries to suit all applications in renewable energy space. This will widen the Company's prospects with the rise in green energy.



"....harnessing Solar energy"

The Amaron Brute Hi Life Batteries became the preferred choice among Indian fleet rental companies in the **Forklift truck market**, which is skewed towards electric vehicles in India.

In the **Railways**, the Company further strengthened its market share in VRLA battery supplies for various applications to the Indian Railways, aided by 100% conversion of train lighting applications to VRLA.

The Company also became part of the prestigious NFS project for the supply of VRLA batteries in building a robust communication network covering 342 sites for **the defense segment**. This has been one of the largest projects in developing exclusive communication network for the defense sector.

Amara Raja aggressively pursued opportunities in key **international markets** and made significant inroads by.

- Launching commercial operations at its first overseas

warehousing facility at Sharjah, UAE, through a subsidiary.

- Strengthening distribution business by expanding network across Africa, the Middle East and the Asia-Pacific regions.
- Initiating supplies to UPS OEMs for their regional requirements in the Middle East, Africa and the Asia-Pacific.
- Retaining preferred brand position for Amaron Quanta in Nigeria for UPS and HUPS applications.

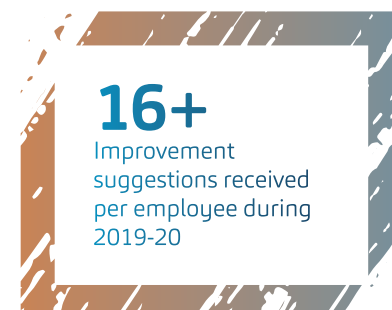
In the **international energy storage market place**, the division supplied and commissioned the world's largest lead acid Energy Storage System with a cumulative installed capacity of 37.83 MWh at three locations of Africa, powering entire university campuses through solar and battery.

On the services front: The Company undertook important process and system improvements in its after-sales customer support, which include:

- Upgraded infrastructure and improved processes to further reduce the turnaround time taken in resolving issues – living up to its credo, 'Gotta be a better Way'.
- Installed 22 Battery Revival Centers across the country to reduce the time taken to respond to site complaints resulting in a significant improvement in customer satisfaction.
- Strengthened support at the in-house call center facility for speedy response.
- Located residential engineers and established stock points in remote areas to serve customers.

At the facilities: In the manufacturing facilities at Chittoor and Tirupati, the Company worked relentlessly on improving efficiencies, product quality and optimizing the cost structure. Some of the important improvements implemented include:

- Improved productivity at the formation area of the MVRLA plant by redesigning the water tubs.
- Installed an automation solution at the packing and finishing area of the MVRLA unit. This solution will be horizontally deployed across all the plants.



The Company sustained its efforts toward energy efficiency, productivity improvement and waste reduction, leveraging global concepts like TPM, Lean Six Sigma, 5S, Quality Circle Projects, Suggestion Scheme and Energy Management Projects.

In addition to significant cost savings, these projects are an important employee engagement tool that continued to bind the workforce into a cohesive team.

Our prospects

Batteries for telecom sector

India's telecom sector, which has been grappling with huge debts and massive regulatory headwinds for the past few years, has received investments of more than ₹1.42 lakh crore in the last six months. All the four mobile operators have received some form of funding, which indicates that the investor confidence has not waned out.

More than 50% of the Indian market is still not connected by data services. Those who have access to the internet, are consuming data like never before. The Covid-19 pandemic and the consequent

lockdown gave a new lease of life to the industry with a massive surge in data usage. Millions were able to buy essential commodities, make financial transactions, watch movies, catch up with news, and work from home only because of reliable telecom networks.

Telecom networks are clearly at the heart of Amara Raja's digital future. While most sectors are saddled by terrible slump in business, telecom is slated to grow by 15-20% even in the midst of the economic slowdown. As data usage skyrockets, focus to improve rural coverage and launch of 5G can increase the power requirement at towers.

Batteries for UPS applications

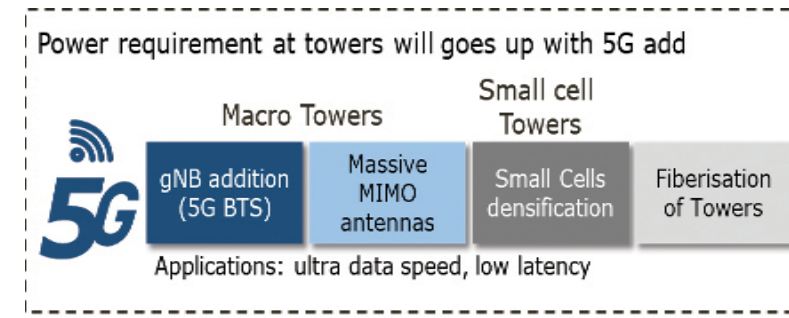
India's UPS market size is around \$1 billion and it is expected to continue growing because of the digital transformation sweeping through the country.

Data Centers: A move toward a connected, inclusive digital economy means more and more data is being generated across various platforms as well as accessed by more people using mobile technology. Data centers

have started making big strides with the spurt in data consumption. The cloud computing and edge data center technologies are increasingly being adopted across businesses as well as consumers adding to the demand for batteries.

Mobile telephony: Improved device penetration, affordable data tariff plans and increased data-intensive content such as videos are driving the growth of mobile telephony in India. Mobile data traffic is growing as more Indians spend time streaming videos, which is expected to account for 75% of the overall mobile traffic by 2024. Estimates suggest that the total mobile data traffic per month will record a CAGR of 23% from 4.6 exabytes in 2018 to 16 exabytes in 2024.

India's IT industry contributed around 7.7% to the country's GDP and is expected to contribute 10% to the GDP by 2025.



Recognition in 2019-20
Received the 5S Sustenance Award for two plants under the Industrial Battery division



"When you upload photos to Facebook, send photos on WhatsApp, back up your phone to 'the cloud', send an email through Gmail, or save a document in a storage application like Dropbox or Google Drive, your data is being saved in a data center. These data centers are airplane hangar-sized warehouses, packed to the brim with racks of servers and cooling mechanisms. Depending on the application you are using you are likely to hit one of Facebook's, Google's, Amazon's or Microsoft's data centers. Besides those major players, which we will call the 'hyperscalers', many other companies run their own data centers or rent space from a colocation center to house their server racks".

"According to a study in 2018, the all data centers across the world together consumed 205 terawatt-hours of electricity, that is about 1% of all electricity consumed globally. This is expected to grow to 8% of the world's electricity consumption by 2030."

The data center market today in India has 8.2 million sq ft built-up area with a capacity of 350 MW and it is poised to double quickly with revenues growing 3 times in the same period. Demand drivers like 573 million mobile data users, exploding data usage (28 times in 2014 -2018), drive for data localization and 5G will boost data storage needs further.

Source: <https://www.datacenterknowledge.com>, JLL report and Wikipedia

The **government** initiative to computerize its various departments coupled with the National e-Governance Plan is expected to boost the demand for low-end UPS systems. Infrastructure push on Airport expansions, Metro Rail, smart cities, and banking, financial services and insurance (BFSI) are adding fuel to the UPS business growth in India.

Manufacturing Sector: with increased impetus to local manufacturing and intensifying focus on pharma, chemical and food processing sectors, India is expected to rank among the top three growth economies and manufacturing destinations of the world.

Batteries for Solar and Energy Storage Sector

The government's earlier RE targets of 175GW which was further enhanced to 450 GW by 2030 as

announced by the Hon'ble Prime Minister will significantly drive the demand for energy storage systems in India.

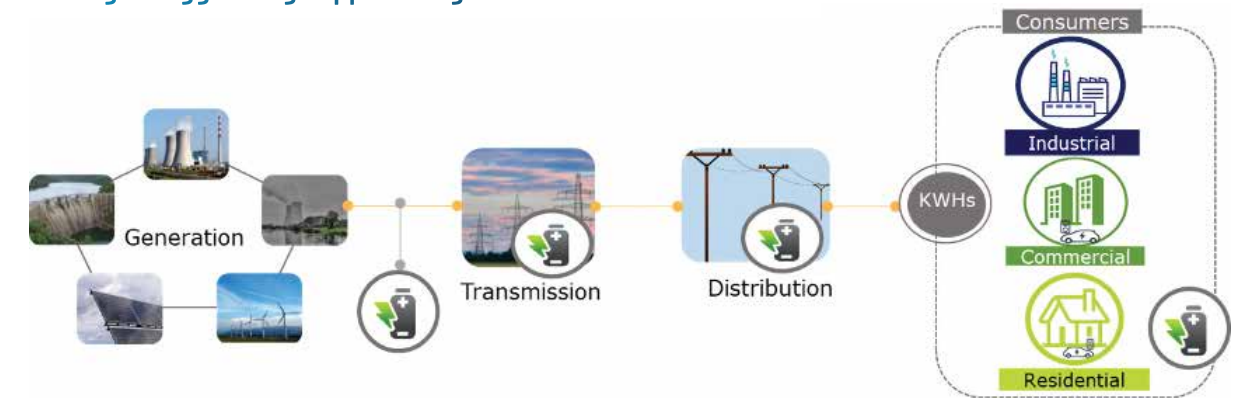
Other drivers like one of the lowest RE tariffs in the world, reforms in power tariffs, Renewable Purchase Obligations (RPO), solar parks and mini grids promise a significant jump in demand for battery energy storage.

Increased renewable component in overall energy generation mix of India necessitates the need for frequency stabilization and also handle peak demand in morning and evening hours, driving the need for energy storage. The recent changes in the tender specifications call for peak shaving (2 to 4 hours of back up) in addition to grid stabilization (15 minutes backup) also will drive for bigger energy storage needs.

Behind the meter requirement of energy storage at residential, commercial and industrial locations is expected to witness faster adoption with the likely introduction of differential tariffs will further drive growth in the energy storage needs.

The data center outsourcing market in India, pegged at \$2 billion, is projected to record 25% CAGR to reach \$5 billion by 2023-24.

Battery Energy Storage opportunity



Batteries for motive power

Unlike developed economies, the usage of Fork Lifts/Pallet Trucks in India has been limited owing to traditional practice of usage of labor for goods movement as well as very little adoption of palletization.

However, things are changing, driven by increased labor cost, mechanization of processes and more and more adoption of vertical rise in storage boosting the need for Fork Lifts and Pallet Trucks.

The motive power battery is driven by the needs of the manufacturing sector, warehousing/e-commerce and preference for electric vehicles over their diesel variants specifically in segments like pharma and food processing.

The adoption of electric vehicles for forklift will continue to grow with more and more conversion of diesel vehicles to electric vehicles, adding to the battery requirements. Among most of the emerging regions of the world, the adoption of lift trucks

per million people is very low and it is significantly low in India at approximately 10 lift trucks per million as against 273 in China and 693 in North America. This certainly offers a huge legroom for growth in the Indian market.

Prospects in international markets

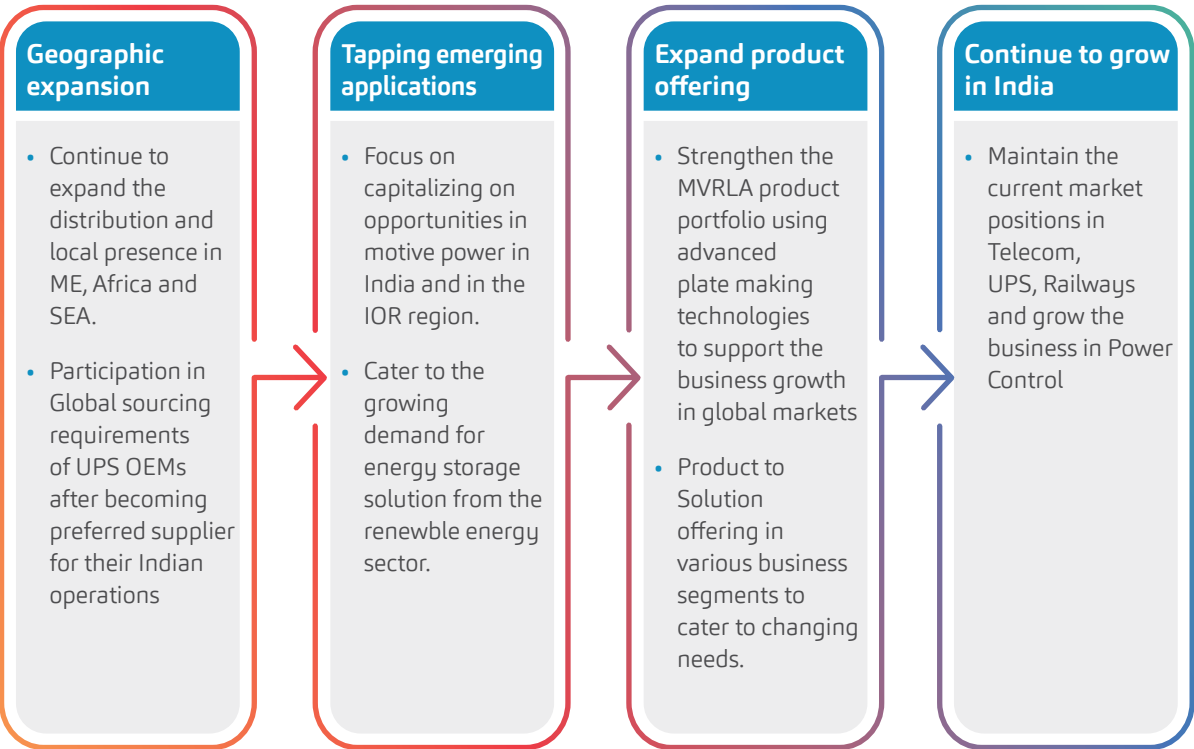
Increased preference for Indian engineering products in the global markets and rapid adoption of successful business models of India in segments like telecom (tower companies, fixed energy cost model) UPS (India as a manufacturing base for global markets) and the renewable energy storage are set to offer tremendous opportunities.

Close on the actions initiated by the Chinese government a few years back to ensure HSE measures in manufacturing and reduced play in global requirements of lead acid batteries, India has turned out to be a preferred destination for sourcing, apart from Vietnam. The undeniable

fact of India being a significantly large captive user of batteries has worked in its favor in rolling out technologically superior and cost-competitive batteries for global requirements.

Business strategy

Amara Raja industrial batteries continue to be the most preferred choice in industrial batteries and holds a high market share in all segments of business operations. While continuing to grow the business in India, the strategic roadmap of industrial battery business highlights geographic expansion, new applications, new processes and new technologies to emerge as a credible global supplier for energy storage products and services.



Progress agenda for 2020-21

Even as the Indian economy is expected to take time to heal the bruises inflicted by the global pandemic, some of the sectors for industrial batteries like telecom and data centers are expected to register a healthy growth this year. The Company looks forward to capitalise this emerging opportunities to ensure the growth momentum.

The Company will continue aggressively to pursue growth opportunities in telecom by offering complete solutions and providing more services to more towers.

The Company plans to increase

its reach further to consolidate its position as the most preferred battery for the data center industry in India, while continuing to track and tap the opportunities emerging out of the government's large stimulus package for reviving the economy in the post-Covid scenario.

Supported by the complete range of competitive products and aggressive market strategies, the division would like to strengthen its presence in the solar segment.

While Covid-19 continues to pose some restrictions to access the international customers, the division plans to pursue the opportunities aggressively for the targeted

regions by strengthening the teams and product portfolio. The focus continues to be on the markets in the Indian Ocean Rim – Africa, Middle East Asia and South East Asia.

Increasing efforts by global companies to de-risk their supply chains in view of the Covid-19 pandemic will lead to diversification of their sourcing origin, creating opportunities for Indian manufacturers, and the Company is pursuing these opportunities with a focused approach.

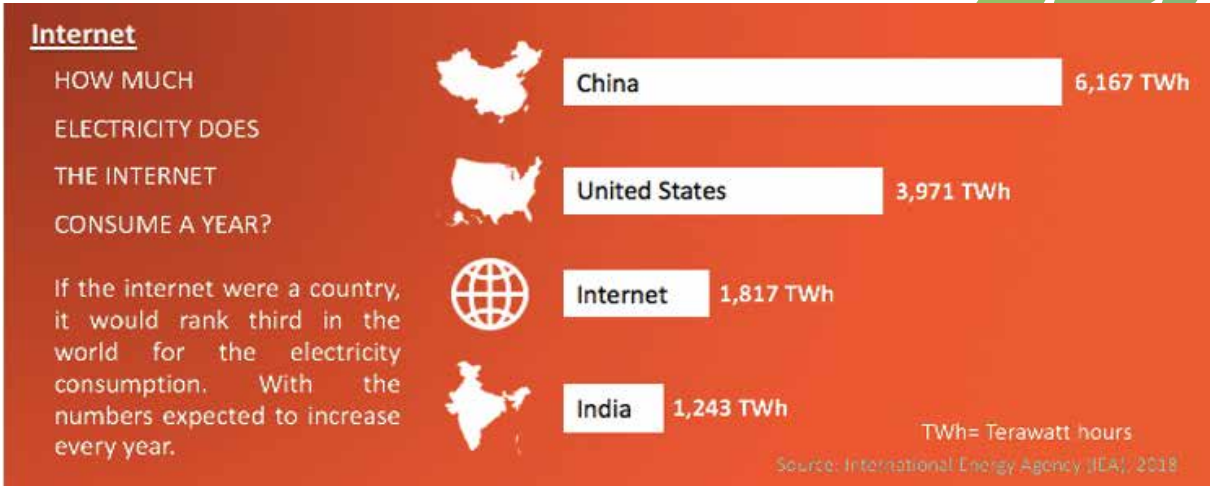
At the facilities

The Company would work concurrently to enhance product

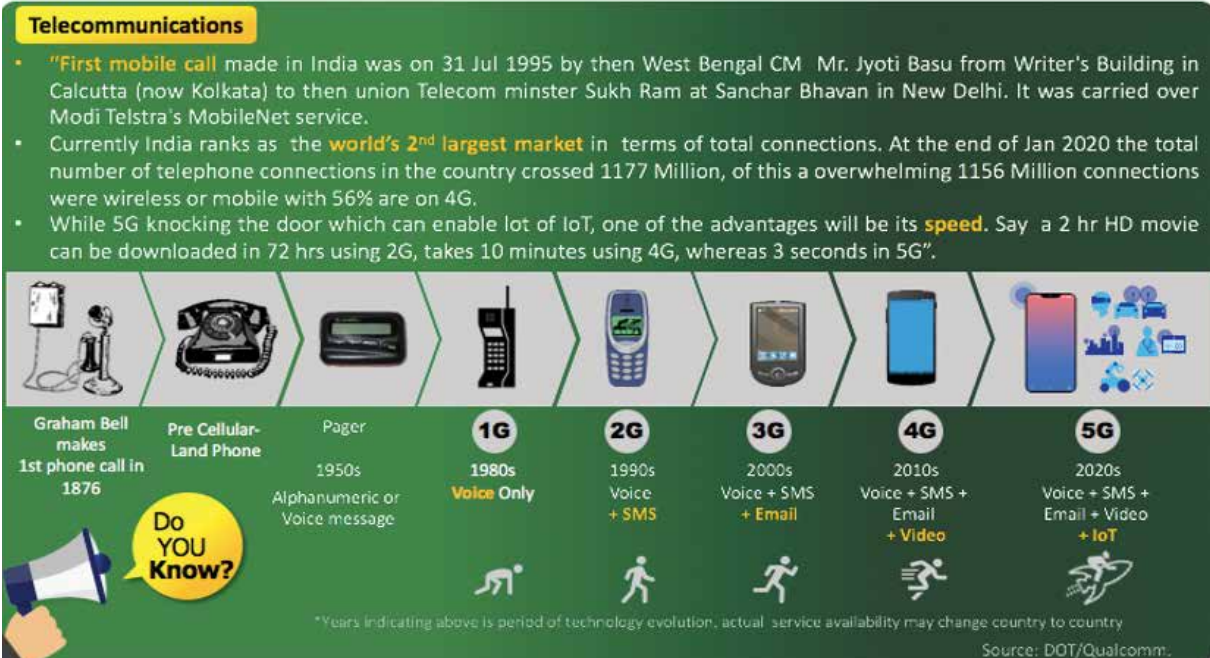
quality and plant productivity to cater to the enhanced volumes. In addition, it will focus its energy on absorbing the new plate-making technology which is expected to be introduced this year.

The division will work on raising the standard of its medium VRLA facility to participate in the TPM Excellence Awards in 2022. This would necessitate intense training to the workforce on technical

aspects, improving systems and processes and enhancing the efficiency and reliability of the equipment.



Telecom Revolution



Innovation and Technology

Lead acid batteries have nearly a 160-year-old history.

The low cost and ease of manufacturing lead-acid batteries compared to other electrochemical couples ensure a sustained demand for this system. Over the years, the manufacturing of lead acid batteries has evolved and latest technologies have given a new meaning to scale, volume, throughput and costs.

Advanced manufacturing facilities at Amara Raja are a testimony to its technology leadership and has been its hallmark since inception. Among the many technologies that the Company has integrated into its manufacturing process, plate making assumes prominence. Plates are at the heart of battery functioning and, therefore, plate making technology assumes great importance. At Amara Raja, this technology has progressed from workhorse gravity casting to continuous plate making.

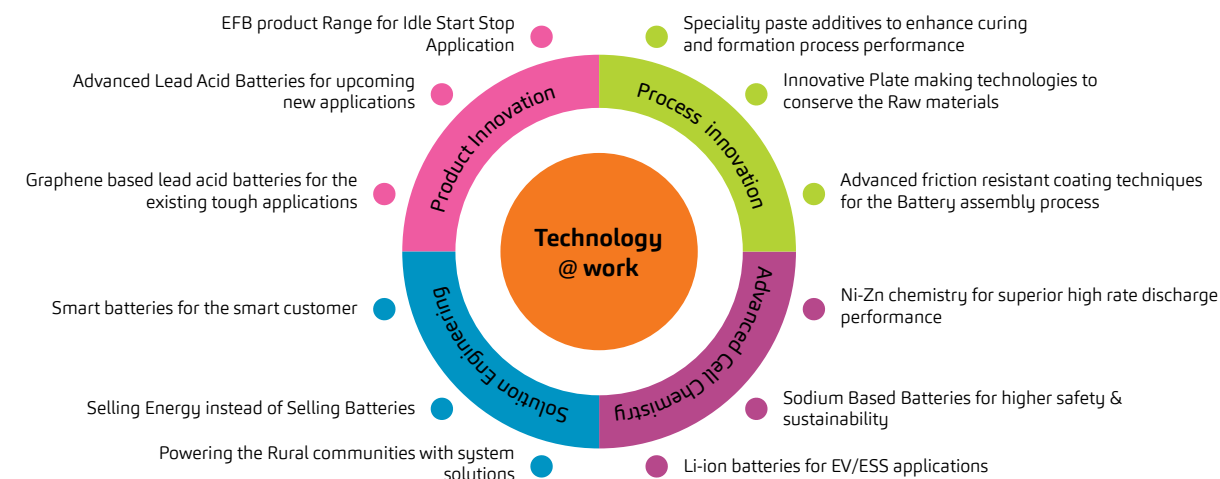
The stamped grid technology is an innovative advancement in the continuous plate making process.

The Company has taken up a transformative shift to the stamped grid technology to raise the bar and reset the industry benchmark for reliability, consistency, productivity and the overall battery performance, apart from superior environmental standards in manufacturing practices.

World's first stamped grid technology project for two-wheeler battery

Amaron ProBike Rider stormed into the Indian two-wheeler battery market with the AGM technology for the first time and transformed the market forever. Robust product design and strong manufacturing technology ensured that the product not only met the life and warranty periods but exceeded it by considerable margins. The product has since been powering new two-wheeler models from reputed Indian two-wheeler manufacturers.

Given the 'Progress On' DNA of Amara Raja, the team has started working on the next-generation manufacturing technology for two-wheeler batteries. It has adopted a three-layered proactive approach towards this by



- Anticipating futuristic customer needs and developing low-weight battery with lead material conservation.
- Introducing advanced technologies to set an industry benchmark in manufacturing metrics of efficiency, productivity and environmental standards.
- Achieving world-class quality with process capability, consistency and product performance.

Amara Raja partnered with Sovema SpA to work on the design and development of world's first 'Multi-Grid Panel Stamping & Pasting' technology for two-wheeler automotive battery.

This pioneering technology was designed, developed and commissioned in 2017 with the following innovative solutions.

- The stamping process incorporates innovative, continuous strip flow at constant

speed and no does not require lubricants. It has the ability to punch low thickness of relatively soft lead alloy (leading to lower alloy cost). Very high punching speeds up to five times the other typical continuous plate-making technologies.

- Innovative equipment design enabling continuous piece flow and minimal line stoppage and scrap generation have been achieved by incorporating dual belt feeder to avoid cross-cutting, multiple park area concept in plate conveying and collection, index wheel guided transfer mechanism, position control sensors to avoid plate jamming. This is the first of its kind in the world for two-wheeler/small battery manufacturing.
- Advanced automated monitoring and controlling system in this new technology facilitate manpower reduction by 50%

compared to the discrete plate making technology.

- 'Multi Grid Stamping and Pasting' technology enables working tolerances to be reduced by 50% compared to discrete plate making technology, resulting in significant improvement in reliable product performance and durability.

This pathbreaking manufacturing technology has garnered accolades in the industry and the Company won the best innovation award at the prestigious CII Innovation Award Competition in December 2019.

Intellectual Capital



Amalgam, National Sales and Service Meet held at Jaipur in September 2019.

10,690
Team size

1,35,493
Training in 2019-20
(man hours)

31
Average age of team
(years)

64.49
Revenue per person
in 2019-20 (₹ lakh)

6.18
Net Profit per person
in 2019-20 (₹ lakh)

Gotta be a better way!

That's the philosophy behind the transformation of Amara Raja into an industry leader. This philosophy is seeded deep into the people it treasures. Each one in the 10,000-plus-strong Amara Raja family has powered the Company to a leadership position, breaching boundaries and setting trends for the industry.

Amara Raja continues to invest in its people – building their capability, sharpening their expertise and nurturing the spirit of leadership, which makes it a learning and delivering institution and facilitates sustaining its industry outperformance.

The Amara Raja Way®

In 2019-20, Amara Raja continued its journey of institutionalising The Amara Raja Way®. The Company conducted training and experiential workshops through Large-Scale

Interactive Programs to engrain this philosophy in its core assets – the intellectual capital. These programs covered about 3,505 people in 2019-20.

People Strategy

The organisation has a comprehensive Talent Management Model that enables it to initiate and institutionalise innovative programs in line with the People Strategy of the organisation. As part of the model, the team spearheaded various initiatives during the year aligned to the Company's business strategy. The Amara Raja Way® helps achieve objectives in an invigorating digital work environment by excelling in people engagement, development and performance.

Switching Lanes Program

Amara Raja's Switching Lanes Program (SLP) provides a platform

to choose between a swift-track or a standard-track career growth. It has been designed and implemented in a manner that offers fast-track career growth opportunities to all. In 2019-20, in partnership with a leading strategic consultant, the program was rolled out for junior-level employees.

The fast-track aspirants went through qualifying tests that decided the choice between the fast track or the Right Lane. These participants took up specific objectives in addition to their regular goals. At the end of the annual process, successful participants got promoted to the next levels of higher responsibility.

AR Speak Experiences Survey

Like every year, a survey was conducted to understand the Experiences Score and Engagement Levels of people by measuring the perception on various aspects of the functioning of the organisation. The complete workforce participated in the 2019 survey conducted across all locations and grades. The overall 'Experiences Score' of 82+ and the 'Engagement Score' of 84+ were found to be above par on a market comparison of reputed companies.

Amara Vani – The Voice of Amara Raja

The organisation launched a quarterly newsletter called Amara Vani, an eMagazine, a colorful magazine with rich content that is entirely developed and

designed by the employees. It is circulated fully electronically and the unique feature is that it carries, a special message from our Founder Chairman. The newsletter is providing a platform to people from across the organisation to exhibit their creative side and their interests.

Amara Raja POSH (Prevention of Sexual Harassment) Awareness Program

POSH awareness programs were conducted for people across levels in the organisation. This is an ongoing program and, in 2019-20, around 2,251 employees were covered.

An e-learning program has also been developed and launched to cover 100% of the people across the Company.

Digital Platform for our People: WE@AR

Extending our digital transformation journey to become a digital enterprise, the organisation automated HR processes through a comprehensive HR Suite. WE@AR was implemented with a host of automated HR

processes that has improved efficiency and effectiveness leading to excellence.

The suite has automated the processes of recruitment, onboarding and employee life cycle management, and fostered the development of a learning, communication and collaboration platform called Zippi. All the platforms are mobile enabled and have given high levels of empowerment to people and leaders on the move. These digital platforms have placed the

organisation in a better position to design and implement focused engagement programs to all people across the Company.

WE@AR has created an important strategic infrastructure to enable productivity and engagement in the new ways of working.

Navaprathibha Sukalpa

The team continued its Navaprathibha Sukalpa program to build a robust talent pipeline for the middle management to support its aggressive growth plans.

Through this program, the team made campus recruitment from premier management and engineering institutions. These recruits will go through an accelerated training program and will be groomed to take up various specialist and general managerial roles in the future.

Amara Raja Supervisors Empowerment and Expertise Development (AR SEED)

The organisation is mindful that supervisors who are the first-line managers form the backbone

of the organisation. In today's world, where both the workplace and the workforce are evolving, front-line supervisors are key to high performance and process excellence. The AR SEED program was devised to help these first-line managers in their transition from high performers into leaders. The

program covers all the supervisors across the organisation.

Great Managers Award

Amara Raja featured on the list of Organisations with Great Managers in the Great Manager Awards Program 2019, a joint initiative by People Business and The Economic Times. About 100 organisations from across the country participated in the fifth edition of the competition where 20 companies were selected. The Organisations with Great Managers award was announced after a rigorous analysis of employee feedback, one-on-one interviews with the managers by the jury and further research. Two of our next-generation leaders made it to the top 50 list among 7,000 individual participants across the country.



Mr. C. Niranjan Kumar, Senior General Manager-Technology and Mr. Sekar J, Senior General Manager, Organization Development receiving the awards under 'Senior Leader' category and under 'Aligning Organization Vision' category respectively at Great Manager Awards Program 2019.



Supply Chain Management

350+
Destinations in India

2,000+
Channel Partners

34,200+
Trucks Powered
(annually)

29
Distribution Centers

20
International Destinations

22
OEMs Serviced

7,000+
EXIM Containers
(annually)

Overview

So, what if it appears insignificant, the demand for storage battery is always ‘now’.

From automotive OEMs to vehicle drivers, from telecom tower maintenance personnel to mobile users, from the data center operators to home makers, from the man on the street to the executive and elite – a storage battery is always an undeniable urgency.

The ability to address this ‘now’ is what makes supply chain efficiency crucial to the success of a battery manufacturer.

Supply chain management has become more complex for Amara Raja for a host of reasons.

- The Company services more than 2,000 Amaron franchisees, Power Zone Retail Partners and Aqua channel partners along with direct customers across the country India as well as distributors spread across the Indian Ocean Rim.

- The Company caters to exacting JIT schedules of leading automotive OEMs.
- The Company services its expansive customer footprint from two operating plants based in South India.

Inland Logistics

Amara Raja has earned respect in the marketplace not only for its industry-defining products but also its ability to ensure that its products are always available at all consuming centers across India. Amara Raja has a multi-layered logistics management system.

Amara Raja has more than 375 SKUs, comprising both industrial and automotive units, connected to a multi-layered distribution network. It devised a multi-modal logistics solution to reach out to OEMs living up to its a no-compromise commitment on time and optimising costs. The supply chain team has been successfully servicing 22 OEMs distanced between 60 km and 3,500 km from the plant for years.

Even as supply chain complexities increase every year in step with business growth both within and outside the country, the teams and the stakeholders continue to support the Company’s efforts towards strengthening its delivery commitment and optimising delivery costs.

Key initiatives in 2019-20

- As a part of its Green Logistics Initiative, the Company laid greater emphasis on rail and sea shipments as part of multi-modal transport system that helped to minimise the transit time and ensured safe transportation.
- Fleet-owned transport fitted with GPS as compared with traditional transport system helped the Company to minimise the transit damages and timely reach to the customer.
- Continuous training to drivers on adherence to standard operating procedures on safety, HIV, cultural practices and discipline towards transit hurdles.



Truck parking bay at Karakambadi, Tirupati.



Rest area for drivers

- Experiencing the customer delight through Advanced Shipment Note and e-POD.
- As a progressive partner approach, the Company has established driver amenity center for the drivers to relax, refresh and recreate.

Distribution Logistics

Distribution logistics pertains to Secondary distribution – from the distribution center to the channel partner. The team services 2,000-plus partners all over India through 29 distribution centers and 10 3PLs OEMs.

Key initiatives in 2019-20

- Equipped all DCs with CCTV / biometric systems as part of safety and security measures and to meet the local regulatory requirements.
- Implemented high-storage racks as part of space optimisation initiative and to support Extended Warehouse Management System (EWMS).

- Introduced the Transportation Management System (TMS) which brings systems-driven freights charges for each shipment.
- Installed Effective Contract Management systems and bill processing mechanism.
- Warehouse Management System was made more effective by deploying TMS, tracking the product serial numbers, minimising the aged inventories through automated FIFO.

Overseas Logistics

Focus on expanding its horizon beyond the domestic boundaries has called for the creation of a dedicated team to manage sea-based logistics.

The EXIM team taking the products to more than 20 countries focuses on shipping export materials to its destination on planned vessel and adhering to delivery schedules to meet customer expectations.

The team deals directly with freight forwarders and shipping lines resulting in cost-effective international logistics for imported raw materials and finished goods.

The EXIM team handled over 7,500 containers for inbound / outbound shipments per annum, with exports of over 3,000 units and imports the rest. Such high and growing export volume necessitated the Company to obtain maximum MEIS export incentive as Three-Star Exporter Status.

Key initiatives in 2019-20

The teams have been clearing all import shipments through self-clearance that has minimised demurrages and detentions at the port which helped timely customs clearance and embarking vessels to the designated gates.

The Company stayed in constant touch with freight forwarders and shipping lines which helped freight optimisation, elimination of middle men and on-time reach and facilitated ease of transactions during disembarking.

The Company has earned the AEO-T2 importer status from the Indian Customs which led to cost-effective management of port operations, including deferred payment of customs duty as fortnightly.

Procurement Policy

Armed with a very strong database of marketers and suppliers, Amara Raja has, over the years, framed the smartest procurement solutions that save costs for its stakeholders. The Company stays engaged with its vendors through long-term relationships and effective contract management. These have strengthened its material sourcing capabilities.

The Company works to expand and strengthen its supplier base for sourcing of major raw materials like lead and alloys, separators and other materials both on domestic and international fronts.

When it comes to Safe Lead Recycling Initiatives, the Company company has always been a torchbearer working closely with various environmental groups, NGOs

and government authorities. The Company now part of the working group (WG) under the World Economic Forum's (WEF) Global Battery Alliance whose mission is to improve health, environment and minimise economic impacts from used lead acid battery manufacturing and recycling, is focused on reducing the number of ULABs recycled in the informal sector.

Over the years, The Company has been associated with various government bodies, channel partners and internal and external stakeholders in supporting and establishing the circular economy principles to maintain safe and sustainable growth.

The Company has ensured that all its partners are registered with the local Pollution Control Boards and, in the process, made sure to sell new batteries only to registered channel partners.

In FY20, as a responsible organisation, the Company sourced a portion of lead and alloy requirements through safe lead recycling initiatives by focusing on

strengthening the scrap collection processes through establishing collection centers and reverse logistics operations.

Amara Raja, through its robust and efficient procurement practices, is geared up to meet the ever-growing business requirements of all the internal and external customers. It has been a constant endeavor for the Company to deliver the best all the time and align to changes in technology and its practices.

Accolades

- Awarded for 'Operational Excellence in Reverse Logistics' at the 9th Edition Manufacturing Supply Chain Awards held on March 4, 2020 at Mumbai. The Company emerged as a clear winner competing with more than 20 reputed organisations.
- Received South India's best exporter award from Dr Tamilsai Soundarajan, the Hon'ble Governor of Telangana, for consistently high export business in the engineering industry at the event organized by Engineering Export Promotion Council of India.



Amara Raja, member of working group of Global Battery Alliance at the World Economic Forum (WEF), Davos.



Mr. Nagalingam A P, Senior Manager, Exim receiving the South India's best exporter award from Dr. Tamilsai Soundarajan, Hon'ble Governor of Telangana.

Quality Management



Dr. Ramachandra N Galla, Chairman and senior management team at the world quality month celebrations event.

into the way of life at Amara Raja.

The Quality Circle Concepts encourage the people on the shopfloor to improve the processes, optimise the costs, upgrade the safety measures and step up the operational efficiency. The middle management turns to the Six Sigma tools to minimise process variations and maintain consistency in product performance.

Key Initiatives in 2019-20

The Company kept the focus on reinforcing its quality commitment with the introduction of several initiatives.

1. Improved the maturity level of QMS implementation, carried out a self-assessment for all processes (based on ISO 9004:2018 standards) by involving the top management.
2. Institutionalised the lean management culture by deploying Poka Yoke (75 projects) and Single Minute Exchange of Die concepts (SMED-17 projects).

3. Stressed on inculcating the culture of quality enhancement among the employees with the celebration of World Quality Month across all manufacturing sites and remote facilities, recognised individual and team efforts in raising the quality standards.
4. Enhanced the efficiency and effectiveness of all processes by engaging the senior management in the QMS audit process.

5. Conducted an Exclusive Six Sigma Black Belt program for transactional teams.
6. Designed and developed a unique e-evaluation system for Continuous Improvement programs like QC, Six Sigma, Lean projects and 5S audit as a part of rewards and recognition.
7. Migrated to e-portal system for effective monitoring and review of QC projects and identifying the best teams for regional, national and international level competitions.

There's a lot beyond achieving the global benchmarks like Continuous Improvement (CI), Lean Implementation Programs – Visual Management, TPM and 5S, Industrial Engineering Studies, Lean Six Sigma and Quality Circle Concepts. It is a passion to better every day. It's not just the design team that carries the onus of quality, it runs down the rank and file of the organisation, and quality enhancement has been inculcated

Amara Raja has fostered a culture within the organisation that makes every deal with the Company an experience to reckon with – be it a customer or a vendor or a partner. What makes it possible is its unwavering focus on quality.

1,053
Quality circles

1,956
Quality circle projects

2,419
Six Sigma projects

1,212
Six Sigma Certified (Black and Green Belts)

21
Quality circle awards at national and international level

8. Sharpened the focus on the Headcount Optimisation & Productivity Enhancement (HOPE) program for effective utilisation of resources.
9. Kicked off the Human Factors & Workplace Ergonomics program with focus on work-related musculo skeletal disorders (MSD).

5S, Quality Circles & Lean Six Sigma

In 2019-20, around 1,956 quality control (QC) projects were implemented by 1,053 quality circles. To foster the Six Sigma methodology across the organisation, the Company trained 288 members as Black Belts and 924 members as Green Belts and successfully implemented 2,419 projects as on March 31, 2020. This taskforce has provided rich insights into the streamlining processes and improving consistency in product performance.

Awards & Recognition

1) QC & SIX SIGMA

- Received three awards at the 13th CII National Competition on Six Sigma at Bengaluru.

Automotive segment in 'Automotive & Auto Ancillary Organisation' Category

- Four wheeler Battery Plant, Karakambadi, Tirupati team became the 'Winner'
- Two wheeler Battery Plant, Chittoor team became the '2nd Runner Up'

Non-Automotive segment in 'Discrete Manufacturing Organisation' Category

- Industrial Battery Plant, (LVRLA) Karakambadi, Tirupati team became the '2nd Runner Up'
- Received three 'GOLD' awards and one 'SILVER' award at an international convention on Quality Control Circles – ICQCC 2019 in Tokyo, Japan.

- Received highest level of Quality Circles awards for 17 teams at the National Convention in Varanasi.

2) 5S – Recognition from ABK AOTS Japan

- Received Sustenance Level – II Award for
- Industrial Battery Plant (LVRLA), Karakambadi, Tirupati
- Tubular Battery Plant, Chittoor
- Four wheeler Automotive Battery Plant, Chittoor
- Received Sustenance Level – I Award for
- Two wheeler Battery Plant, Chittoor

3) Customer Recognition

- Received 4+ star rating from Hyundai Motors India Ltd
- Received Platinum level rating from Caterpillar for 'Supplier Quality Excellence Process'.

Health, Safety and Environment

Battery plant with solar roof top at Nunegundlapalle Village, Chittoor District.

Manufacturing batteries involves handling of chemicals that pose health hazards. Any erratic decision could impact the environment. A robust Health, Safety and Environment (HSE) policy is essential to make the business sustainable.

Our HSE policy requires conduct of operations in such a way that safety of all concerned, compliance of environmental regulations and preservation of natural resources are ensured.

Health, safety and environment rule the framing of every strategy at Amara Raja. The Company's commitment to sustainable business practices is reinforced by the mandatory HSE initiatives it has adopted to continue its partnerships with several global OEMs.

The Amara Raja Way® is the engine to drive its HSE policies and practices. The Company conducts training sessions and workshops to instill the culture in the entire team.

Health

An employee is a strength to a Company. A healthy employee is an asset to it. At Amara Raja, we believe that a healthy employee brings with him energy and positivity, which are essential for enhanced performance and productivity and also contributes massively to overall employee engagement within the business.

- A slew of measures have been taken with support from Amara Hospital, which provides expert opinions on various health issues and offers high-quality preventive checks periodically to our employees.
- A program called, Readiness to work, which is a 5-minute warm-up/stretching exercise before starting of the shift, was institutionalized.
- A tobacco-free environment is being strictly maintained.

- The Company is sustaining lead levels in blood as per OSHA standards for employees.
- The Company continuously re-evaluates the nutrition programs and modifies it as per the needs of its employees.
- Periodical and annual health checkups are conducted for the employees.
- Regular awareness and training programs are carried out on health and wellness.
- Communication is sent out to employees from the desk of the medical officer to bring awareness to health topics and tips to stay healthy on a daily basis.
- It has initiated Ergonomics/ Human Factor Engineering Program focusing on preventing the occurrence of work-related musculoskeletal disorders (WMSD) by anticipating, identifying, analyzing and controlling the risk factors to improve employee health and safety at our premises.

Safety

Safe working environment is a priority for any sustainable business. A safe and healthy workplace not only protects the employees physically, but also elevates the employee morale.

- The risk management mechanism at Amara Raja involves technical risk analysis

by competent and experienced teams. The risk assessments involve identifying potential hazardous situations and corresponding checks, including engineered and administrative controls. The Company continue to be certified under BS OHSAS 1800:2007 for its occupational health and safety management system standards.

- At Amara Raja, we believe in the philosophy of Sarvendriyanam Nayanam Pradhanam. From its inception, the Company has been providing personal protective equipment to employees at all facilities. In 2019-20, as per international best practices, we took up a pilot project and provided goggles to every employee in the plant.
- Introduced safety ambassadors in all our plants to monitor and rectify the safety deviations and also to campaign the safety promotional activities.
- An international best safety practice of Lock Out & Tag Out (LOTO) is being implemented at all manufacturing plants to safeguard employees.
- Safety is a proven route to change people's behavior, developing leadership qualities and strengthening the corporate immune system, which impact all facets of business. To achieve this, we initiated behavior-based safety programs during the year.

Environment

As India makes big strides in science and technology and stays on course to be a global economic superpower, an unwritten responsibility is thrust upon businesses like ours to protect the planet from environmental pollution.

Amara Raja always places the highest level of importance on its commitment towards environment protection. Through a systematic and process-oriented approach, reinforced by the spirit of entrepreneurship, we are mitigating adverse environmental impacts while creating value for our stakeholders and maintaining social responsibility. We aim to make a sustainable operation so as to have a minimum impact on the environment where we operate and continuously work to improve our performance.

All manufacturing plants were certified under ISO 50001:2018 for its energy management systems.

- Our environmental performance has improved consistently through the last 24 years. The Company adheres to all relevant international standards in the field of environment and continues to be a front-runner in adopting latest technologies at all its manufacturing facilities. All our plants are certified with latest version of the Environment Management System ISO 14001:2015.
- Latest technologies in the fields of renewable energy and green technology sector have been adopted to reduce dependence on natural resources.
- Our energy management system is of ISO 50001:2018 standard which is implemented across all our units to help ensure conservation of energy with planned actions.
- Amara Raja has increased installed capacity of solar rooftop panels from 6.3 MW to 9.25 MW in FY20 which proves our commitment to use clean energy.
- Our environmental policy is aligned with the guidelines set by the United Nations Sustainable Developmental Goals (SDG). The Sustainability Report for FY19 was prepared as per the guidelines from UN SDG's for internal circulation and usage.
- Conservation of raw materials is addressed by adopting latest technologies in the

manufacturing process and also controlled at the end level to reduce the scrap levels in the best possible manner.

- Amara Raja has installed latest pollution control equipment in the area of local exhaust ventilation to take care of the industrial exhaust. Regular monitoring is in place to control the levels as per the statutory requirements.
- Domestic sewage and process effluents from the plant are treated by sewage treatment and effluent treatment units. The treated water is used for in-house gardening and cleaning.
- The Company is pro-actively working with Rajanna Trust in setting up a model in the field of social forestry by adopting a hillock called as Pemmugutta near Petamitta in Chittoor district of Andhra Pradesh to increase the forest cover. This helps us neutrale the carbon emissions generated in our operations.
- It fully supports the Paris Agreements to keep the rise in global average temperature to well below 2 degrees Celsius (2°C) above pre-industrial levels and inventoration. The reporting of greenhouse gases is also in place.
- Continuous Ambient Air Quality Monitoring Station (CAAQMS) has been set up for real-time monitoring of PM10 and PM2.5.

- Irreversible magnetic water flow meters are in place to monitor the consumption of water across the plant. We monitor the water consumption at our facilities through the water flow meters connected online.
- Rain water harvesting bodies have been developed in the premises to improve the ground water levels.

Installed capacity of renewable energy increased to 9.25 MW to generate clean electrical energy.

DIGITAL TRANSFORMATION

Information Technology (IT)



As a part of digital transformation, the Digital Platform for our People: WE@AR going LIVE

Our Digital Journey

Over the years of operations, Amara Raja has widened its presence to a host of geographies. Customised IT solutions have bridged this distance and connected people to ensure seamless business.

Amara Raja continues with its commitment to invest in digital technologies to optimise business processes from supply chain to manufacturing to human resource management. Even in uncertain times, its IT outlook has remained positive with seamless progress in its digital

transformation vision.

Amara Raja's digital technology vision is to support the business strategy with three major transformation initiatives — the IDEA Digital Enterprise, Digital for our customers, products and services and Digital manufacturing.

IDEA Digital Enterprise Journey

Our digital enterprise journey is focused on building an SAP S/4 HANA Digital Core to streamline the business processes and enable data-based decision across various functions of the Company. The IDEA project that began in 2018 to upgrade the ERP landscape to the latest SAP S/4 HANA digital core will soon go live at Amara Raja Batteries.

The rollout is a culmination of the outstanding efforts of the world-class IDEA project team consisting of business leaders, functional and subject matter experts and software professionals and supported by the leadership team as its steering committee.

Transport management implementation at Karkambadi and ARGC will drive the centralised monitoring of trucks, load factor optimisation, planning and monitoring the utilisation of trucks for all distribution and plant locations. Lorry receipt processing time optimisation has been achieved with single freight order combining multiple outbound deliveries.

The SAP S/4 HANA IDEA project will help Amara Raja migrate from its existing SAP ECC legacy system to the 15+ modules of the latest S/4 HANA system, including rolling out some of the newest modules of SAP like EWM (Extended Warehouse Management), MRP Live, PPDS (Production Planning), SAP Fiori and SAC (SAP Analytics Cloud).

The embedded Extended Warehouse Management (EWM) solution in S/4 HANA will bring increased visibility of inventory and movement of goods in more than 30 warehouses across the country. EWM supports a full range of warehouse processes, optimises warehouse asset utilisation and manages movement within warehouses from goods receipt to issue.

MRP implementation will help streamline the planning hand-offs between the marketing, planning and supply chain functions and minimise manual intervention.

Further, the PPDS implementation will result in optimising critical resources like pasting lines, battery assembly lines and setup time optimisation of mould changes, which will reduce the cycle time and improve the overall productivity.

SAP Analytics Cloud will give the Company a significant advantage to monitor various Key Performance Indicators across several functions like sales, production, quality and finance data in real time. The embedded analytics empower leaders of all functions with the right data and at the right time to make informed decisions.

To give its users a smooth, intuitive experience with S/4 HANA and

enhance speedy adoption, the team implemented SAP FIORI, a role-based user experience that can be personalised across all functions and devices.

The team rolled out EXIM to digitally enable its international business operations at the Company's regional office at Chennai. EXIM is an add-on solution to S/4 HANA, which brings in accuracy and efficiency in Letter of Credit, bonds and license obligation processes and eliminates revenue leakage. It also provides complete visibility into our imports of lead and separators and battery shipments to multiple countries.

WE@AR – HR Digital Transformation

As part of the IDEA Journey, a cross-functional team comprising HR and IT experts collaborated with PeopleStrong to implement PeopleStrong HR Suite. The Human Resource Management System, WE@AR, was rolled out to cover more than 10,000 Amara Raja employees, creating an automated solution for various HR processes, including candidate screening, recruitment, pre-joining documentation, onboarding, leave management, attendance tracking, transfers, payrolls and reporting, employee engagement, learning, etc.

As a part of WE@AR, a highly secure collaboration platform called

Zippi was also implemented. It has features like instant messaging, group formation and sharing of documents. The data shared is highly secure with no interfaces with such tools in the external world. An AI-based Chat Bot 'Jinie' to respond to employee queries on HR policies is also part of Zippi.

The Company has been successful in completely migrating to online platforms for recruitment and onboarding. Alt Recruit, a hiring platform, is integrated with job portals and features like candidate profile matching helps the organisation screen the market for potential candidates. The candidates can start engaging with the organisation right from the offer acceptance stage, they can submit the required statutory documents and also get to know about the organisation.

Alt Learning – a comprehensive eLearning Platform – is also a part of WE@AR. This enables learning at the fingertips through mobile phones and provides learning on the move. Many e-learning programs have been developed to help people work from across the country.

Digital Transformation for Products/Services and Customers

A key part of our focus on staying ahead in a disruptive business environment is to leverage

advanced technologies to offer superior customer experiences with innovative products and services.

Digital Warranty: This project will transform our warranty management program. Customers will be able to register battery purchases online making it possible for us to manage warranties in real time without needing customers to furnish a physical document.

IoT-based Cell Tower Monitoring: We have deployed the Intelligent Telecom Monitoring system at cell phone towers. A product of our R&D work in IoT, this system measures, monitors and displays parameters like battery voltage, diesel generator fuel levels, energy consumption, and environment conditions in real time on handheld devices.

IT Infrastructure

The work on the deployment of the IT infrastructure and audio video technologies at the new corporate office building at Karkambadi has commenced.

The Company has made a number of investments in employee collaboration tools, including desktop chat tools, video conferencing solutions and Zoom, to enable our employees to work from home and attend meetings remotely, gather information quickly, and service customers efficiently across all locations,

locally and globally.

It has also provided our employees a secure access to network and corporate data wherever they go through the Checkpoint Capsule solution.

Information Security

The Company's Information Security team continued to strengthen IT security by implementing a security scorecard dashboard and supporting the team on cloud security initiatives. The team also won two prestigious awards from IDG for their implementation of Internet Security Solutions.

Covid Response – Doing Business Safely

An important implication of our technology focus is our ability to ensure business continuity and to keep our employees safe, engaged and informed during the lockdown period.

Supporting the business in response to Covid, the Company rolled out several solutions to enable work-from-home for employees, tracking location of employees using geo-tagging features of WE@AR application.

We also rolled out the Amara Raja People Safety Management System to track employee health and issue gate passes during the lockdown period.

Financial performance

1,176.91

Net Cash flow from Operations (₹ crore)

4%

Net Debt- EBITDA (%x)

18.91

Return on Capital Employed (%)

272.66

Capex during 2019-20 (₹ crore)

For a Company, whose key customer segments (automotive OEMs and telecom) are journeying downhill, you would expect a lower than normal financial performance.

But with Amara Raja, the 'Progress On' culture enables the Company to brave the odds and report an improved performance. As such even when the topline improved

marginally by 1% over 2018-19, the Profit before Tax increased by 15% over the same period.

a) Revenue from operations

₹ in crore

	FY 20	FY 19	% Change
Sale of products	6,774.46	6,709.06	0.0
Sale of services	38.62	60.44	(36.0)
Other operating revenues	26.38	23.61	12.0
Total	6,839.46	6,793.11	1.0

Even though the sales volume increased for both business verticals (automotive and industrial) revenue

from operation grew by only 1% over the previous year – largely owing to a drop in the lead price

being passed on to customers and reduction in service income (installation services)).

b) Cost of material consumed and Purchase of stock-in-trade

₹ in crore

	FY 20	FY 19	% Change
Cost of materials consumed	4,219.07	4,603.06	(8.0)
Purchases of stock-in-trade	175.89	170.18	3.0
Changes in inventories of finished goods, work-in-progress & stock-in-trade	52.17	(129.14)	(140.0)
Total	4,447.13	4,644.10	(4.0)

During the year under review, the cost of materials consumed decreased by about 8% over the previous year primarily owing to the reduction in the price of lead. This helped in improving business profitability. The country wide lockdown of businesses during last week of March'20 in view of Covid-19

pandemic resulted in excess closing inventory at the year-end.

c) Employee Cost: Addition of new capacities heralded an increase in people count which together with the annual increment to the entire team resulted in an increase in the employee cost by about 12% over

the previous year.

d) Finance cost jumped by about 75% from ₹6.95 crore in 2018-19 to ₹12.19 crore in 2019-20. This increase was primarily owing to the adoption of Ind AS 116 "Leases" to its lease contracts, which were earlier treated as Operating Leases.

e) Other expenses

₹ in crore

	FY 20	FY 19	% Change
Other expenses	908.59	852.03	7.0

Other expenses were higher as compared to the previous year primarily on account of increase in power and fuel cost, increase in provision for doubtful trade receivables and increase in warranty expense.

Depreciation, a non-cash expense, increased from ₹261.20 crore in 2018-19 to ₹300.74 crore in 2019-20 – an increase of 15%. This increase in depreciation and amortisation expense is due to regular additions in fixed assets in view of capacity expansion and depreciation on Right-to-use asset on lease contracts on adoption of Ind AS 116 "Leases"

Tax Expense: The Tax liability for 2019-20 decreased appreciably against the liability for 2018-19 as the Company elected to exercise the option permitted under section 115BAA of Income-tax Act, 1961 wherein the tax rate applicable is 25.168% for the current financial year as against the 34.944% for previous financial year. Accordingly, the Company has recognised provision for Income-tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities.

Profit after tax for the year increased by 37% from ₹483.49 crore in 2018-19 to ₹660.82 crore in 2019-20. Of this surplus, about ₹424.90 crore

will be ploughed into the business after the payment of dividend at ₹11 per share, which should help in strengthening the business foundation.

Balance Sheet

A. Capital employed in the business increased by 7% from ₹3489.66 crore as on March 31, 2019 to ₹3746.54 crore as on March 31, 2020. This increase was largely to the addition of business surplus to the Shareholders' fund; the equity capital of the Company remained unchanged at ₹17.08 crore comprising of 17.08 crore shares with a face value of ₹1 per share.

B) Property, plant and equipment and Right-to-use asset

₹ in crore

	FY 20	FY 19	% Change
Property, plant and equipment	1647.61	1809.05	(9.0)
Right-to-use asset	178.48	-	100.0

Despite an addition to the existing capacity, balance under Plant, Property and Equipment declined by 9% over the balance as at March 31, 2019. The decrease in carrying value was on account of re-classification to Right-to-use Assets on transition to Ind AS 116, thereby increasing the Right-to-use assets.

The balance under Capital Work-in-Progress increased from ₹233.88 crore as on March 31, 2019 to ₹732.58 crore as on March 31, 2020. This showcases the capital expansion projects (to increase the existing production capacities of plants and for new infrastructure development) which are at different stages of implementation.

C. Non-current financial assets

at the end of 2019-20 declined from ₹27.11 crore as on March 31, 2019 to ₹20.25 crore as on March 31, 2020. This drop was due to the

loss in fair valuation on unquoted investments carried at FVTOCI. Current Investments, on the other hand, were higher than the previous year balance primarily due to short term investments in liquid mutual funds.

D. Non-current Borrowings

dropped from ₹46.80 crore as on March 31, 2019 to ₹34.34 crore as on March 31, 2020 as the Company repaid ₹12.46 crores interest free sales tax deferment loan during the period under review.

E. Lease liabilities increased due to adoption of Ind AS 116 "Leases" to lease contracts, which were earlier treated as Operating Leases.

Internal controls

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.

Key ratios and their movement

	FY20	FY19	% Change
Debtors Turnover (days)	33.96	41.30	(18)
Inventory Turnover (days)	60.98	57.03	7
Current ratio	2.02	2.44	(17)
Debt-Equity ratio (times)	0.01	0.02	(36)
PBT to Net Sales (%)	12.29	10.75	2
PAT to Net Sales (%)	9.66	7.12	3
Return on Networth (%)	18.91	15.42	3

Managing business risks

Risk is integral to any business. Predicting and pre-empting risks are the most essential part of drawing up the blueprint for businesses. Only a robust risk management mechanism can protect the business from various internal as well as external threats.

Our risk management framework at Amara Raja seeks to proactively identify and address the existing and emerging risks. The mechanism goes beyond the traditional formulation and involves all key managers of the Company.

We have a formal monitoring process at the unit and company levels to identify and categorise new risks depending on their calculated impact and probability, map them to the responsibilities of select managers, and countered with an efficient mitigation strategy.

Competition risk

Market share of the Company may shrink in the face of intensifying competition in the market from local and regional players.

Mitigation strategy

- Our brand value, which we built over the course of time investing sheer passion and an endless drive to explore and innovate, gives us the edge over others. Our disruptive products have created an unmistakable brand recall in the mind of the customer.
- The GST regime gives branded battery makers a room to override local and regional players by virtue of the market share. We clearly stand miles ahead in the competition.

Technology risk

Constantly evolving technology may blunt the Company's product edge in the market.

Mitigation strategy

- Technology itself gives us the edge to outsmart our peers. We constantly strive to upgrade and develop ourselves using emerging technology and analyze every opportunity and risk it throws up.
- For the lithium-ion technology, the Company did an in-depth groundwork to understand it, analyze its positives and challenges. We first set up a lithium-ion pack assembly unit to enter the e-rickshaw and telecom sectors. We are now doing the spadework on the lithium-ion cell to grab the opportunities whenever they emerge without any delay.
- The Company keeps a close watch on innovations in manufacturing of lead-acid batteries. We have absorbed and localised the stamped grid technology which promises to improve our products while optimising costs.

- We have a very competent R&D team which continues to build capabilities for designing products that stay relevant.

Localisation risk

Excessive dependence on a particular geography could be detrimental to the Company's business prospects.

Mitigation strategy

- The Amara Raja management is cognizant of the reality that majority of its business resides in India.
- Realising the time to explore beyond the Indian frontiers, the Company has set up an office and a warehouse in the Middle East which helps it serve those markets better.
- The Company is looking at South East Asia and Africa for similar ventures. These efforts would help Amara Raja service the Indian Ocean Rim more effectively while reducing its dependence on India.

Lead price risk

Lead is the key input in battery manufacturing. Swing in the price of lead can impact the Company's profitability adversely.

Mitigation strategy

- The Company has entered into lead-linked contracts with

customers who contribute to the lion's share to the overall revenue.

- It implements periodic price corrections to factor in the lead price fluctuations.

Growth risk

Markets could get saturated which would impact the Company's business growth.

Mitigation strategy

- Storage batteries will continue to be in great demand as we move more toward automation and digital platforms.
- Amara Raja's ability to grow its business is reflected in its widening product range and growing customer approvals. In the automotive space, recent OE approvals in the two- and four-wheeler segments promise to increase volumes.
- Growing acceptance of our products in the e-rickshaw space will add to the volumes.
- In the industrial space, while the UPS segment continues to grow, the Company plans to explore opportunities in the motive power and defense spaces.
- The focus on strengthening the presence in the Indian Ocean Rim will help shore up volumes.
- The business development team is also in continuous touch with global OEs operating in India to

leverage their business relations beyond the Indian shores.

Health risk

A lead-based working environment could result in health hazards for the shopfloor team.

Mitigation strategy

- The Company's HSE team continues to monitor the health parameters of the team on a regular basis and the results are presented to top management.
- We have invested in world-class equipment and implemented contemporary processes which ensure very low levels of lead pollution on the shopfloor.
- The Leadership team has also brought in change in the management based on behavioral changes (personal hygiene and eating habits) at the shopfloor workforce, which has resulted in very low levels of lead in blood.
- The effectiveness of these measures is borne out in an important reality – we have reached level of lead in blood at <25 µg/dL among employees, which is significantly lower than the international benchmark or OHSAS specified 40 µg/dL. The Company aims to take this to 15 µg/dL.

Shopfloor operation risk

A global crisis of the order of Covid-19 could bring the shopfloor operations to a grinding halt.

Mitigation strategy

The Covid-19 pandemic has taught an important lesson to every business house that there can be a possibility of an operational halt any moment. Amara Raja has been one of the earliest to resume operations when the lockdown began being lifted systemically. This was primarily because of its non-migrant worker policy – most of its workforce was from villages proximate to its facility. The Company provided safe transportation facilities to all workers to prevent any contagion. Our operations were efficiently

supported by stringent SOP and health measures for all employees at manufacturing facilities.

Covid-19: Result, Response & Revival

In January 2020, the world slipped into the Covid-19 pandemic that became the worst disaster in the history of human civilization in the next two months. A microbe, 10,000th of a millimeter in size, snacked on nearly 600,000 lives and stung over 10 million people in the last six months, threatening the very existence of mankind.

As authorities clamped lockdowns to contain the spread of the contagion, all activities came to a sudden halt, blocking livelihoods and driving lives into an abyss of uncertainty. The Indian government slapped a nationwide lockdown – the strictest and longest in the world – from March 25 and extended it till June 30 as the number of infection kept soaring.

With the lockdown restrictions being eased systemically, a fear has gripped every mind: a second wave of contagion. The concern is that the virus may resurface with renewed strength and revive yet another round of shutdown.

Economies on the edge

The Covid-19 pandemic has in an alarming speed delivered an economic shock of enormous magnitude, driving many countries into a deep recession. According to a World Bank report, The Economic Impact of Covid-19 (June 2020), the baseline forecast sees a 5.2% decline in global GDP in 2020 – the deepest contraction in eight decades – despite unprecedented policy support. Per-capita incomes across emerging markets and developing economies (EMDEs) are also likely to shrink this year, tipping millions back into poverty, it said.

In India, growth is estimated to have slowed to 4.2% in FY20 and is projected to contract in FY21 with contrary views between -3% and -10%. With an end to the menace still being out of bounds, no prediction on the likely continuation of the pandemic holds ground and no forecast on an economic revival can be established on solid grounds.

Our understanding and analysis of the situation tell us that the short-term and medium-term impact of the pandemic will vary across business segments. While some of the service industry segments like travel and tourism and aviation may suffer the biggest brunt, automotive and consumer electronics may get over with moderate impact, while telecom, digital services, public infrastructure, FMCG and pharma may see least or no impact at all.

The silver lining though, in our view, lies in large-scale digitalization of various business processes across industries leading to a spurt in e-commerce, e-education,

e-banking, data consumption in general and data storage.

The sweep of digital transformation in India has created opportunities for our industrial battery business in sectors like telecommunications and data centers. Projections also indicate return of consumer interest in owning up cars and two-wheelers to avoid public transport and shared mobility in the medium-term. This will also benefit us in our automotive battery business.

Our fight with Corona crisis

Amara Raja created at apex level various taskforces to deal with the health and safety aspects of people

and facilities, business continuity and corporate social responsibility.

Health & Safety of people & facilities

Within a couple of weeks of imposition of lockdown, a detailed



Jump start campaign during and post lockdown.



Standard Operating Procedure (SOP) was issued to be implemented across locations to ensure health and safety of all our employees and a trouble-free operation.

Business Continuity

1) Manufacturing Operations

- Arranged for required governmental and regulatory approval to restart limited manufacturing operations within one week (April 2020) of lockdown to support the requirements of segments identified as essential by the Government of India.
- Ramped up manufacturing operations within four weeks of restarting with 93% attendance and 95% manufacturing capacity to ensure meeting the market requirements. This was possible due to our inherent belief in a couple of factors:
 - Creating non-migratory jobs for workers which has been our policy and belief since inception. This ensured that we could avoid the issues faced by many industries due to labor

migration during lockdown.

- Installing technology solutions and location-tracking software across our workforce to remain digitally connected through their smartphones to get regular updates and also ensure their wellbeing.
- Implementing industry-best safety protocols across locations and for every business process to ensure health and safety of all.

2) Customer Support

- Even before the announcement of lockdown in the last week of March 2020, we had experimented and prepared a blueprint for work-from-home (WFH) operations for all our staff across locations in India.
- All necessary preparations were made to ensure that our supplies and services are not interrupted for essential sectors by deploying over 500 people to ensure
 - Telecommunication network towers and switching centers (MSC) and data centers run without interruption – supplied and installed batteries at 1430 telecom sites/towers and 42 core sites (MSC/data centers) across the nation.
 - Maintained our telecom OME and energy services operations at 3000-plus sites with an uptime of 99.999% and breakdown rectification at close to 1,300 sites.
 - Conducted nationwide program



Going beyond Batteries

Amara Raja reaches out to the disadvantaged communities living near its facilities and works to empower them, such that they achieve a better standard of living. The Company lines up a series of social initiatives around healthcare, education, skill development and environmental conservation to provide these people an opportunity to live a better life. All these corporate social initiatives of the Company are led by Rajanna Trust.

COVID – 19 Response

The outbreak of Covid-19 as the worst threat the planet has ever encountered left a deep impact on both the economy and communities world over. Responding to this crisis, Amara Raja has undertaken a slew of measures to stand by the people in need.

The company has made significant financial contributions to state and local bodies to combat the disease, extended support to hospitals by providing PPEs, ventilators

and other essential equipment, and carried out food distribution programs for local communities and migrant laborers. Amara Raja continues to live up to its values by energising the lives of the communities it supports despite the additional challenges imposed by the pandemic.

Education

Rajanna Trust provides financial and operational support to three schools in villages close to the Company's operating units.

- Mangal Vidyalayam, Pettamitta, a CBSE-affiliated senior secondary school, imparting education to more than 2,200 students.
- Amara Raja Vidyalayam, Karakambadi, a CBSE-affiliated secondary school near Tirupati, imparting education to about 900 students.
- Amara Raja Vidyalayam, Diguamagham, a CBSE-affiliated school located near Chittoor,

was founded in 2016 and is now imparting education to over 1000 students, up to class VII. The schools is being expanded into a secondary school with additional infrastructure.

These schools are setting new standards of excellence in the region by focusing not only on the academic achievements of the students but also on their achievements in sports and other extracurricular activities. The goal of the schools is to mold its students into well-rounded youths who can take over as tomorrow's leaders. The schools celebrate the various achievements of the students in regular events in which the Trust Executive Committee members make active participations.

Skill Development

As India gears up to be the world's biggest manufacturing hub – in step with the prime minister's Make-in-India vision – there is an imminent need for skilled manpower resources.

The Amara Raja Skill Development Centre (ARSDC) has come up to contribute to the nation's workforce-building initiative. The institute imparts training in various industrial activities and helps develop multiple skillsets to increase the employability of these people.

This skill development program, carried out with a mission – Skilling Rural India to Make in India – is an 18-month residential course comprising a prudent mix of on-job training at various plants of Amara Raja Group and class-room training. The ARSDC complex houses well-equipped classrooms, laboratories, workshops and hostel facilities for boys and girls.

The entire course, inclusive of food, accommodation, uniforms and study material, is free for the students. The students are also paid a stipend as a recognition for their efforts. More than 945 students have cleared the course so far. Most of these students have been inducted into various companies in the Amara Raja Group. In 2019-20, 197 students passed out, across two batches.

The Trust is planning to set up similar skill development centers at other locations to focus on skilling the rural youth, especially

women, and help empower them and foster inclusive growth.

Health

To supplement the government's efforts in providing healthcare to every Indian, the Trust financially and operationally supports a 30-bed primary health center in Chittoor district. Qualified staff and experienced doctors provide preventive and primary healthcare to more than 50,000 people living in 81 neighboring villages. The Trust continued to organise health camps with specialists from India and abroad for people from 86 villages across 12 Panchayats. At these health camps, patients are provided free consultation and medicines.

The services provided by the health center have been of particular importance, during the lockdown, as it was the only PHC in the entire region to remain open and continued to address the healthcare needs of nearby communities.

Water Conservation

The Trust built 23 check dams and desilted three tanks under Rajanna Jalasayamu Program in Chittoor district. Around 60 villages, covered under 12 panchayats, continue to benefit from this project.

Rural Development

The Trust developed rural infrastructure by building proper connecting roads, water 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. The Trust continues to support the adopted panchayats of Karakambadi, Pettamitta and Diguvmagham in Chittoor district under the 'Smart Panchayat Scheme'.

Environment

Amara Raja adopted a 250-hectare plot on a hillock in Pemmagutta, in Chittoor district, to develop plantation. In addition, it purchased and donated a 30-acre adjoining plot to the government. The plantation project provided livelihood to about 40 tribal families. More than 60,000 saplings were planted in and around the hillock. Under the Blue Sky CSR initiative, the Rajanna Trust enjoyed assistance from the communities, school children and its employees.



Primary Health Care Centre



Amara Raja Vidyalayam, Karakambadi



Students playing at Amara Raja Vidyalayam



ARSDC convocation event 2019



Statutory Section

10-Years Financials

Parameters / Year	2019-2020**	2018-19**	2017-18**	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11
OPERATING RESULTS										
Net sales*	6,839	6,793	6,051	5,335	4,633	4,211	3,437	2,959	2,365	1,761
Profit before depreciation, interest & tax (PBDIT) ^	1,125	990	929	878	849	724	576	466	357	259
Profit before interest & tax (PBIT) ^	824	725	696	684	704	588	509	395	310	217
Profit before tax (PBT)	841	730	714	702	723	610	537	422	319	220
Profit after tax (PAT)	661	483	471	478	492	411	367	287	215	148
Dividends+	275	71	107	-	73	62	55	43	32	39
Dividend Tax*	56	15	22	-	15	12	9	7	5	7
Retained profits	330	398	343	478	404	337	303	236	178	102
SOURCES AND APPLICATION OF FUNDS										
SOURCES OF FUNDS										
Share capital	17	17	17	17	17	17	17	17	17	17
Reserves and surplus	3,639	3,318	2,920	2,576	2,099	1,682	1,346	1,043	806	629
Net worth	3,656	3,335	2,937	2,593	2,116	1,700	1,363	1,060	823	646
Debt	47	58	64	72	74	76	86	88	86	100
Deferred tax liability	44	96	88	82	54	37	30	20	22	20
Funds employed	3,747	3,490	3,089	2,747	2,244	1,812	1,479	1,167	931	766
APPLICATION OF FUNDS										
Net fixed assets **	1,829	1,813	1,703	1,492	1,352	944	623	359	355	315
Capital work-in-progress (including intangible assets under development)	827	315	226	240	123	86	145	103	32	38
Investments	156	20	35	147	20	16	16	16	16	16
Gross current assets	2,188	2,348	2,204	1,706	1,456	1,341	1,356	1,292	949	747
Current liabilities and provisions	1,254	1,006	1,080	838	707	576	661	603	421	350
Net current assets	934	1,342	1,124	868	749	766	695	689	529	398
Net assets	3,747	3,490	3,089	2,747	2,244	1,812	1,479	1,167	931	766
RATIOS										
PBT to Net sales (%)	12.29	10.75	11.80	13.16	15.60	14.48	15.62	14.26	13.48	12.51
PAT to Net sales (%)	9.66	7.12	7.79	8.97	10.61	9.76	10.69	9.69	9.10	8.41
Return on Assets (ROA) (%) @	27.77	24.77	27.38	31.77	40.57	48.49	64.56	59.75	45.76	34.61
Return on net worth (%) &	18.91	15.42	17.04	20.32	25.77	26.83	30.33	30.45	29.28	24.90
Debt: Equity (times)	0.01	0.02	0.02	0.03	0.04	0.04	0.06	0.08	0.10	0.15
Fixed assets turnover (times) #	3.64	3.65	3.43	3.45	3.18	4.14	5.06	7.52	6.42	5.57
Earnings per share (₹) \$	38.69	28.31	27.59	28.01	28.78	24.05	21.51	16.78	25.18	17.34
Dividend (%) +	1,100	708	415	425	425	361	323	252	189	230
Dividend per share (₹) \$	11.00	7.08	4.15	4.25	4.25	3.61	3.23	2.52	1.89	4.60
Book value per share (₹) \$	214.01	195.26	171.97	151.81	123.87	99.50	79.78	62.05	48.21	75.63
Share Price (as of March 31) - (₹) \$	478.05	718.95	797.50	890.05	879.55	833.05	394.40	273.65	292.80	189.75

* 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.

@ ROA is PBIT 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 RQNW 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. April 1, 2019.

Corporate Information

BOARD OF DIRECTORS

Dr. Ramachandra N Galla (DIN:00133761)
Non-Executive Chairman

Jayadev Galla (DIN:00143610)
Vice Chairman and Managing Director

Dr. Ramadevi Gourineni (DIN: 01347211)
Non-Executive Director
(w.e.f February 1, 2020)

Nagarjun Valluripalli (DIN: 00034389)
Non-Executive Independent Director
(upto August 5, 2019)

N Sri Vishnu Raju (DIN: 00035063)
Non-Executive Independent Director

T R Narayanaswamy (DIN: 01143563)
Non-Executive Independent Director

Bhairavi Tushar Jani (DIN: 00185929)
Non-Executive Independent Director

MANAGEMENT TEAM

S Vijayanand
Chief Executive Officer

Y Delli Babu
Chief Financial Officer

G Jagan Mohan
Head - Operations

M Jagadish
Head - Technology

Rajesh Jindal
Chief Marketing Officer,
Automotive Battery Division

Srinivasa Rao Ganga
Chief Marketing Officer,
Industrial Battery Division

B Jaikrishna
President - HR and
New Business Development

Venkataramana Prasad Alam
President - Corporate Strategy

G Vijay Naidu
President - CI, Quality
management and HSE

L Venkat Madhav
Head - Supply Chain
Management

Kishore I Hirani
Chief Information Officer

COMPANY SECRETARY

M R Rajaram

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

R. Sridharan & Associates
Company Secretaries
New No. 5, (Old No. 12)
Sivasailam 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

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
Website: www.amararajabatteries.com
E-mail: investorservices@amararaja.com

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1,ClubHouseRoad,Chennai-600002
Tel: 91 44 2846 0390
Fax: 91 44 2846 0129
E-mail: investor@cameoindia.com

Directors' Report

Dear Members,

Your Board of Directors are pleased to present their report for the financial year ended March 31, 2020.

1. SUMMARY OF FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(Amount in ₹ crores)

Parameters	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	6,839.46	6,793.11	6,839.17	6,793.11
Other income	55.05	46.77	55.05	46.77
Total income	6,894.51	6,839.88	6,894.22	6,839.88
Profit before tax	840.68	730.37	840.66	730.11
Less: Tax expense (including deferred tax)	179.86	246.88	179.86	246.88
Profit for the year	660.82	483.49	660.80	483.23
Total other comprehensive loss	(9.40)	(0.10)	(9.40)	(0.12)
Total comprehensive income for the year	651.42	483.39	651.40	483.11

Your Company's revenue from operations for the year grew to ₹6,839.46 crores from ₹6,793.11 crores last year registering a marginal growth. The net profit for the year grew to ₹660.82 crores from ₹483.49 crores in the previous year, registering a growth of 37%. The Earnings per share (EPS) for the year stood at ₹38.69

per share, an increase of 37% compared to ₹28.31 per share for the previous year.

Your Directors propose to transfer an amount of ₹66.08 crores to the general reserve. An amount of ₹3,085.42 crores is in the retained earnings.

2. PERFORMANCE REVIEW

Automotive battery business

The headwinds encountered by the automotive sector during second half of financial year 2018-19 continued through entire financial year 2019-20. Both four wheeler (4W) and two wheeler (2W) vehicle production experienced negative growth during 2019-20. This resulted in OEM business in both the application categories, declining in line with new vehicle production, though the share in respective OEMs was maintained.

The performance in aftermarket business, however, remained strong with double digit growth in volumes. This growth was visible in both the 4W and 2W battery segments. Both Amaron® and PowerZone™ brands continued to make further inroads in markets across the Country supported by channel expansion initiatives, leading to incremental gain in market share. Addition of new brand and licensing in private label business, provided further fillip to the aftermarket business. The HUPS battery market is witnessing demand stagnation, in line with improvement of overall power situation in the Country. Our tubular battery business continued its growth, in spite of stagnancy in demand.

Your Company's export business continued its robust performance during the financial year 2019-20 as well. Initiatives taken in the immediate past years and the current year, started paying dividends during the year, ensuring a similar aggressive growth, as was witnessed in past years. The distribution channels have been further strengthened in focus markets such as Australia, Malaysia, Indonesia, Saudi Arabia etc. The sale of Amaron® branded products in the premium segments of the markets accelerated further while PowerZone™ and selective private labeled product range have complimented our product offering in these markets.

The pandemic conditions were prevailing during the last quarter of the current financial year did affect the demand and the supply chain was disrupted but this had a marginal impact on the business in FY 2019-20. The

Company is taking all measures to ensure safety of the employees and also to ensure minimal disturbance to operations due to the pandemic.

The expansion of manufacturing capacity in both 4W and 2W battery product lines is on track though there are some delays in the completion of installations due to Covid-19 pandemic. However, your Company is confident that the capacities will be available to meet the market demand.

Industrial battery business

The Industrial Battery Business has improved its performance in financial year 2019-20 compared to previous year despite the year end sales getting impacted due to COVID19 pandemic. The volumes grew in all segments of the business barring telecom segment.

The overall battery potential for telecom segment continue to de-grow for the third year in a row by as much as 25%. As a result the Company's revenue from telecom segment also de-grew this year. However, due to Company's product performance and customer relationship management, Company's market share improved significantly during the year. Towards the second half of the year the Company regained its preferred supplier status at the India's largest tower company.

The Company started offering integrated solutions for tower and energy management for the telecom segment and this business is expected to grow over the coming years.

Your Company's export business continued to show strong growth in regions like Middle East and Africa. During the year the South East Asian (SEA) sales were below expectations due to slow roll outs in telecom networks in Myanmar and Thailand. Your Company's Amaron Volt® and Amaron Sleek® became the preferred brands for the telecom customers in SEA and African markets. Amara Raja Batteries Middle East (FZE), a 100% subsidiary of your Company established to serve the Middle East markets commenced its

business during the year to serve the local customers expeditiously. Similarly, the Company is actively considering expansion of operations in other regions to expand the International Business.

The new business segments like motive power and solar are expected to grow in the coming years with growth of solar power generation both at the grid scale and at distributed solar plants. Motive power batteries are another growth area which may evolve as the supply chains get consolidated and need for warehousing facilities are increased.

The UPS Business continue to grow on the back of a strong performance in the data centre market. The Quanta® HWS series batteries were well established in this market and became a preferred battery for all the major UPS OEM's.

During the year the distribution network for small capacity VRLA batteries were strengthened which resulted in significant growth in this business. The tubular batteries which were launched two years ago for rural banking applications also showed good progress.

3. DIVIDEND

Your Board of Directors at the meeting held on May 15, 2019 amended the dividend distribution policy and approved dividend payout (excluding corporate dividend tax) to distribute upto 30% of the profit after tax of the Company. The amended Dividend Distribution Policy is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

During the year, your Directors approved 1st interim dividend of ₹6 per equity share of ₹1 each (600%) on November 9, 2019 and 2nd interim dividend of ₹5 per equity share of ₹1 each (500%) on March 9, 2020. The 1st and 2nd interim dividend(s) were paid to the shareholders on November 29, 2019 and March 24, 2020 respectively.

The total interim dividend paid (excluding corporate dividend tax) for the financial year ended March 31,

2020, aggregated to ₹187.89 crores, a payout of 28.43% of the profit after tax of the Company for the financial year 2019-20.

Your Board of Directors has not recommended any final dividend, as the dividend pay-out is in line with the amended dividend distribution policy of the Company i.e Dividend Payout (excluding corporate dividend tax) upto 30% of the profit after tax of the Company.

4. FINANCIAL POSITION

The Company's financial position has shown immense improvement over the years. The net worth as at March 31, 2020 improved to ₹3,655.61 crores with the net addition of ₹320.29 to other equity during the year. There is no interest bearing debt as of March 31, 2020. The surplus cash at the year end stood at ₹32.60 crores. CRISIL had re-affirmed the ratings on the Company's loan-term bank loan facilities at 'CRISIL AA+/Stable' and on the short-term bank facilities at 'CRISIL A1+'.

A detailed analysis on 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), a wholly owned subsidiary of the Company, reported a profit of ₹0.06 crores for the year ended March 31, 2020.

ii. Consolidated Financial Results

In accordance with the provisions of the Companies Act, 2013 ('the Act'), Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') and applicable Accounting Standards, the audited consolidated financial statements (CFS) of the Company for the financial year 2019-20, 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 is enclosed as "Annexure I" to 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 at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report and separate audited financial statements of the subsidiary i.e ARBME are available on Company's website at <https://www.amararajabatteries.com/Investors/annual-reports/>.

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. You are requested to refer to the disclosure in Note 44 to the notes on financial statements on disclosure with regard to the impact of the COVID-19 pandemic on the operations and financial position of the Company.

7. PROMOTERS AND THEIR SHAREHOLDING

During the year, 31,15,500 equity shares of ₹1 each constituting 1.82% of the paid up share capital of the Company held by Mangal Industries Limited (MIL) was transferred to RNgalla Family Private Limited (RFPL), pursuant to a scheme of arrangement between RFPL and MIL sanctioned by the Hon'ble National Company Law Tribunal, Hyderabad.

Further, during the year, RFPL acquired 34,16,250 equity shares of ₹1 each constituting 2% of the paid up share capital of the Company from M/s. Johnson Controls (Mauritius) Private Limited. As on March 31, 2020, RFPL holds 4,79,32,452 equity shares of ₹1 each constituting 28.06% of the paid up share capital of the Company. RFPL is owned and controlled by the Galla Family headed by Dr. Ramachandra N Galla, Chairman of the Company.

The members by way of postal ballot approved the de-classification of M/s. Johnson Controls (Mauritius)

Private Limited as a promoter of the Company. The Company has submitted necessary application to the stock exchanges for the aforesaid de-classification and are awaiting their approval.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Directors

During the year, the term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a director w.e.f August 5, 2019. Your Board wishes to place on record its sincere appreciation of the valuable services rendered by Mr. Nagarjun Valluripalli during his tenure as an independent director of the Company.

The Company had identified an eminent person for appointment as a Director on the Board at the Board Meeting held on November 9, 2019. However, the identified person had expressed his inability to join the Board due to his other pressing commitments. In view of the above, during the period from November 10, 2019 to January 31, 2020, the Company had five (5) directors on the Board. The Board at its meeting held on February 1, 2020 had appointed Dr. Ramadevi Gourineni as an additional director of the Company and the composition of the Board is in compliance with Regulation 17 (1) (c) of the Regulations.

Dr. Ramachandra N Galla who was appointed as Director at the annual general meeting held on July 20, 2019, being the longest-serving Non-Executive Director on the Board, retires by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment.

During the year, Dr. Ramadevi Gourineni (DIN: 01347211) was appointed as an Additional Director on the Board with effect from February 1, 2020 and she holds office upto the date of Annual General Meeting. A resolution seeking her appointment as Director is being placed for approval of the members.

Mrs. Bhairavi Tushar Jani was appointed as an Independent Directors for a term of five consecutive

years effective from August 14, 2015. She had given her consent for re-appointment for a second term of five (5) consecutive years. Based on the evaluation of the performance of the independent directors, your directors recommend her re-appointment for another term of 5 consecutive years.

The Company has received a notice(s) in writing under Section 160 of the Act proposing the appointment of Dr. Ramadevi Gourineni and Mrs. Bhairavi Tushar Jani as Director(s) of the Company.

The members at the annual general meeting held on August 14, 2015 appointed Mr. Jayadev Galla as Vice Chairman and Managing Director of the Company for a term of 5 years i.e September 1, 2015 to August 31, 2020. Your Board based on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. Jayadev Galla for another term of 5 years i.e from September 1, 2020 to August 31, 2025.

The necessary resolution(s) seeking your approval by ordinary/special resolution for appointment of aforesaid directors are included in the notice of the ensuing annual general meeting along with brief details and other necessary disclosures required under the Act and Regulations.

ii. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Jayadev Galla, Vice Chairman and Managing Director, Mr. S Vijayanand, Chief Executive Officer, Mr. Y Delli Babu, Chief Financial Officer and Mr. M R Rajaram, Company Secretary are the key managerial personnel of the Company.

9. AUDITORS'

i. Statutory Auditors and their Report

The Auditors Report given by M/s. Brahmayya & Co., Chartered Accountants and M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the joint Statutory Auditors, on the financial statements of the Company for the year ended March 31, 2020 forms part of the

Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark.

M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the joint statutory auditors at the Annual General Meeting held on August 14, 2015 for a term of five (5) years from the conclusion of the 30th annual general meeting till the conclusion of 35th annual general meeting.

The Audit Committee and the Board at their meeting held on May 30, 2020 approved the re-appointment of M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the joint statutory auditors for a second term of five (5) years i.e from conclusion of the 35th annual general meeting till the conclusion of 40th annual general meeting.

The necessary resolution(s) seeking your approval for their appointment as joint statutory auditors are included in the notice of the ensuing annual general meeting along with brief credentials and other necessary disclosures required under the Act and the Regulations.

ii. Cost Auditors and their Report

The Company is required to maintain cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules as amended from time to time, and accordingly such accounts and records are made and maintained in the prescribed manner. Further, the said cost records are required to be audited and accordingly M/s. Sagar & Associates were appointed as cost auditors to audit the cost records for the financial year 2019-20. The cost audit report for FY 2018-19 was filed and the report for 2019-20 will be filed with Ministry of Corporate Affairs within the time limits prescribed under the Act.

Based on the recommendation of the Audit Committee, your Board has appointed M/s. Sagar

& Associates, Cost Accountants, as cost auditors for the financial year 2020-21 to audit the cost records of the Company. Necessary resolution seeking your ratification of their remuneration for the financial year 2020-21 is included in the notice of the ensuing annual general meeting.

iii. Secretarial Auditors and their report

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to the Regulation 24A of the Regulations, the Company had appointed M/s. R. Sridharan & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year 2019-20. The Secretarial Audit Report in Form MR-3 received from them is annexed herewith as "Annexure II".

10. BOARD AND ITS COMMITTEES

i. Independent Directors and their Declaration of independence:

As on March 31, 2020, Mr. N Sri Vishnu Raju, Mr. T R Narayanaswamy and Ms. Bhairavi Tushar Jani are the Independent Directors of the Company appointed pursuant to the provisions of Section 149 of the Act. They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and the 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 have registered for lifetime in the database maintained with 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 possesses the relevant expertise and experience (including the proficiency) as required under the Act and the Rules made thereunder.

ii. Number of Meetings of the Board

During the year, four (4) 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 Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

iii. Committees of the Board

In compliance with the provisions of Sections 135, 177, 178 of the Act and Regulation 21 of the Regulations, the Board constituted Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee (Committees). The details of composition of the Committees, their meeting and attendance of the members are given in the Corporate Governance Report forming an integral part of this report.

iv. Nomination and Remuneration Policy

The Board has on the recommendation of Nomination and Remuneration Committee framed a policy for 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

In accordance with the provisions of Section 134 of the Act and Regulation 17 of the Regulations, the Board has carried out evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, CSR Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and also the Directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, including any statutory modifications or re-

enactment 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, 2020:

- 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 at March 31, 2020 and of the profit of the Company for the financial year ended March 31, 2020;
- 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 recognised in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an on-going 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.

12. CORPORATE GOVERNANCE

The report on corporate governance for the year ended March 31, 2020 pursuant to Regulation 34 of the Regulations is annexed hereto as "Annexure III".

The certificate from practicing company secretary regarding the compliance of conditions of corporate governance is attached to the report on corporate governance.

13. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Regulations, the Business Responsibility Report (BRR) initiatives taken from an environmental, social and governance perspective, is annexed hereto as "Annexure IV".

14. 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 report.

15. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014 in the prescribed form MGT-9 is annexed herewith as "Annexure V". The same is available on Company's website at <https://www.amararajabatteries.com/Investors/annual-general-meetings>

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) has been an integral part of your Company's culture. The Company has associated itself through Rajanna Trust in philanthropic activities in the field of Education, Health, Environment and Rural Development. During the year, your Company has undertaken various CSR projects in the areas of education and rural development. The brief outline of the CSR Policy of the Company, the CSR initiatives/activities undertaken by the Company during the year and the details of composition of CSR committee are given in "Annexure VI" to this report in the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014. The said policy is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

17. 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 2019-20, 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, omnibus 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 omnibus 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 annual general meeting held on August 7, 2017 approved and authorised the Board to enter into transactions with Mangal Industries Limited (MIL) upto a cumulative value of transactions of ₹1,000 crores in each financial year. During the financial year 2019-20, the transactions with MIL amounted to ₹877.33 crores, a material transaction under the Regulation 23 of the Regulations and the policy adopted by the Company under the said Regulations.

The Form AOC - 2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as "Annexure VII" to this Report.

18. INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has put in place 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 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.

19. RISK MANAGEMENT

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

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 has the potential of threatening the existence of the Company.

20. 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 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>

21. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE)

Your Company gives utmost importance to the employee's health and safety, given the nature of the operations of the Company. Your Company believes that "a safe and healthy workplace not only protects employees from injury and illness, it elevates the employee morale". Your Company continues to be certified under ISO 14001:2015 and BS OHSAS 18001:2007 for its environment management systems and occupational health and safety management systems respectively. Your Company initiated steps, implemented latest technologies in the fields of renewable energy and green technology sectors and enhanced the installed capacity of solar roof top panels from 6.3 MW to 9.25 MW during the financial year 2019-20. During the year, all the manufacturing plants were certified under ISO 50001:2018 for its energy management systems, which helped your company to institutionalise the system requirements and conserve the energy.

22. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a policy on prevention of Sexual Harassment and has constituted an Internal Complaints Committee (ICC) 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, one (1) complaint was received by ICC and the same is under investigation by ICC as on March 31, 2020.

23. OTHER DISCLOSURES

i. Share Capital

The paid up equity share capital of the Company as at

March 31, 2020 stood at ₹17.08 crores comprising of 170,812,500 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.

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 on March 31, 2020 are given in Note 39 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 on March 31, 2020.

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

There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

vi. Compliance of Secretarial Standards

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 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 corporate governance report which forms part of this report.

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

The information on conservation of energy, technology absorption, 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 VIII"** and forms an integral part of this 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 IX."**

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 also annexed to the Directors' Report as **"Annexure X"**. 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 upto the date of 35th Annual General Meeting.

24. AWARDS AND RECOGNITIONS

Your Company continues to get accolades and awards from its customers and other prestigious domestic/ international forums. Some of the awards and recognitions your Company received during the year under review:

- Won two innovation based awards for the first time at the reputed CII Industrial Innovation Awards Ceremony 2019 held in New Delhi. The Company is bestowed with top innovative Company (joint winner) in the category of Manufacturing - Large Enterprise and was also chosen as one of the Top 25 Innovative Companies.
- Won "TPM Excellence Category - A", award for the automotive battery plant at Karakambadi, Tirupati from Japan Institute of Plant Maintenance (JIPM), Japan. JIPM Award is a prestigious and coveted award for Automobile and Automobile auxiliary plants.
- Received 4+ star rating from Hyundai Motors India Limited.
- Received Platinum level rating from Caterpillar for "Supplier Quality Excellence Process".
- Received an Award for 'Operational Excellence in Reverse Logistics' at the 9th Edition Manufacturing Supply Chain Awards event held on March 4, 2020 at Mumbai.
- Received South India's best exporter award for consistently high export business in the engineering industry from Engineering Export Promotion Council of India.
- Featured on the list of Organisations with Great Managers in the Great Manager Awards Program 2019, a joint initiative by People Business and The Economic Times. At individual level, two of next generation leaders received awards in different categories.
- At the 13th Six Sigma National Conference and Competitions organised by CII in Bengaluru
 - i. Four wheeler battery plant, Karakambadi, Tirupati and two wheeler battery plant, Chittoor teams won the "Winner" and "2nd Runner up" awards respectively in

'Automotive & Auto Ancillary Organization Category'

- ii. Industrial battery (LVRLA) plant team, Karakambadi, Tirupati won the "2nd Runner up" award in 'Discrete Manufacturing Organization Category' under non-automotive segment.
- Received three Gold awards and one silver award at ICQCC (International Convention of Quality Control Circles) 2019 competition held at Tokyo, Japan organized by Union of Japanese Scientists and Engineers (JUSE).
- Bestowed with prestigious ABK AOTS awards in following categories
 - i. Awards received under Sustenance Category Level 2 for industrial battery (LVRLA) plant, Karakambadi, Tirupati, four wheeler battery Plant, Chittoor and Tubular Battery Plant at Chittoor.
 - ii. Awards received under Sustenance Category Level 1 for two wheeler battery plant, Chittoor.

25. 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.

26. ACKNOWLEDGEMENT

The Board of Directors take this opportunity to place on record their appreciation for the unstinted co-operation, commitment and dedication of all the employees of the Company and the support extended by the channel partners, customers, vendors, business associates, banks, government authorities and all concerned without which it would not have been possible to achieve all round growth of the Company.

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

On behalf of the Board of Directors

Dr. Ramachandra N Galla

Tirupati, May 30, 2020

Chairman

Annexure I

Form AOC-1

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

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

Part A: Subsidiaries

(Amount in ₹ crores)	
Name of the Subsidiary	Amara Raja Batteries Middle East (FZE)
Date on which subsidiary is incorporated	July 31, 2018
Share Capital	0.56
Reserves and Surplus	(0.20)
Total Liabilities	0.32
Total assets	0.68
Investments (included in Total Assets)	-
Total Income (including other income)	1.27
Profit before tax	0.06
Provision for tax	-
Profit after tax	0.06
Dividend	-
% of shareholding	100%
Reporting period	March 31, 2020
Reporting currency	AED
Closing exchange rate	1 AED = 20.60 INR

Part B: Joint ventures/ Associates

There are no joint ventures/associates.

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S Vijayanand
Chief Executive Officer

Y Delli Babu
Chief Financial Officer

M R Rajaram
Company Secretary

Hyderabad/Tirupati May 30, 2020

Annexure II

Secretarial Audit Report

for the financial year ended March 31, 2020

[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]

To
The Members of
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 called "the Company"). 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 March 31, 2020 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 March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);
- (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 to the Company during the audit period);
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
- f) 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);

(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 not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory auditor, tax auditor, and other designated professionals.

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) issued by The Institute of Company Secretaries of India;
- (ii) The Uniform Listing Agreement entered into with BSE Limited and The National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

It is observed during the reporting period that the term of appointment of Mr. Nagarjun Valluripalli an Independent Director had expired on August 5, 2019. Consequently, the number of directors were reduced below six. However, the Company at its board meeting held on February 1, 2020 appointed Dr. Ramadevi Gourineni as an additional director of the Company and consequently the number of directors on the board stands increased to six with effect from February 1, 2020.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Women Independent Director, Non-Executive Directors 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.

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 Standards on Board Meeting are complied with. The necessary compliances of Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with in respect of meetings convened through Video Conferencing/Audio Visual means.

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) has been recorded.

We further report that 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated February 8, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

We further report that during the audit period, the following event has occurred which had major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

- On April 1 2019, the shareholders agreement entered into between Johnson Controls (Mauritius) Private Limited, Johnson Controls Battery Group and Galla Family dated January 22, 1997 as amended on September 28, 2008 and April 28, 2017 respectively have been terminated.

For **R. Sridharan & Associates**
Company Secretaries

CS R Sridharan

CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000276750

Chennai, May 30, 2020

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. 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.
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.

For **R. Sridharan & Associates**
Company Secretaries

CS R Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400
UDIN: F004775B000276750

Chennai, May 30, 2020

Annexure III

Corporate Governance Report

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 meet 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 in 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 mandatory requirements with regard to corporate governance under the Regulations except otherwise stated in this report.

2. BOARD OF DIRECTORS

- i) The Board of Directors, as at the financial year ended March 31, 2020, comprised of six (6) Directors of which Vice Chairman and Managing Director is an Executive Director. Out of five (5) Non-Executive Directors, three (3) including one woman director are Independent Directors and two (2) are Non-Independent Directors. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2020, the composition of the Board is in conformity with Regulation 17(1) of the Regulations as well as the Companies Act, 2013 (“the Act”) and the rules made thereunder.
- ii) The term of appointment of Mr. Nagarjun Valluripalli as an independent director expired on August 5, 2019 and the Company had identified an eminent person for appointment as a Director on the Board at the Board Meeting held on November 9, 2019. However, the identified person had expressed his inability to join the Board due to his other pressing commitments. In view of the above, during the period from November 10, 2019 to January 31, 2020, the Company had only five (5) directors on the Board as against the minimum no. of six (6) directors on the Board.

The composition and the category of the Board during the year is as follows:

Name of the Director	Designation	Category
Dr. Ramachandra N Galla (DIN : 00133761)	Chairman	Promoter; Non-Executive
Mr. Jayadev Galla (DIN : 00143610)	Vice Chairman and Managing Director	Promoter; Executive
Dr. Ramadevi Gourineni* (DIN : 01347211)	Director	Promoter; Non-Executive
Mr. Nagarjun Valluripalli# (DIN : 00034389)	Director	Independent; Non Executive
Mr. N Sri Vishnu Raju (DIN : 00025063)	Director	Independent; Non Executive
Mr. T R Narayanaswamy (DIN : 01143563)	Director	Independent; Non Executive
Ms. Bhairavi Tushar Jani (DIN : 00185929)	Director	Independent; Non Executive

* Dr. Ramadevi Gourineni was appointed as an additional director with effect from February 1, 2020.

#The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from August 5, 2019.

- iii) Four (4) Board Meetings were held during the year and the maximum time gap between any of the two consecutive meetings was not more than 120 days. The dates on which the meetings were held are as follows:

Date of Meeting	Board Strength	No. of Directors Present
May 15, 2019	6	4
July 20, 2019	6	5
November 9, 2019	5	5
February 1, 2020	6	6

- iv) The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2020 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		AGM held on July 20, 2019
	Held	Attended	
Dr. Ramachandra N Galla	4	4	Yes
Mr. Jayadev Galla	4	4	Yes
Dr. Ramadevi Gourineni*	4	1	NA
Mr. Nagarjun Valluripalli#	4	2	Yes
Mr. N Sri Vishnu Raju	4	3	No
Mr. T R Narayanaswamy^	4	3	Yes
Ms. Bhairavi Tushar Jani^	4	3	Yes

* Dr. Ramadevi Gourineni was appointed as an additional director with effect from February 1, 2020.

The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from August 5, 2019.

^Mrs. Bhairavi Tushar Jani participated in the Board meeting held on November 11, 2019 through video conference. Mr. T R Narayanaswamy participated in the Board meeting held on February 1, 2020 through video conference.

- v) The number of directorships, memberships/chairmanships in committees held by the directors including Amara Raja Batteries Limited as on March 31, 2020 are given below:

Name of the Director	Number of directorships in companies#	Number of committee memberships in companies*	
		Chairperson	Member
Dr. Ramachandra N Galla	8	2	2
Mr. Jayadev Galla	8	Nil	1
Dr. Ramadevi Gourineni	6	Nil	Nil
Mr. N Sri Vishnu Raju	19	1	3
Mr. T R Narayanaswamy	9	Nil	2
Ms. Bhairavi Tushar Jani	12	Nil	1

#Excluding directorship in foreign companies and including the directorship in the Company.

*Audit Committee and Stakeholders Relationship Committee(s) only of listed and unlisted public company are considered.

- vi) The details of the other listed entities where the directors of the Company are Directors and the category of directorship as on March 31, 2020 are as follows:

Name of the Director	Directorship in other listed entities	Category of Directorship
Dr. Ramachandra N Galla	-	-
Mr. Jayadev Galla	-	-
Dr. Ramadevi Gourineni	-	-
Mr. N Sri Vishnu Raju	Heritage Foods Limited Zydus Wellness Limited	Independent Director Independent Director
Mr. T R Narayanaswamy	-	-
Ms. Bhairavi Tushar Jani	-	-

- vii) Dr. Ramachandra N Galla, Mr. Jayadev Galla and Dr. Ramadevi Gourineni are related to each other and they are promoters of the Company. Except as mentioned herein, none of the directors are related to any other Director on the Board.

- viii) None of the directors hold any shares in the Company. The Company has not issued any convertible instruments. Dr. Ramachandra N Galla, Chairman, Mr. Jayadev Galla, Vice Chairman and Dr. Ramadevi Gourineni, Director and their family members hold 100% equity share capital of M/s. RNGalla Family Private Limited, which owns 28.06% of the equity share capital of the Company.

ix) Skills/Expertise/Competencies of the Board of Directors

The Board of Directors have identified the skills/expertise/competencies fundamental for the effective functioning of the Company namely knowledge on Company's businesses, policies and culture, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates; technical / Professional skills and specialized knowledge in relation to Company's business and General Management, Business Strategy, Corporate Strategy, Governance practices, Financial management.

All the Directors possess skills/expertise and competencies as stated above. Dr. Ramachandra N Galla, Chairman,

a technocrat and founder promoter of the Company has an in-depth technical knowledge on the products and the industry in which the company operates.

x) Familiarisation Programme

A handbook covering the role, function, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act and the relevant Regulations were given and explained to the Independent Directors.

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 business environment, 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 fulfill their role/responsibility. The details of the familiarisation programme is available on the Company's website i.e. www.amararajabatteries.com

- xi) The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a yearly basis.
- xii) The Board had approved code of conduct in compliance with the Regulations. The said code is applicable for all the Directors and the Senior Management Personnel of the Company and the same is available on the 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, 2020. In terms of Schedule V to the Regulations, a declaration signed by the Vice Chairman and Managing Director is enclosed to this report as Annexure A.
- xiii) During the financial year 2019-20, 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 quarterly basis and such other information as and when applicable were placed before the Board for its consideration.
- xiv) Mr. Jayadev Galla, Vice Chairman and Managing Director and Mr. Delli Babu Y, Chief Financial Officer of the Company have submitted a certificate to the Board for the financial statements for the year ended March 31, 2020 on the fairness of the financial statements and other matters as specified in Part B of Schedule II of the Regulations.
- xv) All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board. The Independent Directors have confirmed that they satisfy the criteria of independence as stipulated in Regulation 16(1)(b) of the Regulations. All the Independent Directors had registered with Indian Institute of Corporate Affairs for life time 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 Companies Act, 2013 and rules made thereunder. All the Independent Directors had met separately on May 30, 2020 without the attendance of non-independent directors and members of the management. The Independent Directors at that meeting reviewed the performance of the Board as a whole, Non independent Directors and the Chairman of the Board.
- xvi) The Board of Directors be and hereby confirm that in the opinion of the Board, Mr. N Sri Vishnu Raju, Mr. T R Narayanaswamy and Ms. Bhairavi Tushar Jani, the independent directors of the Company fulfills the conditions specified in the Act and the Regulations and are independent of the management.

- xvii) None of the independent directors has resigned from the directorship of the Company before the expiry of their term of appointment during the financial year ended March 31, 2020.
- xviii) None of the Directors hold Directorships in more than seven (7) listed Companies and Mr. Jayadev Galla, Vice Chairman and Managing Director is not serving as an independent Director in any listed company.
- xix) None of the Directors on the Board are Members in more than ten Committees or Chairman of more than five Committees across all the public limited companies in which they are Directors. For this purpose, Audit Committee and the Stakeholders Relationship Committee only are considered. The Directors disclosed their positions held in committees and directorships held in other public limited companies as on March 31, 2020.
- xx) The senior management personnel confirmed that they don't 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.
- xxi) The brief particulars of the directors proposed for re-appointment/appointment at the Annual General Meeting are given in the notes to the notice of the ensuing Annual General Meeting.

3. AUDIT COMMITTEE

- i) 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 Regulations read with Part C of Schedule II of the Regulations.
- ii) The Company Secretary acts as the Secretary to the Audit Committee. The Chief Financial Officer along with the statutory auditors are permanent invitees to the said Committee. The Cost Auditors and Senior Management personnel are invited as and when required.
- iii) Mr. Nagarjun Valluripalli, Independent Director and Chairman of the Audit Committee (upto August 5, 2019) was present at the Annual General Meeting of the Company held on July 20, 2019.
- iv) During the financial year 2019-20, four (4) meetings of the Audit Committee were held on May 15, 2019, July 20, 2019, November 9, 2019 and February 1, 2020. 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.
- v) The composition of the Audit Committee and attendance of members are given below:

Name	Category	Attendance
Mr. Nagarjun Valluripalli, Chairman*	Non-Executive, Independent	2
Mr. N Sri Vishnu Raju, Chairman*	Non-Executive, Independent	3
Mr. T R Narayanaswamy	Non-Executive, Independent	3
Ms. Bhairavi Tushar Jani	Non-Executive, Independent	3

*The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from on August 5, 2019. Mr. N Sri Vishnu Raju, Independent Director was appointed as Chairman of the Audit Committee with effect from November 9, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

- i) The constitution and terms of reference of the Nomination and Remuneration Committee are in accordance with

and covers all the matters specified under Section 178 of the Act and Regulation 19 of the Regulations read with Part D of Schedule II of the Regulations.

- ii) During the financial year 2019-20, two (2) meetings of the Nomination and Remuneration Committee were held on May 15, 2019 and February 1, 2020.
- iii) The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Name	Category	Attendance
Mr. Nagarjun Valluripalli, Chairman*	Independent, Non-Executive	1
Mr. N Sri Vishnu Raju, Chairman*	Independent, Non-Executive	2
Mr. T R Narayanaswamy	Independent, Non-Executive	1
Mrs. Bhairavi Tushar Jani [#]	Independent, Non-Executive	1

*The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from on August 5, 2019. Mr. N Sri Vishnu Raju, Independent Director was appointed as Chairman of the Nomination and Remuneration Committee with effect from November 9, 2019.

[#]Mrs. Bhairavi Tushar Jani was appointed as a member of the Nomination and Remuneration Committee with effect from November 9, 2019.

iv) 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.

5. 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 is not paid sitting fees for any Board/ Committee meetings attended by him.

ii) Non-Executive Directors

The Non-Executive Independent Directors are entitled to 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 upto 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 year 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. Dr. Ramachandra N Galla, Chairman and Dr. Ramadevi Gourineni, Non-Executive Directors waived their entitlement to sitting fees for attending any meetings of the Board and Committee thereof.

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.

The Commission was paid to Dr. Ramachandra N Galla, Non-Executive Chairman @ 3% of the net profits of the Company for the financial year 2019-20.

iii) Details of Remuneration paid to the Directors for the year ended March 31, 2020 are given below:

a) Non-Executive Directors:	(Amount in ₹ crores)	
Name	Commission*	Sitting Fees*
Dr. Ramachandra N Galla	27.26	-
Mr. Nagarjun Valluripalli	0.02	0.00 [#]
Dr. Ramadevi Gourineni	-	-
Mr. N Sri Vishnu Raju	0.05	0.01
Mr. T R Narayanaswamy	0.05	0.02
Ms. Bhairavi Tushar Jani	0.05	0.01
Total	27.43	0.04

*Excludes GST # Amount below ₹1 lakh

b) Mr. Jayadev Galla, Vice Chairman and Managing Director:	(Amount in ₹ crores)	
Particulars	Amount	
Salary	2.40	
Perquisites and Allowances	-	
Commission	43.03	
Retirement benefits	0.00*	
Total	45.43	

* Amount below ₹1 lakh

The shareholders at the AGM held on August 14, 2015 appointed Mr. Jayadev Galla as Vice Chairman and Managing Director of the Company for a period of five years with effect from September 1, 2015 to August 31, 2020. 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.

iv) Board Evaluation

Pursuant to the provisions of the Act and Regulation 17 of the Regulations, the Board had carried out an annual evaluation of its own performance, the directors individually and of the committees of the Board.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, execution and performance of specific duties, obligations and governance.

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.

The performance evaluation of all the Directors including the Independent Directors was carried out by the entire Board. 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.

Dr. Ramadevi Gourineni, additional director did not participate in the evaluation process or being evaluated, as she was appointed towards the end of the financial year 2019-20.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

- 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 Regulations read with Part D of Schedule II of the Regulations.
- During the financial year 2019-20, four meetings of the Committee were held on May 15, 2019, July 20, 2019, November 9, 2019 and February 2, 2020.
- The composition of the Stakeholders Relationship Committee and the attendance of members are given below:

Name	Category	Attendance
Dr. Ramachandra N Galla, Chairman	Non-Independent; Non-Executive	4
Mr. Jayadev Galla	Non-Independent; Executive	4
Mr. T R Narayanaswamy	Independent; Non-Executive	4

- The Committee is headed by Dr. Ramachandra N Galla, Non-Executive Chairman.
- Mr. M R Rajaram, Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.
- During the year 2019-20, eight (8) complaints pertaining to non-receipt of corporate entitlements/share certificates, non-receipt of dividend and non-receipt of annual report. All the Complaints were redressed to the satisfaction of the shareholders. There were no pending complaints as on March 31, 2020.
- Name, designation and address of the Compliance Officer:
 Mr. M R Rajaram
 Company Secretary
 Amara Raja Batteries Limited
 Terminal A
 1-18/1/AMR/NR
 Nanakramguda, Gachibowli
 Hyderabad-500032
 Tel No. 91 40 2313 9300
 Fax No. 91 40 2313 9001
 E-mail id: investorservices@amararaja.com

7. RISK MANAGEMENT COMMITTEE

- In compliance with Regulation 21 of the Regulations, the Board had constituted the Risk Management Committee with effect from April, 1, 2019. The terms of reference of the Committee covers all the matters specified in said Regulations.

- During the financial year 2019-20, one meeting of the Committee was held on February 2, 2020.
- The Composition of the Risk Management Committee and the attendance of members are given below:

Name	Category	Attendance
Mr. Nagarjun Valluripalli, Chairman*	Independent, Non-Executive	NA
Mr. N Sri Vishnu Raju, Chairman*	Independent, Non-Executive	1
Mr. T R Narayanaswamy	Independent, Non-Executive	1
Mr. S Vijayanand	Chief Executive Officer	1
Mr. Y Delli Babu [#]	Chief Financial Officer	NA

*The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from on August 5, 2019. Mr. N Sri Vishnu Raju, Independent Director was appointed as Chairman of the Risk Management Committee with effect from November 9, 2019.

[#]Mr. Y Delli Babu, Chief Financial ceased to be as a member of the Committee with effect from November 9, 2019. He is a permanent invitee to the said committee.

- The Committee is headed by Mr. N Sri Vishnu Raju, Non-Executive Independent Director.

8. 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.
- During the financial year 2019-20, one meeting of the Committee was held on July 20, 2019.
- The Composition of the Corporate Social Responsibility Committee and the attendance of members are given below:

Name	Category	Attendance
Dr. Ramachandra N Galla	Non-Independent, Non-Executive	1
Mr. Nagarjun Valluripalli*	Independent, Non-Executive	1
Mr. T R Narayanaswamy	Independent, Non-Executive	1
Mr. N Sri Vishnu Raju [#]	Independent, Non-Executive	NA

*The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be a Director of the Company with effect from on August 5, 2019.

[#]Mr. N Sri Vishnu Raju, Independent Director was appointed as a member of the Committee with effect from November 9, 2019.

- The Committee is headed by Dr. Ramachandra N Galla, Non-Executive Chairman.

9. GENERAL BODY MEETINGS

Location and date/time for the last three Annual General Meetings:

For the Financial year	Venue	Day and date	Time
2018-19	Auditorium situated the Registered	Saturday, July 20, 2019	12:00 Noon
2017-18	Office i.e Renigunta-Cuddapah	Saturday August 11, 2018	11.30 a.m.
2016-17	Road Karakambadi Tirupati, Andhra Pradesh – 517 520	Monday August 7, 2017	2:30 p.m.

Special Resolutions passed during the three previous years:

Financial year 2018-19

- 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.

Financial year 2017-18

Special Resolution was passed to approve the re-appointment of Dr. Ramachandra N Galla (DIN: 00133761) as a Director of the Company.

Financial year 2016-17

Special Resolution was passed to approve the alteration of Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013.

Resolutions passed by Postal Ballot

During the year under review, no resolutions were passed through Postal Ballot.

No special resolution is proposed to be passed through postal ballot.

10. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are submitted to the stock exchanges in accordance with the Regulations and are published in Business Standard, Business Line (all editions) and Andhra Jyothi, Eenadu and Vaartha (Rayalaseema Edition). The Company also posts the press releases, transcript of calls made with analysts, if any, and results on its website www.amararajabatteries.com

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

11. GENERAL SHAREHOLDERS INFORMATION

Day, Date, time and venue of the Annual General Meeting	Friday, August 7, 2020 at 10:30 A.M. IST Pursuant to Ministry of Corporate Affairs Circular No. 20/2020 dated May 5, 2020, the AGM will be convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).
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Financial calendar (tentative):	Financial Year - April to March First Quarter Results - within 45 days of end of quarter Half-yearly Results - within 45 days of end of quarter Third Quarter Results - within 45 days of end of quarter Results for the year ending March 31, 2021 - within 60 days of end of quarter
Dividend for FY 2019-20	Interim Dividend(s): The Company paid 1 st and 2 nd interim dividend of ₹6 per share (600%) and ₹5 per share (500%) on November 29, 2019 and March 24, 2020 respectively. Final Dividend: The Board has not recommended any final dividend for the financial year 2019-20.
Book Closure	NA
Dividend Payment date(s)	NA
Listing of shares on stock exchanges	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Listing fees for the financial year 2020-21 have been paid to all the above stock exchanges.
Stock Code/Scrip Code	NSE : AMARAJABAT BSE : 500008
Corporate Identity Number (CIN)	L31402AP1985PLC005305
International Securities Identification Number (ISIN) for equity shares of ₹1 each under Depository System	INE885A01032
Market Price Data High, Low during each month in last Financial year	Please see Annexure B
Performance of the Company's share price in comparison to S&P BSE Sensex and S&P CNX Nifty	Please see Annexure B

Registrar and Share Transfer Agents (RTA)	For shares related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or Client ID and DP ID at the following address: Cameo Corporate Services Limited Unit: Amara Raja Batteries Limited V Floor, Subramanian Building No.1, Club House Road Chennai - 600002 Tel : 91 44 28460390 Fax: 91 44 28460129 E-mail : investor@cameoindia.com Website: www.cameoindia.com
Share Transfer System	Effective from April 1, 2019, no share transfers in physical form shall be processed or accepted by the Company or Registrar and Share Transfer Agents.
Distribution of Shareholding and Shareholding Pattern as on March 31, 2020	Please see Annexure C
Dematerialization of Shares and Liquidity	98.32% of the equity shares of the Company were dematerialized as on March 31, 2020.
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDR/ ADR/Warrants and convertible instruments.
Plant Location(s)	The Company's plants are located at a) Renigunta - Cuddapah Road, Karakambadi Tirupati, Andhra Pradesh 517 520 b) Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District Andhra Pradesh 517 416
Address for correspondence	Amara Raja Batteries Limited Terminal A 1-18/1/AMR/NR, Nanakramguda, Gachibowli, Hyderabad 500 032 Tel : 91 40 23139000 Fax : 91 40 23139001 E-mail : investorservices@amararaja.com Website : www.amararajabatteries.com
Credit ratings obtained by the entity along with any revisions thereto during the relevant financial year	Rating of Bank loans facilities for ₹185 crores: Long Term Rating : CRISIL AA+/stable (Reaffirmed) Short Term Rating : CRISIL A1+ (Reaffirmed) No other debt instruments or any fixed deposit programme or any scheme or proposal involved mobilization of funds were issued or undertaken by the Company during the financial year.

12. OTHER DISCLOSURES

i. Disclosure of related party transactions

All transactions entered into with related parties during the financial year were on 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 Regulations.

Prior omnibus 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 Board on 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 the note 35 of notes forming part of the financial statements.

The Board of Directors at their meeting held on November 11, 2014 approved a 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>

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

The Company has complied with all applicable rules and 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 related to capital markets.

iii. 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 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>

iv. Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company and non-consequences of violation. Mr. M R Rajaram, 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.

v. Disclosure of commodity price risks and hedging activities

As the Company is not engaged in 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.

vi. The Company has complied with the requirements of sub-paras (2) to (10) of Schedule V of the Regulations.**vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).**

During the financial year 2019-20, the Company has not raised any funds through preferential allotment or qualified institutions placement.

viii. 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 D**.

ix. 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 financial year ended March 31, 2020.

x. Details of fees paid to the joint statutory auditor(s) and all entities in the network firm/network entity of which the each of the joint statutory auditor is a part for the financial year ended March 31, 2020:

(Amount in ₹ crores)

Particulars	FY 2019-20
Statutory audit fees	0.70
Limited Review fees	0.15
Tax audit fees	0.05
Reimbursement of Expenses	0.05

xi. Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	FY 2019-20
No. of complaints on sexual harassments received during the year	1
No. of complaint disposed off during the year	-
No. of cases pending as on end of the financial year	1

13. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year except otherwise disclosed in this report.

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

a. Board	The Company maintains an office for non-executive Chairman at the Company's expense and has also allowed reimbursement of expenses incurred in performance of his duties
b. Shareholder rights	Quarterly financial results are published in leading newspapers, viz. The Business Line, Business Standard and vernacular – Eenadu, Andhra Jyothi and Vaartha. 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.
c. Modified opinion(s) in Annual Report	The financial statements for the financial year ended March 31, 2020 were with unmodified audit opinion
d. Separate posts of Chairman and CEO	The Company has a separate post of Chairman
e. Other Non-Mandatory Requirements:	At present, other discretionary requirements have not been adopted by the Company

14. 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, except otherwise disclosed in this report.

15. 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.

16. RISK MANAGEMENT

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

A Risk Management Committee, constituted by the Board comprised of Mr. N Sri Vishnu Raju, Independent Director and Chairman of the Committee, Mr. T R Narayanaswamy, Independent Director and Mr. S Vijayanand, CEO. This Committee is empowered to monitor the Risk management and their mitigation processes.

17. DURING THE YEAR UNDER REVIEW, THE COMPANY HAD NOT RAISED ANY MONEY FROM PUBLIC ISSUE, RIGHTS ISSUE, PREFERENTIAL ISSUE OR ANY OTHER ISSUES.**18. THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT HAVE BEEN INCLUDED SEPARATELY FORMING PART OF THE ANNUAL REPORT.**

19. COMPLIANCE ON 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 Regulations, the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report as **Annexure E**.

20. 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, 2019	36	74,000
Number of equity shareholders who approached the Company for transfer of shares of ₹1 each from the suspense account	1	1,500
Number of equity shareholders to whom shares were transferred from suspense account during the year	1	1,500
Number of equity shareholders whose shares were transferred to Investor Education and Protection Fund (IEPF) during the year	-	2,250
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on March 31, 2020	35	70,250

*In the previous year the shareholders whose part of the shareholding were transferred to IEPF was reckoned and reported, now adjusted in the no. of shareholders at the beginning of year.

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.

21. OTHER REQUIREMENTS/INFORMATION

i. 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 Regulations, the Board of Directors at its meeting held on May 15, 2019 had adopted a revised policy for distributing dividend upto 30% of the profit after tax (PAT). Accordingly, every year the Company would pay the dividend amount upto 30% of the profit after tax (PAT) to all the eligible shareholders.

ii. Transfer of unclaimed dividend and 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 ₹23,95,568 being unclaimed final dividend pertaining to the financial year 2011-12 was transferred to IEPF on October 1, 2019.

During the year under review, the Company after sending individual notices to the shareholders whose shares are required to be transferred to the demat account of IEPF Authority and also advertised in the newspapers, transferred 14,250 equity shares of ₹1 each to IEPF.

Members who have not yet encashed their final dividend from the financial year 2012-13 onwards are requested

to make their claims without any delay to M/s. Cameo Corporate Services Limited, Registrar and Share Transfer Agents (RTA) of the Company for claiming the unclaimed/unpaid dividends. The following table gives information relating to due dates for transfer of unclaimed/unpaid dividends to IEPF:

Financial Year	Date of Declaration	Unclaimed dividend as on March 31, 2020 (₹)	Due Date of Transfer to IEPF
2012-13	August 14, 2013	32,64,574.32	September 19, 2020
2013-14	August 06, 2014	41,01,263.43	September 11, 2021
2014-15	August 14, 2015	43,99,593.64	September 19, 2022
2015-16*	March 15, 2016	51,14,943.00	April 20, 2023
2016-17	August 07, 2017	55,06,720.75	September 12, 2024
2017-18*	November 09, 2017	25,47,738.00	December 15, 2024
2017-18	August 11, 2018	12,72,459.70	September 16, 2025
2018-19*	November 9, 2018	32,10,760.00	December 15, 2025
2018-19	July 20, 2019	24,76,525.40	August 25, 2026
2019-20*	November 9, 2019	34,67,346.00	December 15, 2026
2019-20*	March 9, 2020	57,32,795.00	April 14, 2027

* Interim Dividend(s)

As required under the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, (IEPF Rules) the Company uploaded on the Company's website www.amararajabatteries.com the particulars of unclaimed dividend as on March 31, 2019 with information containing the names, addresses of the person entitled to receive the amount, nature of amount, 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 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

On behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Tirupati, May 30, 2020

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, 2020 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Hyderabad, May 30, 2020

Jayadev Galla
Vice Chairman and Managing Director

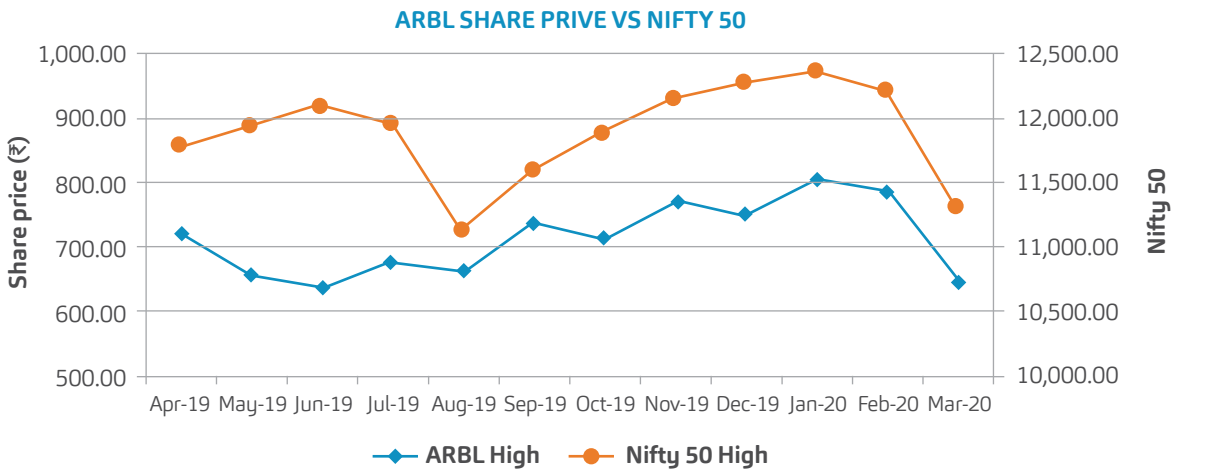
Annexure B

HIGH, LOW PRICES (BASED ON WAP) OF THE COMPANY'S SHARES TRADED ON NSE AND BSE AND PERFORMANCE OF S&P BSE SENSEX 5AND S&P CNX NIFTY DURING THE PERIOD FROM APRIL 1, 2019 TO MARCH 31, 2020 ARE FURNISHED BELOW:

Month	NSE		Nifty 50		BSE		S&P BSE Sensex	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2019	721.60	662.35	11,787.15	11,575.95	723.05	661.25	39,275.64	38,564.88
May 2019	659.00	616.10	11,945.90	11,148.20	658.40	616.75	39,831.97	37,090.82
June 2019	638.05	581.40	12,088.55	11,672.15	638.90	582.00	40,267.62	38,960.79
July 2019	675.80	610.65	11,946.75	11,085.40	675.60	610.45	39,908.06	37,397.24
August 2019	665.60	602.80	11,109.65	10,741.35	665.15	602.50	37,641.27	36,472.93
September 2019	737.20	619.80	11,600.20	10,704.80	736.95	619.45	39,097.14	36,093.47
October 2019	711.90	651.35	11,877.45	11,126.40	711.95	651.40	40,129.05	37,531.98
November 2019	769.55	654.20	12,151.15	11,840.45	770.05	654.00	41,130.17	40,116.06
December 2019	751.55	714.11	12,271.80	11,856.80	751.15	714.28	41,681.54	40,239.88
January 2020	805.85	714.05	12,362.30	11,962.10	806.05	712.36	41,952.63	40,676.63
February 2020	786.10	641.74	12,201.20	11,201.75	785.85	643.47	41,565.90	38,297.29
March 2020	644.75	373.26	11,303.30	7,610.25	644.95	376.97	38,623.70	25,981.24

PERFORMANCE OF THE COMPANY'S SHARE PRICE VIS-À-VIS-NIFTY 50

A comparative line chart showing performance of share price (Closing High) of the Company on NSE with NSE Nifty 50 (Closing High) during the financial year 2019-20.



PERFORMANCE OF THE COMPANY'S SHARE PRICE AS AT THE BEGINNING AND END OF THE FINANCIAL YEAR 2019-20

Name of the Stock Exchange	NSE	BSE
Closing Price as on April 1, 2019 (₹)	721.60	723.05
Closing Price as on March 31, 2020 (₹)	478.05	478.10
Change in price during the year (₹)	(243.55)	(244.95)
% Change	(33.75)	(33.88)

On behalf of the Board of Directors

Dr. Ramachandra N Galla

Tirupati, May 30, 2020 Chairman

Annexure C
DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2020

No. of shares held	No. of shareholders*	Percentage to no. of shareholders	No. of shares	Percentage to capital
1 - 100	61,595	81.81	16,70,749	0.98
101 - 500	9,147	12.15	21,02,967	1.23
501 - 1000	1,560	2.07	11,96,080	0.70
1001 - 2000	1,632	2.17	24,04,685	1.41
2001 - 3000	507	0.67	13,88,316	0.81
3001 - 4000	128	0.17	4,57,479	0.27
4001 - 5000	162	0.21	7,41,221	0.43
5001 - 10000	248	0.33	17,91,118	1.05
10001 and above	313	0.42	15,90,59,885	93.12
Total	75,292	100.00	17,08,12,500	100.00

MODE OF HOLDING AS ON MARCH 31, 2020

Particulars	No. of shareholders*	Percentage to no. of shareholders	No. of shares	Percentage to capital
Demat mode	74,945	99.54	16,79,50,178	98.32
Physical mode	347	0.46	28,62,322	1.68
Total	75,292	100.00	17,08,12,500	100.00

* Non-consolidation basis

CATEGORIES OF EQUITY SHAREHOLDERS AS ON MARCH 31, 2020

Category	Number of Shares held	Percentage of holding
Promoters	4,79,32,452	28.06
Mutual Funds	1,40,20,228	8.21
Alternate Investment Funds	93,823	0.05
Foreign Portfolio Investor/ Foreign Institutional Investors	3,57,13,325	20.91
Banks/Financial Institutions	25,09,753	1.47
Insurance Companies	24,09,878	1.41
State Government/Central Government	7,97,943	0.47
Indian Public - Individuals	1,42,40,291	8.34
Bodies Corporate	34,99,703	2.05
Overseas Body Corporate	4,09,95,000	24.00
Clearing Members	3,35,093	0.20
Hindu Undivided Families	3,28,530	0.19
Non Resident Indians	62,30,412	3.65
Trusts	8,98,770	0.53
Foreign Portfolio Investor (Individual) Category III	300	0.00
Investor Education and Protection Fund (IEPF)	7,36,749	0.43
Others - Unclaimed Suspense Account	70,250	0.04
Total	17,08,12,500	100.00

On behalf of the Board of Directors

Dr. Ramachandra N Galla

Chairman

Tirupati, May 30, 2020

Annexure D
Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Securities 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 March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities 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.	00133761	Galla Ramachandra Naidu	Non-Executive Chairman	08/07/1985
2.	00143610	Galla Jayadev	Managing Director	01/09/2015
3.	00025063	Sri Vishnu Raju Nandyala	Non-Executive - Independent Director	14/08/2008
4.	01143563	Narayanaswamy Tharmapuram Ramachandran	Non-Executive - Independent Director	01/06/2009
5.	00185929	Bhairavi Tushar Jani	Non-Executive - Independent Director	28/03/2015
6.	01347211	Ramadevi Gourineni	Non-Executive - Non- Independent Director	01/02/2020

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

CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000276794

Chennai, May 30, 2020

Annexure E

Corporate Governance Certificate

The Members

Amara Raja Batteries Limited

Renigunta - Cuddapah Road

Karakambadi, Tirupati, Andhra Pradesh - 517520

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records of Amara Raja Batteries Limited (CIN: L31402AP1985PLC005305), having its Registered Office at Renigunta - Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020. 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 to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020.

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

CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000276783

Chennai, May 30, 2020

Annexure IV

Business Responsibility 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, 2020
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.
10. Markets served by the Company – Local/ State/ National/International	National & International (47 countries)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	₹17.08 crores
2. Total Turnover (INR)	₹6,839.46 crores
3. Total profit after taxes (INR)	₹660.82 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, 2020 was ₹14.35 crores which is 2.17% of the profit after tax.
5. List of activities in which expenditure in 4 above has been incurred	Please refer Annexure VI to Director'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/Director responsible for implementation of the BR policy/policies

DIN Number	00143610
Name	Mr. Jayadev Galla
Designation	Vice Chairman and Managing Director

(b) Details of the BR head

DIN Number (if applicable)	-
Name	Mr. S Vijayanand
Designation	Chief Executive Officer
Telephone number	040-23139000
e-mail id	vnand@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

Sl No.	Details of compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 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 Medclaim Policy, etc.	Yes The Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy and the Consumer Policy.	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	Yes The Company has a CSR 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

Table continued to the next page

Sl	Details of No. compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	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 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	Yes	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director
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	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

Table continued to the next page

Sl	Details of No. compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
6.	Indicate the link for the policy to be viewed online?	https://www.amararajabatteries.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.amararajabatteries.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, 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	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

Table continued to the next page

Sl	Details of No. compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The whistle blower mechanism provides employees to report any concern or grievances pertaining to any potential or actual violation of the Company's code of conduct.	The quality, marketing, technology and operations departments work together collaboratively to address the issue 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 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.	The HSE departments take care of all grievances, if any,	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 Executive Committee comprising of senior management personnel. However, there is no specific frequency.

(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 policy 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 complaints from stakeholders in the previous financial year. The normal grievances, complaints of the stakeholders are attended and resolved immediately.

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 uses non conventional energy in producing the products. 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. High Wattage series batteries for UPS by optimizing size, weight & cost.
4. Automotive-SLI batteries with advanced designs/materials to enhance safety, life & reduce maintenance.
5. Advanced AGM&EFB for Automotive Start-Stop application
6. 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. For each such product, provide 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 ranging from 2% to 5% per battery for various products in both industrial and automotive battery division.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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 had increased the installed capacity of solar roof top panels for 6.3 MW to 9.25 MW in FY 2019-20 to generate clean electrical energy. This ensures use of clean energy and also entails power at low cost.

The Company undertakes various projects to improve green cover and rain water harvesting ponds in the manufacturing plants. The increase in green cover would help in keeping the surrounding at a lesser temperature than surroundings and also helps in reducing the ambient noise levels and air pollution from the operations. Rain water harvesting ponds would help in the improving the ground water levels.

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 endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials – lead, separators are procured from manufacturers / producers who are well reputed global players. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.

The Company explored the multi-modal transport system as an alternative mode of transport to Northern markets, forged relations with eight fleet owners brokered vehicle arrangements, which helped to reduce the transit time and safe transportation with minimum transit loss and optimized the logistics cost

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 encourages procurement of raw materials (B and C items) and avail services from the local vendors who are in close proximity to the Company's plants and region, which helps us to reduce cost, lead time. The Company is in continuous communication with the local and small vendors to improve their capacity to meet the procurement requirements of the Company.

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.

The Company endeavors to manage the environmental impacts of organizational activities, products and services. The Company uses recycled lead in the manufacture of the products and has in place a structure to collect the used batteries and recycle the same at the approved vendors. The Company has systems in place to mitigate the exposure risk of hazardous materials during manufacturing, application and disposal at all our plants.

Principle 3

1. Please indicate the Total number of employees

The Company has 10,690 employees as on March 31, 2020

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 143 service technicians on third party rolls and engaged by the Company for field operations.

3. Please indicate the Number of permanent women employees

The Company has 443 permanent women employees as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities

The Company has 19 permanent employees with disabilities.

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	1	1
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	82%
b.	Permanent Women Employees	83%
c.	Casual/Temporary/Contractual Employees	NA
d.	Employees with Disabilities	68%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

The Company has mapped its key internal and external stakeholders

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

Yes the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

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, Communication Meeting, Training Programs, Annual health check-ups, celebrations, in-house publications
Investors and Shareholders	Quarterly results, Annual Reports, Earnings call, Analyst meet, press releases
Society	Rajanna Trust, Krishnadevaraya Educational and Cultural Association (KECA)
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.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints in the last financial year.

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 has installed capacity of 9.25 MW solar roof top panels to generate clean electrical energy. 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 has increased the installed capacity of solar roof top panels from 6.3 MW to 9.25 MW in FY 2019-20 to generate clean electrical energy.

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.

There are no legal notices from CPCB/SPCB are pending as on 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:

- Confederation of Indian Industry (CII)
- Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
- Federation of Indian Export Organisation (FIEO)
- Engineering Export Promotion Council (EEPC)
- Employers' Federation of Southern India (EFSI)

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 Director'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?

An extensive assessment of the companies CSR activities and its impact in the community was carried out by a team from IIM Bangalore.

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 Rs. 14.35 crores on the CSR Activities during the financial year 2019-20. The amount was spent on areas as mentioned in Annexure VI to the Director'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, 2020.

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.

Annexure V

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L31402AP1985PLC005305
2	Registration Date	February 13, 1985
3	Name of the Company	Amara Raja Batteries Limited
4	Category / Sub-Category of the Company	Public Company/ Company having share capital
5	Address of the Registered office and contact details	Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517520 Tel: 91 877 226 5000 Fax: 91 877 228 5600 E-mail: investorservices@amararaja.com Website: www.amararajabatteries.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Unit: Amara Raja Batteries Limited V Floor, No. 1, Subramanian Building Club House Road, Chennai - 600002 Tel : 91 44 28460390 Fax : 91 44 28460129 E-mail: investor@cameoindia.com Website: www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Batteries and Accumulators	27201	97.98

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Amara Raja Batteries Middle East (FZE) SAIF OFFICE, P8-15-84, P.O. Box 124018 Sharjah, U.A.E	Certificate of Incorporation No. 11257	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a. Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
	Demat	Physical	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters							
(1) Indian							
a) Individual/ HUF	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-
d) Bodies Corporate	4,45,16,202	-	26.06	4,79,32,452	-	4,79,32,452	28.06
e) Banks / FI	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-
Sub-total (A) (1):	4,45,16,202	-	26.06	4,79,32,452	-	4,79,32,452	28.06
(2) Foreign							
a) NRIs -Individuals	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-
c) Bodies Corporate	4,44,11,250	-	26.00	4,44,11,250	-	-	(26.00)
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-
Sub-total (A) (2):	4,44,11,250	-	26.00	4,44,11,250	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8,89,27,452	-	52.06	4,79,32,452	-	4,79,32,452	28.06
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	1,45,49,700	9,000	8.52	1,40,12,728	7,500	1,40,20,228	8.21

Table continued to the next page

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI	15,54,652	4,500	15,59,152	0.91	25,05,253	4,500	25,09,753	1.47	0.56
c) Central Government	6,26,785	0	6,26,785	0.37	7,97,943	0	7,97,943	0.47	0.10
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	24,09,878	-	24,09,878	1.41	1.41
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors	3,30,93,762	1,500	3,30,95,262	19.38	3,57,13,325	-	3,57,13,325	20.91	1.53
Alternate Investment Funds	15,19,485	-	15,19,485	0.89	93,823	-	93,823	0.05	(0.84)
Sub-total (B)(1):	5,13,44,384	15,000	5,13,59,384	30.07	5,55,32,950	12,000	5,55,44,950	32.52	2.45
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	61,99,075	16,500	62,15,575	3.64	34,86,203	13,500	34,99,703	2.05	(1.59)
ii) Overseas	-	-	-	-	4,09,95,000	-	4,09,95,000	24.00	24.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	1,24,37,488	8,89,988	1,33,27,476	7.80	1,19,22,773	8,17,688	1,27,40,461	7.46	(0.34)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakhs	15,44,299	-	15,44,299	0.90	14,99,830	-	14,99,830	0.88	(0.02)
c) Others (specify) Clearing members	8,23,963	-	8,23,963	0.48	3,35,093	-	3,35,093	0.20	(0.28)

Table continued to the next page

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign nationals	-	-	-	-	-	-	-	-	-
Hindu Undivided Families	3,80,372	-	3,80,372	0.22	3,28,530	-	3,28,530	0.19	(0.03)
Non Resident Indians	36,15,752	28,04,982	64,20,734	3.76	42,11,278	20,19,134	62,30,412	3.65	(0.11)
Others - Unclaimed suspense account	74,000	-	74,000	0.04	70,250	-	70,250	0.04	(0.00)
Others - IEPF	7,55,729	-	7,55,729	0.44	7,36,749	-	7,36,749	0.43	(0.01)
Foreign Portfolio Investor (Individual)	300	-	300	-	300	-	300	-	-
Category III									
Trusts	9,83,216	-	9,83,216	0.58	8,98,770	-	8,98,770	0.53	(0.05)
Sub-total (B)(2):	2,68,14,194	37,11,470	3,05,25,664	17.87	6,44,84,776	28,50,322	6,73,35,098	39.42	21.55
Total Public Shareholding (B)=(B) (1)+(B)(2)	7,81,58,578	3726,470	8,18,85,048	47.94	12,00,17,726	28,62,322	12,28,80,048	71.94	24.0000
Total (A) + (B)	16,70,86,030	37,26,470	17,08,12,500	100.00	16,79,50,178	28,62,322	17,08,12,500	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	16,70,86,030	37,26,470	17,08,12,500	100.00	16,79,50,178	28,62,322	17,08,12,500	100.00	0.00

b. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in shareholding during the year
		No. of Shares	% of total Shares	Pledged / encumbered to Company	total shares	No. of Shares	% of total Shares	Pledged / encumbered to Company	total shares	
1	RNGalla Family Private Limited	4,14,00,702	24.24	-	4,79,32,452	28.06	5.93	-	-	3.82
2	Mangal Industries Limited	31,15,500	1.82	-	-	-	-	-	-	-1.82
3	Johnson Controls (Mauritius) Private Limited*	4,44,11,250	26.00	-	-	-	-	-	-	-26.00
		8,89,27,452	52.06	-	4,79,32,452	28.06	5.93	-	-	-24.00

*The members by way of postal ballot approved the de-classification of M/s. Johnson Controls (Mauritius) Private Limited as a promoter of the Company. The Company has submitted necessary application to the stock exchanges and are awaiting their approval.

c. Change in Promoters' Shareholding

	At the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
RNGalla Family Private Limited				
At the beginning of the year	4,14,00,702	22.24		
Off market purchases/transfers on:				
August 2, 2019	31,15,500	1.82	4,45,16,202	26.06
August 7, 2019	34,16,250	2.00	4,79,32,452	28.06
At the end of the year			4,79,32,452	28.06
Mangal Industries Limited				
At the beginning of the year	31,15,500	1.82		
Off market transfer on:				
August 2, 2019	(31,15,500)	1.82	-	-
At the end of the year			-	-
Johnson Controls (Mauritius) Private Limited				
At the beginning of the year	4,44,11,250	26.00		
Off market sale on :				
June 28, 2019	(4,09,95,000)	24.00	34,16,250	2.00
August 2, 2019	(34,16,250)	2.00	-	-
At the end of the year			-	-

d. Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs):

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Nalanda India Equity Fund				
	At the beginning of the year	1,33,43,581	7.81		
	Market purchases during the week ended				
	June 28, 2019	3,00,000	0.18	1,36,43,581	7.99
	July 5, 2019	49,252	0.03	1,36,92,833	8.02
	July 12, 2019	8,09,933	0.47	1,45,02,766	8.49

Table continued to the next page

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	July 19, 2019	9,60,749	0.56	1,54,63,515	9.05
	July 26, 2019	4,26,407	0.25	1,58,89,922	9.30
	August 2, 2019	9,91,016	0.58	1,68,80,938	9.88
	At the end of the year			1,68,80,938	9.88
2.	ICICI Prudential Mutual Fund (including all schemes)*				
	At the beginning of the year	46,78,868	2.74		
	Net market purchases/(sales) during the week ended:				
	April 5, 2019	10,44,771	0.61	57,23,639	3.35
	April 12, 2019	26,700	0.02	57,50,339	3.37
	April 19, 2019	(1,58,673)	(0.09)	55,91,666	3.27
	May 17, 2019	15,869	0.01	56,07,535	3.28
	May 24, 2019	95,622	0.06	57,03,157	3.34
	May 31, 2019	3,50,000	0.20	60,53,157	3.54
	June 7, 2019	11,552	0.01	60,64,709	3.55
	June 14, 2019	1,50,000	0.09	62,14,709	3.64
	June 21, 2019	90,467	0.05	63,05,176	3.69
	July 5, 2019	42	0.00	63,05,218	3.69
	July 26, 2019	56,429	0.03	63,61,647	3.72
	August 9, 2019	(68,961)	(0.04)	62,92,686	3.68
	August 16, 2019	42	0.00	62,92,728	3.68
	August 23, 2019	10,343	0.01	63,03,071	3.69
	August 30, 2019	14,564	0.01	63,17,635	3.70
	September 6, 2019	880	0.00	63,18,515	3.70
	September 20, 2019	(25,000)	(0.01)	62,93,515	3.68
	September 27, 2019	(49,929)	(0.03)	62,43,586	3.66
	October 4, 2019	(28,731)	(0.02)	62,14,855	3.64
	October 11, 2019	41	0.00	62,14,896	3.64
	October 18, 2019	6	0.00	62,14,902	3.64
	October 25, 2019	41	0.00	62,14,943	3.64
	November 1, 2019	1	0.00	62,14,944	3.64

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	November 22, 2019	(70,257)	(0.04)	61,44,687	3.60
	November 29, 2019	(46,097)	(0.03)	60,98,590	3.57
	December 6, 2019	(53,903)	(0.03)	60,44,687	3.54
	December 27, 2019	36	0.00	60,44,723	3.54
	January 10, 2020	41	0.00	60,44,764	3.54
	January 17, 2020	(68,066)	(0.04)	59,76,698	3.50
	January 31, 2020	(3,184)	(0.00)	59,73,514	3.50
	February 7, 2020	(1,12,985)	(0.07)	58,60,529	3.43
	February 14, 2020	(25,889)	(0.02)	58,34,640	3.42
	February 21, 2020	(22,000)	(0.01)	58,12,640	3.40
	March 6, 2020	1,41,877	0.08	59,54,517	3.49
	March 13, 2020	2,30,502	0.13	61,85,019	3.62
	March 20, 2020	2,47,785	0.15	64,32,804	3.77
	March 27, 2020	1,49,156	0.09	65,81,960	3.85
	March 31, 2020	6,102	0.00	65,88,062	3.86
	At the end of the year			65,88,062	3.86
3.	UTI Mutual Funds (including all schemes)*				
	At the beginning of the year	27,15,181	1.59		
	Market purchases/(sales) during the week ended				
	April 5, 2019	46,962	0.03	27,62,143	1.62
	April 12, 2019	30,000	0.02	27,92,143	1.63
	May 31, 2019	35,000	0.02	28,27,143	1.66
	June 7, 2019	63,725	0.04	28,90,868	1.69
	June 28, 2019	85,000	0.05	29,75,868	1.74
	August 2, 2019	(1,86,900)	(0.11)	27,88,968	1.63
	August 9, 2019	1,02,900	0.06	28,91,868	1.69
	August 16, 2019	84,000	0.05	29,75,868	1.74
	August 30, 2019	62,798	0.04	30,38,666	1.78
	September 6, 2019	46,770	0.03	30,85,436	1.81
	October 18, 2019	27,300	0.02	31,12,736	1.82

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	October 25, 2019	27,093	0.02	31,39,829	1.84
	November 8, 2019	27,704	0.02	31,67,533	1.85
	November 15, 2019	(15,000)	(0.01)	31,52,533	1.85
	November 22, 2019	(4,200)	(0.00)	31,48,333	1.84
	November 29, 2019	(28,100)	(0.02)	31,20,233	1.83
	December 6, 2019	(1,29,416)	(0.08)	29,90,817	1.75
	December 13, 2019	(33,073)	(0.02)	29,57,744	1.73
	December 20, 2019	(4,15,000)	(0.24)	25,42,744	1.49
	December 27, 2019	(20,000)	(0.01)	25,22,744	1.48
	January 3, 2020	1,600	0.00	25,24,344	1.48
	January 10, 2020	4,800	0.00	25,29,144	1.48
	January 17, 2020	(17,949)	(0.01)	25,11,195	1.47
	January 24, 2020	(6,788)	(0.00)	25,04,407	1.47
	January 31, 2020	(15,000)	(0.01)	24,89,407	1.46
	February 7, 2020	35,602	0.02	25,25,009	1.48
	February 14, 2020	(1,00,187)	(0.06)	24,24,822	1.42
	March 6, 2020	2,60,800.00	0.15	26,85,622	1.57
	March 13, 2020	6,500.00	0.00	26,92,122	1.58
	March 20, 2020	(24,800.00)	(0.01)	26,67,322	1.56
	March 27, 2020	15,071	0.01	26,82,393	1.57
	At the end of the year			26,82,393	1.57
4.	National Westminster Bank PLC as trustee of St. James's Place Emerging Markets Equity Unit Trust managed by Wasatch Advisors Inc				
	At the beginning of the year	18,09,606	1.06		
	Net market purchases/(sales) during the week ended :				
	April 19, 2019	2,97,323	0.17	21,06,929	1.23
	April 26, 2019	1,96,838	0.12	23,03,767	1.35
	At the end of the year			23,03,767	1.35
5.	Franklin Templeton Mutual Fund (including all schemes)*				
	At the beginning of the year	16,80,865	0.98		

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	Net market purchases/(sales) during the week ended:				
	April 26, 2019	(31,060)	(0.02)	16,49,805	0.97
	May 3, 2019	(8,060)	(0.00)	16,41,745	0.96
	June 21, 2019	(21,212)	(0.01)	16,20,533	0.95
	June 28, 2019	(7,63,573)	(0.45)	8,56,960	0.50
	July 12, 2019	(44,000)	(0.03)	8,12,960	0.48
	July 19, 2019	(4,20,094)	(0.25)	3,92,866	0.23
	August 2, 2019	(3,92,866)	(0.23)	-	-
	At the end of the year			-	-
6.	Smallcap World Fund Inc[#]				
	At the beginning of the year	16,07,169	0.94		
	Net market purchases/(sales) during the week ended:				
	April 5, 2019	(1,72,249)	(0.10)	14,34,920	0.84
	April 26, 2019	(2,93,551)	(0.17)	11,41,369	0.67
	May 3, 2019	(1,03,092)	(0.06)	10,38,277	0.61
	May 10, 2019	(1,51,471)	(0.09)	8,86,806	0.52
	May 17, 2019	(3,311)	(0.00)	8,83,495	0.52
	May 24, 2019	(2,55,000)	(0.15)	6,28,495	0.37
	May 31, 2019	(3,28,258)	(0.19)	3,00,237	0.18
	June 7, 2019	(1,63,697)	(0.10)	1,36,540	0.08
	June 14, 2019	(86,360)	(0.05)	50,180	0.03
	June 21, 2019	(50,180)	(0.03)	-	-
	At the end of the year			-	-
7.	ICICI Prudential Life Insurance Company Limited[#]				
	At the beginning of the year	14,31,954	0.84		
	Net market purchases/(sales) during the week ended:				
	April 5, 2019	(4,827)	(0.00)	14,27,127	0.84
	April 12, 2019	2,59,512	0.15	16,86,639	0.99
	April 19, 2019	(55,061)	(0.03)	16,31,578	0.96
	April 26, 2019	(56)	(0.00)	16,31,522	0.96

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	May 3, 2019	(56)	(0.00)	16,31,466	0.96
	May 17, 2019	36,378	0.02	16,67,844	0.98
	May 24, 2019	1,17,814	0.07	17,85,658	1.05
	June 14, 2019	20,913	0.01	18,06,571	1.06
	June 21, 2019	23,375	0.01	18,29,946	1.07
	June 28, 2019	20,008	0.01	18,49,954	1.08
	July 5, 2019	1,262	0.00	18,51,216	1.08
	July 12, 2019	292	0.00	18,51,508	1.08
	July 19, 2019	(1,27,254)	(0.07)	17,24,254	1.01
	July 26, 2019	(77,739)	(0.05)	16,46,515	0.96
	August 2, 2019	(19,849)	(0.01)	16,26,666	0.95
	August 9, 2019	(21,218)	(0.01)	16,05,448	0.94
	August 23, 2019	(30,807)	(0.02)	15,74,641	0.92
	August 30, 2019	(38,895)	(0.02)	15,35,746	0.90
	September 6, 2019	25,872	0.02	15,61,618	0.91
	September 13, 2019	(26,214)	(0.02)	15,35,404	0.90
	September 20, 2019	(7,109)	(0.00)	15,28,295	0.89
	September 27, 2019	(1,14,241)	(0.07)	14,14,054	0.83
	October 4, 2019	65,271	0.04	14,79,325	0.87
	October 11, 2019	(2,820)	(0.00)	14,76,505	0.86
	October 18, 2019	(81,979)	(0.05)	13,94,526	0.82
	October 25, 2019	27,920	0.02	14,22,446	0.83
	November 1, 2019	(616)	(0.00)	14,21,830	0.83
	November 8, 2019	(14,361)	(0.01)	14,07,469	0.82
	November 15, 2019	(1,25,899)	(0.07)	12,81,570	0.75
	November 22, 2019	(38,146)	(0.02)	12,43,424	0.73
	November 29, 2019	(1,46,745)	(0.09)	10,96,679	0.64
	December 6, 2019	(69,774)	(0.04)	10,26,905	0.60
	December 13, 2019	(1,776)	(0.00)	10,25,129	0.60
	December 20, 2019	(211)	(0.00)	10,24,918	0.60

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	December 27, 2019	(763)	(0.00)	10,24,155	0.60
	January 3, 2020	(905)	(0.00)	10,23,250	0.60
	January 17, 2020	(99,116)	(0.06)	9,24,134	0.54
	January 24, 2020	(1,34,403)	(0.08)	7,89,731	0.46
	January 31, 2020	(33)	(0.00)	7,89,698	0.46
	February 7, 2020	18,447	0.01	8,08,145	0.47
	February 14, 2020	(11,662)	(0.01)	7,96,483	0.47
	February 21, 2020	(1,521)	(0.00)	7,94,962	0.47
	February 28, 2020	46,118	0.03	8,41,080	0.49
	March 6, 2020	39,942	0.02	8,81,022	0.52
	March 27, 2020	22,801	0.01	9,03,823	0.53
	At the end of the year			9,03,823	0.53
8.	Durga Rani Chunduri				
	At the beginning of the year	13,62,600	0.79		
	Market purchases/(sales) during the week ended : Nil				
	At the end of the year			13,62,600	0.79
9.	Reliance Mutual Funds (including all schemes)#				
	At the beginning of the year	13,00,132	0.76		
	Net market purchases/(sales) during the week ended:				
	April 5, 2019	(1,86,937)	(0.11)	11,13,195	0.65
	April 12, 2019	(1,288)	(0.00)	11,11,907	0.65
	April 19, 2019	588	0.00	11,12,495	0.65
	April 26, 2019	868	0.00	11,13,363	0.65
	May 3, 2019	(608)	(0.00)	11,12,755	0.65
	May 10, 2019	(4,022)	(0.00)	11,08,733	0.65
	May 17, 2019	50,420	0.03	11,59,153	0.68
	May 24, 2019	50,173	0.03	12,09,326	0.71
	May 31, 2019	2,220	0.00	12,11,546	0.71
	June 7, 2019	480	0.00	12,12,026	0.71
	June 14, 2019	(95)	(0.00)	12,11,931	0.71

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	June 21, 2019	231	0.00	12,12,162	0.71
	June 28, 2019	76	0.00	12,12,238	0.71
	July 5, 2019	610	0.00	12,12,848	0.71
	July 12, 2019	260	0.00	12,13,108	0.71
	July 19, 2019	562	0.00	12,13,670	0.71
	July 26, 2019	240	0.00	12,13,910	0.71
	August 2, 2019	(44,779)	(0.03)	11,69,131	0.68
	August 9, 2019	(7,10,962)	(0.42)	4,58,169	0.27
	August 16, 2019	(4,43,687)	(0.26)	14,482	0.01
	August 23, 2019	120	0.00	14,602	0.01
	August 30, 2019	298	0.00	14,900	0.01
	September 6, 2019	60	0.00	14,960	0.01
	September 13, 2019	140	0.00	15,100	0.01
	September 20, 2019	140	0.00	15,240	0.01
	September 27, 2019	4,959	0.00	20,199	0.01
	October 4, 2019	80	0.00	20,279	0.01
	October 11, 2019	480	0.00	20,759	0.01
	October 18, 2019	120	0.00	20,879	0.01
	November 1, 2019	180	0.00	21,059	0.01
	November 8, 2019	60	0.00	21,119	0.01
	November 15, 2019	(239)	(0.00)	20,880	0.01
	November 22, 2019	(246)	(0.00)	20,634	0.01
	November 29, 2019	(5,253)	(0.00)	15,381	0.01
	December 6, 2019	(958)	(0.00)	14,423	0.01
	December 13, 2019	87	0.00	14,510	0.01
	December 20, 2019	14	0.00	14,524	0.01
	December 27, 2019	907	0.00	15,431	0.01
	January 3, 2020	620	0.00	16,051	0.01
	January 10, 2020	10,479	0.01	26,530	0.02
	January 17, 2020	1,020	0.00	27,550	0.02

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	January 24, 2020	780	0.00	28,330	0.02
	January 31, 2020	(660)	(0.00)	27,670	0.02
	February 7, 2020	9,060	0.01	36,730	0.02
	February 14, 2020	50,547	0.03	87,277	0.05
	February 21, 2020	(920)	(0.00)	86,357	0.05
	February 28, 2020	97,500	0.06	1,83,857	0.11
	March 6, 2020	12,600	0.01	1,96,457	0.12
	March 13, 2020	(1,05,400)	(0.06)	91,057	0.05
	March 20, 2020	(63,540)	(0.04)	27,517	0.02
	March 27, 2020	(8,140)	(0.00)	19,377	0.01
	March 31, 2020	1,060	0.00	20,437	0.01
	At the end of the year			20,437	0.01
10.	Powermaster Engineers Private Limited				
	At the beginning of the year	12,63,528	0.74		
	Market purchases/(sales) during the week ended : Nil				
	At the end of the year			12,63,528	0.74
11.	Panther ARBL Holdings LP^				
	At the beginning of the year	-	-		
	Off market purchases on:				
	June 28, 2019	4,09,95,000	24.00	4,09,95,000	24.00
	At the end of the year			4,09,95,000	24.00
12.	Life Insurance Corporation of India^				
	At the beginning of the year	8,34,164	0.49		
	Net market purchases/(sales) during the week ended:				
	January 17, 2020	56,415	0.03	8,90,579	0.52
	February 7, 2020	70,000	0.04	9,60,579	0.56
	February 14, 2020	2,16,498	0.13	11,77,077	0.69
	February 21, 2020	2,00,284	0.12	13,77,361	0.81
	February 28, 2020	4,08,364	0.24	17,85,725	1.05
	March 6, 2020	1,04,854	0.06	18,90,579	1.11
	At the end of the year			18,90,579	1.11

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
13.	Class D Series of GEF-PS, LP^				
	At the beginning of the year	6,20,000	0.37		
	Net market purchases/(sales) during the week ended:				
	August 2, 2019	1,58,673	0.09	7,78,673	0.46
	August 9, 2019	4,73,075	0.28	12,51,748	0.74
	August 16, 2019	2,28,252	0.13	14,80,000	0.87
	At the end of the year			14,80,000	0.87
14.	HDFC Life Insurance Company Limited^				
	At the beginning of the year	11,61,859	0.68		
	Net market purchases/(sales) during the week ended:				
	April 5, 2019	5,599	0.00	11,67,458	0.68
	April 26, 2019	16,147	0.01	11,83,605	0.69
	May 3, 2019	5,413	0.00	11,89,018	0.70
	May 24, 2019	13,092	0.01	12,02,110	0.70
	May 31, 2019	18,482	0.01	12,20,592	0.71
	June 7, 2019	(7,543)	(0.00)	12,13,049	0.71
	June 14, 2019	12,704	0.01	12,25,753	0.72
	June 21, 2019	8,227	0.00	12,33,980	0.72
	July 5, 2019	(130)	(0.00)	12,33,850	0.72
	July 12, 2019	(16,757)	(0.01)	12,17,093	0.71
	July 19, 2019	3,002	0.00	12,20,095	0.71
	July 26, 2019	1,287	0.00	12,21,382	0.72
	August 2, 2019	(36,663)	(0.02)	11,84,719	0.69
	August 9, 2019	(3,245)	(0.00)	11,81,474	0.69
	August 16, 2019	(103)	(0.00)	11,81,371	0.69
	August 23, 2019	15,377	0.01	11,96,748	0.70
	August 30, 2019	13,819	0.01	12,10,567	0.71
	September 6, 2019	48,358	0.03	12,58,925	0.74
	September 13, 2019	(28,437)	(0.02)	12,30,488	0.72
	September 20, 2019	(28,466)	(0.02)	12,02,022	0.70

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Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	September 27, 2019	(10,816)	(0.01)	11,91,206	0.70
	October 4, 2019	39,663	0.02	12,30,869	0.72
	October 11, 2019	3,853	0.00	12,34,722	0.72
	October 18, 2019	(144)	(0.00)	12,34,578	0.72
	October 25, 2019	(971)	(0.00)	12,33,607	0.72
	November 1, 2019	(176)	(0.00)	12,33,431	0.72
	November 8, 2019	1,279	0.00	12,34,710	0.72
	November 15, 2019	(35,583)	(0.02)	11,99,127	0.70
	November 22, 2019	(21,272)	(0.01)	11,77,855	0.69
	November 29, 2019	(4,662)	(0.00)	11,73,193	0.69
	December 6, 2019	(736)	(0.00)	11,72,457	0.69
	December 13, 2019	(86)	(0.00)	11,72,371	0.69
	December 20, 2019	(2,939)	(0.00)	11,69,432	0.68
	December 27, 2019	14,322	0.01	11,83,754	0.69
	January 3, 2020	(2,067)	(0.00)	11,81,687	0.69
	January 10, 2020	(10,168)	(0.01)	11,71,519	0.69
	January 17, 2020	(17,693)	(0.01)	11,53,826	0.68
	January 31, 2020	(1,12,272)	(0.07)	10,41,554	0.61
	February 14, 2020	(1,748)	(0.00)	10,39,806	0.61
	February 21, 2020	338	0.00	10,40,144	0.61
	February 28, 2020	42,097	0.02	10,82,241	0.63
	March 6, 2020	68,110	0.04	11,50,351	0.67
	March 13, 2020	5,070	0.00	11,55,421	0.68
	March 20, 2020	1,65,584	0.10	13,21,005	0.77
	March 27, 2020	67,904	0.04	13,88,909	0.81
	At the end of the year			13,88,909	0.81

* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

#Ceased to be in the list of Top 10 as on March 31 2020. However the details are furnished as the shareholder was one of the Top 10 shareholders as on April 1 2019.

^Not in the Top 10 shareholders as on April 1 2019. However the details are furnished as the shareholder was one of the Top 10 shareholders as on March 31 2020.

e. Shareholding of Directors and Key Managerial Personnel:

None of the Directors and Key Managerial Personnel hold any shares at the beginning or end of the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ crores)

	Secured loans excluding deposits	Unsecured loans*	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	58.43	-	58.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	58.43	-	58.43
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	(11.63)	-	(11.63)
Net Change	-	(11.63)	-	(11.63)
Indebtedness at the end of the financial year				
i) Principal Amount	-	46.80	-	46.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	46.80	-	46.80

*interest free sales tax deferment loan.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Whole-time Directors and / or Manager

(Amount in ₹ crores)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name and Designation	Mr. Jayadev Galla, Vice Chairman and Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	2.40	2.40
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961	-	-

Table continued to the next page

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	43.03	43.03
	- others specify	-	-
5.	Others Contribution to Provident Fund	0.00*	0.00*
	Total (A)	45.43	45.43
	Ceiling as per the Act i.e 5% of the net profits calculated under Section 198 of the Companies Act 2013		45.43

* Amount below ₹1 lakh

B. Remuneration to other directors:

(Amount in ₹ crores)

Sl. no.	Name of the Director	Particulars of Remuneration			
		Fees for attending board / committee meetings	Commission	Others please specify	Total Amount
1.	Independent Directors				
	Mr. Nagarjun Valluripalli ^	0.00*	0.02	-	0.02
	Mr. N Sri Vishnu Raju	0.01	0.05	-	0.06
	Mr. T R Narayanaswamy	0.02	0.05	-	0.07
	Ms. Bhairavi Tushar Jani	0.01	0.05	-	0.06
	Total (1)	0.04	0.17	-	0.21
2.	Other Non-Executive Directors				
	Dr. Ramachandra N Galla	-	27.26	-	27.26
	Dr. Ramadevi Gourineni	-	-	-	-
	Total (2)	-	27.26	-	27.26
	Total (B)= (1+2)	0.04	27.43	-	27.47
	Total Managerial Remuneration				27.47
	Ceiling as per the Act i.e 1% of the net profits calculated under Section 198 of the Companies Act 2013#				9.09#

^ The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be director with effect from August 5, 2019.

* Amount below ₹1 lakh

#The shareholders at their meeting held on July 20, 2019 approved by special resolution payment of Commission to Non-Executive Directors in excess of 1% of the net profits of the Company.

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. S Vijayanand CEO	Mr. Y Delli Babu CFO	Mr. M R Rajaram Company Secretary	
1.	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	2.04	0.55	0.90	3.49
	b. Value of perquisites u/s 17(2) Income-tax Act 1961	0.11	0.02	0.07	0.20
	c. Profits in lieu of salary under section 17(3) Income-tax Act 1961	-		-	-
2.	Stock Option	-		-	-
3.	Sweat Equity	-		-	-
4.	Commission	-		-	-
	- as % of profit	-		-	-
	- others specify	-		-	-
5.	Others please specify	-		-	-
	Total	2.15	0.57	0.97	3.69

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Under the Companies Act, 2013, there were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

Annexure VI

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company’s CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The broad focus areas of the Company are 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 meritorious students of underprivileged and promoting preventive healthcare activities such as providing safe and healthy drinking water aiding hospitals etc. Weblink: <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

2. Composition of the CSR Committee:

Name	Designation	Category
Dr. Ramachandra N Galla	Chairman	Non-Independent Non-Executive
Mr. Nagarjun Valluripalli [^]	Member	Independent Non-Executive
Mr. T R Narayanaswamy	Member	Independent Non-Executive
Mr. N Sri Vishnu Raju*	Member	Independent Non-Executive

[^] The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be director with effect from August 5, 2019.
* Appointed as member with effect from November 9, 2019.

3. Average net profit of the Company for last three financial years:

₹714.99 crores

4. Prescribed CSR Expenditure (2% of the Average Net Profit as in item 3 above):

₹14.30 crores

5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year : ₹14.35 crores
- b. Amount unspent if any : Nil

c. Manner in which the amount spent during the financial year is detailed below:

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
Construction of School Building	Rural Development Project	Diguvamagham Village, Chittoor District, Andhra Pradesh	₹13.00 crores	₹10.25 crores	₹10.25 crores	Implementing Agency i.e Rajanna Trust
Running expenses of Skill Development Centre	Rural Development Project	Pettamitta Village, Chittoor District, Andhra Pradesh	₹4.00 crores	₹4.10 crores	₹31.90 crores	Implementing Agency i.e Rajanna Trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

Mr. Jayadev Galla
Vice Chairman and Managing Director

Dr. Ramachandra N Galla
Chairman of the CSR Committee

Hyderabad /Tirupati, May 30, 2020

Annexure VII

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 arrangement or transactions at an arm’s length basis
- | | |
|--|--|
| (a) Name(s) of the related party and nature of relationship | Mangal Industries Limited (MIL)

RNGalla Family Private Limited (RFPL) and Mangal Industries Limited (MIL) are the Indian Promoters of the Company. RFPL is owned and controlled by the Galla Family headed by Dr. Ramachandra N Galla, Chairman of the Company and MIL is a wholly owned subsidiary of RFPL |
| (b) Nature of contracts/ arrangements/ transactions | Income:

Sale of goods, interest income, other recoveries and sharing of expenses.

Expenses:

Purchase of materials, plastic components, storage racks and sharing of expenses. |
| (c) Duration of the contracts / arrangements/ transactions | On going |
| (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 7 2017 authorized the Board (including Committees of the Board) to enter into transactions with MIL upto ₹1000 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 note 35 to the notes forming part of the financial statements for further information on transactions with MIL.

On behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Tirupati, May 30, 2020

Annexure VIII

INFORMATION UNDER SECTION 134(3)(M) OF THE ACT READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE DIRECTORS’ REPORT:

A. 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 installation of energy efficient equipment’s.

B. Technology Absorption

i. 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 .

ii. Benefits derived as a result of the technological projects initiated in the above areas

- High performance and lead weight optimization products in two wheeler.
- EFB variants for automotive start stop application & high performance commercial batteries.
- New range of sVRLA battery series with optimised design.
- Negative plate optimisation in VRLA products to optimise material cost.
- Implementation and Commercialisation of expanded negative plate for UPS Batteries
- Introduction of tubular e-Rickshaw battery.
- Lithium Ion products - milestone achieved of first 2 MWh battery dispatched
- Developed lock Smart Li-Ion products for EV segment with intelligence and telematics.
- E-auto fleet - pilot project in Tirupati town with swapping concept - business demonstration.
- Developed active thermal system with serpentine cooling mechanism.
- Facilitated NABL Accreditation for Lithium Ion Laboratory.
- Executed comprehensive study on “Advancements on graphene –based lead acid batteries and its enactment.”
- Implemented advanced pasting technology for four wheeler automotive batteries.
- Validated and implemented recycling/reuse of paste slurry in tubular battery negative plate manufacturing.
- Optimised curing process for positive plate making of tubular to reduce cost/energy and cycle time.
- Designed and developed novel inter cell weld tooling and process to enhance weld quality of two wheeler batteries.

iii. Future Plan of Action

- Development of more consistent and reliable products in AMARON range with advanced stamp grid design.
- Development of advanced EFB for automotive applications.
- Development of Amaron Sleek Batteries with ABS poly for domestic and export markets.

- Design and development of tubular e-Rickshaw battery to enhance product range and performance.
- Enhancement of Lithium Ion product range for EV segment with Smart BMS, OTA & IOT features.
- Improve the aesthetics & ergonomics for two wheeler and three wheeler lithium battery packs.
- Design, development and POC of high voltage Lithium ion battery for ESS application.
- Li-Ion pilot cell manufacturing and testing.
- Eco-friendly (RoHS & REACH) initiatives for lead acid batteries.
- Development of pre-blend expander for industrial batteries.
- Development of a novel conductance measurement equipment in house.
- Implementation of formation process optimized input energy (Ah) in inverter tubular battery.
- Developing efficient curing profile for four wheeler to enhance the plate quality with optimised the cycle time.
- Optimising formation process to reduce conversion cost of MVRLA battery manufacturing process.

iv. Efforts in brief, made towards technology absorption, adaptation and innovation

- Implemented advanced pasting technology for four-Wheeler automotive batteries
- Designed and developed novel Inter Cell Weld tooling and process to enhance weld quality of two wheeler automotive batteries

v. 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

vi. Information in respect of 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 Technology Company, USA and Johnson Controls Battery Group Inc., USA
b) Year of import	2018
c) Has the technology been fully absorbed?	Yes, the same is under implementation for the manufacture of batteries.
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Under implementation

vii. Expenditure on Research and Development (R&D)

(Amount in ₹ crores)

Sl. No	Parameters	2019-20	2018-19
1	Capital	6.35	3.66
2	Recurring	10.56	10.00
Total		16.91	13.66

C. Foreign exchange earnings and outgo

(Amount in ₹ crores)

Sl. No	Particulars	2019-20	2018-19
1	Foreign exchange used	1,322.48	2,106.77
2	Foreign exchange earned	835.76	724.30

On behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Tirupati, May 30, 2020

Annexure IX

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 2019-20:

Name of the Director/Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
Non-Executive Directors		
Dr. Ramachandra N Galla, Non-Executive Chairman	1,209.02	14.44
Dr. Ramadevi Gourineni, Non-Executive Director*	-	-
Mr. Nagarjun Valluripalli, Non-Executive Independent Director*	1.05	(64.14)
Mr. N Sri Vishnu Raju, Non-Executive Independent Director	2.75	(7.46)
Mr. T R Narayanaswamy, Non-Executive Independent Director	2.88	12.07
Ms. Bhairavi Tushar Jani, Non-Executive Independent Director	2.66	7.14
Executive Director		
Mr. Jayadev Galla, Vice Chairman and Managing Director	2,106.03	14.44
Key Managerial Personnel		
Mr. S Vijayanand, Chief Executive Officer	95.26	6.26
Mr. Y Delli Babu, Chief Financial Officer ^	25.19	NA
Mr. M R Rajaram, Company Secretary	42.90	48.84

*Dr. Ramadevi Gourineni was appointed as an additional director with effect from February 1, 2020. The term of appointment of Mr. Nagarjun Valluripalli as an Independent Director expired and he ceased to be director with effect from August 5, 2019.

^Mr. Y Delli Babu was appointed as Chief Financial Officer with effect from February 11, 2019. Hence the percentage increase is not provided.

- b. The percentage increase in the median remuneration of employees in the financial year : 7.11%
- c. The number of permanent employees on the rolls of the Company : 7,640
- 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 in 2018-19 was 9%. The Percentage increase in the managerial remuneration for the same financial year was 14.44%.

- 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.

On behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Tirupati, May 30, 2020



Financial Statements

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, 2020, 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, 2020, 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 Auditors' 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 period. 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	Revenue Recognition Refer Note 2 M "Revenue Recognition" to the Standalone Financial Statements under Significant Accounting Policies. 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. The timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred.	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: • 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 subsequent to 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	Completeness of provision for warranty obligations Refer Note 2 D(i) under Significant Accounting Policies for use of estimates and judgements in relation to provision for warranty obligations and Note 41 to the Standalone Financial Statements. 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. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.	We carried out a combination of principal audit procedures involving test of internal controls and substantive testing including: • 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. • 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 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) of which we obtained the Director's report, Management Discussion & Analysis and Corporate Governance prior to the date of this auditors' report, and the remaining information is expected to be made available to us after that date.

- Our opinion on the standalone financial statements

does not cover the other information and we will 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 on the other information that we obtained prior to the date of this auditors' report, 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.

- When we read the remaining information of the Director's report and annexures to the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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.

AUDITORS' 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 period 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 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/provided 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 Auditors' 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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: 20202309AAAABB3816

Tirupati, May 30, 2020

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 20209354AAAFX5900

Hyderabad, May 30, 2020

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, 2020 in conjunction with our audit of the standalone Ind AS 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
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Tirupati, May 30, 2020

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 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, 2020, 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: 20209354AAAFX5900

Hyderabad, May 30, 2020

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)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ Government Orders provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except in the case of certain land. The carrying amount of such land as at March 31, 2020 is ₹ Nil (refer details in Note 34 of the standalone financial statements).

In respect of immovable properties of land that have been taken on lease and disclosed as right-of-use asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks

and the book records were not material and have been dealt with in the books of account.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.
- (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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State

Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ crores)	Amount Unpaid (₹ crores)
VAT Laws	VAT	Appellate Authority upto Commissioner level	2007-08 to 2016-17	5.51	4.46
		Tribunal	2007-08 and 2009-10 to 2015-16	3.51	1.56
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner level	2004-05, 2011-12 to 2017-18	11.49	10.09
		Tribunal	2007-08	0.14	-
Income Tax Act, 1961	Income-tax	Appellate Authority upto Commissioner level	2009-10	0.36	0.20
Central Excise Act, 1944	Excise Duty	Tribunal	2003-04 to 2007-08 and 2015-16	8.02	7.41

Out of the total disputed dues aggregating ₹29.03 crores as above, ₹2.06 crores has been stayed for recovery by the relevant authorities.

There are no dues of customs duty as at March 31, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to Government. The Company has not taken any loans or borrowings from financial institutions and banks and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence

reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash

transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 20202309AAAABB3816

Tirupati, May 30, 2020

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 20209354AAAFX5900

Hyderabad, May 30, 2020

Balance Sheet

as at March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	1,647.61	1,809.05
(b) Right-of- use asset	3.2	178.48	-
(c) Capital work-in-progress	3.1	732.58	233.88
(d) Other intangible assets	4	3.13	3.71
(e) Intangible assets under development	4	94.44	80.86
(f) Financial assets			
(i) Investments	5	13.92	20.16
(ii) Other financial assets	6	6.33	6.95
(g) Income tax assets (net)	20	26.21	21.48
(h) Other non-current assets	11	74.99	115.78
Total non - current assets		2,777.69	2,291.87
Current assets			
(a) Inventories	7	1,142.69	1,061.42
(b) Financial assets			
(i) Investments	5	142.25	0.30
(ii) Trade receivables	8	636.28	768.58
(iii) Cash and cash equivalents	9	32.60	50.15
(iv) Bank balances other than (iii) above	10	51.91	21.60
(v) Other financial assets	6	11.53	8.59
(c) Other current assets	11	205.64	293.43
Total current assets		2,222.90	2,204.07
Total assets		5,000.59	4,495.94
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	3,638.53	3,318.24
Total equity		3,655.61	3,335.32
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	34.34	46.80
(ii) Lease liabilities	15	21.67	-
(b) Provisions	16	83.75	69.46
(c) Deferred tax liabilities (net)	17	44.13	95.91
(d) Other non-current liabilities	21	59.13	45.98
Total non - current liabilities		243.02	258.15
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		73.91	59.60
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		540.98	450.84
(ii) Other financial liabilities	19	204.89	170.52
(iii) Lease liabilities	15	15.43	-
(b) Provisions	16	99.41	61.89
(c) Other current liabilities	21	167.34	159.62
Total current liabilities		1,101.96	902.47
Total equity and liabilities		5,000.59	4,495.94
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 : 000513S)

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

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S Vijayanand
Chief Executive Officer

Delli Babu Y
Chief Financial Officer

M R Rajaram
Company Secretary

Hyderabad/Tirupati, May 30, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	22	6,839.46	6,793.11
II	Other income	23	55.05	46.77
III	Total Income (I+II)		6,894.51	6,839.88
IV	Expenses			
	Cost of materials consumed		4,219.07	4,603.06
	Purchases of stock-in-trade		175.89	170.18
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	52.17	(129.14)
	Employee benefits expense	25	385.18	345.23
	Finance costs	26	12.19	6.95
	Depreciation and amortization expense	27	300.74	261.20
	Other expenses	28	908.59	852.03
	Total Expenses		6,053.83	6,109.51
V	Profit before tax (III - IV)		840.68	730.37
VI	Tax expense	29		
	(i) Current tax		231.64	238.78
	(ii) Deferred tax		(51.78)	8.10
	Total tax expense		179.86	246.88
VII	Profit for the year (V - VI)		660.82	483.49
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		(2.87)	(0.17)
	(b) Equity instruments through other comprehensive income		(6.53)	0.07
	Total Other Comprehensive Income / (Loss)		(9.40)	(0.10)
IX	Total comprehensive income for the year (VII + VIII)		651.42	483.39
	Earnings per share (of ₹1 each)	36		
	Basic and Diluted (₹)		38.69	28.31
Corporate information		1		
Significant accounting policies		2		

See accompanying notes to the financial statements

In terms of our report attached

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Chief Executive Officer

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Company Secretary

Hyderabad/Tirupati, May 30, 2020

Cash Flow Statement

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	840.68	730.37
Adjustments for:		
Depreciation and amortisation expense	300.74	261.20
(Gain)/Loss on sale of property, plant and equipment (net) / written off	(0.71)	3.48
Finance costs	12.19	6.95
Interest income on bank deposits	(2.95)	(2.77)
Dividend income from equity instruments designated at FVTOCI	(0.00)	(0.00)
Gain on disposal of mutual fund units	(16.57)	(5.35)
Deferred revenue recognised	(9.46)	(8.41)
Net gain arising on financial assets mandatorily measured at FVTPL	(2.18)	(0.02)
Liabilities no longer required written back	(0.67)	(3.83)
Provision for doubtful trade receivables written back	(1.77)	(1.79)
Provision for doubtful trade receivables and advances	23.60	2.67
Bad trade receivables written off (net)	0.89	0.33
Net unrealised foreign exchange gain	(19.75)	(15.50)
	283.36	236.96
Operating profit before working capital changes	1,124.04	967.33
Movements in working capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade receivables	113.37	12.05
- Inventories	(81.27)	(11.71)
- Other assets	83.11	(119.24)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables	102.05	(76.72)
- Other liabilities	30.03	(12.87)
-Provisions	41.95	24.18
	289.24	(184.31)
Cash generated from operations	1,413.28	783.02
Income taxes paid	(236.37)	(241.68)
Net cash generated from operating activities [A]	1,176.91	541.34
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(701.38)	(528.47)
Proceeds from sale of property, plant and equipment	1.51	0.25
Investment in subsidiary	(0.29)	(0.28)
Purchase of current investments	(1,480.00)	(1,025.00)
Proceeds from sale / redemption of current investments	1,356.80	1,045.40
Bank balances not considered as cash and cash equivalents (net)	(29.47)	41.18

Table continued to the next page

Cash Flow Statement (contd.)

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest received	3.18	3.78
Dividend income	0.00	0.00
Net cash (used in) investing activities [B]	(849.65)	(463.14)
C. Cash flows from financing activities		
Repayment of borrowings	(11.63)	(5.10)
Repayment of Lease Liabilities	(15.83)	-
Finance costs (including in relation to lease liabilities)	(5.20)	(1.06)
Dividend paid including tax on dividend (Refer Note 43)	(331.13)	(85.46)
Net cash (used in) financing activities [C]	(363.79)	(91.62)
Net decrease in cash and cash equivalents (A+B+C)	(36.53)	(13.42)
Cash and cash equivalents at the beginning of the year	50.15	48.73
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	18.98	14.84
Cash and cash equivalents at the end of the year (Refer Note 9)	32.60	50.15

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flows.

(b) Reconciliation of liabilities from financing activities for the year ended March 31, 2020

	As at March 31, 2019	Ind AS 116 adoption	Cash Flows	Non cash changes Current/ Non-current Classification	As at March 31, 2020
Borrowings - Non current	46.80	-	-	(12.46)	34.34
Other Financial Liabilities	11.63	-	(11.63)	12.46	12.46
Lease liabilities	-	45.65	(15.83)	7.28	37.10
	58.43	45.65	(27.46)	7.28	83.90

Reconciliation of liabilities from financing activities for the year ended March 31, 2019

	As at March 31, 2018	Ind AS 116 adoption	Cash Flows	Non cash changes Current/ Non-current Classification	As at March 31, 2019
Borrowings - Non current	58.43	-	-	(11.63)	46.80
Other Financial Liabilities	5.10	-	(5.10)	11.63	11.63
	63.53	-	(5.10)	-	58.43

See accompanying notes to the financial statements

In terms of our report attached

For BRAHMAYYA & CO.
Chartered Accountants
(F.R.N : 000513S)

For DELOITTE HASKINS & SELLS LLP
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For and on behalf of the Board of Directors

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Vice Chairman and Managing Director

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Chief Executive Officer

Delli Babu Y
Chief Financial Officer

M R Rajaram
Company Secretary

Hyderabad/Tirupati, May 30, 2020

Statement of changes in equity

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

Equity share capital						Amount
Balance at March 31, 2018						17.08
Changes in equity share capital during the year						-
Balance at March 31, 2019						17.08
Changes in equity share capital during the year						-
Balance at March 31, 2020						17.08
	Reserves and surplus				Equity investments through other comprehensive income	Total
	Securities premium	Capital reserve*	General reserve	Retained earnings		
Balance at March 31, 2018	31.19	0.00	403.48	2,475.17	10.47	2,920.31
Profit for the year	-	-	-	483.49	-	483.49
Other comprehensive income for the year, net of income tax	-	-	-	(0.17)	0.07	(0.10)
Total comprehensive income for the year 2018-19	-	-	-	483.32	0.07	483.39
Payment of dividends (including tax thereon) [Refer Note 43]	-	-	-	(85.46)	-	(85.46)
Transfer for General reserve	-	-	48.35	(48.35)	-	-
Balance at March 31, 2019	31.19	0.00	451.83	2,824.68	10.54	3,318.24
Profit for the year	-	-	-	660.82	-	660.82
Other comprehensive income for the year, net of income tax	-	-	-	(2.87)	(6.53)	(9.40)
Total comprehensive income for the year 2019-2020	-	-	-	657.95	(6.53)	651.42
Payment of dividends (including tax thereon) [Refer Note 43]	-	-	-	(331.13)	-	(331.13)
Transfer for General reserve	-	-	66.08	(66.08)	-	-
Balance at March 31, 2020	31.19	0.00	517.91	3,085.42	4.01	3,638.53

* Amounts below ₹1 lakh

See accompanying notes to the financial statements

In terms of our report attached

For BRAHMAYYA & CO.
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(F.R.N : 000513S)

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For and on behalf of the Board of Directors

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Vice Chairman and Managing Director

S Vijayanand
Chief Executive Officer

Delli Babu Y
Chief Financial Officer

M R Rajaram
Company Secretary

Hyderabad/Tirupati, May 30, 2020

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 manufacturer 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.

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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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. 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.

vii) **Estimation uncertainty relating to COVID-19 outbreak**

In respect of estimation uncertainty relating to COVID-19 outbreak refer Note 44 of the standalone financial statements.

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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

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)
Plant and machinery (including electrical installations and moulds)	1-10

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.

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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

All intangible asses 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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(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 recognised 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.

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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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. 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 recognised 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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 realised, 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 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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

NOTE 3.1 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
- Leasehold	-	69.80
Leasehold improvements	17.77	26.53
Buildings	478.57	529.47
Plant and Equipment (including electrical installations)	1,099.02	1,124.75
Furniture and fixtures	10.02	11.21
Vehicles	10.57	11.03
Office equipment	23.77	26.80
Computers	6.65	8.22
	1,647.61	1,809.05
Capital work-in-progress	732.58	233.88
	732.58	233.88

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 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, 2018	1.24	67.53	49.76	585.89	1,447.95	14.95	13.15	42.56	20.19	2,243.22
Additions	-	4.76	-	29.25	321.56	1.81	3.18	8.57	4.55	373.68
Disposals/adjustments	-	-	-	(0.06)	(8.68)	(0.05)	(0.85)	(0.47)	(0.35)	(10.46)
Balance at March 31, 2019	1.24	72.29	49.76	615.08	1,760.83	16.71	15.48	50.66	24.39	2,606.44
Additions	-	-	-	23.70	213.13	0.51	1.79	6.03	4.00	249.16
Disposals	-	-	-	-	(1.85)	-	(1.12)	(0.01)	(0.05)	(3.03)
Reclassified on account of adoption of Ind AS 116 (Refer Note 3.2 and Refer Note 37)	-	(72.29)	-	(49.48)	(12.11)	-	-	(0.01)	(0.29)	(134.18)
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
(B) Accumulated depreciation and impairment										
Balance at March 31, 2018	-	1.80	14.46	56.86	437.91	3.95	3.05	15.94	11.06	545.03
Depreciation expense	-	0.69	8.77	28.78	204.66	1.58	1.79	8.26	5.29	259.82
Eliminated on disposal of assets	-	-	-	(0.03)	(6.49)	(0.03)	(0.39)	(0.34)	(0.18)	(7.46)
Balance at March 31, 2019	-	2.49	23.23	85.61	636.08	5.50	4.45	23.86	16.17	797.39
Depreciation expense	-	-	8.76	27.00	226.62	1.70	1.95	9.05	5.28	280.36
Eliminated on disposal	-	-	-	-	(1.36)	-	(0.82)	(0.01)	(0.04)	(2.23)
Reclassified on account of adoption of Ind AS 116 (Refer Note 3.2 and Refer Note 37)	-	(2.49)	-	(1.88)	(0.36)	-	-	(0.00)	(0.01)	(4.74)
Balance at March 31, 2020	-	-	31.99	110.73	860.98	7.20	5.58	32.90	21.40	1,070.78
(C) Carrying amount										
Balance at March 31, 2019	1.24	69.80	26.53	529.47	1,124.75	11.21	11.03	26.80	8.22	1,809.05
Balance at March 31, 2020	1.24	-	17.77	478.57	1,099.02	10.02	10.57	23.77	6.65	1,647.61

Notes:

1. 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 ₹11.15 crores (March 31, 2019: ₹8.09 crores) [Refer Note 38]
2. In respect of freehold land refer Note 34.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.2 : RIGHT-OF-USE ASSET

	As at March 31, 2020	As at March 31, 2019
Right-of-use asset	178.48	-
	178.48	-

	Leasehold land	Buildings	Plant and Equipment (including electrical installations)	Office equipment	Computers	Total
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(A) Cost or deemed cost

Balance at April 1, 2019 (Refer Note 37)	-	46.25	-	-	-	46.25
Reclassified and Transition impact on account of adoption of Ind AS 116 [Refer Note 3.1]	69.80	47.60	11.75	0.01	0.28	129.44
Additions	10.79	9.82	1.84	-	0.02	22.47
Disposals	-	(0.74)	-	-	-	(0.74)
Balance at March 31, 2020	80.59	102.93	13.59	0.01	0.30	197.42

(B) Accumulated amortisation and impairment

Balance at April 01, 2019	-	-	-	-	-	-
Amortisation expense	0.73	18.28	0.12	-	-	19.13
Eliminated on disposal	-	(0.19)	-	-	-	(0.19)
Balance at March 31, 2020	0.73	18.09	0.12	-	-	18.94

(C) Carrying amount

Balance at March 31, 2019	-	-	-	-	-	-
Balance at March 31, 2020	79.86	84.84	13.47	0.01	0.30	178.48

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, 2020	As at March 31, 2019
Carrying amounts of:		
Software	3.13	3.71
	3.13	3.71
Intangible assets under development [Refer Note below]	94.44	80.86
	94.44	80.86

Particulars	Software	Total
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(A) Cost or deemed cost

Balance at March 31, 2018	9.72	9.72
Additions	0.50	0.50
Disposals	(0.18)	(0.18)
Balance at March 31, 2019	10.04	10.04
Additions	1.03	1.03
Disposals	-	-
Balance at March 31, 2020	11.07	11.07

(B) Accumulated amortisation and impairment

Balance at March 31, 2018	4.66	4.66
Amortisation expense	1.68	1.68
Eliminated on disposals	(0.01)	(0.01)
Balance at March 31, 2019	6.33	6.33
Amortisation expense	1.61	1.61
Eliminated on disposals	-	-
Balance at March 31, 2020	7.94	7.94

(C) Carrying amount

Balance at March 31, 2019	3.71	3.71
Balance at March 31, 2020	3.13	3.13

Note:

- (i) The above amount includes technology purchased which has been tested for impairment during the year.
- (ii) The amount of expenditure recognised in the carrying amount of intangible assets in the course of development is ₹6.91 crores (March 31, 2019: ₹5.49 crores) [Refer Note 38]

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 5: INVESTMENTS

	As at March 31, 2020	As at March 31, 2019
Non-current		
(I) Investments in equity instruments		
Quoted investments (fully paid) [at FVTOCI]		
(i) Standard Batteries Limited 125 (March 31, 2019: 125) equity shares of ₹1 each *	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2019: 25) equity shares of ₹2 each *	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2019: 10,000) equity shares of ₹1 each"	0.13	0.22
(iv) HBL Power Systems Limited 5,500 (March 31, 2019: 5,500) equity shares of ₹1 each	0.01	0.01
Total aggregate quoted investments [A]	0.14	0.23
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, 2019: 1) equity shares of 1,50,000 AED each	0.57	0.28
(b) Investments in others (at FVTOCI)		
(i) Indian Lead Limited 1,128 (March 31, 2019: 1,128) equity shares of ₹10 each*	0.00	0.00
(ii) Atria Wind Private Limited 10,000 (March 31, 2019: 10,000) equity shares of ₹100 each	0.10	0.10
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2019: 1,206,000) equity shares of ₹10 each	13.10	19.54
Total aggregate unquoted investments [B]	13.77	19.92
Total investments in equity instruments [C = A+B]	13.91	20.15
(II) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) [D]	0.01	0.01
Total Non-current investments [E=C+D]	13.92	20.16
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	0.14	0.23
Aggregate carrying value of unquoted investments	13.77	19.92

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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, 2020	As at March 31, 2019
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Savings Fund - Direct Plan - Growth 1,24,501.56 units of ₹32.37 (March 31, 2019 : Nil)	0.40	-
SBI Savings Fund - Regular Plan - Growth 2,06,85,522.44 units of ₹31.00 (March 31, 2019 : Nil)	64.12	-
ICICI Prudential Liquid - Direct Plan - Growth 22,04,410.15 units of ₹293.78 (March 31, 2019 : Nil)	64.77	-
UTI - Liquid Cash Plan - Direct Growth Plan 39,874.24 units of ₹3,251.44 (March 31, 2019 : Nil)	12.96	-
Kotak Liquid - Direct Plan Growth Nil units (March 31, 2019 : 804.878 units of ₹3,784.33 each)	-	0.30
Total Quoted investments measured at FVTPL	142.25	0.30
Total Current investments	142.25	0.30
Aggregate book value of quoted investments - at cost	140.07	0.28
Aggregate market value of quoted investments	142.25	0.30

* Amounts below ₹1 lakh

NOTE 6: OTHER FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits*	6.33	6.95
Total	6.33	6.95
Current		
(a) Advances to related parties:		
- Reimbursable expenses	4.08	4.21
(b) Security deposits#	2.76	1.53
(c) Interest accruals:		
- Interest accrued on deposits	4.57	2.71
- Interest accrued on overdue trade receivables	0.12	0.14
Total	11.53	8.59

* Includes to related parties ₹1.81 crores (As at March 31, 2019 : ₹2.36 crores)

Includes to related parties ₹0.63 crores (As at March 31, 2019 : ₹ Nil)

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 7: INVENTORIES

	As at March 31, 2020	As at March 31, 2019
(at lower of cost and net realisable value)		
(a) Raw materials and bought-out components	395.18	276.07
(b) Work-in-progress	276.58	287.14
(c) Finished goods	339.97	386.55
(d) Stock-in-trade (goods purchased for resale)	38.04	33.07
(e) Stores and spares (including secondary packing material)	92.39	78.03
(f) Loose tools	0.53	0.56
Total	1,142.69	1,061.42
Raw materials includes material-in-transit	62.97	60.49

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 ₹2.58 crores (during 2018-19: ₹0.74 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2018-19 : ₹ 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.

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
(a) Unsecured, considered good	636.28	768.58
(b) Doubtful	24.53	4.44
	660.81	773.02
Allowance for doubtful receivable	(24.53)	(4.44)
Total	636.28	768.58

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) Of the trade receivables balance, ₹81.33 crores (as at March 31, 2019: ₹84.00 crores) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.
- (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, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	4.44	4.52
Add: Provision created during the year	22.15	2.67
Less: Provision reversed / released during the year	2.06	2.75
Balance at the end of the year	24.53	4.44

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, 2020	As at March 31, 2019
(a) Balances with banks		
- in current accounts	23.00	30.54
- in EEFC accounts	9.49	15.71
(b) Cash on hand	0.11	0.11
(c) Cheques on hand	-	3.79
Cash and cash equivalents as per the cash flow statement	32.60	50.15

NOTE 10: OTHER BANK BALANCES

	As at March 31, 2020	As at March 31, 2019
(a) In deposit accounts		
(i) original maturity more than 3 months but less than 12 months	47.80	12.13
(b) In earmarked accounts		
(i) Dividend accounts	4.11	3.27
(ii) Balances held as margin money against guarantees given [Refer Note below]	-	6.20
Total	51.91	21.60

Note:

Includes deposit aggregating ₹ Nil (March 31, 2019: Nil) with remaining maturity of more than 12 months from the Balance Sheet date.

NOTE 11: OTHER ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Capital advances	24.03	61.56
(b) Capital advances to related parties	5.23	10.62
(c) Prepaid expenses	0.36	1.52
(d) Balances with government authorities	10.65	8.80
(e) Other deposits (Electricity deposits, for other utilities, etc.)	34.72	33.28
Total	74.99	115.78
Current		
(a) Contractually reimbursable expenses	2.82	6.11
(b) Commercial advances	62.44	50.97
(c) Advances to employees	0.56	0.43
(d) Balances with government authorities (Advances, GST credit and VAT credit)	94.58	196.18
(e) Prepaid expenses	6.94	8.11
(f) Other receivables (export incentives, etc.)	38.30	31.52
(g) Advance for expenses to subsidiary company	-	0.11
Total	205.64	293.43

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 12: SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	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, 2018	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2019	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2020	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, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
RNGalla Family Private Limited	4,79,32,452	28.06	4,14,00,702	24.24
Johnson Controls (Mauritius) Private Limited*	-	-	4,44,11,250	26.00
Panther ARBL Holdings LP*	4,09,95,000	24.00	-	-
Nalanda India Equity Fund Limited	1,68,80,938	9.88	1,33,43,581	7.81

* During the year consequent to the sale of the power solution business by Johnson Controls International PLC, the shareholders' agreement with Johnson Controls (Mauritius) Private Limited was terminated. Accordingly 24% of the equity shares of the Company held by Johnson Controls (Mauritius) Private Limited was acquired by Panther ARBL Holdings LP and 2% equity shares of the Company was acquired by RNGalla Family Private Limited from Johnson Controls (Mauritius) Private Limited.

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, 2020	As at March 31, 2019
(a) General reserve	517.91	451.83
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	4.01	10.54
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	3,085.42	2,824.68
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	3,638.53	3,318.24

*Amount below ₹1 lakh

NOTE 14: NON-CURRENT BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	46.80	58.43
Less: Current maturities of sales tax deferment loans disclosed under Note 19 - Other financial liabilities - Current	12.46	11.63
Total	34.34	46.80

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, 2020	As at March 31, 2019
Non-current		
Lease liabilities *	21.67	-
Total	21.67	-
Current		
Lease liabilities *	15.43	-
Total	15.43	-

* Also Refer Note 37

NOTE 16 : PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Employee benefits		
(a) Leave encashment	15.16	12.75
Other provisions		
(b) Product warranty [Refer Note 41]	68.59	56.71
Total	83.75	69.46
Current		
Employee Benefits		
(a) Leave encashment	3.29	2.70
(b) Gratuity [Refer Note 32]	3.54	0.65
Other provisions		
(a) Product warranty [Refer Note 41]	92.58	58.54
Total	99.41	61.89

NOTE 17 : DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2020	As at March 31, 2019
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet :		
Deferred tax assets	18.95	13.95
Deferred tax liabilities	(63.08)	(109.86)
Total	(44.13)	(95.91)

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

2019-2020**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	(109.86)	46.78	-	(63.08)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful debts	1.55	4.99	-	6.54
Provision for employee benefits	5.62	(0.09)	-	5.53
Others	1.46	0.10	-	1.56
	(95.91)	51.78	-	(44.13)

2018-19**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	(101.62)	(8.24)	-	(109.86)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful debts	1.58	(0.03)	-	1.55
Provision for employee benefits	5.31	0.31	-	5.62
Others	1.60	(0.14)	-	1.46
	(87.81)	(8.10)	-	(95.91)

NOTE 18: TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of Micro enterprises and small enterprises [Refer Note 31]	73.91	59.60
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	540.98	450.84
Total	614.89	510.44

NOTE 19: OTHER FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Current maturities of Non-current borrowings [Refer Note 14]	12.46	11.63
(b) Unpaid dividends	4.11	3.27
(c) Other payables:		
- Payables on purchase of property, plant and equipment	68.90	63.69
- Others (employee related, others) [Refer Note below]	119.42	91.93
Total	204.89	170.52

Note:

Other liabilities includes employees related payables (including payable to Vice-Chairman and Managing Director), commission payable to Non-Executive Chairman and 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 (NET)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Advance tax/ TDS receivable (net of provisions)	26.21	21.48
Total	26.21	21.48

NOTE 21: OTHER LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	59.13	45.98
Total	59.13	45.98
Current		
(a) Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	14.16	8.98
(b) Statutory remittances (GST, PF, VAT, TDS, etc.)	19.37	57.36
(c) Advances from customers	19.50	7.06
(d) Others (includes accruals relating to trade promotion schemes)	114.31	86.22
Total	167.34	159.62

Note:

The deferred revenue of ₹73.29 crores (March 31, 2019: ₹54.96 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, 2020	For the year ended March 31, 2019
a. Sale of product (Refer Note (i) below)	6,774.46	6,709.06
b. Sale of services (Refer Note (ii) below)	38.62	60.44
c. Other operating revenues (Refer Note (iii) below)	26.38	23.61
Total	6,839.46	6,793.11
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	6,598.54	6,538.75
Sub-total - Sale of manufactured goods	6,598.54	6,538.75
Traded goods		
- Storage batteries	97.59	94.65
- Home UPS	78.33	75.66
Sub-total - Sale of traded goods	175.92	170.31
Total - Sale of products	6,774.46	6,709.06

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Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
(ii) Sale of services comprise:		
- Installation and Commissioning	3.26	19.51
- Annual Maintenance	0.68	12.64
- Others (subject and other matters experts, service charges, etc.)	34.68	28.29
Total - Sale of services	38.62	60.44
(iii) Other operating revenues comprise:		
- Sale of process scrap	1.12	1.21
- Export benefits (including MEIS & EPCG benefits) [Refer Note (iv) below]	25.26	22.40
Total - Other operating revenues	26.38	23.61

(iv) Includes ₹9.46 crores (for the year ended March 31, 2019 : ₹8.41 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, 2020	For the year ended March 31, 2019
a) Interest income		
Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	2.95	2.77
- Other financial assets carried at amortised cost	3.76	1.97
- Unwinding of discounts on rental deposits	0.29	0.27
	7.00	5.01
b) Dividend income		
Dividend from equity investments designated as at FVTOCI *	0.00	0.00
	0.00	0.00
c) Other non-operating income		
(i) Interest income on other deposits	2.18	1.79
(ii) Sale of non process scrap	4.71	5.96
(iii) Liabilities no longer required written back	0.67	3.83
(iv) Provision for doubtful trade receivables written back	1.77	1.79
(v) Others	5.89	5.00
	15.22	18.37
d) Other gains and losses		
(i) Gain on disposal of mutual fund units	16.57	5.35
(ii) Net foreign exchange gains	13.37	18.02
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	2.18	0.02
(iv) Gain on sale of property, plant and equipment (net)	0.71	-
	32.83	23.39
Total (a+b+c+d)	55.05	46.77

*Amount below ₹1 lakh

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, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year		
Finished goods - storage batteries	386.55	327.69
Work-in-progress	287.14	211.51
Stock-in-trade		
- Storage batteries	16.58	19.00
- Home UPS	16.49	19.42
	33.07	38.42
[A]	706.76	577.62
Inventories at the end of the year		
Finished goods - storage batteries	339.97	386.55
Work-in-progress	276.58	287.14
Stock-in-trade		
- Storage batteries	17.98	16.58
- Home UPS	20.06	16.49
	38.04	33.07
[B]	654.59	706.76
(Increase) / Decrease in finished goods, work-in-progress and stock-in-trade [A-B]	52.17	(129.14)

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages	298.83	269.50
(b) Contribution to provident and other funds [Refer Note 32]	38.88	31.56
(c) Staff welfare expenses	47.47	44.17
Total	385.18	345.23

NOTE 26: FINANCE COSTS

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest costs:		
(i) Interest on working capital facilities	-	0.11
(b) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	6.99	5.89
(ii) Interest on Leases liabilities [Refer Note 37]	3.88	-
(iii) Others	1.32	0.95
Total	12.19	6.95

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment [Refer Note 3.1 & 3.2]	299.49	259.82
Amortisation of intangible assets [Refer Note 4]	1.61	1.68
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	0.36	0.30
Total	300.74	261.20

NOTE 28: OTHER EXPENSES

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares (including packing material)	88.51	86.80
Tools consumed	0.71	0.72
Power and fuel	222.82	206.48
Rent	1.90	18.42
Repairs and maintenance		
- Plant and machinery	7.38	5.46
- Buildings	4.14	3.36
- Others	3.74	2.35
Insurance	6.86	7.25
Rates and taxes	6.26	3.85
Communication	2.29	2.46
Travelling and conveyance	20.54	19.88
Outward freight and handling charges	192.02	190.12
Advertisement and sales promotion	30.92	27.60
Expenditure on Corporate Social Responsibility	14.35	14.70
Legal and professional	13.82	6.05
Payment to auditors [Refer Note below]	0.99	0.98
Bad trade receivables written off	1.18	1.29
Less : Provision released	0.29	0.96
	0.89	0.33
Provision for doubtful trade receivables and advances	22.15	2.67
Provision for doubtful advances	1.45	-
Loss on sale of property, plant and equipment (net) / written off	-	3.48
Warranty expenses (net)	138.67	114.85
Service expenses	25.60	46.33
Printing and stationery	2.05	1.93
Miscellaneous expenses	100.53	85.96
Total	908.59	852.03

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

Note:

Payment to auditors comprise (net of GST)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) To statutory auditors		
- Statutory audit fee	0.70	0.70
- Limited review fee	0.15	0.15
- Tax audit fee	0.05	0.05
- Reimbursement of expenses	0.05	0.04
(b) To cost auditor for cost audit	0.04	0.04
	0.99	0.98

NOTE 29: INCOME TAX RECOGNISED IN PROFIT OR LOSS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of the current year	234.20	238.20
In respect of the prior years	(2.56)	0.58
	231.64	238.78
Deferred Tax		
In respect of the current year	(23.48)	8.10
Adjustments to deferred tax attributable to changes in tax rates and laws	(28.30)	-
	(51.78)	8.10
Total income tax expense recognised	179.86	246.88

The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	840.68	730.37
Income tax expense calculated at 25.168% * (2018-19 : 34.944%)	211.58	255.22
Effect of income that is exempt from taxation	(0.55)	(0.01)
Tax effects of amounts which are not deductible in determining taxable profit	1.65	3.09
Effect of concessions (research and development and other allowances)	(1.96)	(12.00)
	210.72	246.30
Adjustment recognised in the current year in relation to tax of prior years (net)	(30.86)*	0.58
Income tax expense recognised in profit or loss	179.86	246.88

Note:

*During the current year, the Company elected to exercise the option permitted under section 115BAA of Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognized provision for Income-tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities (net) based on the rate prescribed in the said Act. The full impact of this change relating to the deferred tax liabilities (net) as at March 31, 2019 has been recognized in the Statement of Profit and Loss during the current year.

The tax rate used for the year 2019-2020 and 2018-19 reconciliations above is the corporate tax rate of 25.168% and 34.944% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2020	As at March 31, 2019
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Company not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	7.40	8.16
- Sales tax/VAT	26.11	20.00
- Income tax	0.20	0.22
- Electricity related	25.04	73.15
- Other (Building and other construction workers welfare cess, wealth tax, etc.)	8.95	8.79
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.		
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	299.79	526.97
(b) 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.		

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:

	As at March 31, 2020	As at March 31, 2019
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	73.91	59.60
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	0.02	0.02
(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)	-	-
(vi) Interest due and payable to suppliers under MSMED Act for payments already made	0.02	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	0.04	0.02

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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 ₹11.20 crores (Year ended March 31, 2019: ₹7.17 crores) for provident fund contributions, ₹12.92 crores (Year ended March 31, 2019: ₹9.89 crores) for Superannuation Fund contributions and ₹3.85 crores (Year ended March 31, 2019: ₹4.82 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, 2020	As at March 31, 2019
Present value of obligation	43.67	29.30
Fair value of plan assets	(40.13)	(28.65)
(Asset)/Liability recognised in the Balance Sheet	3.54	0.65

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, 2018	18.46	19.65	1.19
Current service cost	-	1.94	1.94
Past service cost	-	7.15	7.15
Interest cost	-	1.53	1.53
Interest income	1.44	-	(1.44)
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.28	0.28
Contributions	9.89	-	(9.89)
Benefit payments	(1.09)	(1.09)	-
Return on plan assets, excluding interest income	0.11	-	(0.11)
Transfer to Group Companies	(0.16)	(0.16)	-
As at March 31, 2019	28.65	29.30	0.65
Current service cost	-	2.63	2.63
Past service cost	-	7.57	7.57
Interest cost	-	2.24	2.24
Interest income	2.19	-	(2.19)
Actuarial (gain)/loss arising from changes in financial assumptions	-	2.76	2.76
Contributions	10.23	-	(10.23)
Benefit payments	(1.02)	(1.02)	-
Return on plan assets, excluding interest income	(0.11)	-	0.11
Transfer to Group Companies	0.19	0.19	-
As at March 31, 2020	40.13	43.67	3.54

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee Benefit Expenses:		
Current service cost	2.63	1.94
Interest cost	2.24	1.53
Past service cost	7.57	7.15
Interest income	(2.19)	(1.44)
Net impact on profit before tax	10.25	9.18
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	2.76	0.28
Return on plan assets, excluding interest income	0.11	(0.11)
Net impact on other comprehensive income before tax	2.87	0.17

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31, 2020	As at March 31, 2019
Funded with Life Insurance Corporation of India	100%	100%

(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, 2020	As at March 31, 2019
Discount rate	6.56%	7.64%
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 (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, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.56)	2.90	(1.65)	1.86
Salary escalation rate (1% movement)	2.69	(2.45)	1.77	(1.61)

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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(vii) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2020	As at March 31, 2019
Within 1 year	4.83	3.22
1-2 year	4.38	3.16
2-3 year	4.87	3.28
3-4 year	4.33	3.27
4-5 year	4.60	2.99
5-10 year	18.83	13.50
> 10 Year	30.94	23.39

The Company expects to contribute ₹7.34 crores to its defined benefit plans during the next fiscal year.

NOTE 33: SEGMENT REPORTING

The Vice Chairman and Managing Director 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.

Revenue

	For the year ended March 31, 2020	For the year ended March 31, 2019
India	5,980.13	6,042.62
Outside India	859.33	750.49
Total	6,839.46	6,793.11

Refer to Note 42 on Financial Instruments and related disclosures for information on revenue from major customers.

NOTE 34: The Company had purchased 8.68 hectares of freehold land for a consideration of ₹15.59 crores in 2011-12 at Tehsil Laksar, District Haridwar, Uttarakhand State. Under the terms of sanction by the State Government for sale of such land, a manufacturing unit was to be set up within two years from the date of purchase of land, which owing to unforeseen circumstances could not take place. The District Collector vide order dated November 10, 2014 initiated proceedings for vesting the aforementioned land with the State Government. Based on legal advice, the Company had in the past years gone in appeal against the order of the District Collector with the Court of Board of Revenue, Dehradun, Uttarakhand State, ("the Court") which in the interim, had stayed the proceedings. The Court vide its order dated May 25, 2017 rejected the appeal filed by the Company, consequent to which the said freehold land has vested back with the State Government.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

The Company had in the previous years, fully impaired the value of the aforesaid land. Consequent to the transition to Ind AS, and the Company's election to continue with the carrying amount of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date, the provision for impairment recorded in respect of the said land before the date of transition under previous GAAP cannot be reversed in later years.

NOTE 35: RELATED PARTY TRANSACTIONS**(a) Details of related parties****Entity exercising significant influence**

RNGalla Family Private Limited

Johnson Controls (Mauritius) Private Limited, Mauritius (Upto June 22, 2019)

Entity where control exists - Subsidiary

Amara Raja Batteries Middle East (FZE), U.A.E. [w.e.f. July 31, 2018]

Key Management Personnel (KMP)

Jayadev Galla	Vice-Chairman and Managing Director
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Relative of Key Management Personnel

Dr. Ramachandra N Galla	Chairman and Non-Executive Director
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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

Subsidiaries of the entity exercising significant influence

Amaron Batteries Private Limited

Mangal Industries Limited

Amara Raja Infra Private Limited *

Amara Raja Industrial Services Private Limited *

Amara Raja Power Systems Limited

Amara Raja Media and Entertainment Private Limited

RNGalla Family Holdings Private Limited

* W.e.f. April 1, 2018, Amara Raja Industrial Services Private Limited ("ARISPL") is merged with Amara Raja Infra private Limited ("ARIPL") vide NCLT order dated June 3, 2019.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(b) Transactions with the above related parties during the year were:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	17.29	27.99
Mangal Industries Limited	0.44	0.54
Amara Raja Industrial Services Private Limited	-	0.05
Amara Raja Infra Private Limited	0.02	-
RNGalla Family Private Limited	0.04	-
Amara Raja Batteries Middle East (FZE)	0.56	-
Purchase of goods		
Amara Raja Power Systems Limited	94.15	0.53
Amara Raja Electronics Limited	0.58	87.17
Mangal Industries Limited	781.26	825.65
RNGalla Family Private Limited	0.01	-
Availing of services		
Amara Raja Infra Private Limited	74.88	3.21
Amara Raja Industrial Services Private Limited	-	62.06
Rajanna Trust	0.43	-
Amara Raja Batteries Middle East (FZE)	1.01	-
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	60.31	15.63
Amara Raja Electronics Limited	0.65	0.18
Mangal Industries Limited	44.31	33.07
Amara Raja Infra Private Limited	197.98	134.10
Amara Raja Industrial Services Private Limited	-	0.04
Rent Expense		
Jayadev Galla	3.87	3.32
Dr. Ramachandra N. Galla	0.61	0.58
Donation Expense		
Rajanna Trust	14.35	14.70
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.01	0.04
Mangal Industries Limited	0.04	0.03
Amara Raja Infra Private Limited	1.27	0.66
Amara Raja Industrial Services Private Limited	-	1.27

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Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	75.34	17.19
Johnson Controls (Mauritius) Private Limited	1.74	18.44
Mangal Industries Limited	-	1.29
Expenses recovered from		
Amara Raja Power Systems Limited	9.08	9.17
Amara Raja Electronics Limited	1.51	1.79
Mangal Industries Limited	11.77	12.22
Amara Raja Infra Private Limited	5.65	3.90
Amara Raja Industrial Services Private Limited	-	2.50
RNGalla Family Private Limited	0.69	-
Interest Income		
Amara Raja Power Systems Limited	1.52	0.92
Amara Raja Electronics Limited	0.03	0.01
Mangal Industries Limited	0.65	0.60
Amara Raja Industrial Services Private Limited	-	0.00
Amara Raja Infra Private Limited	0.07	0.00
RNGalla Family Private Limited	0.01	-
Investment in subsidiary		
Amara Raja Batteries Middle East (FZE)	0.29	0.28
Advance for expenses		
Amara Raja Batteries Middle East (FZE)	-	0.11
Other recoveries		
Mangal Industries Limited	38.86	37.10
Remuneration		
Jayadev Galla	45.43	39.69
Commission		
Dr. Ramachandra N. Galla	27.26	23.82

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(c) Balances receivable from / payable to related parties are as follows:

	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Amara Raja Power Systems Limited	5.72	15.50
Mangal Industries Limited	9.87	8.72
RNGalla Family Private Limited	0.00	-
Amara Raja Infra Private Limited	0.01	-
Amara Raja Batteries Middle East (FZE)	0.23	-
Security Deposits		
Jayadev Galla	2.12	2.04
Dr. Ramachandra N. Galla	0.32	0.32
Interest Receivable		
Amara Raja Power Systems Limited	0.06	0.13
Amara Raja Electronics Limited	0.00	0.00
Mangal Industries Limited	0.03	0.01
Amara Raja Infra Private Limited	0.01	0.002
RNGalla Family Private Limited	0.00	-
Advances (including contractually reimbursable expenses)		
Amara Raja Electronics Limited	0.42	0.16
Amara Raja Power Systems Limited	3.91	2.75
Mangal Industries Limited	7.05	4.33
Amara Raja Industrial Services Private Limited	-	0.10
Amara Raja Infra Private Limited	2.41	7.88
Amara Raja Batteries Middle East (FZE)	-	0.11
RNGalla Family Private Limited	0.12	-
Trade payables		
Amara Raja Power Systems Limited	3.73	0.07
Mangal Industries Limited	0.99	-
Amara Raja Electronics Limited	0.05	4.85
Amara Raja Infra Private Limited	7.93	0.38
Amara Raja Industrial Services Private Limited	-	4.78
Amara Raja Batteries Middle East (FZE)	0.22	-
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	6.14	3.67

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Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	As at March 31, 2020	As at March 31, 2019
Mangal Industries Limited	1.11	3.52
Amara Raja Infra Private Limited	7.06	16.22
Amara Raja Industrial Services Private Limited	-	0.19
Investment in subsidiary		
Amara Raja Batteries Middle East (FZE)	0.57	0.28
Other Payables (Employee Related)		
Jayadev Galla	43.14	37.42
Commission payable to Non Executive Directors		
Dr. Ramachandra N. Galla	27.26	23.82
Rent Payable		
Jayadev Galla	0.30	0.29
Dr. Ramachandra N. Galla	0.04	0.03
Capital commitments		
Amara Raja Power Systems Limited	10.86	14.14
Amara Raja Electronics Limited	0.12	0.20
Mangal Industries Limited	15.23	27.57
Amara Raja Infra Private Limited	147.10	183.73

NOTE 36: EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year (in ₹ crores) [A]	660.82	483.49
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]	38.69	28.31

NOTE 37: LEASES

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

Accordingly, on transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹175.69 crores (including previously classified as finance lease) and a lease liability of ₹45.65 crores.

	As at March 31, 2020
(i) The following is the breakup of current and non-current lease liabilities	
Current liabilities	21.67
Non-current liabilities	15.43
Total	37.10
(ii) The following is the movement of lease liabilities during the year ended March 31, 2020	
Balance at the beginning	45.65
Additions during the year	3.40
Finance cost accrued during the year	3.88
Payment of lease liabilities	(15.83)
Balance at the end	37.10
(iii) Maturity analysis of lease liabilities	
Less than one year	15.43
One to five years	21.67
More than five years	-
Total	37.10
(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows	
Particulars	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 26)	3.88
Depreciation of Right-of-use assets (Refer Note 3.2)	19.13
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	19.17

NOTE 38: REVENUE EXPENDITURE CAPITALIZED TO FIXED ASSETS/ CAPITAL WORK-IN-PROGRESS

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Employee benefits expense	9.73	6.10
(b) Cost of material consumed (net) (Refer Note below)	7.04	6.17
(c) Power and Fuel	0.75	0.38
(d) Depreciation and amortization expense	0.36	0.30
(e) Others	0.18	0.63
Total	18.06	13.58

Note: Net of income from sale of batteries, scrap, etc., ₹4.08 crores (Year ended March 31, 2019: ₹5.44 crores)

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 39: 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, 2019: ₹ 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.

NOTE 40: DETAILS OF EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue Expenditure:		
(a) Cost of materials consumed	1.05	0.94
(b) Consumption of stores and spares (including secondary packing material)	0.22	0.18
(c) Employee benefits expense	7.53	6.95
(d) Power and fuel	0.85	0.86
(e) Others	0.91	1.07
Total Revenue Expenditure [A]	10.56	10.00
Capital expenditure [B]	6.35	3.66
Total [A+B]	16.91	13.66

The Company has obtained approval from Department of Scientific and Industrial Research for claiming of weighted tax benefit under Section 35(2AB) of the Income Tax Act, 1961.

NOTE 41: 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. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest that future claims could differ from historical amounts. 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, 2020	For the year ended March 31, 2019
Balance as at April 1	115.25	85.90
Additional provisions recognised	119.71	80.86
Amount utilised / reversed during the year	(80.78)	(57.40)
Unwinding of discount and effect of changes in the discount rate	6.99	5.89
Balance as at March 31	161.17	115.25
Out of the above,		
Classified under Non-current provisions (Refer Note 16)	68.59	56.71
Classified under Current provisions (Refer Note 16)	92.58	58.54

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 42: 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.

B. Categories of Financial Instruments

	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Measured at Amortised cost				
(i) Cash and cash equivalents	32.60	50.15	32.60	50.15
(ii) Other bank balances	51.91	21.60	51.91	21.60
(iii) Trade receivables	636.28	768.58	636.28	768.58
(iv) Other financial assets	17.86	15.54	17.86	15.54
(v) Investments	0.01	0.01	0.01	0.01
Measured at cost				
(i) Investment in subsidiary	0.57	0.28	0.57	0.28
Measured at FVTOCI				
(i) Investments in equity instruments	13.34	19.87	13.34	19.87
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	142.25	0.30	142.25	0.30
Total Financial assets	894.82	876.33	894.82	876.33
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	46.80	58.43	46.80	58.43
(ii) Trade payables	614.89	510.44	614.89	510.44
(iii) Other financial liabilities	192.43	158.89	192.43	158.89
(iv) Lease Liabilities	37.10	-	37.10	-
Total Financial liabilities	891.22	727.76	891.22	727.76

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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, 2020 and March 31, 2019. 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. 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 to ₹2,222.90 crores (March 31, 2019 ₹2,204.07 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹226.76 crores (March 31, 2019 ₹72.05 crores) against an aggregate Current liability of ₹1,101.96 crores (March 31, 2019 ₹902.47 crores). The table below provides details regarding the contractual maturities of significant Non-current financial liabilities as of March 31, 2020 and March 31, 2019. Contractual maturities in respect of Lease liabilities has been disclosed in note 37.

	March 31, 2020			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings	17.82	16.52	-	34.34

	March 31, 2019			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings	23.40	13.76	9.64	46.80

Further, while the Company's total equity stands at ₹3,655.61 crores (March 31, 2019: ₹3,335.32 crores), it has borrowings of ₹46.80 crores (March 31, 2019: ₹58.43 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, 2020 is ₹13.34 crores (March 31, 2019 ₹19.87 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

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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, 2020

	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	61.43	-	-	-	61.43
- Cash and cash equivalents	9.49	0.01	-	0.01	9.51
Financial Liabilities					
- Trade Payables	(92.03)	(3.21)	(1.61)	(0.30)	(97.15)
- Other financial liabilities	(33.89)	(11.35)	(1.71)	(0.67)	(47.62)
Net financial asset / (liability)	(55.00)	(14.55)	(3.32)	(0.96)	(73.83)

As at March 31, 2019

	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	45.98	-	-	-	45.98
- Cash and cash equivalents	15.71	0.01	-	0.01	15.73
Financial Liabilities					
- Trade Payables	(91.20)	(3.78)	(1.53)	(0.17)	(96.68)
Net financial asset / (liability)	(29.51)	(3.77)	(1.53)	(0.16)	(34.97)

*Others includes currencies such as Japanese Yen, Dirhams, Russian ruble, South Korean Won, Israeli New Shekel, etc.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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, 2020 would change by ₹(0.74) crores [March 31, 2019: ₹(0.29 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, 2020	For the year ended March 31, 2019
Revenue from top customer from whom the Company receives 10% or more of its revenues	-	-
Revenue from top 5 customers	818.78	748.02

D. Fair value measurement

Fair value hierarchy

The fair value of financial instruments as referred to in Note 42.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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

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, ranging from 1% to 3% (as at March 31, 2019: 1% to 3%). Weighted average cost of capital (WACC) as determined 15% to 16% (as at March 31, 2019: 17% to 18%).	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 ₹0.55 crores and ₹(0.48) crores respectively [as at March 31, 2019: ₹0.63 crores and ₹(0.56) 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 ₹(0.80) crores and ₹0.91 crores respectively [as at March 31, 2019: ₹(1.06) crores and ₹1.20 crores respectively]

Note:

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.

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

	Fair value hierarchy (Level)	As at March 31, 2020	As at March 31, 2019
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (non-current)	3	6.33	6.95
Sub-total		6.33	6.95
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.14	0.23
ii) Equity Shares - Unquoted	3	13.20	19.64
Sub-total		13.34	19.87
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	142.25	0.30
Sub-total		142.25	0.30
Total		161.92	27.12
Financial liabilities			
a) Measured at amortised cost			
i) Borrowings (non-current)	3	34.34	46.80
ii) Lease Liabilities	3	37.10	-
Total		71.44	46.80

NOTE 43: DIVIDEND

Dividend on equity shares paid during the year	2019-2020	2018-19
Final Dividend for FY 2018-19 (₹5.08 per equity share of ₹1 each) [For FY 2017-18 ₹2.15 Per Equity Share]	86.77	36.72
Dividend distribution tax on final dividend	17.84	7.55
Interim dividend for FY 2019-2020 (₹11 per equity share of ₹1 each) [For FY 2018-19 ₹2 per equity share]	187.89	34.16
Dividend distribution tax on interim dividend	38.63	7.03
	331.13	85.46

First Interim dividend of ₹6 per equity share and Second interim dividend ₹5 per equity share of face value of ₹1 each approved by the Board of Directors at its meeting held on November 9, 2019 and circular resolution on March 9, 2020, respectively, was paid during the current year. The total dividend (including interim dividend) for FY 2019-20 amounts to ₹11 per equity share (Previous year ₹7.08 per equity share).

NOTE 44: The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all

Notes to the financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of intangible assets, inventory, based on the information available to date, both internal and external, to the extent relevant, while preparing these financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial statements as on March 31, 2020. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial statements.

NOTE 45: The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 30, 2020.

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla **Jayadev Galla**
 Chairman Vice Chairman and Managing Director

S Vijayanand **Delli Babu Y**
 Chief Executive Officer Chief Financial Officer

M R Rajaram
 Company Secretary

Hyderabad/Tirupati, May 30, 2020

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, 2020, 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 auditors 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, 2020, 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 reports 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 period. 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.L. No.	Key Audit Matter	Auditors' Response
1	Revenue Recognition Refer Note 2 L "Revenue Recognition" to the Consolidated Financial Statements under Significant Accounting Policies. 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. The timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred.	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: • 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.

Table continued to the next page

Srl. No.	Key Audit Matter	Auditors' Response
2	Completeness of provision for warranty obligations 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 to the Consolidated Financial Statements. 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. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.	We carried out a combination of principal audit procedures involving test of internal controls and substantive testing including: • 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 Report and Annexures to the Director's Report (but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon) of which we obtained prior to the date of this auditors' report, and the Directors' report and Management Discussion & Analysis, which is expected to be made available to us after that date.
- Our opinion on the consolidated financial statements does not cover the other information and will 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 that 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 its financial statement audited by the other auditor.
- If, based on the work we have performed on the other information that we obtained prior to the date of this

auditors' report, 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.

- When we read the remaining information of the Director's report and annexures to the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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 intends 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.

AUDITORS' 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 or business activities 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 has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 period 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 the subsidiary, whose financial statements reflect total assets of ₹0.68 crores as at March 31, 2020, total revenues of ₹1.27 crores and net cash outflows amounting to ₹0.06 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report has 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 these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries 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 auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- b) 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.
- c) 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

For BRAHMAYYA & Co.

Chartered Accountants
(F.R.N: 000513S)

Karumanchi Rajaj

Partner
Membership No. 202309
UDIN: 20202309AAAABC8205

Tirupati, May 30, 2020

- f) 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.
- h) 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/ provided by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i) With respect to the other matters to be included in the Auditors' 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.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 20209354AAAFY5977

Hyderabad, May 30, 2020

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, 2020, 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.

AUDITOR’S 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, 2020, 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: 20202309AAAABC8205

Tirupati, May 30, 2020

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi

Partner
Membership No. 209354
UDIN: 20209354AAAFY5977

Hyderabad, May 30, 2020

Consolidated Balance Sheet

as at March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	1,647.61	1,809.05
(b) Right-of-use asset	3.2	178.48	-
(c) Capital work-in-progress	3.1	732.58	233.88
(d) Other intangible assets	4	3.13	3.71
(e) Intangible assets under development	4	94.44	80.86
(f) Financial assets			
(i) Investments	5	13.35	19.88
(ii) Other financial assets	6	6.36	6.95
(g) Income tax assets (net)	20	26.21	21.48
(h) Other non-current assets	11	74.99	115.78
Total non - current assets		2,777.15	2,291.59
Current assets			
(a) Inventories	7	1,143.00	1,061.42
(b) Financial assets			
(i) Investments	5	142.25	0.30
(ii) Trade receivables	8	636.30	768.58
(iii) Cash and cash equivalents	9	32.62	50.23
(iv) Bank balances other than (iii) above	10	51.91	21.60
(v) Other financial assets	6	11.53	8.60
(c) Other current assets	11	205.64	293.38
Total current assets		2,223.25	2,204.11
Total assets		5,000.40	4,495.70
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	3,638.23	3,317.96
Total equity attributable to owners of the Company		3,655.31	3,335.04
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	34.34	46.80
(ii) Lease liabilities	15	21.67	-
(b) Provisions	16	83.77	69.46
(c) Deferred tax liabilities (net)	17	44.13	95.91
(d) Other non-current liabilities	21	59.13	45.98
Total non - current liabilities		243.04	258.15
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		73.91	59.60
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		541.04	450.85
(ii) Other financial liabilities	19	204.92	170.55
(iii) Lease liabilities	15	15.43	-
(b) Provisions	16	99.41	61.89
(c) Other current liabilities	21	167.34	159.62
Total current liabilities		1,102.05	902.51
Total equity and liabilities		5,000.40	4,495.70
Group 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 : 000513S)

For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants
 (F.R.N : 117366W/W- 100018)

For and on behalf of the Board of Directors

Karumanchi Rajaj
 Partner
 M.No. 202309

Sumit Trivedi
 Partner
 M.No. 209354

Dr. Ramachandra N Galla
 Chairman

Jayadev Galla
 Vice Chairman and Managing Director

S Vijayanand
 Chief Executive Officer

Delli Babu Y
 Chief Financial Officer

M R Rajaram
 Company Secretary

Hyderabad/Tirupati, May 30, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019	
I	Revenue from operations	22	6,839.17	6,793.11
II	Other income	23	55.05	46.77
III	Total Income (I+II)		6,894.22	6,839.88
IV	Expenses			
	Cost of materials consumed		4,219.07	4,603.06
	Purchases of stock-in-trade		175.92	170.18
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	51.86	(129.14)
	Employee benefits expense	25	385.81	345.39
	Finance costs	26	12.19	6.95
	Depreciation and amortization expense	27	300.74	261.20
	Other expenses	28	907.97	852.13
	Total Expenses		6,053.56	6,109.77
V	Profit before tax (III - IV)		840.66	730.11
VI	Tax expense	29		
	(i) Current tax		231.64	238.78
	(ii) Deferred tax		(51.78)	8.10
	Total tax expense		179.86	246.88
VII	Profit for the year (V - VI)*		660.80	483.23
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		(2.87)	(0.17)
	(b) Equity instruments through other comprehensive income		(6.53)	0.07
	(ii) Items that will be reclassified to profit or loss:			
	(a) Exchange difference in translating the financial statements of foreign subsidiary		-	(0.02)
	Total Other Comprehensive Income / (Loss)		(9.40)	(0.12)
IX	Total comprehensive income for the year (VII + VIII)*		651.40	483.11
	*Attributable to owners of the Company			
	Earnings per share (of ₹1 each)	36		
	Basic and Diluted (₹)		38.69	28.29
Group information	1			
Significant accounting policies	2			

See accompanying notes to the consolidated financial statements

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For DELOITTE HASKINS & SELLS LLP
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 Vice Chairman and Managing Director

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 Chief Executive Officer

Delli Babu Y
 Chief Financial Officer

M R Rajaram
 Company Secretary

Hyderabad/Tirupati, May 30, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Profit before tax	840.66	730.11
Adjustments for:		
Depreciation and amortisation expense	300.74	261.20
(Gain)/Loss on sale of property, plant and equipment (net) / written off	(0.71)	3.48
Finance costs	12.19	6.95
Interest income on bank deposits	(2.95)	(2.77)
Dividend income from equity instruments designated at FVTOCI	(0.00)	(0.00)
Gain on disposal of mutual fund units	(16.57)	(5.35)
Deferred revenue recognised	(9.46)	(8.41)
Net gain arising on financial assets mandatorily measured at FVTPL	(2.18)	(0.02)
Liabilities no longer required written back	(0.67)	(3.83)
Provision for doubtful trade receivables written back	(1.77)	(1.79)
Provision for doubtful trade receivables and advances	23.60	2.67
Bad trade receivables written off (net)	0.89	0.33
Net unrealised foreign exchange gain	(19.75)	(15.52)
	283.36	236.94
Operating profit before working capital changes	1,124.02	967.05
Movements in working capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade receivables	113.35	12.05
- Inventories	(81.58)	(11.71)
- Other assets	83.07	(119.20)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables	102.07	(76.71)
- Other liabilities	30.03	(12.84)
- Provisions	41.97	24.18
	288.91	(184.23)
Cash generated from operations	1,412.93	782.82
Income taxes paid	(236.37)	(241.68)
Net cash generated from operating activities [A]	1,176.56	541.14
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(701.38)	(528.47)
Proceeds from sale of property, plant and equipment	1.51	0.25
Purchase of current investments	(1,480.00)	(1,025.00)
Proceeds from sale / redemption of current investments	1,356.80	1,045.40
Bank balances not considered as cash and cash equivalents (net)	(29.47)	41.18

Table continued to the next page

Consolidated Cash Flow Statement (contd.)

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest received	3.18	3.78
Dividend income	0.00	0.00
Net cash (used in) investing activities [B]	(849.36)	(462.86)
C. Cash flows from financing activities		
Repayment of borrowings	(11.63)	(5.10)
Repayment of Lease Liabilities	(15.83)	-
Finance costs (including in relation to lease liabilities)	(5.20)	(1.06)
Dividend paid including tax on dividend (Refer Note 42)	(331.13)	(85.46)
Net cash (used in) financing activities [C]	(363.79)	(91.62)
Net decrease in cash and cash equivalents (A+B+C)	(36.59)	(13.34)
Cash and cash equivalents at the beginning of the year	50.23	48.73
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	18.98	14.84
Cash and cash equivalents at the end of the year (Refer Note 9)	32.62	50.23

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flows.

(b) Reconciliation of liabilities from financing activities for the year ended March 31, 2020

	As at March 31, 2019	Ind AS 116 adoption	Cash Flows	Non cash changes Current/ Non-current Classification	As at March 31, 2020
Borrowings - Non current	46.80	-	-	(12.46)	34.34
Other Financial Liabilities	11.63	-	(11.63)	12.46	12.46
Lease liabilities	-	45.65	(15.83)	7.28	37.10
	58.43	45.65	(27.46)	7.28	83.90

Reconciliation of liabilities from financing activities for the year ended March 31, 2019

	As at March 31, 2018	Ind AS 116 adoption	Cash Flows	Non cash changes Current/ Non-current Classification	As at March 31, 2019
Borrowings - Non current	58.43	-	-	(11.63)	46.80
Other Financial Liabilities	5.10	-	(5.10)	11.63	11.63
	63.53	-	(5.10)	-	58.43

See accompanying notes to the consolidated financial statements

In terms of our report attached

For BRAHMAYYA & CO.
Chartered Accountants
(F.R.N : 000513S)

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(F.R.N : 117366W/W- 100018)

For and on behalf of the Board of Directors

Karumanchi Rajaj
Partner
M.No. 202309

Sumit Trivedi
Partner
M.No. 209354

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S Vijayanand
Chief Executive Officer

Delli Babu Y
Chief Financial Officer

M R Rajaram
Company Secretary

Hyderabad/Tirupati, May 30, 2020

Consolidated Statement of changes in equity

for the year ended March 31, 2020

All amounts are in ₹ crores, except share data and where otherwise stated

Equity share capital							Amount
Balance at March 31, 2018							17.08
Changes in equity share capital during the year							-
Balance at March 31, 2019							17.08
Changes in equity share capital during the year							-
Balance at March 31, 2020							17.08
	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, 2018	31.19	0.00	403.48	2,475.17		10.47	2,920.31
Profit for the year	-	-	-	483.23		-	483.23
Other comprehensive income for the year, net of income tax	-	-	-	(0.17)	(0.02)	0.07	(0.12)
Total comprehensive income for the year 2018-19	-	-	-	483.06	(0.02)	0.07	483.11
Payment of dividends (including tax thereon) [Refer Note 42]	-	-	-	(85.46)	-	-	(85.46)
Transfer for General reserve	-	-	48.35	(48.35)	-	-	-
Balance at March 31, 2019	31.19	0.00	451.83	2,824.42	(0.02)	10.54	3,317.96
Profit for the year	-	-	-	660.80	-	-	660.80
Other comprehensive income for the year, net of income tax	-	-	-	(2.87)	-	(6.53)	(9.40)
Total comprehensive income for the year 2019-2020	-	-	-	657.93	-	(6.53)	651.40
Payment of dividends (including tax thereon) [Refer Note 42]	-	-	-	(331.13)	-	-	(331.13)
Transfer for General reserve	-	-	66.08	(66.08)	-	-	-
Balance at March 31, 2020	31.19	0.00	517.91	3,085.14	(0.02)	4.01	3,638.23

* Amounts below ₹1 lakh

See accompanying notes to the consolidated financial statements
In terms of our report attached

For BRAHMAYYA & CO.
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(F.R.N : 000513S)

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(F.R.N : 117366W/W- 100018)

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Company Secretary

Hyderabad/Tirupati, May 30, 2020

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 manufacturer 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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

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 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. 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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 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, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

vii) Estimation uncertainty relating to COVID-19 outbreak

In respect of estimation uncertainty relating to COVID-19 outbreak refer Note 45 of the consolidated financial statements.

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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

Asset	Useful lives (in years)
Plant and machinery (including electrical installations and moulds)	1-10
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.	
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.

All intangible asses 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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

O. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred 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. In addition, deferred tax liabilities are not recognised

if the temporary difference arises from the initial recognition of goodwill.

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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 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.

NOTE 3.1 : PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
- Leasehold	-	69.80
Leasehold improvements	17.77	26.53
Buildings	478.57	529.47
Plant and Equipment (including electrical installations)	1,099.02	1,124.75
Furniture and fixtures	10.02	11.21
Vehicles	10.57	11.03
Office equipment	23.77	26.80
Computers	6.65	8.22
	1,647.61	1,809.05
Capital work-in-progress	732.58	233.88
	732.58	233.88

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 (contd.)

	Freehold land	Leasehold 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, 2018	1.24	67.53	49.76	585.89	1,447.95	14.95	13.15	42.56	20.19	2,243.22
Additions	-	4.76	-	29.25	321.56	1.81	3.18	8.57	4.55	373.68
Disposals	-	-	-	(0.06)	(8.68)	(0.05)	(0.85)	(0.47)	(0.35)	(10.46)
Balance at March 31, 2019	1.24	72.29	49.76	615.08	1,760.83	16.71	15.48	50.66	24.39	2,606.44
Additions	-	-	-	23.70	213.13	0.51	1.79	6.03	4.00	249.16
Disposals	-	-	-	-	(1.85)	-	(1.12)	(0.01)	(0.05)	(3.03)
Reclassified on account of adoption of Ind AS 116 (Refer Note 3.2 and Refer Note 37)	-	(72.29)	-	(49.48)	(12.11)	-	-	(0.01)	(0.29)	(134.18)
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
(B) Accumulated depreciation and impairment										
Balance at March 31, 2018	-	1.80	14.46	56.86	437.91	3.95	3.05	15.94	11.06	545.03
Depreciation expense	-	0.69	8.77	28.78	204.66	1.58	1.79	8.26	5.29	259.82
Eliminated on disposal of assets	-	-	-	(0.03)	(6.49)	(0.03)	(0.39)	(0.34)	(0.18)	(7.46)
Balance at March 31, 2019	-	2.49	23.23	85.61	636.08	5.50	4.45	23.86	16.17	797.39
Depreciation expense	-	-	8.76	27.00	226.62	1.70	1.95	9.05	5.28	280.36
Eliminated on disposal	-	-	-	-	(1.36)	-	(0.82)	(0.01)	(0.04)	(2.23)
Reclassified on account of adoption of Ind AS 116 (Refer Note 3.2 and Refer Note 37)	-	(2.49)	-	(1.88)	(0.36)	-	-	(0.00)	(0.01)	(4.74)
Balance at March 31, 2020	-	-	31.99	110.73	860.98	7.20	5.58	32.90	21.40	1,070.78
(C) Carrying amount										
Balance at March 31, 2019	1.24	69.80	26.53	529.47	1,124.75	11.21	11.03	26.80	8.22	1,809.05
Balance at March 31, 2020	1.24	-	17.77	478.57	1,099.02	10.02	10.57	23.77	6.65	1,647.61

Notes:

- 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 ₹11.15 crores (March 31, 2019: ₹8.09 crores) [Refer Note 38]
- In respect of freehold land refer Note 34.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.2 : RIGHT-OF-USE ASSET

	As at March 31, 2020		As at March 31, 2019			
Right-of-use asset	178.48		-			
	178.48		-			
	Leasehold land	Buildings	Plant and Equipment (including electrical installations)	Office equipment	Computers	Total
(A) Cost or deemed cost						
Balance at April 1, 2019 (Refer Note 37)	-	46.25	-	-	-	46.25
Additions	10.79	9.82	1.84	-	0.02	22.47
Disposals	-	(0.74)	-	-	-	(0.74)
Reclassified and Transition impact on account of adoption of Ind AS 116 [Refer Note 3.1]	69.80	47.60	11.75	0.01	0.28	129.44
Balance at March 31, 2020	80.59	102.93	13.59	0.01	0.30	197.42
(B) Accumulated amortisation and impairment						
Balance at April 1, 2019	-	-	-	-	-	-
Amortisation expense	0.73	18.28	0.12	-	-	19.13
Eliminated on disposal	-	(0.19)	-	-	-	(0.19)
Balance at March 31, 2020	0.73	18.09	0.12	-	-	18.94
(C) Carrying amount						
Balance at March 31, 2019	-	-	-	-	-	-
Balance at March 31, 2020	79.86	84.84	13.47	0.01	0.30	178.48

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, 2020	As at March 31, 2019
Carrying amounts of:		
Software	3.13	3.71
	3.13	3.71
Intangible assets under development [Refer Note below]	94.44	80.86
	94.44	80.86
Particulars	Software	Total
(A) Cost or deemed cost		
Balance at March 31, 2018	9.72	9.72
Additions	0.50	0.50
Disposals	(0.18)	(0.18)
Balance at March 31, 2019	10.04	10.04
Additions	1.03	1.03
Disposals	-	-
Balance at March 31, 2020	11.07	11.07
(B) Accumulated amortisation and impairment		
Balance at March 31, 2018	4.66	4.66
Amortisation expense	1.68	1.68
Eliminated on disposals	(0.01)	(0.01)
Balance at March 31, 2019	6.33	6.33
Amortisation expense	1.61	1.61
Eliminated on disposals	-	-
Balance at March 31, 2020	7.94	7.94
(C) Carrying amount		
Balance at March 31, 2019	3.71	3.71
Balance at March 31, 2020	3.13	3.13

Note:

- (i) The above amount includes technology purchased which has been tested for impairment during the year.
- (ii) The amount of expenditure recognised in the carrying amount of intangible assets in the course of development is ₹6.91 crores (March 31, 2019: ₹5.49 crores) [Refer Note 38]

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, 2020	As at March 31, 2019
Non-current		
(I) Investments in equity instruments		
Quoted investments (fully paid) [at FVTOCI]		
(i) Standard Batteries Limited 125 (March 31, 2019: 125) equity shares of ₹1 each*	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2019: 25) equity shares of ₹2 each *	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2019: 10,000) equity shares of ₹1 each	0.13	0.22
(iv) HBL Power Systems Limited 5,500 (March 31, 2019: 5,500) equity shares of ₹1 each	0.01	0.01
Total aggregate quoted investments [A]	0.14	0.23
Unquoted investments (fully paid)		
Investments in others (at FVTOCI)		
(i) Indian Lead Limited 1,128 (March 31, 2019: 1,128) equity shares of ₹10 each*	0.00	0.00
(ii) Atria Wind Private Limited 10,000 (March 31, 2019: 10,000) equity shares of ₹100 each	0.10	0.10
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2019: 1,206,000) equity shares of ₹10 each	13.10	19.54
Total aggregate unquoted investments [B]	13.20	19.64
Total investments in equity instruments [C = A+B]	13.34	19.87
(II) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) [D]	0.01	0.01
Total Non-current investments [E=C+D]	13.35	19.88
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	0.14	0.23
Aggregate carrying value of unquoted investments	13.20	19.64
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Savings Fund - Direct Plan - Growth 1,24,501.56 units of ₹32.37 (March 31, 2019 : Nil)	0.40	-
SBI Savings Fund - Regular Plan - Growth 2,06,85,522.44 units of ₹31.00 (March 31, 2019 : Nil)	64.12	-

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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, 2020	As at March 31, 2019
ICICI Prudential Liquid - Direct Plan - Growth 22,04,410.15 units of ₹293.78 (March 31, 2019 : Nil)"	64.77	-
UTI - Liquid Cash Plan - Direct Growth Plan 39,874.24 units of ₹3,251.44 (March 31, 2019 : Nil)	12.96	-
Kotak Liquid - Direct Plan Growth Nil units (March 31, 2019 : 804.878 units of ₹3,784.33 each)	-	0.30
Total Quoted investments measured at FVTPL	142.25	0.30
Total Current investments	142.25	0.30
Aggregate book value of quoted investments - at cost	140.07	0.28
Aggregate market value of quoted investments	142.25	0.30

* Amounts below ₹1 lakh

NOTE 6: OTHER FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits*	6.36	6.95
Total	6.36	6.95
Current		
(a) Advances to related parties:		
- Reimbursable expenses	4.08	4.21
(b) Security deposits#	2.76	1.54
(c) Interest accruals:		
- Interest accrued on deposits	4.57	2.71
- Interest accrued on overdue trade receivables	0.12	0.14
Total	11.53	8.60

*Includes to related parties ₹1.81 crores (As at March 31, 2019 : ₹2.36 crores)

Includes to related parties ₹0.63 crores (As at March 31, 2019 : ₹ Nil)

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 7: INVENTORIES

(at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials and bought-out components	395.18	276.07
(b) Work-in-progress	276.58	287.14
(c) Finished goods	339.97	386.55
(d) Stock-in-trade (goods purchased for resale)	38.35	33.07
(e) Stores and spares (including secondary packing material)	92.39	78.03
(f) Loose tools	0.53	0.56
Total	1,143.00	1,061.42
Raw materials includes material-in-transit	62.97	60.49

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 ₹2.58 crores (during 2018-19: ₹0.74 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2018-19 : ₹ 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.

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
(a) Unsecured, considered good	636.30	768.58
(b) Doubtful	24.53	4.44
	660.83	773.02
Allowance for doubtful receivable	(24.53)	(4.44)
Total	636.30	768.58

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) Of the trade receivables balance, ₹81.33 crores (as at March 31, 2019: ₹84.00 crores) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.
- (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, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	4.44	4.52
Add: Provision created during the year	22.15	2.67
Less: Provision reversed / released during the year	2.06	2.75
Balance at the end of the year	24.53	4.44

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, 2020	As at March 31, 2019
(a) Balances with banks		
- in current accounts	23.02	30.62
- in EEFC accounts	9.49	15.71
(b) Cash on hand	0.11	0.11
(c) Cheques on hand	-	3.79
Cash and cash equivalents as per the cash flow statement	32.62	50.23

NOTE 10: OTHER BANK BALANCES

	As at March 31, 2020	As at March 31, 2019
(a) In deposit accounts		
(i) original maturity more than 3 months but less than 12 months	47.80	12.13
(b) In earmarked accounts		
(i) Dividend accounts	4.11	3.27
(ii) Balances held as margin money against guarantees given [Refer Note below]	-	6.20
Total	51.91	21.60

Note:

Includes deposit aggregating ₹ Nil (March 31, 2019: Nil) with remaining maturity of more than 12 months from the Balance Sheet date.

NOTE 11: OTHER ASSETS

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Capital advances	24.03	61.56
(b) Capital advances to related parties	5.23	10.62
(c) Prepaid expenses	0.36	1.52
(d) Balances with government authorities	10.65	8.80
(e) Other deposits (Electricity deposits, for other utilities, etc.)	34.72	33.28
Total	74.99	115.78
Current		
(a) Contractually reimbursable expenses	2.82	6.11
(b) Commercial advances	62.44	50.97
(c) Advances to employees	0.56	0.44
(d) Balances with government authorities (Advances, GST credit and VAT credit)	94.58	196.18
(e) Prepaid expenses	6.94	8.16
(f) Other receivables (export incentives, etc.)	38.30	31.52
Total	205.64	293.38

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 12: SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	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, 2018	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2019	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2020	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 Parent 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, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
RNGalla Family Private Limited	4,79,32,452	28.06	4,14,00,702	24.24
Johnson Controls (Mauritius) Private Limited *	-	-	4,44,11,250	26.00
Panther ARBL Holdings LP*	4,09,95,000	24.00	-	-
Nalanda India Equity Fund Limited	1,68,80,938	9.88	1,33,43,581	7.81

* During the year consequent to the sale of the power solution business by Johnson Controls International PLC, the shareholders' agreement with Johnson Controls (Mauritius) Private Limited was terminated. Accordingly 24% of the equity shares of the Company held by Johnson Controls (Mauritius) Private Limited was acquired by Panther ARBL Holdings LP and 2% equity shares of the Company was acquired by RNGalla Family Private Limited from Johnson Controls (Mauritius) Private Limited.

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, 2020	As at March 31, 2019
(a) General reserve	517.91	451.83
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	4.01	10.54
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	3,085.14	2,824.42
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	(0.02)	(0.02)
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	3,638.23	3,317.96

*Amount below ₹1 lakh

NOTE 14: NON-CURRENT BORROWINGS

	As at March 31, 2020	As at March 31, 2019
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	46.80	58.43
Less: Current maturities of sales tax deferment loans disclosed under Note 19 - Other financial liabilities - Current	12.46	11.63
Total	34.34	46.80

Note:

The interest free sales tax deferment loans were availed by the Group 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 Group 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, 2020	As at March 31, 2019
Non-current		
Lease Liabilities *	21.67	-
Total	21.67	-
Current		
Lease Liabilities *	15.43	-
Total	15.43	-

*Also Refer Note 37

NOTE 16 : PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Non-current		
Employee benefits		
(a) Leave encashment	15.16	12.75
(b) Gratuity [Refer Note 32]	0.02	-
Other provisions		
(a) Product warranty [Refer Note 40]	68.59	56.71
Total	83.77	69.46
Current		
Employee Benefits		
(a) Leave encashment	3.29	2.70
(b) Gratuity [Refer Note 32]	3.54	0.65
Other provisions		
(a) Product warranty [Refer Note 40]	92.58	58.54
Total	99.41	61.89

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 17: DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2020	As at March 31, 2019
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet :		
Deferred tax assets	18.95	13.95
Deferred tax liabilities	(63.08)	(109.86)
Total	(44.13)	(95.91)

2019-2020**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	(109.86)	46.78	-	(63.08)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful debts	1.55	4.99	-	6.54
Provision for employee benefits	5.62	(0.09)	-	5.53
Others	1.46	0.10	-	1.56
	(95.91)	51.78	-	(44.13)

2018-19**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	(101.62)	(8.24)	-	(109.86)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful debts	1.58	(0.03)	-	1.55
Provision for employee benefits	5.31	0.31	-	5.62
Others	1.60	(0.14)	-	1.46
	(87.81)	(8.10)	-	(95.91)

NOTE 18: TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of Micro enterprises and small enterprises [Refer Note 31]	73.91	59.60
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	541.04	450.85
Total	614.95	510.45

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 19: OTHER FINANCIAL LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Current		
(a) Current maturities of Non-current borrowings [Refer Note 14]	12.46	11.63
(b) Unpaid dividends	4.11	3.27
(c) Other payables:		
- Payables on purchase of property, plant and equipment	68.90	63.69
- Others (employee related, others) [Refer Note below]	119.45	91.96
Total	204.92	170.55

Note:

Other liabilities includes employees related payables (including payable to Vice-Chairman and Managing Director), commission payable to Non-Executive Chairman and Other Directors, outstanding liabilities for incentives and trade schemes, etc.

NOTE 20: INCOME TAX ASSETS (NET)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Advance tax/ TDS receivable (net of provisions)	26.21	21.48
Total	26.21	21.48

NOTE 21: OTHER LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Non-current		
(a) Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	59.13	45.98
Total	59.13	45.98
Current		
(a) Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	14.16	8.98
(b) Statutory remittances (GST, PF, VAT, TDS, etc.)	19.37	57.36
(c) Advances from customers	19.50	7.06
(d) Others (includes accruals relating to trade promotion schemes)	114.31	86.22
Total	167.34	159.62

Note:

The deferred revenue of ₹73.29 crores (March 31, 2019: ₹54.96 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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 22: REVENUE FROM OPERATIONS

	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Sale of product (Refer Note (i) below)	6,774.17	6,709.06
b. Sale of services (Refer Note (ii) below)	38.62	60.44
c. Other operating revenues (Refer Note (iii) below)	26.38	23.61
Total	6,839.17	6,793.11
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	6,597.98	6,538.75
Sub-total - Sale of manufactured goods	6,597.98	6,538.75
Traded goods		
- Storage batteries	97.86	94.65
- Home UPS	78.33	75.66
Sub-total - Sale of traded goods	176.19	170.31
Total - Sale of products	6,774.17	6,709.06
(ii) Sale of services comprise:		
- Installation and Commissioning	3.26	19.51
- Annual Maintenance	0.68	12.64
- Others (subject and other matters experts, service charges, etc.)	34.68	28.29
Total - Sale of services	38.62	60.44
(iii) Other operating revenues comprise:		
- Sale of process scrap	1.12	1.21
- Export benefits (including MEIS & EPCG benefits) [Refer Note (iv) below]	25.26	22.40
Total - Other operating revenues	26.38	23.61

(iv) Includes ₹9.46 crores (for the year ended March 31, 2019 : ₹8.41 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 21]

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 23: OTHER INCOME

	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest income		
Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	2.95	2.77
- Other financial assets carried at amortised cost	3.76	1.97
- Unwinding of discounts on rental deposits	0.29	0.27
	7.00	5.01
b) Dividend income		
Dividend from equity investments designated as at FVTOCI *	0.00	0.00
	0.00	0.00
c) Other non-operating income		
(i) Interest income on other deposits	2.18	1.79
(ii) Sale of non process scrap	4.71	5.96
(iii) Liabilities no longer required written back	0.67	3.83
(iv) Provision for doubtful trade receivables written back	1.77	1.79
(v) Others	5.89	5.00
	15.22	18.37
d) Other gains and losses		
(i) Gain on disposal of mutual fund units	16.57	5.35
(ii) Net foreign exchange gains	13.37	18.02
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	2.18	0.02
(iv) Gain on sale of property, plant and equipment (net)	0.71	-
	32.83	23.39
Total (a+b+c+d)	55.05	46.77

*Amount below ₹1 lakh

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, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year		
Finished goods - storage batteries	386.55	327.69
Work-in-progress	287.14	211.51
Stock-in-trade		
- Storage batteries	16.58	19.00
- Home UPS	16.49	19.42
	33.07	38.42
[A]	706.76	577.62
Inventories at the end of the year		
Finished goods - storage batteries	339.97	386.55
Work-in-progress	276.58	287.14
Stock-in-trade		
- Storage batteries	18.29	16.58
- Home UPS	20.06	16.49
	38.35	33.07
[B]	654.90	706.76
(Increase) / Decrease in finished goods, work-in-progress and stock-in-trade [A-B]	51.86	(129.14)

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages	299.31	269.58
(b) Contribution to provident and other funds [Refer Note 32]	38.90	31.56
(c) Staff welfare expenses	47.60	44.25
Total	385.81	345.39

NOTE 26: FINANCE COSTS

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest costs:		
(i) Interest on working capital facilities	-	0.11
(b) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	6.99	5.89
(ii) Interest on Leases Liabilities [Refer Note 37]	3.88	-
(iii) Others	1.32	0.95
Total	12.19	6.95

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment [Refer Note 3.1 & 3.2]	299.49	259.82
Amortisation of intangible assets [Refer Note 4]	1.61	1.68
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	0.36	0.30
Total	300.74	261.20

NOTE 28: OTHER EXPENSES

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares (including packing material)	88.51	86.80
Tools consumed	0.71	0.72
Power and fuel	222.82	206.48
Rent	1.97	18.44
Repairs and maintenance		
- Plant and machinery	7.38	5.46
- Buildings	4.14	3.36
- Others	3.74	2.35
Insurance	6.86	7.25
Rates and taxes	6.27	3.85
Communication	2.31	2.46
Travelling and conveyance	20.66	19.88
Outward freight and handling charges	192.02	190.12
Advertisement and sales promotion	30.92	27.60
Expenditure on Corporate Social Responsibility	14.35	14.70
Legal and professional	13.94	6.11
Payment to auditors [Refer Note below]	1.00	0.98
Bad trade receivables written off	1.18	1.29
Less : Provision released	0.29	0.96
	0.89	0.33
Provision for doubtful trade receivables	22.15	2.67
Provision for doubtful advances	1.45	-
Loss on sale of property, plant and equipment (net) / written off	-	3.48
Warranty expenses (net)	138.67	114.85
Service expenses	25.60	46.33
Printing and stationery	2.05	1.93
Miscellaneous expenses	99.56	85.98
Total	907.97	852.13

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

Note:

Payment to auditors comprise (net of GST)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) To statutory auditors		
- Statutory audit fee*	0.71	0.70
- Limited review fee	0.15	0.15
- Tax audit fee	0.05	0.05
- Reimbursement of expenses	0.05	0.04
(b) To cost auditor for cost audit	0.04	0.04
	1.00	0.98

*Includes fees paid to statutory auditor of the subsidiary amounting to ₹0.01 crores (March 31, 2019: ₹0.00^ crores)

^ Amount below ₹1 lakh

NOTE 29: INCOME TAX RECOGNISED IN PROFIT OR LOSS

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of the current year	234.20	238.20
In respect of the prior years	(2.56)	0.58
	231.64	238.78
Deferred Tax		
In respect of the current year	(23.48)	8.10
Adjustments to deferred tax attributable to changes in tax rates and laws	(28.30)	-
	(51.78)	8.10
Total income tax expense recognised	179.86	246.88
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	840.66	730.11
Income tax expense calculated at 25.168%* (2018-19 : 34.944%)	211.58	255.13
Effect of income that is exempt from taxation	(0.55)	(0.01)
Tax effects of amounts which are not deductible in determining taxable profit	1.65	3.18
Effect of concessions (research and development and other allowances)	(1.96)	(12.00)
	210.72	246.30
Adjustment recognised in the current year in relation to tax of prior years (net)	(30.86)*	0.58
Income tax expense recognised in profit or loss	179.86	246.88

Note:

*During the current year, the Parent Company elected to exercise the option permitted under section 115BAA of Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company has recognized provision for Income-tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities (net) based on the rate prescribed in the said Act. The full impact of this change relating to the deferred tax liabilities (net) as at March 31, 2019 has been recognized in the Statement of Profit and Loss during the current year.

The tax rate used for the year 2019-2020 and 2018-19 reconciliations above is the corporate tax rate of 25.168% and 34.944% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2020	As at March 31, 2019
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Group not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	7.40	8.16
- Sales tax/VAT	26.11	20.00
- Income tax	0.20	0.22
- Electricity related	25.04	73.15
- Other (Building and other construction workers welfare cess, wealth tax, etc.)	8.95	8.79
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.		
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	299.79	526.97
(b) 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.		

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:

	As at March 31, 2020	As at March 31, 2019
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	73.91	59.60
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	0.02	0.02
(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)	-	-
(vi) Interest due and payable to suppliers under MSMED Act for payments already made	0.02	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	0.04	0.02

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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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 ₹11.20 crores (Year ended March 31, 2019: ₹7.17 crores) for provident fund contributions, ₹12.92 crores (Year ended March 31, 2019: ₹9.89 crores) for Superannuation Fund contributions and ₹3.85 crores (Year ended March 31, 2019: ₹4.82 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 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 Parent 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, 2020	As at March 31, 2019
Present value of obligation	43.69	29.30
Fair value of plan assets	(40.13)	(28.65)
(Asset)/Liability recognised in the Balance Sheet	3.56	0.65

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, 2018	18.46	19.65	1.19
Current service cost	-	1.94	1.94
Past service cost	-	7.15	7.15
Interest cost	-	1.53	1.53
Interest income	1.44	-	(1.44)
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.28	0.28
Contributions	9.89	-	(9.89)
Benefit payments	(1.09)	(1.09)	-
Return on plan assets, excluding interest income	0.11	-	(0.11)
Transfer to Group Companies	(0.16)	(0.16)	-
As at March 31, 2019	28.65	29.30	0.65
Current service cost	-	2.65	2.65
Past service cost	-	7.57	7.57
Interest cost	-	2.24	2.24
Interest income	2.19	-	(2.19)
Actuarial (gain)/loss arising from changes in financial assumptions	-	2.76	2.76
Contributions	10.23	-	(10.23)
Benefit payments	(1.02)	(1.02)	-
Return on plan assets, excluding interest income	(0.11)	-	0.11
Transfer to Group Companies	0.19	0.19	-
As at March 31, 2020	40.13	43.69	3.56

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2020	Year ended March 31, 2019
Employee Benefit Expenses		
Current service cost	2.65	1.94
Interest cost	2.24	1.53
Past service cost	7.57	7.15
Interest income	(2.19)	(1.44)
Net impact on profit before tax	10.27	9.18
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	2.76	0.28
Return on plan assets, excluding interest income	0.11	(0.11)
Net impact on other comprehensive income before tax	2.87	0.17

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31, 2020	As at March 31, 2019
Funded with Life Insurance Corporation of India	100%	100%

(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, 2020	As at March 31, 2019
Discount rate	6.56%	7.64%
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 (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, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.56)	2.90	(1.65)	1.86
Salary escalation rate (1% movement)	2.69	(2.45)	1.77	(1.61)

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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

(vii) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2020	As at March 31, 2019
Within 1 year	4.83	3.22
1-2 year	4.38	3.16
2-3 year	4.87	3.28
3-4 year	4.33	3.27
4-5 year	4.60	2.99
5-10 year	18.83	13.50
> 10 Year	30.94	23.39

The Group expects to contribute ₹7.34 crores to its defined benefit plans during the next fiscal year.

NOTE 33: SEGMENT REPORTING

The Vice Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Group 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 mainly 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.

Revenue

	For the year ended March 31, 2020	For the year ended March 31, 2019
India	5,980.13	6,042.62
Outside India	859.04	750.49
Total	6,839.17	6,793.11

Refer to Note 41 on Financial Instruments and related disclosures for information on revenue from major customers.

NOTE 34: The Parent Company had purchased 8.68 hectares of freehold land for a consideration of ₹15.59 crores in 2011-12 at Tehsil Laksar, District Haridwar, Uttarakhand State. Under the terms of sanction by the State Government for sale of such land, a manufacturing unit was to be set up within two years from the date of purchase of land, which owing to unforeseen circumstances could not take place. The District Collector vide order dated November 10, 2014 initiated proceedings for vesting the aforementioned land with the State Government. Based on legal advice, the Company had in the past years gone in appeal against the order of the District Collector with the Court of Board of Revenue, Dehradun, Uttarakhand State, ("the Court") which in the interim, had stayed the proceedings. The Court vide its order dated May 25, 2017 rejected the appeal filed by the Parent Company, consequent to which the said freehold land has vested back with the State Government.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

The Parent Company had in the previous years, fully impaired the value of the aforesaid land. Consequent to the transition to Ind AS, and the Parent Company election to continue with the carrying amount of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date, the provision for impairment recorded in respect of the said land before the date of transition under previous GAAP cannot be reversed in later years.

NOTE 35: RELATED PARTY TRANSACTIONS**(a) Details of related parties:****Entity exercising significant influence**

RNGalla Family Private Limited

Johnson Controls (Mauritius) Private Limited, Mauritius (Upto June 22, 2019)

Key Management Personnel (KMP)

Jayadev Galla	Vice-Chairman and Managing Director
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Relative of Key Management Personnel

Dr. Ramachandra N. Galla	Chairman and Non-Executive Director
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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

Subsidiaries of the entity exercising significant influence

Amaron Batteries Private Limited

Mangal Industries Limited

Amara Raja Infra Private Limited *

Amara Raja Industrial Services Private Limited *

Amara Raja Power Systems Limited

Amara Raja Media and Entertainment Private Limited

RNGalla Family Holdings Private Limited

* W.e.f. April 1, 2018, Amara Raja Industrial Services Private Limited ("ARISPL") is merged with Amara Raja Infra private Limited ("ARIPL") vide NCLT order dated June 3, 2019.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

b) Transactions with the above related parties during the year were:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	17.29	27.99
Mangal Industries Limited	0.44	0.54
Amara Raja Industrial Services Private Limited	-	0.05
Amara Raja Infra Private Limited	0.02	-
RNGalla Family Private Limited	0.04	-
Purchase of goods		
Amara Raja Power Systems Limited	94.15	0.53
Amara Raja Electronics Limited	0.58	87.17
Mangal Industries Limited	781.26	825.65
RNGalla Family Private Limited	0.01	-
Availing of services		
Amara Raja Infra Private Limited	74.88	3.21
Amara Raja Industrial Services Private Limited	-	62.06
Rajanna Trust	0.43	-
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	60.31	15.63
Amara Raja Electronics Limited	0.65	0.18
Mangal Industries Limited	44.31	33.07
Amara Raja Infra Private Limited	197.98	134.10
Amara Raja Industrial Services Private Limited	-	0.04
Rent Expense		
Jayadev Galla	3.87	3.32
Dr. Ramachandra N. Galla	0.61	0.58
Donation Expense		
Rajanna Trust	14.35	14.70
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.01	0.04
Mangal Industries Limited	0.04	0.03
Amara Raja Infra Private Limited	1.27	0.66
Amara Raja Industrial Services Private Limited	-	1.27
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	75.34	17.19
Johnson Controls (Mauritius) Private Limited	1.74	18.44
Mangal Industries Limited	-	1.29

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Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses recovered from		
Amara Raja Power Systems Limited	9.08	9.17
Amara Raja Electronics Limited	1.51	1.79
Mangal Industries Limited	11.77	12.22
Amara Raja Infra Private Limited	5.65	3.90
Amara Raja Industrial Services Private Limited	-	2.50
RNGalla Family Private Limited	0.69	-
Interest Income		
Amara Raja Power Systems Limited	1.52	0.92
Amara Raja Electronics Limited	0.03	0.01
Mangal Industries Limited	0.65	0.60
Amara Raja Industrial Services Private Limited	-	0.00
Amara Raja Infra Private Limited	0.07	0.00
RNGalla Family Private Limited	0.01	-
Other recoveries		
Mangal Industries Limited	38.86	37.10
Remuneration		
Jayadev Galla	45.43	39.69
Commission		
Dr. Ramachandra N. Galla	27.26	23.82

c) Balances receivable from / payable to related parties are as follows:

	As at March 31, 2020	As at March 31, 2019
Trade Receivables		
Amara Raja Power Systems Limited	5.72	15.50
Mangal Industries Limited	9.87	8.72
RNGalla Family Private Limited	0.00	-
Amara Raja Infra Private Limited	0.01	-
Security Deposits		
Jayadev Galla	2.12	2.04
Dr. Ramachandra N. Galla	0.32	0.32
Interest Receivable		
Amara Raja Power Systems Limited	0.06	0.13
Amara Raja Electronics Limited	0.00	0.00

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Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	As at March 31, 2020	As at March 31, 2019
Mangal Industries Limited	0.03	0.01
Amara Raja Infra Private Limited	0.01	0.00
RNGalla Family Private Limited	0.00	-
Advances (including contractually reimbursable expenses)		
Amara Raja Electronics Limited	0.41	0.16
Amara Raja Power Systems Limited	3.91	2.75
Mangal Industries Limited	7.05	4.33
Amara Raja Industrial Services Private Limited	-	0.10
Amara Raja Infra Private Limited	2.42	7.88
RNGalla Family Private Limited	0.12	-
Trade payables		
Amara Raja Power Systems Limited	3.73	0.07
Mangal Industries Limited	0.99	-
Amara Raja Electronics Limited	0.05	4.85
Amara Raja Infra Private Limited	7.93	0.38
Amara Raja Industrial Services Private Limited	-	4.78
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	6.14	3.67
Mangal Industries Limited	1.11	3.52
Amara Raja Infra Private Limited	7.06	16.22
Amara Raja Industrial Services Private Limited	-	0.19
Other Payables (Employee Related)		
Jayadev Galla	43.14	37.42
Commission payable to Non Executive Directors		
Dr. Ramachandra N. Galla	27.26	23.82
Rent Payable		
Jayadev Galla	0.30	0.29
Dr. Ramachandra N. Galla	0.04	0.03
Capital commitments		
Amara Raja Power Systems Limited	10.86	14.14
Amara Raja Electronics Limited	0.12	0.20
Mangal Industries Limited	15.23	27.57
Amara Raja Infra Private Limited	147.10	183.73

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 36: EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year (in ₹ crores) [A]	660.80	483.23
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]	38.69	28.29

NOTE 37: LEASES

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to the lease liability (adjusted for any prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring lease liability. In respect of leases, previously classified as finance leases, the right-of-use asset was measured at the carrying amounts of the related finance lease asset and re-classified.

Accordingly, on transition to Ind AS 116, the Group recognised right-of-use assets amounting to ₹175.69 crores (including previously classified as finance lease) and a lease liability of ₹45.65 crores.

	As at March 31, 2020
(i) The following is the breakup of current and non-current lease liabilities	
Current liabilities	21.67
Non-current liabilities	15.43
Total	37.10
(ii) The following is the movement of lease liabilities during the year ended March 31, 2020	
Balance at the beginning	45.65
Additions during the year	3.40
Finance cost accrued during the year	3.88
Payment of lease liabilities	(15.83)
Balance at the end	37.10
(iii) Maturity analysis of lease liabilities	
Less than one year	15.43
One to five years	21.67
More than five years	-
Total	37.10

(iv) The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows

	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 26)	3.88
Depreciation of Right-of-use assets (Refer Note 3.2)	19.13
Rent expenditure that would have been charged to the Statement of Profit and Loss under Ind AS 17	19.17

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 38: REVENUE EXPENDITURE CAPITALIZED TO FIXED ASSETS/ CAPITAL WORK-IN-PROGRESS

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Employee benefits expense	9.73	6.10
(b) Cost of material consumed (net) (Refer Note below)	7.04	6.17
(c) Power and Fuel	0.75	0.38
(d) Depreciation and amortization expense	0.36	0.30
(e) Others	0.18	0.63
Total	18.06	13.58

Note:

Net of income from sale of batteries, scrap, etc., ₹4.08 crores (Year ended March 31, 2019: ₹5.44 crores)

NOTE 39: DETAILS OF EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue Expenditure:		
(a) Cost of materials consumed	1.05	0.94
(b) Consumption of stores and spares (including secondary packing material)	0.22	0.18
(c) Employee benefits expense	7.53	6.95
(d) Power and fuel	0.85	0.86
(e) Others	0.91	1.07
Total Revenue Expenditure [A]	10.56	10.00
Capital expenditure [B]	6.35	3.66
Total [A+B]	16.91	13.66

The Group has obtained approval from Department of Scientific and Industrial Research for claiming of weighted tax benefit under Section 35(2AB) of the Income Tax Act, 1961.

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. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest that future claims could differ from historical amounts. The products are generally covered under a free warranty period ranging from 6 months to 42 months.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

- (b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance as at April 1	115.25	85.90
Additional provisions recognised	119.71	80.86
Amount utilised / reversed during the year	(80.78)	(57.40)
Unwinding of discount and effect of changes in the discount rate	6.99	5.89
Balance as at March 31	161.17	115.25
Out of the above,		
Classified under Non-current provisions (Refer Note 16)	68.59	56.71
Classified under Current provisions (Refer Note 16)	92.58	58.54

NOTE 41: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**A. Capital Management**

The Group'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 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 Group 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

	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Measured at Amortised cost				
(i) Cash and cash equivalents	32.62	50.23	32.62	50.23
(ii) Other bank balances	51.91	21.60	51.91	21.60
(iii) Trade receivables	636.30	768.58	636.30	768.58
(iv) Other financial assets	17.89	15.55	17.89	15.55
(v) Investments	0.01	0.01	0.01	0.01
Measured at FVTOCI				
(i) Investments in equity instruments	13.34	19.87	13.34	19.87

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Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	142.25	0.30	142.25	0.30
Total Financial assets	894.32	876.14	894.32	876.14
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	46.80	58.43	46.80	58.43
(ii) Trade payables	614.95	510.45	614.95	510.45
(iii) Other financial liabilities	192.46	158.92	192.46	158.92
(iv) Lease Liabilities	37.10	-	37.10	-
Total Financial liabilities	891.31	727.80	891.31	727.80

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 Group has unutilised credit limits with banks. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2020 and March 31, 2019. 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 to ₹2,223.25 crores (March 31, 2019 ₹2,204.11 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹226.78 crores (March 31, 2019 ₹72.13 crores) against an aggregate Current liability of ₹1,102.05 crores (March 31, 2019 ₹902.51 crores). The table below provides details regarding the contractual maturities of significant Non-current financial liabilities as of March 31, 2020 and March 31, 2019. Contractual maturities in respect of Lease liabilities has been disclosed in note 37.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

	March 31, 2020			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings	17.82	16.52	-	34.34
	March 31, 2019			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings	23.40	13.76	9.64	46.80

Further, while the Group's total equity stands at ₹3655.31crores (March 31, 2019: ₹3335.04 crores), it has borrowings of ₹46.80 crores (March 31, 2019: ₹58.43 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 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, 2020 is ₹13.34 crores (March 31, 2019 ₹19.87 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.

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

The carrying amounts of non-derivative foreign currency denominated financial assets and liabilities are as follows:

As at March 31, 2020

	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	60.76	-	-	-	60.76
- Cash and cash equivalents	9.50	0.01	-	0.02	9.53
Financial Liabilities					
- Trade Payables	(92.95)	(3.21)	(1.61)	(0.08)	(97.85)
- Other financial liabilities	(33.89)	(11.35)	(1.71)	(0.67)	(47.62)
Net financial asset / (liability)	(56.58)	(14.55)	(3.32)	(0.73)	(75.18)

As at March 31, 2019

	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	45.98	-	-	-	45.98
- Cash and cash equivalents	15.71	0.01	-	0.09	15.81
Financial Liabilities					
- Trade Payables	(91.20)	(3.78)	(1.53)	(0.18)	(96.69)
Net financial asset / (liability)	(29.51)	(3.77)	(1.53)	(0.09)	(34.90)

* Others includes currencies such as Japanese Yen, Dirhams, Russian ruble, South Korean Won, Israeli New Shekel, 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, 2020 would change by ₹(0.74) crores [March 31, 2019: ₹(0.29) 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

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

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, 2020	For the year ended March 31, 2019
Revenue from top customer from whom the Group receives 10% or more of its revenues	-	-
Revenue from top 5 customers	818.78	748.02

D. Fair value measurement**Fair value hierarchy**

The fair value of financial instruments as referred to in Note 42.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 Group 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	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry, ranging from 1% to 3% (as at March 31, 2019: 1% to 3%). Weighted average cost of capital (WACC) as determined 15% to 16% (as at March 31, 2019: 17% to 18%).	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 ₹0.55 crores and ₹(0.48) crores respectively [as at March 31, 2019: ₹0.63 crores and ₹(0.56) 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 ₹(0.80) crores and ₹0.91 crores respectively [as at March 31, 2019: ₹(1.06) crores and ₹1.20 crores respectively]

Note:

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 Group 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.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

	Fair value hierarchy (Level)	As at March 31, 2020	As at March 31, 2019
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (non-current)	3	6.36	6.95
Sub-total		6.36	6.95
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.14	0.23
ii) Equity Shares - Unquoted	3	13.20	19.64
Sub-total		13.34	19.87
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	142.25	0.30
Sub-total		142.25	0.30
Total		161.95	27.12
Financial liabilities			
a) Measured at amortised cost			
i) Borrowings (non-current)	3	34.34	46.80
ii) Lease Liabilities	3	37.10	
Total		71.44	46.80

Notes to the consolidated 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

	2019-2020	2018-19
Final dividend for FY 2018-19 (₹5.08 per equity share of ₹1 each) [for FY 2017-18 ₹2.15 per equity share]	86.77	36.72
Dividend distribution tax on final dividend	17.84	7.55
Interim dividend for FY 2019-2020 (₹11 per equity share of ₹1 each) [for FY 2018-19 ₹2 per equity share]	187.89	34.16
Dividend distribution tax on interim dividend	38.63	7.03
	331.13	85.46

First Interim dividend of ₹6 per equity share and Second interim dividend ₹5 per equity share of face value of ₹1 each approved by the Board of Directors at its meeting held on November 9, 2019 and circular resolution on March 9, 2020, respectively, was paid during the current year. The total dividend (including interim dividend) for FY 2019-20 amounts to ₹11 per equity share (Previous year ₹7.08 per equity share).

NOTE 43: 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, 2020
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 44: 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, 2020		As at March 31, 2020		As at March 31, 2020		As at March 31, 2020	
	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	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	(0.00%)	(0.37)	0.008%	0.05	0.00%	-	0.00%	0.05

Name of the entity	As at March 31, 2019		As at March 31, 2019		As at March 31, 2019		As at March 31, 2019	
	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	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	(0.00%)	0.01	(0.05%)	(0.26)	0.00%	-	(0.05%)	(0.26)

Notes to the consolidated financial statements

All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 45: The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of COVID 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Group were impacted due to shutting down of all plants and offices. The Group has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Group is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of intangible assets, inventory, based on the information available to date, both internal and external, to the extent relevant, while preparing these consolidated financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its consolidated financial statements as on March 31, 2020. The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these consolidated financial statements.

NOTE 46: The consolidated financial statements are approved for issue by the Audit Committee and the Board of Directors at their meeting held on May 30, 2020.

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla Chairman	Jayadev Galla Vice Chairman and Managing Director
S Vijayanand Chief Executive Officer	Delli Babu Y Chief Financial Officer
M R Rajaram Company Secretary	
Hyderabad/Tirupati, May 30, 2020	

Notice of the Annual General Meeting

To The Members of
Amara Raja Batteries Limited

NOTICE is hereby given that the 35th Annual General Meeting of the members of Amara Raja Batteries Limited will be held on Friday, August 7, 2020 at 10:30 A.M. IST through video conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2020, the report of the Auditors' thereon and the report of the Board of Directors'.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an ordinary resolution:

"RESOLVED that the audited standalone financial statements of the Company for the financial year ended March 31, 2020, the report of the auditors' thereon and the report of the Board of Directors for the financial year ended March 31, 2020, placed before the 35th Annual General Meeting be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 together with the Auditors' report thereon.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an ordinary resolution:

"RESOLVED that the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of the auditor's thereon as placed before the 35th Annual General Meeting be and are hereby received, considered and adopted."

3. **To appoint a director in place of Dr. Ramachandra N Galla (DIN: 00133761) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as a special resolution:

"RESOLVED that pursuant to the provisions of Section 152 and all other applicable provisions, if any, of

the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act") and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Regulations"), Dr. Ramachandra N Galla (DIN: 00133761) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. **To re-appoint the joint statutory auditors of the Company and fix their remuneration for a second term of five years.**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an ordinary resolution:

"RESOLVED that pursuant to Section 139 and 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 ("Act"), M/s. Brahmayya & Co., Chartered Accountants, Firm Registration No. 000513S and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No. 117366W/W-100018 be and they are hereby appointed as the joint statutory auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of this (35th) annual general meeting until the conclusion of the 40th annual general meeting of the Company.

RESOLVED FURTHER that approval be and is hereby accorded for payment of statutory audit fees of ₹70,00,000 (Rupees Seventy lakhs only) plus reimbursement of out of pocket expenses and applicable taxes to M/s. Brahmayya & Co., Chartered Accountants, and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, for the financial year 2020-21 and the Board of Directors of the Company be and they are hereby authorised to increase and pay such statutory audit fees as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment."

SPECIAL BUSINESS

5. **To ratify the remuneration of the Cost Auditors for the financial year 2020-21.**

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 ("Act"), 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 2020-21 at a remuneration of ₹4,00,000 (Rupees four lakhs 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."

6. **To appoint Dr. Ramadevi Gourineni (DIN: 01347211) as a Director, liable to retire by rotation.**

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 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Dr. Ramadevi Gourineni (DIN: 01347211) who was appointed as an Additional Director of the Company with effect from February 1, 2020 by the Board of Directors, who holds office upto the date of this Annual General Meeting under Section 161 of the Act and Article 17.3 of the Articles of Association of the Company, being eligible for appointment and in respect of whom the Company has received a notice in

writing under Section 160 of the Act, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **To appoint Mrs. Bhairavi Tushar Jani (DIN: 00185929) as an Independent Director of the Company for a second term of five consecutive years.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV, as amended from time to time ("Act") and pursuant to Regulation 17 and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Regulations"), Mrs. Bhairavi Tushar Jani (DIN: 00185929), who is eligible for re-appointment as an independent director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from August 14, 2020 to August 13, 2025."

8. **To re-appoint Mr. Jayadev Galla (DIN : 00143610) as Vice Chairman and Managing Director of the Company and fix his remuneration.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial

Personnel) Rules 2014 and read with Schedule V, as amended from time to time ("Act") and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("Regulations"), approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Jayadev Galla (DIN : 00143610) as the Vice Chairman and Managing Director of the Company for a period of five years with effect from September 1, 2020 to August 31, 2025 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee which is set out in the explanatory statement annexed to the notice convening this annual general meeting.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration including authority to determine/ vary from time to time the amount of salary, perquisites, other benefits and allowances and commission payable to Mr. Jayadev Galla in such manner as may be agreed to between the Board and Mr. Jayadev Galla, subject to the total remuneration not exceeding five percent (5%) of the net profits of the Company per annum and to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

9. **To approve the payment of commission to Dr. Ramachandra N Galla, Non-Executive Chairman (DIN: 00133761) for the financial year 2020-21.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time ("Act") and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 as amended from time to time ("Regulations"), as recommended by the Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for the payment of Commission to Dr. Ramachandra N Galla, Non-Executive Chairman for the financial year 2020-21 at the rate of three percent (3%) of the net profits of the Company calculated for the financial year in accordance with the provisions of Section 198 of the Act.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary,

expedient, usual or proper to give effect to this resolution."

By order of the Board of Directors
For **Amara Raja Batteries Limited**

Place: Hyderabad

Date: May 30, 2020

M R Rajaram

Company Secretary

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: investorservices@amararaja.com

Website: www.amararajabatteries.com

Notes:

1. In view of the continuing Covid-19 pandemic and the consequent restrictions and requirements like social distancing, the Ministry of Corporate Affairs ("MCA") vide its circular no. 20/2020 dated May 5, 2020 read with circular nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to "Circulars") permitted the holding of 35th Annual General Meeting ("AGM") through Video Conference (VC) or Other Audio Visual Means (OVAM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and aforesaid Circulars, the AGM of the Company will be held through VC / OAVM.
2. Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is given below (Refer Serial No. 21). The helpline number regarding any queries/assistance for participation in the AGM through VC/OAVM is 1800-222-990.
3. In compliance with the aforesaid Circulars the Annual Report 2019-20 including the notice of the AGM, inter-alia, indicating the process and manner of remote e-voting, attending AGM through VC/OVAM 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 can get the same registered with the Company as per the procedure provided in serial no. 16.
4. Members may also note that the notice of the AGM and the Annual Report 2019-20 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 The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM notice will be available on the website of NSDL <https://www.evoting.nsdl.com>
5. 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.
6. 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 vsureshpcs@gmail.com with a copy marked to evoting@nsdl.co.in
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. An explanatory statement pursuant to Section 102(1) of the Act and pursuant to the relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), which sets out details relating to the ordinary/special business to be transacted at the meeting, is annexed hereto as an **Annexure - I** and forms part of the notice.
9. Brief profile of Dr. Ramachandra N Galla, Dr. Ramadevi Gourineni, Mrs. Bhairavi Tushar Jani and Mr. Jayadev Galla, Directors proposed to be appointed/re-appointed along with the names of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulations 26(4) and 36(3) of

- the Regulations are furnished as an **Annexure - II** and forms part of the notice.
10. The registers i.e Register of Directors and Key Managerial Personnel and their shareholding and 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. June 27, 2020. Members seeking to inspect such documents can send an email to investorservices@amararaja.com.
11. 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.
12. **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 2019-20, 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 from August 1, 2020 (9:00 A.M.) IST to August 3, 2020 (5:00 P.M.) IST. Such information sought or questions by the members shall be furnished or replied by the Company suitably.
13. As per Regulation 40 of the 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 Registrars and Transfer Agents, 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.
14. 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 email address and mobile number with the Company.
15. 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 Corporate Services Limited in case the shares are held by them in physical form.

16. Members who have not registered their e-mail ids with Company or with Depository Participant may follow the process detailed below for registration of email id to obtain the Annual Report in electronic mode, and user id/ password for remote e-voting and updation of bank account mandate for receipt of dividend:

Type	Process to be followed
Members holding shares in Physical mode	Send a request to the Registrar and Transfer Agents of the Company, Cameo Corporate Services Limited or to the Company at agm@cameoindia.com or investorservices@amararaja.com respectively providing 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). The following additional details/documents need to be provided for updation of Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Members holding shares in demat mode	For e-mail address registration and updation of bank details: Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP. For user id/password for remote e-voting: Please provide DP ID and Client ID (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 the Registrar and Transfer Agents of the Company, Cameo Corporate Services Limited or to the Company at agm@cameoindia.com or investorservices@amararaja.com

17. Pursuant to the provisions of Section 124(5) of the Act, the amount of final dividend declared/paid up to the financial year 2011-12 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 2012-13 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, 2020 is available on the website of the Company i.e. www.amararajabatteries.com

18. 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://iepf.gov.in/IEPFA/refund.html> or contact Cameo Corporate Services Limited for lodging claim for refund of shares and / or dividend from the IEPF Authority.

19.Voting through Electronics Means (“Remote e-voting”):

- i. In compliance with the provisions of Section 108 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 Regulations, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting 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 herein below. (Refer serial no. 20)
- ii. The remote e-voting will commence on **Tuesday, August 4, 2020 (9:00 a.m. IST) and ends on Thursday, August 6, 2020 (5:00 p.m. IST)**. During this period, members of the Company, holding shares either in physical form or in dematerialised form **as on July 31, 2020 i.e cutoff 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, he / she / it shall not be allowed to change it subsequently.
- iii. The procedure for e-Voting on the day of the AGM is same as the instructions given herein below for Remote e-voting. 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 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.

- iv. The Board of Directors has appointed **Shri V.Suresh, Practising Company Secretary**, (Membership No. FCS 2969 and CP No. 6032) **as a Scrutinizer** to scrutinize the remote e-voting process and during the AGM in a fair and transparent manner.
- v. 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 July 31, 2020**. 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. July 31, 2020 shall only be entitled to avail the facility of remote e-voting and during the AGM.
- vi. Any person who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e July 31, 2020 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investorservices@amararaja.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. 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 countersignature.
- viii. The Results shall be declared by the Chairman or by an authorised 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.

- ix. 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 The National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same on their website(s).

20. Instructions for remote e-voting: The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

- iv. 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.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN followed by Folio Number registered with the company For example if EVEN is 101456 and folio number is 001*** and then user ID is 101456001***

- v. Your password details 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 by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

- i. 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.
- ii. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
- iii. A new screen will open. You will have to enter your User ID, your Password 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.

- 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 in your mailbox from evoting@nsdl.com. 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) In case you have not registered your email address with the Company/Depository, please follow instructions mentioned below in this notice.
- vi. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
- 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.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 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.
 - Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

- After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select **"EVEN" of the Company, which is 113090.**

- Now you are ready for e-voting as the Voting page opens
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a 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 email to vsureshpcs@gmail.com with a copy marked to evoting@nsdl.co.in
 - 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 <https://www.evoting.nsdl.com> to reset the password.
 - In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on tollfree no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- In case of any grievances connected with facility for e-voting, please contact Mrs. Sarita Mote, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in or

SaritaM@nsdl.co.in or at Telephone nos. : 91 22 2499 4890/ 1800-222-990.

21. Instructions for members for attending the AGM through VC/ OAVM are as under:

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mrs. Sarita Mote, Assistant Manager, NSDL at SaritaM@nsdl.co.in / 022-2499 4890/ or Mr. Y Santhosh Reddy, Assistant Manager, NSDL at ysanthosh@nsdl.co.in/ 040-4433 4178.

- Members are encouraged to join the Meeting through Laptops for better experience. Further Members are requested to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. 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.

- 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 August 1, 2020 (9:00 A.M.) IST to August 3, 2020 (5:00 P.M.) IST. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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 ordinary / special business mentioned in the accompanying notice dated May 30, 2020 and shall be taken as forming part of the notice.

Item No. 3

Dr. Ramachandra N Galla (age 81 years), was appointed as Director at the annual general meeting held on July 20, 2019. Dr. Ramachandra N Galla being the longest-serving Non-Executive Director on the Board, retires by rotation and being eligible offers himself for re-appointment.

Dr. Ramachandra N Galla is the founder of Amara Raja Batteries Limited and is instrumental in the growth of the Company. He occupied various positions in the Company including the office of the Chairman and Managing Director and presently holds the office of the Non-Executive Chairman of the Company. The Nomination and Remuneration Committee and the Board recommended his re-appointment as a Director after taking into consideration, his technical expertise in the business, active participation in the Board and performance as chairperson of the Company

The particulars of Dr. Ramachandra N Galla viz., qualification, expertise and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished hereunder as **Annexure II** and in the Corporate Governance Report.

The Board, after taking into account the rich experience and technical expertise of Dr. Ramachandra N Galla; his active participation in the Board; performance as chairperson of the Company and based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the special resolution as per Regulation 17(1A) of the Regulations as set out at item no. 3 of this notice.

Dr. Ramachandra N Galla, Chairman, Mr. Jayadev Galla, Vice Chairman and Managing Director and Dr. Ramadevi Devi, Non-Executive Director are related to each other and are concerned or interested in the resolution as set out at item no. 3 of this notice with regard to re-appointment of Dr. Ramachandra N Galla as a Director.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 3 of this notice.

Item no. 4

M/s. Brahmayya & Co., Chartered Accountants, Firm Registration No. 000513S and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No. 117366W/W-100018 were appointed as the Joint Statutory Auditors of the Company at the 30th Annual General Meeting (‘AGM’) held on August 14, 2015 for a term of 5 years and they hold office upto the conclusion of the ensuing Annual General Meeting of the Company.

The Audit Committee and the Board, unanimously, recommends the ordinary resolution as set out in item no. 4 of this notice taking into account their credentials and also based on the evaluation of the quality of audit work done by the joint statutory auditors.

Credentials:

M/s. Brahmayya & Co. is an old and established chartered accountancy firm, having been set up in the year 1932. The firm is head quartered in Vijayawada and has branches in Hyderabad, Visakhapatnam, Kakinada, Guntur and Tanuku with its operations adequately supported by qualified professionals and staff.

Deloitte Haskins & Sells LLP (DHS LLP) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. DTTL and each of its member firms are legally separate and independent

entities. DHS LLP is a member of Deloitte Haskins & Sells & Affiliates being the Network of Firms registered with the ICAI. DHS LLP and its affiliate firms in India (collectively referred to as ‘Deloitte India’) leverage global tools, technology, and best practices of Deloitte.

DHS LLP values for Integrity, Outstanding value to markets and clients, Commitment to each other, Strength from cultural diversity etc.

DHS LLP represented in committees set up by regulators such as the Institute of Chartered Accountants of India (ICAI), Securities Exchange Board of India (SEBI), National Advisory Committee on Accounting Standards (NACAS), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI), International Auditing and Assurance Standards Board (IAASB), other regulators and trade associations.

The terms and conditions of re-appointment of the joint statutory auditors and the proposed fees are as follows:

- a. Term of Appointment:** 5 years from the conclusion of this AGM till the conclusion of 40th AGM.
- b. Proposed Fees:** Remuneration for Statutory Audit of ₹70,00,000 (Rupees Seventy Lakhs only) plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2020-21. The remuneration payable to the joint statutory auditors for the remaining tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee.

The proposed fees is be based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

The Board, based on the recommendation of the Audit Committee, unanimously, recommends the ordinary resolution as set out in item no. 4 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. 4 of this notice.

Item No. 5

The Board of Directors at their meeting held on May 30, 2020, 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 2020-21 on a remuneration of ₹4,00,000 (Rupees Four Lakhs 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 2020-21.

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.

Item No. 6

Dr. Ramadevi Gourineni (Dr. Rama), was appointed as an Additional Director of the Company by the Board with effect from February 1, 2020, pursuant to Section 161 of the Act and holds office upto the date of this Annual General Meeting. The Company has received from Dr. Rama the requisite disclosures/declarations pursuant to the provisions of the Act.

The Company has received a notice from a member proposing the candidature of Dr. Rama for appointment as a Director of the Company.

The particulars of Dr. Rama viz., qualification and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished hereunder as **Annexure II** and in the Corporate Governance Report.

The Board, based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the ordinary resolution as set out at item no. 6 of this notice.

Dr. Ramachandra N Galla, Chairman, Mr. Jayadev Galla, Vice Chairman and Managing Director and Dr. Ramadevi Devi, Non-Executive Director are related to each other and are concerned or interested in the resolution as set out in item no. 6 of this notice.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 6 of this notice.

Item No. 7

The members of the Company at the Annual General Meeting held on August 14, 2015 appointed Mrs. Bhairavi Tushar Jani ("Mrs. Bhairavi Jani") as an independent director for a term of five years effective from August 14, 2015. In terms of the provisions of Section 149 of the Act, Mrs. Bhairavi Jani is eligible for re-appointment for her second term.

Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulations, approval of the members by way of special resolution is required for the reappointment of Mrs. Bhairavi Jani for a second term of five consecutive years from August 14, 2020 to August 13, 2025.

The Company has received a notice from a member proposing the candidature of Mrs. Bhairavi Jani for appointment as an Independent Director of the Company for a second term of five consecutive years.

Mrs. Bhairavi Jani, had given her consent and also declaration that she meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mrs. Bhairavi Jani fulfills the conditions specified in the Act, the rules made thereunder, Regulations for her appointment as an Independent Director and she is independent of the management.

The Board, after taking into consideration the valuable contributions made by Mrs. Bhairavi Jani; her participation in the Board and based on her performance evaluation, unanimously recommends the special resolution as set out at item no. 7 of this notice.

Mrs. Bhairavi Jani and her relative(s) are interested in the resolutions set out respectively at item no. 7 of the notice with regard to her appointment. None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 7 of this notice.

A copy of the draft letter of appointment of Mrs. Bhairavi Jani setting out the terms and conditions is available for inspection without any fee at the registered office of the Company during normal business hours on working days upto the date of the Annual General Meeting.

Item No. 8

The members of the Company at the Annual General Meeting held on August 14, 2015 approved the re-appointment of Mr. Jayadev Galla as Vice Chairman and Managing Director of the Company for a period of 5 years from September 1, 2015 to August 31, 2020 at a total remuneration not exceeding 5% of the net profits of the Company for the respective financial years. The present tenure will expire on August 31, 2020.

Under the dynamic and able leadership of Mr. Jayadev Galla the Company crossed various milestones and enhanced the stakeholders' value. Taking into consideration, the valuable contributions made by Mr. Jayadev Galla and the need for his strategic directions for the future growth of the Company, the Nomination and Remuneration Committee recommended his re-appointment on the terms and conditions including remuneration as set out hereunder.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on

May 30, 2020, unanimously approved the re-appointment of Mr. Jayadev Galla as the Vice Chairman and Managing Director of the Company for a period of five years i.e with effect from September 1, 2020 to August 31, 2025, pursuant to the provisions of the Act, subject to the approval of the members of the Company.

The members of the Company are requested to note that as per Regulation 17 (6)(e) of Regulations, approval of the members by way of special resolution is required in case of annual remuneration payable to executive directors who are promoters or members of the promoter group exceeds ₹5 crore or 2.5% of the net profits of the listed entity, whichever is higher.

The approval of the members by way of special resolution is sought for Mr. Jayadev Galla's reappointment as Vice Chairman and Managing Director and for payment of remuneration to him for a period of 5 years from September 1, 2020 to August 31, 2025.

The broad particulars of the terms and conditions of appointment including remuneration payable to Mr. Jayadev Galla are as follows:

1. The Vice Chairman and Managing Director shall, subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to him by the directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. Period of agreement: 5 years from September 1, 2020 to August 31, 2025
3. **Remuneration comprising of salary, perquisites/ benefits and commission shall be as follows:**

Salary : ₹20,00,000/- per month

Commission: Five per cent (5%) of the net profits of the Company, inclusive of salary and perks.
4. **Perquisites/benefits**
House rent allowance/accommodation

House rent allowance as may be applicable to the employees of the Company or provision of furnished accommodation.

Medical reimbursement

Reimbursement of medical expenses incurred for self and family and dependent parents, subject to a ceiling of one month's salary per year.

Leave travel concession

Leave Travel Concession for self and family to and from any place in India, once in a year in accordance with the rules of the Company.

Provident fund

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

Leave encashment

Encashment of leave at the end of tenure as per the rules of the Company.

Gratuity

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Car

Company's car with driver for business purposes.

Telephone

Telephone / Communication facilities at residence for business purposes.

Club fee

Club fee subject to a maximum of two clubs. No admission and life membership fee will be paid.

5. Overall remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed 5% of the net profits of the Company.

6. Minimum remuneration

Where in any financial year, during the tenure of Mr. Jayadev Galla, Vice Chairman and Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Jayadev Galla, Vice Chairman and Managing Director, remuneration by way of salary, commission

and perquisites not exceeding the limits as specified under Section II of Part II of Schedule V to the Act, as amended from time to time.

7. Mr. Jayadev Galla, Vice Chairman and Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business.
8. The terms and conditions of the said re-appointment and/ or agreement may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.
9. The agreement may be terminated by either party after giving the other party three (3) months' notice.
10. The Vice Chairman and Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

The Board, after taking into consideration, the valuable contributions made by Mr. Jayadev Galla and based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the special resolution as set out at item no. 8 of this notice.

Mr. Jayadev Galla, Vice Chairman and Managing Director and Dr. Ramachandra N Galla, Non-Executive Chairman and Dr. Ramadevi Gourineni, Director are related to each other and are concerned or interested in the resolution as set out in item no. 8 of this notice with regard to re-appointment and payment of remuneration to Mr. Jayadev Galla, Vice Chairman and Managing Director.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 8 of this notice.

Item No. 9

The members of the Company at the Annual General Meeting held on July 20, 2019 approved the payment of commission at the rate of 3% of the net profits of the Company per annum to Dr. Ramachandra N Galla, Non-Executive Chairman for FY 2018-19 and FY 2019-20 and such commission to Non-Executive Independent Directors not exceeding 1% of net profits for each of the financial

years FY 2018-19 to 2023-24 in accordance with the provisions of Section 197 of the Act and Regulation 17 of Regulations.

As per amended Section 197 of the Act, approval of members by way of special resolution is required in case of payment of commission to all the non-executive directors exceeds 1% of the net profits of the company per annum. Further as per the Regulation 17(6)(ca) of Regulations, approval of the members by way of special resolution is required every year in case of annual remuneration payable to a single Non-Executive Director exceeds 50% of the total annual remuneration payable to all non-executive directors.

It is proposed to pay commission to Dr. Ramachandra N Galla, Non-Executive Chairman @ 3% of the net profit of the Company for FY 2020-21. The resolution set out in item no. 9 seeks approval of the members by way of special resolution for the payment of Commission at 3% of the profits of the Company to Dr. Ramachandra N Galla, Non-Executive Chairman for the financial year 2020-21.

The Board, after taking into account the rich experience and technical expertise of Dr. Ramachandra N Galla; his active participation in the Board; performance as chairperson of the Company and based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the special resolution as set out at item no. 9 of this notice.

Dr. Ramachandra N Galla, Chairman, Mr. Jayadev Galla, Vice Chairman and Managing Director and Dr. Ramadevi Devi, Non-Executive Director are related to each other and are concerned or interested in the resolution as set out in item no. 9 of this notice with regard to payment of commission to Dr. Ramachandra N Galla, Non-Executive Chairman.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 9 of this notice.

By order of the Board of Directors
For **Amara Raja Batteries Limited**

Place: Hyderabad
Date: May 30, 2020

M R Rajaram
Company Secretary

Annexure II

BRIEF PARTICULARS OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT/APPOINTMENT AT THE ANNUAL GENERAL MEETING AND OTHER DETAILS PURSUANT TO SECRETARIAL STANDARD-2 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN BELOW:

a. Dr. Ramachandra N Galla

Dr. Ramachandra N Galla (age 81 years), is an engineering graduate with M.E. (Applied Electronics) from Roorkee University, Uttar Pradesh and did his MS in Systems Sciences from Michigan State University, USA.

He is the founder Chairman of Amara Raja group of Companies. He started his career as an Electrical Engineer in US Steel Corporation, USA and moved on to Sargent & Lundy, USA as a Consulting Engineer for the Designing of Nuclear & Coal Fired Power Plant before he laid the foundation of Amara Raja Batteries Limited in the year 1985 in Chittoor District. He was first appointed as a Director in the year 1985, occupied various positions in the Company including the office of Chairman and

Managing Director and presently holds the office of the Non-Executive Chairman of the Company.

His attendance details at the Board meetings, Committee meetings, Annual General Meeting held during the financial year 2019-20 and the commission payable for the financial year 2019-20 are given in Corporate Governance report. He is proposed to be appointed as a non-executive director, liable to retire by rotation as proposed in the item no. 3 of the notice of the annual general meeting.

He is the father of Mr. Jayadev Galla, Vice Chairman and Managing Director and Dr. Ramadevi Gourineni, Additional Director and does not hold any shares directly in the Company. He is a major shareholder of RNGalla Family Private Limited, which holds 28.06% equity shareholding in the Company.

Details of Directorships and Committee Memberships of Dr. Ramachandra N Galla as on March 31, 2020 are as follows:

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
Amara Raja Batteries Limited	Chairman	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
Mangal Industries Limited	Chairman	Loan and Investment Committee	Chairman
		Audit Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Chairman
Amara Raja Power Systems Limited	Chairman	Nomination and Remuneration Committee	Member
		Audit Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Member
Amara Raja Electronics Limited	Chairman	Audit Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Chairman
		Nomination and Remuneration Committee	Member
Andhra Pradesh Gas Power Corporation Limited	Director	-	-

Note: Only listed and unlisted public limited companies incorporated in India are given.

b. Dr. Ramadevi Gourineni

Dr. Ramadevi Gourineni (age 56 years) is a qualified Medical practitioner and had done her MBBS from Venkateswara University, India. She had completed residency degree in Neurology from University of Illinios, Chicago; fellowship in EEG & Sleep from Loyala University USA and also did her fellowship in sleep medicine from Northwestern University, Illinios, USA. She was a director of medical student education in Neurology at Northwestern University and also worked as a faculty member at Northwestern University for 15 years. Presently, she is the Managing Director of Amara Raja Infra Private Limited and also on the Board of Directors of G2H Health Care Private Limited. She held the directorship in Amara Raja Batteries

Limited for a short period from June 22, 2007 to August 14, 2008. She was appointed as an additional director on February 1, 2020 and presently she does not hold any memberships in any committees of the Board. Her attendance details at the Board meetings, Annual General Meeting held during the financial year 2019-20 are given in Corporate Governance report. She is proposed to be appointed as a non-executive director, liable to retire by rotation as proposed in the item no. 6 of the notice of the annual general meeting. She is the daughter of Dr. Ramachandra N Galla, Chairman and Sister of Mr. Jayadev Galla, Vice Chairman and Managing Director and does not hold any shares directly in the Company. She is a shareholder of RNGalla Family Private Limited, which holds 28.06% equity shareholding in the Company.

serves on the Global Advisory Committee of Earth Day Network. In the past decade, she has started, acquired, scaled up many ventures, most of them focused on supply chain and logistics. She is a firm believer in entrepreneurial ecosystems that create livelihood opportunities and dedicates a significant amount of her time, expertise and philanthropy for the cause. She is a trained classical dancer and is passionate about the Arts. Co-creating sustainable livelihoods for communities in higher Himalayas is a mission close to her heart. She was first appointed as an Independent Director on August 14, 2015 and presently she is the member of the

Audit Committee and Nomination and Remuneration Committee. Her attendance details at the Board meetings and Annual General Meeting held during the financial year 2019-20 and the commission payable for the financial year 2019-20 are given in Corporate Governance report. She is proposed to be appointed as a non-executive independent director for a second term of five (5) years, not liable to retire by rotation as proposed in the item no. 7 of the notice of the annual general meeting. She is not related to any other director or KMP of the Company and does not hold any shares in the Company.

Details of Directorships and Committee memberships of Mrs. Bhairavi Jani as on March 31, 2020 are as follows:

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
Amara Raja Batteries Limited	Independent Director	Audit Committee	Member
		Nomination and Remuneration Committee	Member

Note: Only listed and unlisted public limited companies incorporated in India are given.

d. Mr. Jayadev Galla

Mr. Jayadev Galla (age 54 years) holds a Bachelor’s degree in Political Science and Economics from University of Illinois at Urbana Champaign, USA. He first joined the Board first on March 12, 1994, held the position of Executive Director before he was appointed as the Managing Director of Amara Raja Batteries Limited in August 2003. Under his guidance and leadership, the Company has achieved many milestones, viz., including the crossing of Rs. 6,800 Crores turnover; expanding footprint in overseas markets especially in the Indian Ocean Rim, etc. He has been very active and steering the Company’s strategy and growth plans. Prior to joining the Company, he served as International Sales Executive, GNB Battery Technologies, Inc., USA (now part of Exide Technologies, Inc., USA) He is currently a Member of Parliament, a Member of Confederation of Indian Industry (CII), National Council, Young Indian National Governing Council & Core Group,

Young Presidents Organisation, Hyderabad Chapter and also an External Member, Board of Management Studies (PG) in Sri Venkateswara University, Tirupati. He was also the past Chairman of CII, Andhra Pradesh State Council. His attendance details at the Board meetings, Committee meetings, Annual General Meeting held during the financial year 2019-20 and the remuneration paid/payable for FY 2019-20 are given in Corporate Governance report. He is proposed to be reappointed as Vice Chairman and Managing Director for a period of five (5) years from September 1, 2020 on a remuneration as proposed in the item no. 8 of the notice of the annual general meeting. He is the son of Dr. Ramachandra N Galla, Chairman and Brother of Dr. Ramadevi Gourineni, Additional Director and does not hold any shares directly in the Company. He is a shareholder of RNGalla Family Private Limited, which holds 28.06% equity shareholding in the Company.

c. Mrs. Bhairavi Tushar Jani

Ms Bhairavi Tushar Jani (age 40 years) is a fourth generation entrepreneur, developmental enthusiast and an avid venture philanthropist. She is the Chairperson and Founder of IEF Entrepreneurship Foundation and Executive Director of SCA Group of Companies founded in 1896. SCA Group undertakes activities in supply chain and logistics sector. After Post-graduation, she started her career with KPMG Consulting in Washington D.C and most of her project work was in the area of supply chain, public services consulting and business process re-engineering. She started her entrepreneurial journey in 2001 by setting up a fourth party logistics Company in India called i3pl and exited in 2005 before joining SCA Group of Companies.

She has been listed as one of the 30 most Powerful Women in India by the India Today publication. She has been profiled as Stree Shakti (Woman Power) person by CNBC Awaaz and featured as a Young Turk by CNBC TV 18. She has been listed as one of the 10 women exemplars by the Hindustan Times and Business Today Magazine has featured her as the Supply Chain Maven. She is World Economic Forum’s Young Global Leader. She is a KBF Fellow of the Aspen Global Leadership Network of the Aspen Institute and a Responsible Leader of the BMW World Responsible Leaders Forum. She is a Member of Beta Gamma Sigma, the Business Honor Society, USA and is Past National Chairman, CII’s Young Indians. She is a trustee of India@75 Foundation, Leap Foundation and Ananta Centre and

Details of Directorships and Committee memberships of Mr. Jayadev Galla as on March 31, 2020 are as follows:

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
Amara Raja Batteries Limited	Vice Chairman and Managing Director	Stakeholders Relationship	Member
		Loan and Investment Committee	Member
Amara Raja Electronics Limited	Director	Loan and Investment Committee	Member
Amara Raja Power Systems Limited	Director	Loan and Investment Committee	Member
Mangal Industries Limited	Director	-	-

Note: Only listed and unlisted public limited companies incorporated in India are given.

By Order of the Board of Directors
For **Amara Raja Batteries Limited**

Place : Hyderabad
Date : May 30, 2020

M R Rajaram
Company Secretary

Note

[illegible]

Note

[illegible]

FORWARD LOOKING STATEMENTS

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO FULLY APPRECIATE OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS – WRITTEN AND ORAL – THAT WE PERIODICALLY MAKE, CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT OUR ANTICIPATED RESULTS BASED ON MANAGEMENT PLANS AND ASSUMPTIONS. WE HAVE TRIED, WHERE POSSIBLE, TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS ‘ANTICIPATE’, ‘EXPECT’, ‘PROJECT’, ‘INTEND’, ‘PLAN’, ‘BELIEVE’, AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT, OF COURSE, GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES, AND POTENTIALLY INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED, OR PROJECTED. READERS SHOULD BEAR THIS IN MIND.

WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.



AMARA RAJA BATTERIES LIMITED

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