



# EXPANDING HORIZONS



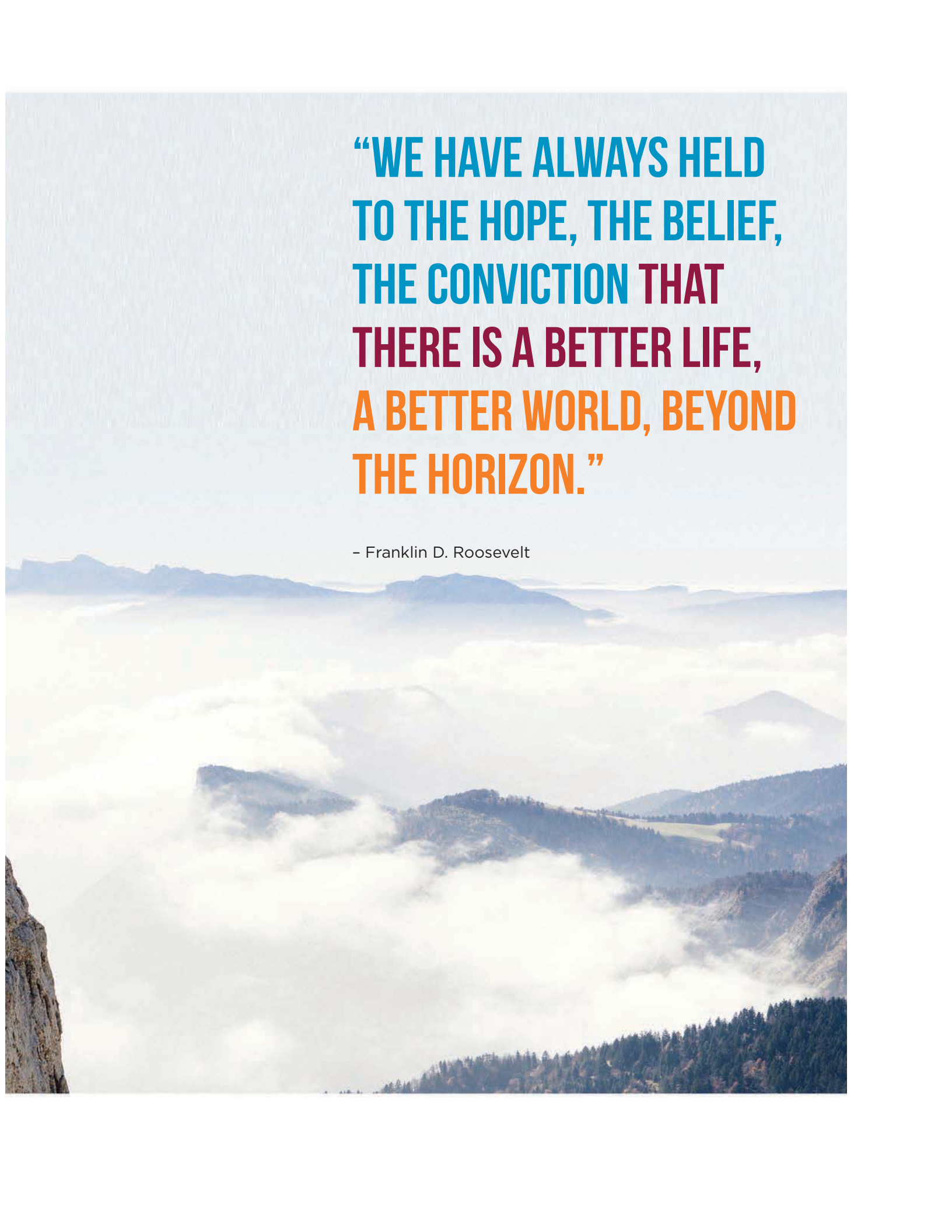
**AMARA RAJA**  
Gotta be a better way

AMARA RAJA BATTERIES LIMITED | ANNUAL REPORT 2016-17

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A scenic view of a mountain valley with a sea of clouds. The foreground shows a rocky cliff edge on the left and a forested mountain slope on the right. The middle ground is filled with a thick layer of white clouds that fill the valley. In the background, more mountain ranges are visible under a clear blue sky.

**“WE HAVE ALWAYS HELD  
TO THE HOPE, THE BELIEF,  
THE CONVICTION THAT  
THERE IS A BETTER LIFE,  
A BETTER WORLD, BEYOND  
THE HORIZON.”**

- Franklin D. Roosevelt



# THAT IS THE WORLD THAT AMARA RAJA IS CONTINUOUSLY AIMING FOR...

... a world where a stable energy source is not a distant dream but an achievable goal.

... a world where the desire of the human spirit to surge forward continues to be ignited by niche energy solutions.

... a world where expanding horizons seamlessly collaborate with emerging technologies for nurturing a portfolio of sustainable solutions.



**AT AMARA RAJA, WE ARE  
CONSTANTLY STRIVING TO  
REACH THAT WORLD BY  
EXPANDING OUR HORIZONS.**

...by going beyond boundaries  
envisioned not so long ago

...by embracing newer  
technologies that facilitate in  
foraying into white space

...by extending our footprint into  
newer markets – large and niche

On the back of our ability to learn the new, tread the road less travelled, celebrate failures and successes in equal measure, fearlessly seek newer pastures, we at Amara Raja, are relentlessly expanding our horizons to reach out to that new and better world.

# 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





# 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 VALUES

### Innovation

Innovation for 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 is what we create for our stakeholders, which makes them feel as a 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.



## STATEMENT FROM THE MANAGEMENT

**“WE BELIEVE THAT TO  
REMAIN SUCCESSFUL IN  
A SUSTAINABLE WAY, IT IS  
IMPERATIVE TO BUILD  
AROUND WHAT WE HAVE  
CREATED ON THE ONE HAND  
AND KEEP RESPONDING  
WITH SPEED AND SENSIBILITY  
TO EVOLVING LANDSCAPES  
ON THE OTHER.”**

**Dr. Ramachandra N Galla**  
*Chairman*

Dear friends,

The world is passing through uncertain times. Across the globe, socio-political turmoil and economic volatility have become the order of the day. The recent most significant challenge impacting global progress is a turn toward protectionism, leading to trade warfare.

Mainly in advanced economies, several factors have lowered growth since the 2010-11 recovery from the global financial crisis. Slower growth of median incomes and structural labour market disruptions has generated political support for zero-sum policy approaches that could undermine international

trading relationships, along with multilateral co-operation.

In India, economic resurgence continued to gain momentum owing to progressive Government policies and strong domestic demand, only to be marginally reined in by certain short-term disruptions towards the close of the fiscal under review.

It gives us immense pride to state that your Company reported heartening performance manifest in growing business numbers for the period under review despite the prevailing headwinds. This growth is a true

reflection of the dedication and commitment of each member of the Amara Raja family.

### **Expanding horizons**

Fiscal 2016-17 was important for an important reason – during this period we expanded our horizons across every aspect of our business.

It was a year when our vision to challenge the leadership by expanding our horizons into new technologies, applications and markets scaled new heights of achievement, which promise





to ignite our growth momentum over the coming years.

#### **Expanding our technology**

**horizon:** In the lead-acid space, having successfully delivered trend-setting products with AGM (Absorbed Glass Mat) batteries, we graduated to the gel platform. We developed flat plate gel and tubular gel battery variants which are expected to be commercially launched in the current year. This progression will enable us to establish a strong footprint in value-added white spaces.

#### **Expanding our product offering:**

In the lead-acid space, we successfully absorbed the EFB (enhanced flooded battery) technology which helped us in developing batteries for micro-hybrid vehicles which is experiencing accelerated demand. Our development should reach the dealer shelves in the first half of the current year. Further, we have developed batteries customised for niche applications in the UPS segment which, we feel, will support the government's 'Digital India' drive.

#### **Expanding our process**

**bandwidth:** Even as we absorbed new technologies, we continued to live by the Amara Raja DNA – 'Gotta be a better way'. For example, even as we imbibed the tubular gel technology, we improved upon the paste-filling and formation processes which, we are confident, will facilitate in developing and delivering trend-defining solutions.

#### **The path forward**

The path forward is even more exciting with India's economic resurgence pivoted on path-breaking programs

## STATEMENT FROM THE MANAGEMENT



**Jayadev Galla**

*Vice Chairman and Managing Director*

(Make in India, Digital India, Creation of Smart Cities, among others) and its willingness to embrace the new, promises to open interesting opportunity vistas for India Inc. compelling corporates to expand beyond the visible. The same holds true for the storage battery sector where new opportunities herald high-growth opportunities to those who are willing to walk the road less travelled.

Renewable energy, a sunrise sector, is expected to emerge as an important growth area as India is moving rapidly beyond fossil fuels as its primary energy source. A recent draft 10-year energy blueprint indicates that 57% of India's total electricity capacity could be derived from non-fossil fuel sources by 2027. And solar energy is expected to be a major contributor to India's vision of energy beyond fossil fuel -- India's solar power generation capacity has already more than tripled in three years to more than 12 GW, even as the Government has set an ambitious target of achieving 100 GW of solar energy capacity by 2022.

E-mobility is another interesting opportunity that can completely alter the dynamics of the storage battery space for the sheer size of the opportunity, for India plans to leapfrog the conventional mobility model to the green mobility model. The government wants to see 6 million electric and hybrid vehicles (22,000 electric vehicles sold in 2016; of which only 2000 were cars and other four-wheelers) on the roads by 2020 under the National Electric Mobility Mission Plan 2020. This thrust is a fallout of a report which mentions that adoption of electric and shared vehicles could help the country save US\$60 billion in diesel and petrol along with cutting down as much as 1 gigatonne (GT) of carbon emissions by 2030.

We believe that to remain successful in a sustainable way, it is imperative to build around what we have created on one hand and keep responding with speed

and sensibility to evolving landscapes on the other.

In keeping with this conviction, we are exploring and evaluating possibilities of making a foray in other technologies even as we work on strengthening our dominance in the lead-acid space. Moreover, we are looking beyond India to those nations who today are where India was a decade or two ago (from a development perspective) and who are likely to follow a similar growth story over the coming years. We are engaging with various stakeholders in these new markets for establishing a meaningful presence in those geographies.

As our business transitions into a new and exciting phase of growth and innovation, the future of your Company could not be in better hands than under a dynamic and experienced leadership team led by Vijayanand as the Chief Executive Officer. We are confident that our leadership team will continue to drive an organisational culture that embraces change, believes in growing talent, and invests ahead of time, anticipating the future needs of our customers.

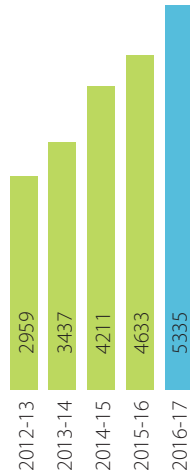
On behalf of the Company, we take this opportunity to convey our sincere appreciation to all our shareholders and express our gratitude to the government and its agencies, our eminent Board, our joint venture partner Johnson Controls, customers, employees, channel partners, bankers and suppliers for believing in our vision and facilitating the management in taking the Company to newer heights each year.

Warm regards

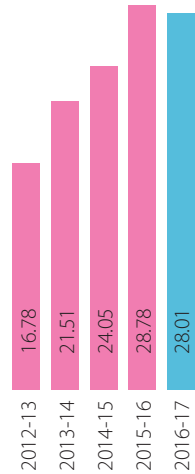
*The Management Team*

# THE EDIFICE FOR LOOKING BEYOND...

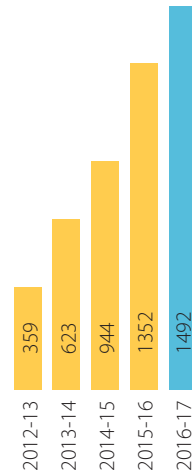
**Net sales (₹ crore)**



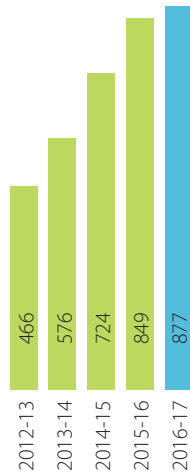
**Earnings per share (₹)\***



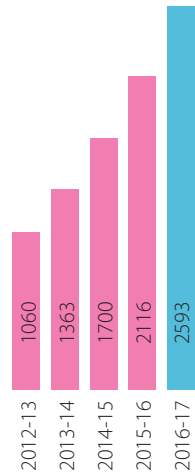
**Net fixed assets (₹ crore)**



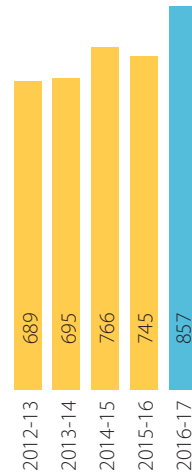
**EBIDTA (₹ crore)**



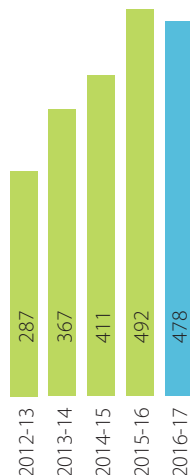
**Shareholders fund (₹ crore)**



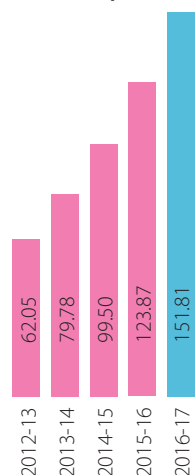
**Net current assets (₹ crore)**



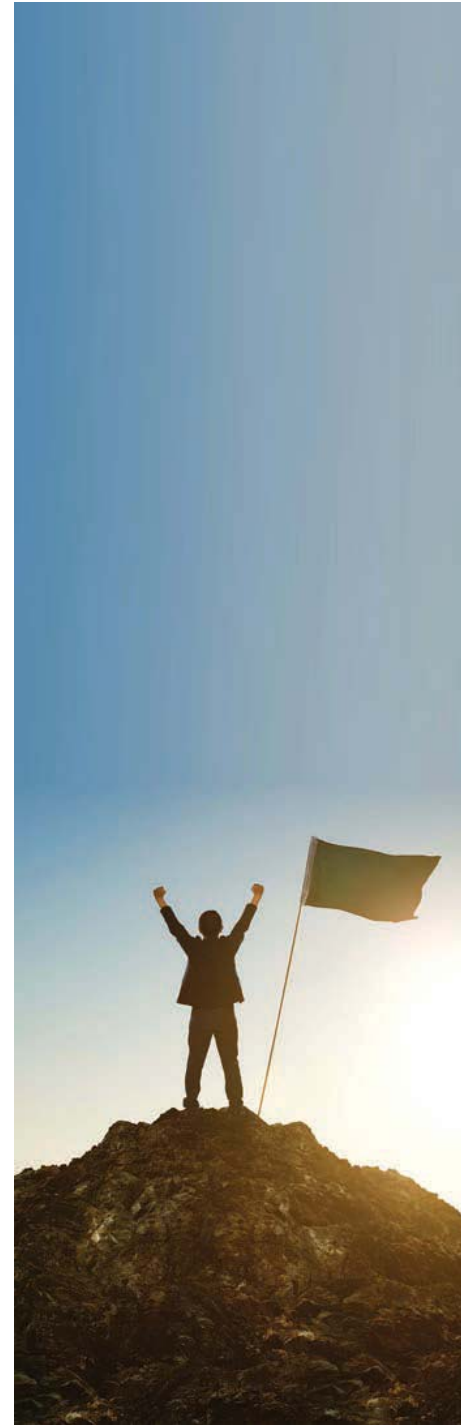
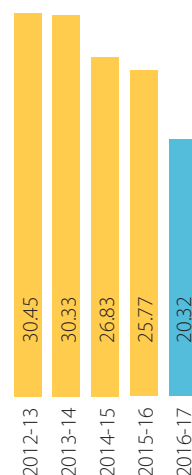
**Profit after tax (₹ crore)**



**Book value per share (₹)\***



**RONW (%)**



\* For face value of ₹ 1/- per share

**PS:** Figures for 2015-16 and 2016-17 are as per the recently mandated Ind-AS. Figures for the earlier years are as per IGAAP.



# AWARDS & RECOGNITIONS

1. Amara Raja finance team receiving the "Plaque" award in 'ICAI Awards for Excellence in Financial Reporting' for the financial year 2015-16 from Institute of Chartered Accountants of India.
2. Mr. Rajesh Jindal, Chief Marketing Officer, Automotive Battery Division receiving "Consistently High Quality Performance" and "Design & Development" awards from Maruti Suzuki India Limited.
3. Mr. Srinivasa Rao Ganga, Chief Marketing Officer, Industrial Business division receiving the "Telecom Infra Leader" in the Power Solutions Category for the year 2016 at the 24<sup>th</sup> Annual Cyber Media ICT Awards event.
4. Amara Raja team receiving Gold award at ICQCC (International Convention of Quality Control Circles) 2016 competition held in Bangkok, Thailand.
5. Mr. Jayadev Galla, Vice Chairman and Managing Director receiving the "India's most promising Company of the year 2016-17" from Mr. Arun Jaitley, the Honourable Union Minister for Finance at 12<sup>th</sup> CNBC TV18 India Business Leader Awards event.
6. Mr. Jagan Mohan G, Head-Operations, receiving the certificate of appreciation for his able leadership in promoting 5S in the Company from ABK – AOTS DOSOKAI, Tamilnadu Centre.
7. Amara Raja team with ABK AOTS awards in Model 5S Company, 5S sustenance and Gold award under Excellence categories.

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# MANAGEMENT DISCUSSION & ANALYSIS





## Global economic overview

Global GDP growth slowed marginally to 3.1% year-on-year, as deceleration in key emerging and developing economies overshadowed a modest recovery in major developed countries. This deceleration was accompanied by modest increase in commodity prices, subdued global trade, bouts of financial market volatility, and weakening capital flows. Global industrial production (IP) growth slowed to 1.5% year-on-year in 2016, after growing by 1.8% in 2015. This could have been worse had it not been for a healthy uptick in global economy during the second half of 2016 especially in advanced economies which also provides optimism for economic resurgence in the current year.

**Challenges:** Recent political developments highlight a fraying consensus about the benefits of cross-border economic integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures. Increased restrictions on global trade and migration would hurt productivity and incomes, and take an immediate toll on market sentiment.

**Promise:** Consistently good economic news since the summer of 2016 is starting to add up to a brightening global outlook. With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018.

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**3.1** Global GDP growth in 2016 (%)

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**1.6** GDP growth in Advanced economies in 2016 (%)

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**4.1** GDP growth in Emerging Market and developing economies in 2016 (%)

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**INDIA IN THE GLOBE**  
**WITH A GDP AT US\$ 2.45 TR**  
**(NOMINAL:2017), INDIA'S**  
**ECONOMY RANKS AS THE 6TH**  
**LARGEST IN THE WORLD.**

## Indian economic overview

The Indian economy has been growing at an accelerated pace since 2014, supported by favorable government reforms and stringent fiscal regime that reigned in inflation. But, India could not sustain its 7%-plus GDP growth momentum registered over the last three years. In 2016-17, India's GDP growth has been pegged at 6.5% down from 7.9% recorded in the previous financial year –largely owing to policy initiatives like demonetisation.

The Index of Industrial Production (IIP), a measure of industrial performance, registering a growth of 5% during 2016-17, against 3.4% during 2015-16.

The halving of global oil prices that began in late 2014, boosted economic activity in India, further improved the

external current account and fiscal positions and helped lower inflation in the past.

**Challenges:** A key concern for the country is the health of the banking system, which continues to battle with rising bad loans and heightened corporate vulnerabilities in certain key sectors of the economy. Besides, the firming up of crude oil prices in the end of 2016 at about US\$ 55/barrel against about US\$ 45/barrel earlier, reduced commodity exports and almost stagnant non commodity exports in 2016-17 may result in an increase in trade and current account deficits.

**Outlook:** India's economic growth is expected to improve in 2017-18. This optimism is based on two critical realities.

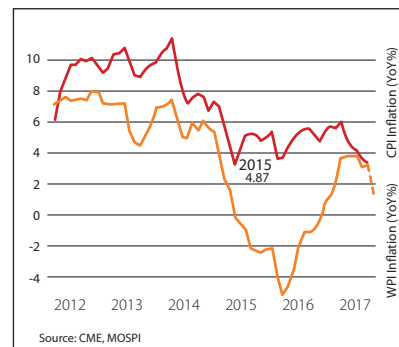
The adoption of the Goods and Service Tax (GST) promises to create a single national market which will enhance efficiency of the movement of goods and services. This critical fiscal policy could make an important contribution to raise India's medium-term GDP growth to over 8% (Source: IMF). Further, the Union Budget 2017-18, Agenda to Transform, Energise & Clean India (TEC India) puts an unprecedented thrust on rural infrastructure development which will have a multi-sector cascading impact. This initiative promises to make an important contribution to India's economic resurgence with a good news of India becoming energy surplus with various policy reforms.

## Economy catalyst

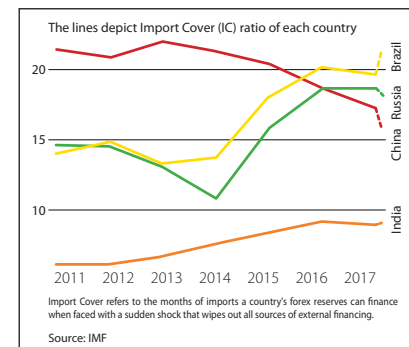
### Benign commodity prices...



### ... Have helped tame inflation

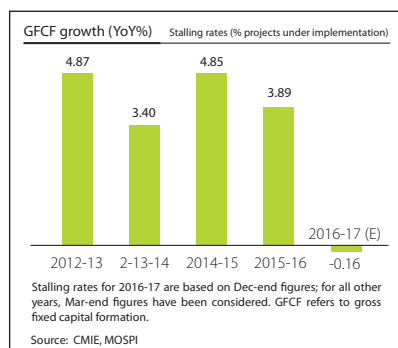


### ... And have helped India tide over her external vulnerabilities

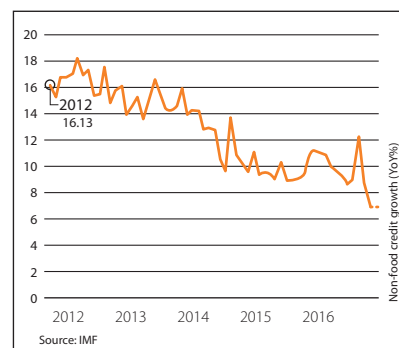


## Economy challenge

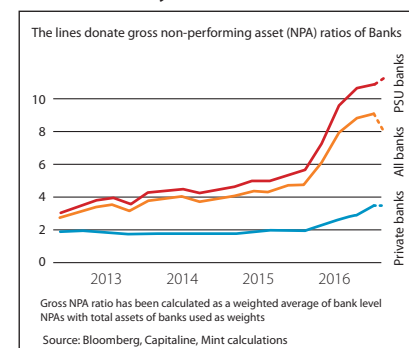
### Investment growth has collapsed



### ...And credit offtake has been falling



### ...As a pile of bad debt weighs on the Indian economy



## The storage battery space

Batteries are classified by chemistry, and the most common are lead, lithium and nickel-based.

Lead acid stands its ground as being a robust and economical power source for bulk use and hence is predominant technology for manufacturing storage batteries. Li-ion is the battery of choice for portable devices and the electric powertrain for high capacity motors – but is evaluated to making inroads into the lead acid market, for lower TCO gains.

The applications are divided into starter batteries for automotive, (also known as SLI - Start, Light, Ignition), stationary batteries for power backup and deep-cycle batteries for wheeled mobility (such as Electric rickshaws, Electric autos, golf cars, wheelchairs and scissor lifts).

Batteries are advancing on two fronts, reflecting in increased specific energy for longer runtimes and improved specific power for high-current load requirements – which is widening its application base and hence improving its growth prospects.

The Indian battery space has been flooded by a wide range of batteries depending upon their application. But, Lead-acid batteries are the most widely used battery in the market, including valve-regulated lead-acid (VRLA), absorbed glass material (AGM), and gel batteries, backed up by efficient recycling process.

The lead acid battery market can be divided into two broad spectrums – automotive and industrial batteries– and finds wide application in transportation,



**7-9%**  
**GROWTH OF THE  
 DOMESTIC BATTERY  
 MARKET BY 2020 (CAGR)**

communications, power, defence, motive, solar and railway industries. The automotive and communications sector accounts for majority of the total lead-acid battery consumption.

The automotive segment contributes in excess of 60% of the total turnover of the Indian lead acid battery market. Automotive batteries are start, light, and ignition (SLI) batteries, though they are expected to fuel a greater number of functions including in-vehicle entertainment systems, power steering, power locking, power window systems, etc. Demand for auto batteries can be divided into the OE (original equipment) market and the aftermarket segments.

In the industrial segment, batteries are used as a standby source of power for various applications like Telecom, Railways, Utilities, UPS, Solar, Motive Power and Defence among others.

In recent times, the battery industry has witnessed a slew of new product introductions, technology innovations, increasing competition from local and regional players and joint ventures that have altered its landscape.



**A charged global environment**

**US\$ 17.26 BILLION  
 BY 2021**

**The global battery market is  
 projected to grow at a CAGR of  
 4.15% from 2016 to 2021**

New hybrid and electric automotive models from OEMs

Fuel savings and government incentives for cleaner transportation

Growing integration of electronics

Growing demand for transportation









REVENUE VERTICAL  
01

# AUTOMOTIVE BATTERY DIVISION

**11 MN**  
CAPACITY FOR  
2-WHEELER BATTERIES  
IN UNITS PER ANNUM

**10.5 MN**  
CAPACITY FOR  
4-WHEELER BATTERIES  
IN UNITS PER ANNUM

**60%**  
CONTRIBUTION  
TO THE REVENUE  
(FY17)

## Overview

- Commenced operations in 2000 in technical collaboration with Johnson Controls, USA
- Manufacturing facilities are ISO/ TS- 16949, ISO-14001 and BS OHSAS-18001 certified
- Products are marketed under the Amaron® and Powerzone™ brands
- An expansive and entrenched distribution network which comprises of 30000+ Amaron and PowerZone retailers, facilitating pan-India reach
- Leading player in both OE and aftermarket segments for four-wheeler and two-wheeler batteries

## OE customers

Maruti Suzuki

Tata

Daimler Benz

Honda Motors

Hyundai

VE Commercial

Tafe Tractors

Honda

Volvo

Force Motors

M&M

Eicher

## Brands

AMARON®

AMARON HI LIFE PRO™

AMARON HI LIFE FLO™

AMARON HI LIFE GO™

AMARON HI LIFE DURO™

AMARON BLACK™

AMARON FRESH™

AMARON HEAVY DUTY HIWAY™

AMARON HEAVY DUTY HARVEST™

AMARON CURRENT™

AMARON PRO BIKE RIDER™

POWERZONE™



**INDIA HAS SET AN  
AMBITIOUS TARGET  
OF HAVING 6 MILLION  
ELECTRIC VEHICLES  
ON ROAD BY 2020**



## Highlights, 2016-17

Sales volumes of two-wheeler batteries increased over the previous year, despite the demonitisation drive, which impacted sales in the second half of the financial year. Sales of four-wheeler batteries registered robust growth outperforming the industry average in both the OE and aftermarket segments. The Company's efforts to gain a foothold into the global market yielded heartening results – exports jumped by about 48% over the previous year.

## Initiatives, 2016-17

### At the shopfloor

#### Two-wheeler batteries

- Significant productivity improvement led to achievement of full capacity utilisation
- Reduced scrap generation, optimised power consumption and improved manpower productivity have led to impressive gains in cost efficiency

#### Four-wheeler batteries

- Implemented process changes at the oxide plant which increased production by about 10%
- Optimised energy consumption by minimising machine idle time and replacing conventional equipment (motors/ pumps) with energy-efficient equipment
- Invested in contemporary pollution control equipment which improved the working environment

#### Tubular batteries

Commissioned a 1 mn unit tubular battery facility (among the best in India)

#### In the marketplace

- In the four-wheeler battery space, the Company added a new account (comprising new platforms for existing customers and new OEs); emerged as the exclusive battery supplier to the Renault Kwid

- In the two-wheeler battery space, the Company commenced supplies to Bajaj and finalised the deal with Hero, India's largest two-wheeler manufacturer; product despatches are expected to commence in the current year
- In the Commercial Vehicle space, the Company enlisted Volvo as its customer, supplying batteries for its earth-moving vehicles
- In the Home UPS space, the Company commenced distribution and sale of inhouse made tubular batteries
- In exports, the Company strengthened the marketing efforts in key international destinations namely South-East Asia, Middle East and Africa

### Sectoral potential

Driven by the increasing vehicle population in the country, the Automotive Battery industry is witnessing a healthy growth. The Indian auto industry is one of the top ten in the world. According to the Automotive Mission Plan 2016-2026, it is estimated to generate up to US\$ 300 billion in annual revenue and contribute over 12% to India's GDP. Greater affordability, an upwardly mobile rural population, shifting demographics, are expected to contribute to the burgeoning growth of the sector.



Other applications like electric and hybrid vehicle are likely to be driven by initiatives like FAME India Scheme (Faster Adoption and Manufacturing of Hybrid and Electric vehicles in India). Under this scheme, incentives are being rolled out for electric and hybrid vehicles with a target of 6 million electric vehicles on road by 2020.

**Passenger cars:** The Central Government's Auto Mission Plan II forecasts the passenger vehicle (PV) market to more than triple to 9.4 million units by 2026 from 2.8 million now, provided the economy grows at an average rate of 5.8% a year. If the economy grows at an average yearly pace of 7.5%, the size of the passenger vehicle market is forecast to rise to 13.4 million units making it the world's second largest after China.

**Two-wheelers:** India has emerged as the world's largest two-wheeler market leaving behind China and Japan. In the financial year 2016-17, a total of 17.7 million two-wheelers were sold in India. Besides rising incomes and growing infrastructure in rural areas, one big reason for the spurt in sales has been women commuters zipping in and out of chaotic city traffic on their gearless scooters. And this growth trend is expected to continue over the coming years for the following reasons:

- The need for mobility is very large in India. However, growing urbanisation is making it difficult to move around in congested cities and even more difficult to get a space to park. As a result, two-wheelers are increasingly becoming the second vehicle in the household – thereby adding to the business growth potential
- Easier finance options, newer and more fuel-efficient models, rising incomes have only added to the push
- The massive government spending in rural programs and large road-construction projects is leading to a pick-up in volumes in smaller towns and villages

**Commercial vehicle:** India has emerged as one of the largest markets for commercial vehicles globally. Growth of Indian commercial vehicles market is underpinned by various macro and micro economic factors, which impact the allied industries responsible for generating commercial vehicle demand in the country.

According to TechSci Research report, 'Indian Commercial Vehicles Market By Vehicle Type, By End Use Industry, Competition Forecast and Opportunities, 2021', the market of commercial vehicles in India is projected to grow at a CAGR of over 14%, in value terms, during FY2017–FY2022. Rising infrastructure development projects across the country, tentative replacement of old commercial vehicles on account of implementation of stringent emission norms, growing manufacturing and logistics sectors, and increasing focus on tourism and hospitality sector by central and various state governments are some key factors projected to propel Indian commercial vehicles market over the course of next five years.

Demand for new commercial vehicles will also be driven by the gradual acceptance of advance trucking platforms and the progression to Bharat Stage VI emissions norms. In addition, the advent of GST is expected to provide significant impetus to the growth of the Indian commercial vehicle sector over the coming years.

**E-mobility:** India has set an ambitious target of having 6 million electric vehicles on road by 2020, a vision stated by the government through the National Electric Mobility Mission Plan (NEMMP) 2020 and FAME (Faster Adoption and Manufacturing of Electric Vehicles).

## Priorities, 2017-18

### Shopfloor

#### Two-wheeler batteries

The Company is establishing a 14 mn capacity greenfield unit for manufacturing two-wheeler batteries at its Chittoor facility. The team is working on implementing the punch grid technology which holds the potential of reducing lead consumption and optimising cost of operations. In addition, the Company has strategised on investing in an automated solution for material handling and storage.

#### Four-wheeler batteries

The Company is investing in three additional lines at its Chittoor facility. This brownfield expansion initiative will also include material handling automation solutions on the shop floor. In addition, the Company is working on improving processes which could improve man-machine productivity and reduce wastages.

#### Marketplace

- In the two-wheeler batteries space, the team will focus on initiating supplies to various OEs and strengthen the penetration in replacement market
- In the four-wheeler batteries space, the Company has drawn up blue print to strengthen its network, thereby, increasing its share in the western and Eastern parts of the country
- Having seeded the market for tubular batteries, the Company will work towards marketing in-house manufactured tubular batteries for Home UPS and e-rickshaw applications pan-India
- The team will focus its energies on establishing a strong presence in high potential international markets like Saudi Arabia and Australia; even as it works towards deepening its penetration in important South East Asian destinations.







REVENUE VERTICAL  
02

# INDUSTRIAL BATTERY DIVISION

**2.3 BN AH**  
VRLA CAPACITY  
PER ANNUM

**40%**  
CONTRIBUTION  
TO THE REVENUE  
(FY17)

## Overview

- Manufactures batteries for telecom, UPS, railways, solar and power utility sectors at its ISO 9001, ISO 14001 and BS OSHSAS 18001 accredited facilities
- Largely a B2B marketing model; 100 AQuA channel partners facilitate the reach for UPS batteries across the country
- Product portfolio offers capacities ranging from 7.2Ah to 6,000 Ah



## Key customers

Indus Towers

Vodafone

BSNL

Socomec

IBM

Citi Bank

Bharti Airtel

Indian Railways

Schneider

Emerson

TCS

Standard Chartered Bank

ATC

Reliance

Numeric

Idea

Capgemini

Zensar

HCL

Tata Communications

Delta

Bharti Infratel

Infosys

## Brands

AMARON VOLT™

POWER STACK™

AMARON SLEEK™

AMARON QUANTA™

AMARON BRUTE™

AMARON QUANTA SOLAR™

QRS

GENPRO™



## Highlights, 2016-17

The industrial battery business in telecom registered a moderate growth despite the upheavals seen in the industry due to the entry of a new player. This is due to the long and healthy business relationships the Company had with major customers. In UPS, the business grew in line with the industry. The focus has been on improving the channel robustness and data center business.

## Initiatives, 2016-17

### At the shopfloor

- Increased the operational capacity in medium VRLA plant by close to 30% through vigorous process improvements and by investing in state of art automation solutions
- As a part of excellence programme with benchmarks set, optimised conversion cost by minimising scrap generation and optimising lead and power consumption - a result of quality circles and six sigma projects initiative

### In the marketplace

- Upswing in the Telecom segment, strengthening engagement for end to end solutions and energy efficiency projects
- Introduced HWS new series batteries customised for Data Centre application which was well received by the user segment

- Introduced products to fill in the gaps in the product baskets for important user sectors for very specific requirements
- Focused approach for key South-east Asian markets for telecom and UPS batteries; appointed marketing representatives in key markets in the Indian Ocean Rim for strengthening exports

## Sectoral potential

The industrial battery market in India is experiencing growing demand from multiple sectors. Apart from conventional demand from manufacturing industries, the digital boom and IoT (internet of Things) has generated demand for batteries. The growth of the battery market is also driven by the increasing demand from sectors like banking, hospitality, transportation and other industrial applications. Besides, the boom in the

solar sector has added extra impetus to this industry. With all these factors combined, the Indian battery market is expected to remain bullish in the coming years.

**Telecom:** India stands as the second-largest telecommunications market in the world. Recent disruptions in the telecom space have given a strong impetus to digital adoption in India, accelerating the rate by at least a few years, which augurs well for the storage battery industry (demand for value-added batteries for the telecom sector will increase).

Three key forces are coming together to unlock the latent digital demand

- By 2020, 4G-enabled devices are expected to grow six-fold to 550 million devices, constituting about 70% of devices in use
- Reliable high-speed data is becoming ubiquitous as well as affordable (data rates have reduced to less than one-third in just 4-5 months)
- The proliferation of digital content is also driving consumption - mobile internet users are expected to nearly double from 391 million today to 650 million by 2020 while data consumption per user is estimated to grow 10-14 times to reach 7-10 GB/month

**Railways:** The Indian Railways, ranked among the world's largest railway network, is slated for a major transformation with the Government of India initiating several large projects for upgradation, modernisation and expansion of the sector. These include high speed passenger and freight corridors, large-scale gauge conversions, network connectivity, electronic transactions, advanced signaling systems and renewable energy power back-up systems, among others.

**UPS:** India's Inverters and UPS Market is expected to reach ₹43,200.7 million

by 2019 (at a 9.4% CAGR) driven by low availability of high quality power, expansion of industries and increasing affordability of consumers. (Source: *India Inverters & UPS Market Outlook*).

The increasing shift of consumers in rural and semi-urban areas to an uninterrupted power supply and a growing awareness among people for protecting electronic equipments from voltage fluctuations has played an important role in further expansion of the UPS market in the country.

**Renewable energy:** India is moving rapidly beyond fossil fuels as its primary energy source. The Indian Government has implemented an energy plan, commercially viable without subsidies. This has made it possible for large global corporations and utilities to commit to large renewable energy investments. In the 2027 forecasts, India aims to generate 275GW of total renewable energy.

**Wind power:** Wind is now at par with other power forms primarily due to path-breaking improvements (in turbine and blade technology, tower structure and advanced power electronics) and in-country manufacture of key assemblies and sub-assemblies. The Ministry of New & Renewable Energy pledged to achieve 60 GW of wind energy capacity by 2022.

**Solar energy:** In India, solar installations continue to grow rapidly, despite a slowdown in power demand, decline in thermal capacity utilisation and cheap power availability on power exchanges across the country. This increase in installations is largely due to a steep decline in solar module costs and interest rates, enhancing project viability. In 2017, the solar sector is likely to add nearly 9 GW of generating capacity, increasing its overall capacity to 18 GW. This increase is likely to graduate India into a league of nations like China, the US and Japan (in terms of solar capacity).

From a longer-term perspective, India has targeted a 100 GW of solar energy capacity by 2022.

## Priorities, 2017-18

### Shopfloor

In the MVRLA battery unit, the team plans to work on six sigma initiatives and continuous improvements which will further increase the plant's rated capacity – obviating the need for any brownfield expansion.

In the LVRLA battery plant, the Company plans to invest in automation solutions on the shop floor including deployment of auto-guided vehicles for handling materials. In addition, the team has identified gaps and improvements, which will increase the rated-capacity of the facility. These initiatives will further improve the reliability of our already industry benchmarked product(s).

### Marketplace

- Bringing in high warranty, energy efficient products in dominant user segments
- Commercial scaling up of site automation products for batteries and anti-theft products
- Focus on increasing volumes of batteries for exploding Data Centre application
- Provide thrust on growing export volumes in select markets by establishing high visible base
- Establish an important position in the renewable energy and motive power spaces with products customised for user applications
- Build service business revenues through innovative service models (including GST synergistic) and expanding the capabilities for adjacencies
- Intensify APP (Alliance for Partner Performance) Programme

# INTELLECTUAL CAPITAL



Mr. B Jaikrishna, President – HR & Administration and his team along with Mr. G Jagan Mohan, Head -Operations receiving the “Significant Achievement in HR Excellence” – CII National HR Excellence Award from Dr. Naushad Forbes, President, Confederation of Indian Industry.

Amara Raja firmly believes that its intellectual capital plays a defining role in transforming business strategies into on-ground realities and is the critical catalyst towards sustaining profitable business growth. In line with this conviction, the management continues to invest in its people capital to nurture skill and build capabilities, which in turn results in sustaining its industry outperformance.

The Company has patiently and painstakingly engrained its people

philosophy – The Amara Raja Way™ – into the organisational DNA which has played a critical role in positioning Amara Raja as a ‘Preferred Place to Work’. The Company continues to invest in dedicated programmes to equip its committed and energetic workforce with the requisite skills to address current and future business needs.

With an average age of 30 years for the 6,222 -strong work force as on March 31, 2017, the Amara Raja team is an

invigorating combination of knowhow and liveliness.

## The Amara Raja Way™

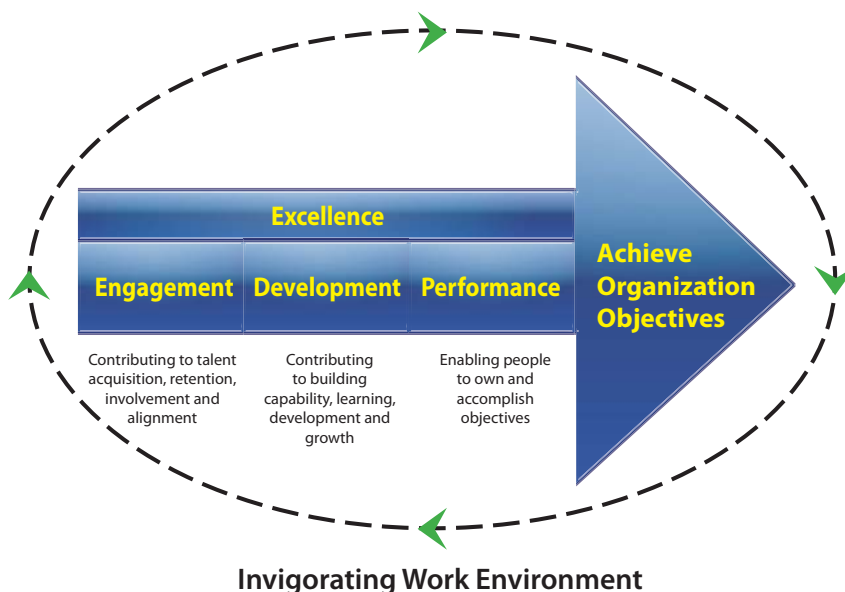
In 2016-17 Amara Raja continued its journey of institutionalising ‘The Amara Raja Way™’. The Company conducted training sessions and workshops to engrain this philosophy deeper into its team but with a difference – it revamped the content of these training sessions to make them more participative and interesting – making a stronger impact on team members.



## People Strategy

The organisation believes in staying contemporary and focusing relentlessly on achieving results through people. In line with this practice, the organisation continued to carefully evaluate the global and national trends in the market place, its impact on our business and future and has thereby arrived at key thrust areas for the future. In order to achieve the key thrust areas, the People Strategy of the organisation has been refined and revamped to bring in necessary impetus to the actions.

The revamped strategy is as follows: "Through the Amara Raja Way, achieve organisation objectives in an invigorating work environment by excelling in people Engagement, Development and Performance."



## Talent acquisition

The Company's in-house exclusive talent acquisition cell coupled with its Online Recruiting Management (RCM) system facilitated in recruiting new members to the Amara Raja team. The Company has created customised training programmes for the various levels which facilitates in seamless induction of the members into the Amara Raja culture and practices.

## Nurturing skills and expertise

Amara Raja's learning and development calendar captured the development needs of employees through performance appraisals, TQM and TPM initiatives. In 2016-17, a comprehensive competence mapping exercise was initiated for the shopfloor team. Gaps identified were addressed through specific programmes anchored by in-house experts into building technical expertise and upgrading behavioural skills. - Training on 'The Amara Raja Way™' was also imparted.

For the staff and management, the

Company realigned all its training philosophies – linking the training programmes to the Company's core value and leader behaviours. This would facilitate in aligning systems and processes to the Company's core values and in developing leadership skills for better business management. A cumulative 33913 person-days (237502 person-hours) of training were provided to the team members.

## People care

The Company implemented and stabilized over three years a Diet Management Programme for employees. The programme, guided by a professional dietician, is mainly intended for the employees working in shifts on the shopfloor. It includes providing food supplements to employees. In addition, the Company has also created an Amenities Centre for the employees. The Company has also taken steps to ensure PPE are properly maintained, by creating a respirator cleaning facility for cleaning the respirators daily. Apart from the above, the Company has institutionalised hygiene practices to be followed by employees. These measures have facilitated in improving employee loyalty towards the organisation.

## HR Excellence

Amara Raja adopted CII's HR excellence model which has ushered in considerable improvement across all its processes and practices. During 2014-15, a comprehensive assessment was conducted by CII. Based on the assessment, the organisation was adjudged with commendation of 'Strong Commitment to HR Excellence'. During 2016, the CII panel, further assessed and upgraded the rating to the next level of HR Excellence - the organisation was adjudged with the commendation of 'Significant Achievement in HR Excellence' and suggestions were made for further improvement to be implemented in the current year.



**AMARA RAJA RECEIVED GLOBAL HR EXCELLENCE FOR COMPANIES COMMENDATION WITH 'BEST PRACTICES IN EMPLOYEE RELATIONS' AND 'BEST TALENT MANAGEMENT PRACTICES' FROM EMPLOYER BRANDING INSTITUTE INDIA.**

# SUPPLY CHAIN



In today's world, every minute is precious. Things have to function 24x7. This transforms the position of a battery from an ancillary power stand-by solution to a critical power back-up. This makes replacing batteries an immediate imperative.

Addressing this 'now' is what makes supply chain efficiency crucial to the success of a battery manufacturer. The supply chain challenge has become even more complex especially for Amara Raja for the following reasons:

- The Company services more than 1,200-plus channel partners pan-India as well as the distributors spread across the Indian Ocean Rim
- The Company caters to the exacting just-in-time schedules of leading OEMs

in the automotive, UPS and telecom sectors

- The Company services its expansive customer footprint from two operating plants based in South-India.

## Procurement

Lead and lead alloys are the most critical components for battery manufacture by value. The Company maintains a prudent balance between importing lead and sourcing it from domestic lead producers.

The Company strengthened its material sourcing capability. It entered into long-term supply arrangements with key vendors, securing the availability of these critical inputs. The Company widened its supplier base for sourcing



**35**  
SAVING IN LOGISTICS  
COST (RS MN) IN 2016-17



lead from domestic sources. For sourcing separators, the Company widened its vendor base to provide for the expanding capacity.

The Company also strengthened its vendor team for ensuring seamless material sourcing for its expanding capacities.

## Logistics

The team focuses on reaching products to its destination with speed and adhering to delivery schedules in a cost-effective manner. The Supply Chain team handles close to 85 vehicles daily for inbound and outbound traffic across more than 300 destinations with distances ranging between 60 kms and 3,200 kms. It also includes providing just-in-time delivery to 22 destinations across pan-India.

Every year, the team implements initiatives to strengthen its delivery commitment even as it works to optimise logistics costs. In 2016-17, the team implemented important measures which facilitated in strengthening delivery prediction to its customers, managing increased volumes and optimising costs despite the ever increasing fuel costs.

- Explored the multi-modal transport system as an alternative mode of

transport to Northern markets – helped to reduce the transit time and safe transportation with minimum transit loss

- Forged relations with eight fleet owners to replace brokered vehicle arrangements – optimised the logistics cost
- Entered into monthly rental contracts with logistics partners for product despatches to select customers – it reduced the transport bill
- Deployed the RFID technology for taking the truck between the plant and the distribution centre – this solution also facilitated in eliminating the task of creating documents manually, thereby reducing truck turnaround time
- Institutionalised SOPs for truck loading and unloading which facilitated in reducing loading time by about 50%
- automated the shipment note; it provided an SMS alert to the distribution centre and the franchisee(s), detailing the material despatch date, vehicle number and tentative arrival dates
- Institutionalised an appraisal system for all transporters, and rewarded superior performers

## Distribution

Distribution logistics pertains to

secondary distribution – from the warehouse to the end-user/dealer. For better distribution efficiency at an optimised cost, the Company partnered fleet owners. This strategy also facilitated in reducing in-transit damage as drivers were made more accountable for deliveries. While contracts for key routes have been endorsed in 2016-17, the Company plans to cover all routes pan-India during the current year.

The team increased technology-adoption for DC operations namely Barcode, Auto Shipment note, and e-POD for faster and accurate information capture and transmission to the customer.

The team geared up its systems and process to align business operations with the GST regime to be rolled out pan-India in the current year. For this, the Company has identified satellite warehouses to be shut down – optimising warehouse operation and management expenses. The Company is also exploring options to establish the hub and spoke distribution model (post the GST roll out) which would see the phasing out of distribution centers in favour of large regional hubs.

## EXIM

Amara Raja has a sizeable global presence owing to lead imports.; Its strengthening presence in international markets is growing the need for port-based operations. To optimise its port-based logistics cost, the team worked successfully to procure the Self Clearance License from the customs department. This enables the internal team to manage import and exports consignments eliminating the need for external agencies.

In addition, the team applied for and received the Merchant Export Incentives scripts which were duly monetised during the year – optimising the Company's overall logistics costs.

The team remains focused on identifying countries which can serve as cost-effective material sourcing hubs. The team is outlining strategies to arrive at a prudent balance between domestic and import procurements ratio for optimising the overall landed cost.



# QUALITY MANAGEMENT SYSTEMS



Amara Raja nurtures the belief that there is always room at the top - a reality manifested in its journey towards attaining excellence in product performance. The Company's passion for quality products is reflected in its industry-beating performance guarantees – an outcome of quality improvement across the operational value-chain.

Over the years, the Company has built an enduring quality culture across all levels and at all functions by institutionalising globally-accepted operational tools and techniques namely - Continuous Improvement (CI), Lean Implementation programmes - TPM, Visual Management & 5S, Industrial

Engineering (IE) studies, Lean Six Sigma and Quality Circle concept. In addition, the Company continues to align critical operational practices with the plants of Johnson Controls. These initiatives have facilitated in improving man-machine productivity, optimising the consumption of critical resources and utilities and eliminating wastages across the shopfloor.

This endeavor to build world-class products enabled us to build quality management systems and certifications of ISO: 9001 and TS: 16949 for the established plants and new facilities. Our esteemed OEMs also provided suggestions for further improving our robust systems and processes.



Amara Raja team with awards at ICQCC (International Convention of Quality Control Circles) 2016 competition held in Bangkok, Thailand

## Initiatives, 2016-17

- Implemented data acquisition systems (DAQs) in various operating units wherever feasible – it provided real-time visibility on critical operational aspects (quality, productivity, scrap levels) which facilitated in timely course correction when required
- Implemented TPM leveraging the JIPM structured methodology in the Four wheeler and Two wheeler battery units at Karakambadi, Tirupati to improve the productivity, quality, machine/plant uptimes, safety etc.
- Enhanced support to our suppliers through Supplier Quality Assistance cell to improve their product quality and supply reliability; introduced the Amara Raja Quality certifications wherever suppliers were unable to secure ISO/TS certifications

## Quality circles

In Amara Raja, around 600 quality circles implemented and around 1200 QC projects improving the Company's operational performance. Front line employees actively participated in

quality circle projects, which gave them an opportunity to make operational improvements and be a part of regional, national & international competitions bringing accolades to the Company.

The Company continued to improve resource utilisation and minimise in-process rejections by leveraging quality techniques (QC, Six Sigma and Kaizen) across all facilities. Projects of non-manufacturing nature were also implemented bringing efficiencies and effectiveness to the business processes across the supply chain.

## Awards and recognition

### 1) QC & SIX SIGMA

- Received 04 'GOLD' awards at International convention on Quality Control Circles – ICQCC 2016, Bangkok, Thailand
- Received highest level of awards for 22 teams in National Convention at Raipur and 77 awards in Chapter convention at Tirupati on Quality Circles
- Received "2nd Prize" in CII National Competition on Six Sigma at Bengaluru.

- Received award for sustaining QC Culture from QCFI chapter, Tirupati

### 2) 5S -Recognition

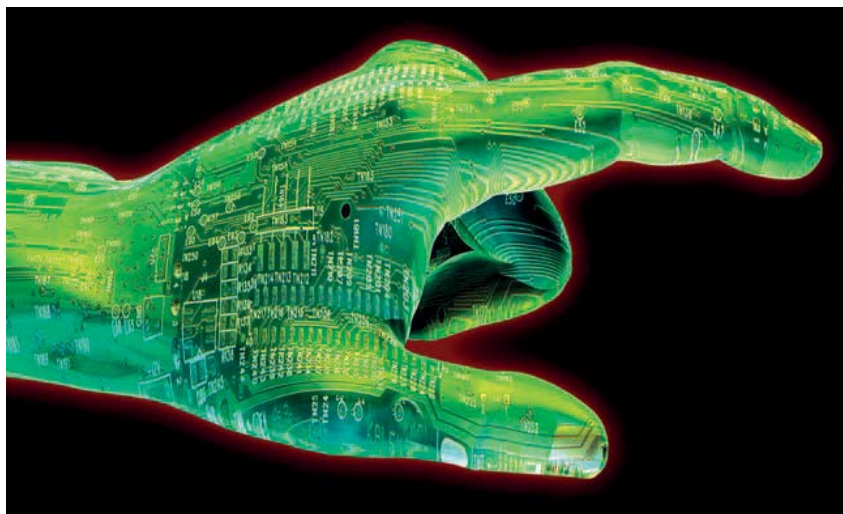
- Received Model 5S Company award for Four wheeler battery plant, Karakambadi, Tirupati. Also received Gold award under Excellence category for Four wheeler Battery plant at Chittoor, from ABK AOTS DOSOKAI, Tamilnadu Centre
- Received 5S sustenance award for MVRLA battery plant, Chittoor from ABK AOTS DOSOKAI, Tamilnadu Centre

### 3) Customer recognition

- Received shield award from Maruti Suzuki Limited for Overall Excellence in Quality/ Engineering/ Delivery, and relationship Building
- Rated 4-star by Hyundai Motors for Quality and Quality Management
- Received Best Kaizen award (Four wheeler battery plant) from TAFE in their TPM Quality month celebrations
- Rated as Excellent (Two Wheeler battery plant) by Royal Enfield in all quarter on quarter evaluations



# INFORMATION TECHNOLOGY



At Amara Raja, IT is a business critical imperative. It integrates the Company's dispersed operations and processes across plants, corporate offices and regional offices, providing accurate data real-time for informed decision-making. The central infrastructure and in-house team at Tirupati addresses the growing information and communication technology requirements despite challenges posed by the remote nature of locations. The IT function at Amara Raja endeavours to implement emerging IT solutions that facilitate seamless data integration and superior business management. The Company implemented important initiatives for aligning its business processes to dynamic sectoral and economic realities.

## 2016-17 in retrospect

**IT Strategy, Road Map and Enterprise Architecture:** Built IT Strategy and Roadmap aligned to business roadmap and growth plans including defining an IT Enterprise Architecture to support Business Growth for the next five years.

**SAP HANA Server Upgrade:** Replaced the ageing SAP Server Infrastructure

with a state-of- art SAP HANA Ready Infrastructure along with creating a Disaster Recovery setup.

**INDAS Standards Implementation:** Implemented Indian Accounting Standards in SAP and the required reporting around the same.

**BCP/DR – Near DR Data Center:** Built the Near Disaster Recovery Data Center in Tirupati to support Business Continuity initiatives.

**SAP Rollout for additional locations:** Implemented SAP for additional locations and warehouses to support business real time data acquisition leading to superior performance monitoring and decision making.

**Collaboration Solutions:** Implemented several employee collaboration solutions including cloud based Multi-Party VC Solutions.

**IT Network:** Established an internal IT Network for seamless access to IT Systems at Corporate Office and other plants in Amara Raja Growth Corridor.

**ISMS awareness:** Conducted training on Information Security Management

systems for all S & M Grade employees across the Company.

## Roadmap for 2017-18

**GST compliance:** Roll out solution that would facilitate in complying with GST requirements across all Amara Raja Transaction Systems.

**ERP transformation (Migration & Implementation of SAP S/4 HANA):** Plan to evaluate SAP S/4 HANA including rolling out SAP Fiori solutions to build a scalable Enterprise Platform for accommodating business growth.

**Mobile solutions:** To deploy mobile solutions for employees and field force teams to enhance productivity.

**SAP Rollouts for battery plants:** Plan to implement SAP for new battery plants at Amara Raja Growth Corridor

**Implement Unified Collaboration:** Plans to implement VoIP and Video Conferencing solutions at various plants and regional offices

**Implement Security Tools:** Plans to implement various security tools and technologies to protect the Company's IT infrastructure and business critical data from increased security threats (Malware and Ransomware attacks being a case in point).

**Build resilient and redundant core network:** Plans to replace ageing Head Office and regional office IT networks to support growing business needs and build redundancies.

**Pilot Digital Manufacturing and IoT Technologies:** IT in partnership with Operations will pilot new age technologies in the Digital Manufacturing/IoT Space to further enhance productivity on the shop floor.

# ANALYSIS OF FINANCIAL STATEMENTS

The Company's overall financial performance for the year 2016-17 showcases its ability to grow business amid a sluggish business environment prevailing in key user sectors namely the telecom and automotive

## Statement of Profit and Loss

**Revenue from operations<sup>^</sup>:** Grew by 15.37% from ₹5,184 crores in 2015-16 to ₹5,981 crores in 2016-17, owing to an increase in business volumes in both business divisions –automotive batteries and industrial batteries.

<sup>^</sup> Income includes excise duty collection

**Operating expenses\*:** Increased by 18% from ₹4,361 crores in 2015-16 to ₹5,132 crores in 2016-17. Operating expenses as a percentage of total revenue increased from 84% in 2015-16 to 86% in 2016-17 predominantly on account of increase in the raw material cost.

*\*Operating expenses includes Excise duty charge on sale of goods but excludes Depreciation and Amortisation expenses and Finance cost*

**Material Cost:** Increased by 20% from ₹2,911 crores in 2015-16 to ₹3,488 crores in 2016-17, primarily due to a significant increase in Sales volumes and increase in raw material prices.

**Employee expenses:** Increased by 14% from ₹243 crores in 2015-16 to ₹278 crores in 2016-17, due to increase in the team size for managing expanded operations. The Company's team size stood at 6,222 as on March 31, 2017 against 5,617 as on March 31, 2016.

**Other expenses:** Increased by 9% from ₹641 crores in 2015-16 to ₹701 crores in 2016-17, primarily due to 12% increase in power & fuel, 16% increase in outward freight and handling charges due to increase of sale volumes, 32% increase in warranty expenses due to higher provisioning on account of increase in raw material prices.

**Margins:** EBITDA margin stood at 16.43% in 2016-17 against 18.31% in 2015-16 while net margin (based on net sales) stood at 8.97% in 2016-17 against 10.61% in 2015-16. The reduction in operating margin is on account of increase in raw material cost and the new capacity additions are yet to operate at optimum capacity; hence, costs are yet to be completely absorbed.

## Balance Sheet

**Capital employed:** Increased by 22% from ₹2,244 crores as on March 31, 2016 to ₹2,747 crores as on March 31, 2017. This was due to the commissioning of new manufacturing facilities, which was completely funded from internal accruals.

**Shareholders' fund:** Increased by 23% from ₹2,116 crores as on March 31, 2016 to ₹2,593 crores as on March 31, 2017, due to the plough back of business profits at the year end. The share capital remained unchanged over the previous year.

**Non-current liabilities:** ₹232 crores as on March 31, 2017 against ₹197 crores as on March 31, 2016. The largest component under this sub-head was deferred tax liabilities increased due to higher income tax depreciation for initial period of new capacity additions and long-term debt comprising interest free sales tax deferment, Andhra Pradesh Government incentive where the sales tax component is retained by the Company and is repayable at the end of 14 years from the end of year in which these incentive were availed. The last installment is repayable by 2025-26.

**Current liabilities:** Increased 19% from ₹638 crores as on March 31, 2016 to ₹760 crores as on March 31, 2017, due to increase in trade payables and other current liabilities on account of business growth.

**Non-current assets:** Increased 18% from ₹1,543 crores as on March 31, 2016 to ₹1,826 crores as on March 31, 2017. This increase was primarily due to increase

in tangible assets, consequent to the commissioning of new manufacturing lines in the existing facilities and commencement of construction of the new Two wheeler Batteries plant.

**Current assets:** Inventories and Trade Receivables have increased by 16% from ₹1,194 crores as on March 31, 2016 to ₹1,387 crores on March 31 2017 as compared the business growth of 15.37%. This growth is both on account of increase in the volumes as well as the increase in the raw material prices. During the same period the cash and cash equivalents including the short term investments grew by 99% from ₹150 crores as on March 31, 2016 to ₹299 crores as on March 31, 2017.

## Internal Control

The Company believes that business efficiency, management effectiveness and asset safeguarding can be sustained through adequate internal control and process standardization. At the Company, internal control is exercised through the following initiatives:

- Accurate and timely recording of transactions with multi-layered checks
- Consistent accounting policies and practices; compliance with prescribed accounting Standards
- Control reviews of long-term plans, annual budgets with mid-course correction
- Critical operational and security controls in the ERP platform
- Documented policies and guidelines
- Initiatives in line with statutory requirements
- Audits and reviews by independent professionals

Interactions between independent auditors, management and audit committee on scope, observations and outcomes of audits and reviews.





## RISK MANAGEMENT

# ALLAYING SHAREHOLDER APPREHENSIONS

DURING A CORPORATE'S JOURNEY, THE RISK PROFILE CHANGES – FROM ONE OF SURVIVING THE DAY-TO-DAY TRAVAILS TO ONE OF SUSTAINING ITS GROWTH MOMENTUM. THE SAME HOLDS TRUE FOR AMARA RAJA, WHICH TODAY IS ONE OF INDIA'S LEADING BATTERY MANUFACTURING COMPANIES.

RISK MANAGEMENT AT AMARA RAJA IS AN INTEGRAL PART OF THE BUSINESS MODEL, FOCUSING ON MAKING THE BUSINESS MODEL EMERGE STRONGER AND SUSTAINING PROFITABLE BUSINESS GROWTH. THE COMPANY LEVERAGES ITS RICH EXPERIENCE TO ALLAY SHAREHOLDER APPREHENSION ABOUT ITS GROWTH PROSPECTS.

### Will the Company manage to sustain its growth momentum?

**Mitigation:** Amara Raja caters to diverse user sectors – some of which are core to India's economic growth. This prudent balancing facilitates business growth despite a slowdown in any one sector. For example, despite the slowdown in the telecom space, overall revenue grew by 15% of the previous year. In addition, we are customising products for high-potential user sectors – batteries for Data Centers – which showed considerable promise during the year under review. We continue to explore more growth opportunities by leveraging new battery chemistries –

which should sustain business growth over the coming years.

### How is the Company de-risking itself from an India-centric presence?

**Mitigation:** Amara Raja's management is aware of the reality that being India-centric could impact business fortunes in the unfortunate event of an economic slowdown. To derisk itself, the Company is focusing its energies on establishing a strong presence in South-East Asian countries, the Middle-East and Africa. For this, the team has created distribution partners for strengthening their presence in those nations. This is expected to increase the revenue contribution from exports over the coming years, which was 6.8% in 2016-17.

### What measures is the Company taking to improve business profitability?

**Mitigation:** Amara Raja's belief 'Gotta be a better way' continues to push each team member to individually and collectively seek ways and means of breaking convention and being better. This passion is reflected across the organisation in multiple ways. One, the R&D team continues to develop superior variants for existing applications and create novel solution from new applications. Two, our operations team passionately focuses on improving man-machine efficiencies and eliminating wastages. Three, our quality team ensures that every product leaving the Company premises matches with customer specifications. These factors contribute in sustaining business profitability in good times and bad.

### How is the Company geared to manage growing volumes?

**Mitigation:** In its most recent expansion (Greenfield and brownfield) the Company has invested in fungible lines

that have the flexibility to manufacture certain other products. This flexibility enables the team to cope with any demand spike from a specific user segment. For example, in 2016-17, the Company utilised its MVRLA capacity to manufacture flat plate batteries used for home inverter applications. Besides, the Company is adding additional capacity for two- and four-wheeler batteries where the demand for additional volumes is expected to sustain over the medium term.

### How will the Company improve product quality as volumes increase?

**Mitigation:** Amara Raja is aware that quality could be compromised in the drive for increasing business volumes. To de-risk against quality compromise, the Company has invested in automated solutions to manage core business processes (formation area, for example). These solutions facilitate in managing growing volumes without compromising on product quality. The effectiveness of these investments is reflected in the declining warranty costs and increasing business volumes from key OE customers.

### How is the Company managing its human resources along with managing increasing business size and complexities?

**Mitigation:** Amara Raja is comfortably placed with regards to its intellectual capital requirement. The Company's

senior management has been with the Group for more than 10 years and hence are well grounded with business realities and the Company's strengths. Besides, the Company has identified the star performers in its organisation and fast-tracked their progress to create a robust leadership pipeline. In addition, the Amara Raja Skill Development Center provides a sizeable pool of skilled workforce that has gained experience at the Company's facilities during their course. Moreover, the invigorating working environment, open communication and performance-based reward system have positioned Amara Raja as a 'Preferred Place to Work In' attracting a rich talent pool.

### How will the Company fund its future growth aspirations?

**Mitigation:** Amara Raja is well placed in this regard. The Company has strong financial statements (March 31, 2017) reflected in a zero-debt status, sizeable reserves balance (₹2,576 crore) and a large cash kitty (₹299 crore), which can be leveraged to garner adequate low-cost funds from external financial institutions to meet its capital expenditure requirements.





# AMARA RAJA UPLIFTING THE FELLOW INDIAN

AT AMARA RAJA, WE BELIEVE THAT AN ISLAND OF JOY CANNOT SUSTAIN ITS EXISTENCE IN A MATRIX OF MISERY. IN KEEPING WITH THIS BELIEF, THE COMPANY HAS DEMONSTRATED ITS COMMITMENT TO SPREAD THE HAPPINESS QUOTIENT TO SURROUNDING AREAS THROUGH ITS CONTINUED EFFORTS IN IMPROVING THE LIVES AND LIVELIHOOD OF THE RURAL MASSES NEIGHBOURING ITS OPERATING FACILITIES.

AS A RESPONSIBLE CORPORATE CITIZEN, THE COMPANY HAS BEEN CONTRIBUTING TOWARDS PEOPLE UPLIFTMENT INITIATIVES THROUGH THE RAJANNA TRUST MUCH BEFORE THE ADVENT OF THE LAW ON CSR SPEND WAS FORMALISED. THE RAJANNA TRUST IS RUNNING PROGRAMS IN THE AREAS OF EDUCATION, HEALTH, WATER CONSERVATION, ENVIRONMENT PROTECTION AND RURAL DEVELOPMENT.





New Amara Raja Vidyalayam at Diguvmagham



Dr. Ramachandra N Galla, Chairman at the convocation day of 2nd & 3rd batches of Amara Raja Skill Development Centre

## Look within

Amara Raja believes in inclusive growth by providing opportunities to the rural population, enhancing their skills and creating employment opportunities for them in those geographies. Case in point: all its manufacturing plants are located in the rural areas of Andhra Pradesh and 77% of its employee base consists of individuals from rural background.

## Education

The Trust runs Mangal Vidyalayam School in Pettamitta Village which imparts education to more than 2000 students from the surrounding areas. In the last five years, 30 students from this school have secured ranking among the Top 10 in Chittoor district in Class X board exams. In 2016-17, the school received the prestigious CBSE affiliation, emerging as the only school in the rural areas of Chittoor and one of the three schools in the region with a CBSE affiliation.

Continuing with its drive towards educating the Indian, the trust has set up a second school - Amara Raja Vidyalayam II - at Diguvmagham village in the Chittoor District at an investment of Rs 16 crore. This educational institution houses niche facilities namely a visual arts studio and a green room – to introduce children to new-age realities.

Further, the trust runs Amara Raja Vidyalayam -1 - a Primary and High school at Karakambadi with a strength

of 750 and Mangal Junior College in Pettamitta Village, which provides higher education to more than 500 students annually. Six (6) students from Mangal Vidyalayam secured top 10 ranks in the state in Class XII. The educational institutions are manned by Amara Raja Educational Society.

The trust invests about Rs 2 crore annually towards the operations, management and maintenance of these educational institutions.

## Enriching skills

India, the shining star in the global economy could face a roadblock in its growth journey owing to the lack of skilled manpower across industries. Towards fostering the cause of skilling rural India, the Trust invested in a state-of-art Amara Raja Skill Development Center (ARSDC). This institution is anchoring multi skill industrial courses which would equip the rural talent with necessary skills to enhance their employability.

ARSDC conducts an 18-month programme providing multi-skill Industrial Training to the rural youth. The entire course is residential and focuses on skill and personality development. This curriculum comprises a prudent mix of on-job training in the plants of the Amara Raja Group of Companies and class room training.

The ARSDC complex houses well-equipped classrooms, labs and workshops and hostel facilities for boys and girls. The entire course, inclusive of

food, accommodation, uniforms and study material, is free for candidates selected for the course at this institution. In addition, an on-the-job stipend is provided to the candidates. This Skill training is carried out in ARSDC with a mission – 'Skilling Rural India to make in India'

More than 350 students have cleared the course. These students have been inducted into various companies in the Amara Raja Group. Currently, about 5-batches comprising more than 400 students are undergoing the training at this unique centre.

Further, the Trust is planning to establish a similar Skill Development Centre at Diguvmagham village, Chittoor District. This centre would focus on skilling rural youth, particularly women, and help in empowering them and fostering inclusive growth.

## Health

The Trust also runs a 30 bed primary health center with qualified staff, established under the Public Private Partnership in Chittoor District. The primary health centre provides preventive and primary health care to more than 44,000 people resident in 76 neighbouring villages.

In addition, the Trust organised general health camps attended by respected therapy specialists from India and abroad. These health camps provided free consultation to more than 1500 people from 10 villages. Medicines prescribed were provided for free to the patients.



## Water Conservation

In order to augment the water resources in the water starved Chittoor District, the Trust constructed 23 check dams and de-silted three tanks under Rajanna Jalasayamu Program. Around 60 villages, covered under 12 panchayats, benefited from this project.

## Rural Development

The Trust developed rural infrastructure by building / constructing good quality connecting roads, water tanks for providing safe drinking water to villages through RO plants, village street lighting, leisure parks with internet access and a library in Chittoor District.

The Trust was instrumental in bringing in banking and communication infrastructure. Facilities for processing food grains at Petamitta Village were also created by the Trust.

Further, the Trust adopted panchayats of Karakambadi, Pettamita and Diguvamagham in Chittoor District under "Smart Panchayat Scheme."

## Environment

Amara Raja adopted 250 Hectare of hillock in Pemmagutta (Chittoor district) to develop plantation to balance the eco system. 30 Acres of Private Land adjoining the hillock was purchased and donated to Government. 40 Tribal

families were provided livelihood to engage in the Project. More than 60,000 saplings were planted in and around the hillock.

Under the Blue Sky CSR initiative, the Rajanna Trust extended the green cover at Petamitta village with the assistance of the community, school children and employees.



# **STATUTORY & FINANCIAL SECTIONS**

## 10 Years Financials

(₹ crores)

Parameters / Year	Ind AS		IGAAP							
	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>OPERATING RESULTS</b>										
Net sales*	5,335	4,633	4,211	3,437	2,959	2,365	1,761	1,465	1,313	1,083
Profit before depreciation, interest & tax (PBDIT) ^	877	849	724	576	466	357	259	297	206	180
Profit before interest & tax (PBIT) ^	684	704	588	509	395	310	217	254	171	155
Profit before tax (PBT)	702	723	610	537	422	319	220	255	123	146
Profit after tax (PAT)	478	492	411	367	287	215	148	167	81	94
Dividends <sup>+</sup>	-	73	62	55	43	32	39	25	7	4
Dividend Tax <sup>+</sup>	-	15	12	9	7	5	7	4	1	1
Retained profits	478	404	337	303	236	178	102	138	73	90
<b>SOURCES AND APPLICATION OF FUNDS</b>										
<b>SOURCES OF FUNDS</b>										
Share capital	17	17	17	17	17	17	17	17	17	11
Reserves and surplus	2,576	2,099	1,682	1,346	1,043	806	629	527	389	322
Net worth	2,593	2,116	1,700	1,363	1,060	823	646	544	406	333
Debt	72	74	76	86	88	86	100	91	286	316
Deferred tax liability	82	54	37	30	20	22	20	22	18	17
Funds employed	2,747	2,244	1,812	1,479	1,167	931	766	657	710	666
<b>APPLICATION OF FUNDS</b>										
Net fixed assets	1,492	1,352	944	623	359	355	315	306	281	189
Capital work-in-progress	240	123	86	145	103	32	38	23	40	66
Investments	147	20	16	16	16	16	16	16	47	16
Gross current assets	1,695	1,452	1,341	1,356	1,292	949	747	631	526	575
Current liabilities and provisions	838	707	576	661	603	421	350	319	184	179
Net current assets	857	745	766	695	689	529	398	312	342	396
Net assets	2,736	2,240	1,812	1,479	1,167	931	766	657	710	666
<b>RATIOS</b>										
PBT to Net sales (%)	13.16	15.60	14.48	15.62	14.26	13.48	12.51	17.38	9.34	13.47
PAT to Net sales (%)	8.97	10.61	9.76	10.69	9.69	9.10	8.41	11.40	6.13	8.71
Return on Assets (ROA) (%)@	31.88	40.62	48.49	64.56	59.75	45.76	34.61	44.51	30.62	33.91
Return on net worth (%)&	20.32	25.77	26.83	30.33	30.45	29.28	24.90	35.18	21.80	32.73
Debt : Equity (times)	0.03	0.04	0.04	0.06	0.08	0.10	0.15	0.17	0.70	0.95
Fixed assets turnover (times)#	3.56	3.40	4.14	5.06	7.52	6.42	5.57	4.79	4.67	5.73
Earnings per share (₹)~	28.01	28.78	24.05	21.51	16.78	25.18	17.34	19.56	9.42	16.57
Dividend (%) <sup>+</sup>	-	425	361	323	252	189	230	145	40	35
Dividend per share (₹)~	-	4.25	3.61	3.23	2.52	3.78	4.60	2.90	0.80	0.70
Book value per share (₹)~	151.81	123.87	99.50	79.78	62.05	96.42	75.63	63.65	47.49	58.50
Share Price (as of 31 <sup>st</sup> March) - (₹)~	890.05	879.55	833.05	394.40	273.65	292.80	189.75	164.20	36.65	195.65

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

^ PBDIT and PBIT are adjusted for non operating income and expenditure.

+ Under Ind AS final dividend including taxes are accounted only after approval of the shareholders in AGM, hence shown as "nil" for FY 2016-17.

@ 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 ₹10/- each for FY 2006-07 and ₹2/- each upto FY2011-12 and thereafter on face value of ₹1/- each.

\*\* Figures for these years are as per new Indian accounting standards (Ind AS) and Schedule III of Companies Act, 2013. ROCE and RONW for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not comparable with previous years.

# Corporate information

## Board of Directors

Dr. Ramachandra N Galla	Chairman
Jayadev Galla	Vice Chairman and Managing Director
Shu Qing Yang	Non-Executive Director (upto January 22, 2017)
Trent Moore Nevill	Non-Executive Director (w.e.f January 22, 2017)
Raphael John Shemanski	Non-Executive Director
Nagarjun Valluripalli	Non-Executive Independent Director
N Sri Vishnu Raju	Non-Executive Independent Director
T R Narayanaswamy	Non-Executive Independent Director
Raymond J Brown	Non-Executive Independent Director (upto November 6, 2016)
Bhairavi Tushar Jani	Non-Executive Independent Director

## Management Team

S Vijayanand	Chief Executive Officer (w.e.f April 1, 2017)
B Jaikrishna	President - HR and Administration
G Vijay Naidu	President - CI, Quality Management and HSE
S V Raghavendra	Chief Financial Officer
G Jagan Mohan	Head - Operations
L Venkat Madhav	Head - Supply Chain Management
Srinivasa Rao Ganga	Chief Marketing Officer Industrial Battery Division
Rajesh Jindal	Chief Marketing Officer Automotive Battery Division
M Jagadish	Head - Technology
Kishore I Hirani	Chief Information Officer

## Company Secretary

M R Rajaram

## 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  
D. No. 1-8-384&385  
3<sup>rd</sup> floor, Gowra Grand  
S.P Road, Begumpet  
Secunderabad - 500 003

## Cost Auditors

M/s. Sagar & Associates  
Cost Accountants  
205, 2<sup>nd</sup> Floor  
Raghava Ratna Towers  
Chirag Ali Lane  
Abids, Hyderabad - 500 001

## Bankers

State Bank of India, SME Branch, Tirupati  
Andhra Bank, Main Branch, Tirupati  
Kotak Mahindra Bank Ltd., Hyderabad

## 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.amararaja.co.in](http://www.amararaja.co.in)  
E-mail: [investorservices@amararaja.co.in](mailto:investorservices@amararaja.co.in)

## Registrar and Share Transfer Agents

M/s. Cameo Corporate Services Limited  
Subramanian Building  
No.1, Club House Road, Chennai - 600 002  
Tel: 91 44 2846 0390  
Fax: 91 44 2846 0129  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com)



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting their report together with the audited financial statements for the financial year ended March 31, 2017.

## Financial Results

Your Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and these are the Company's first annual financial statements prepared in accordance with Ind AS, with comparatives for the previous year restated as per Ind AS.

The Company's financial performance for the year ended March 31, 2017 is summarized below:

	₹ crores	
Parameters	2016-17	2015-16
Revenue from operations	5,981.39	5,184.34
Other income	49.24	45.88
<b>Total income</b>	<b>6,030.63</b>	<b>5,230.22</b>
Profit before tax	702.21	722.64
Profit for the year (A)	478.49	491.63
Total other comprehensive income (B)	(1.29)	1.12
<b>Total comprehensive income for the year (A+B)</b>	<b>477.20</b>	<b>492.75</b>

## Share Capital

The paid up equity share capital of the Company as at March 31, 2017 stood at ₹17.08 crores, comprising of 17,08,12,500 equity shares of ₹1 each. During the year under review, the Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

## Dividend

In line with the dividend policy of the Company i.e. Dividend Payout (excluding corporate dividend tax) upto 15% of the profit after tax of the Company, your directors recommend a dividend of 425% i.e. ₹4.25 per equity share of ₹1 each for the financial year 2016-17, subject to the approval of the shareholders. The dividend, if approved, would involve a cash outflow of ₹72.60 crores (excluding corporate dividend tax).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board approved and adopted the Dividend Distribution Policy and the same is available on the Company's website viz. [www.amararaja.co.in](http://www.amararaja.co.in)

## Transfer to reserves

Your Directors propose to transfer an amount of ₹47.85 crores to the general reserve. An amount of ₹2,180.88 crore is retained in the retained earnings.

## 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 are 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.

### **Automotive battery business**

The Company's automotive battery business reported double digit revenue growth supported by good volume increase in both four-wheeler and two-wheeler batteries, over the previous financial year.

During the year, the Company fully utilized the first phase of expansion of the new four-wheeler battery plant, consolidating its position. In four-wheeler OEM space, the Company grew its share by growing beyond the 6% increase in automobile production. In the aftermarket segment, the Company's brands grew at a healthy double digit growth in four-wheelers and in two-wheeler batteries. The volume growth in both four-wheeler and two-wheeler aftermarket business continued during the year due to strong preference for Company's products, supported by complete product offering, strengthening of brands Amaron® and PowerZone™, expansion of channel and leveraging customer relationships.

The volume from export business grew significantly at 45% over previous year. The brand and products of the Company have started gaining recognition in overseas markets, resulting in increased business. The focused market strategy of the Company paid off leading to higher penetration and enhanced business.

The new four-wheeler battery plant at Nunegundlapalle Village, Chittoor District added a capacity of 2.25 million units p.a, taking the total installed capacity of this four-wheeler automotive battery plant to 4.50 million units p.a. During the year, the Company commenced supplies from the new tubular battery plant. The inverter battery segment saw a clear preference for tubular batteries.

In view of the anticipated growth in demand for two-wheeler battery, the Board approved expansion of two-wheeler battery capacity to be implemented in four phases, staggered over a period of five years, which would on completion take the capacity from existing 11 million units p.a to 25 million units p.a.

### **Industrial battery business**

The recent developments in the telecom market, with the new entrant, had disrupted the revenue models of all Telcos and tower companies forcing to relook at their cost structures. This had impacted the volume off-take for replacement batteries in the industrial battery business during the last quarter. In addition, the increase in lead price presented challenging market conditions in both Telecom and UPS segments. Under this competitive environment, the Company's industrial battery business achieved a moderate growth in volume in industrial battery business during the year. The industrial battery business improved the overall performance by virtue of its "preferred supplier status" with all major customers, efficient after sales service, customer relationship management and consistent product performance of its flagship brands PowerStack®, Quanta® and QRS Series batteries.

The Company has initiated necessary measures in all key customer segments to provide integrated solution offering for backup power requirements to its customers.

### **Subsidiaries, Associates and Joint Ventures**

There are no subsidiaries, associates and joint venture companies.

## Directors and Key Managerial Personnel

Mr. Nagarjun Valluripalli, Mr. N Sri Vishnu Raju, Mr. T R Narayanaswamy and Ms. Bhairavi Tushar Jani are the present Independent Directors of the Company appointed pursuant to the provisions of Section 149 of the Companies Act, 2013 (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 there has been no change in the circumstances which may affect their status as an Independent Director during the year.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Raphael John Shemanski, Director (DIN: 07462586) is liable to retire by rotation at the ensuing annual general meeting and being eligible offer himself for re-appointment.

Mr. Raymond J Brown (DIN: 01916646) resigned from the Board with effect from November 6, 2016 and the Board of Directors wishes to place on record their sincere appreciation of the valuable services rendered by him during his tenure as a director of the Company.

Mr. Shu Qing Yang (DIN: 01916660) resigned from the Board with effect from January 22, 2017 and Mr. Trent Moore Nevill (DIN: 07699463) was appointed as an Additional Director on the Board with effect from January 22, 2017, who holds office upto the date of the ensuing annual general meeting. The Board of Directors wishes to place on record their sincere appreciation of the valuable services rendered by Mr. Shu Qing Yang during his tenure as a Director of the Company.

The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Mr. Trent Moore Nevill as a Director. The resolutions seeking your approval for the re-appointment of Mr. Raphael J Shemanski, Director and appointment of Mr. Trent Moore Nevill as a Director are included in the notice of the ensuing annual general meeting along with brief details about them.

The Board of Directors appointed Mr. S Vijayanand as Chief Executive Officer of the Company with effect from April 1, 2017. Pursuant to the provisions of Section 203 of the Act, Mr. Jayadev Galla, Vice Chairman and Managing Director, Mr. S Vijayanand, Chief Executive Officer, Mr. S V Raghavendra, Chief Financial Officer and Mr. M R Rajaram, Company Secretary are the key managerial personnel of the Company.

## Auditors and Auditors' Report

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 30<sup>th</sup> annual general meeting till the conclusion of 35<sup>th</sup> annual general meeting. As required under the provisions of Section 139 of the Act, a resolution for the annual ratification of their appointment is being placed before the shareholders for their approval. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act. The Auditors' report does not contain any qualification, reservation or adverse remark.

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules as amended from time to time, the cost records are required to be audited. Based on the recommendation of the Audit Committee, your Board has appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad as cost auditors for the financial year 2017-18. Necessary resolution for ratification of their remuneration is being placed before the shareholders for their approval.

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. R. Sridharan & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report in Form MR-3 received from them is annexed herewith as **Annexure I**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Corporate Governance

The report on corporate governance for the year ended March 31, 2017 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as **Annexure II**. The certificate from practicing company secretary regarding the compliance of conditions of corporate governance is attached to the report on corporate governance.

## 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.



## Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report (BRR) initiatives taken from an environmental, social and governance perspective, is annexed hereto as **"Annexure III."**

## Directors' responsibility statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013('Act'), the Board of Directors of the Company confirm, to the best of their knowledge and belief, that in the preparation of Annual financial statements:

- 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 the end of the financial year and of the profit of the Company for that period;
- 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.

## Information and Disclosures under the Companies Act, 2013

### Extract of the Annual Return

The extract of Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 ('Act') in the prescribed form MGT-9 is annexed herewith as **Annexure IV**.

### Number of Meetings of the Board

During the year five meetings of the Board of the 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.

### Committees of the Board

In compliance with the provisions of Sections 135, 177, 178 of the Companies Act, 2013, the Board constituted Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee and Share Transfer and Stakeholders Relationship 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.

### Corporate Social Responsibility (CSR)

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are given in **Annexure V** 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 <http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-Policy.pdf>

### 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.amararaja.co.in/policies/ARBL%20-%20Nomination%20and%20Remuneration%20Policy.pdf>

## Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 of every Director was evaluated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

Mr. Trent Moore Nevill, additional director did not participate in the evaluation process or being evaluated, as he was appointed at the end of the financial year 2016-17.

## Familiarisation Programme for Directors

In addition to giving a formal appointment letter to newly appointed Directors on the Board, a handbook covering the role, function, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

The newly appointed 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 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 familiarization programme are available on the Company's website [www.amararaja.co.in](http://www.amararaja.co.in).

## Particulars of loans, guarantees and investments

The Company has not given any loans, guarantees or security in connection with loans or made any investments falling within the ambit of Section 186 of the Companies Act, 2013.

## 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 2016-17, 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 Companies Act, 2013 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 ahead 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 and the Board of Directors 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 14, 2015 approved and authorised the Board to enter into transactions with Mangal Industries Limited (MIL) upto a cumulative value of transactions of ₹600 crores in each financial year. During the financial year 2016-17, the transactions with MIL amounted to ₹645.86 crores, a material transaction and necessary resolution for approval of the members for additional transaction value of ₹45.86 crores is being included in the

notice of ensuing annual general meeting as required under the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and the policy adopted by the Company under the said Regulations.

The Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure VI**.

### Internal Controls

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.

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.

### Risk Management

During the year, the risk assessment parameters were reviewed and modified. The audit committee reviewed the element of risks 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.

### 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.amararaja.co.in/policies/ARBL-Whistle-Blower-Policy.pdf>

### Deposits from Public

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. There are no outstanding deposits as on March 31, 2017.

### 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 VII** and forms an integral part of this report.

### Particulars of Remuneration

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

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 IX**. However, as per the provisions of Section 136(1) of Companies Act, 2013, 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.

### Reporting of Frauds

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

### Regulatory Orders

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



### Investor Education and Protection Fund (IEPF)

In terms of Section 124 (5) of the Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956), an amount of ₹7,76,953 being unclaimed dividend pertaining to the financial year 2008-09 was transferred to IEPF on September 26, 2016.

### Health, Safety and Environmental protection (HSE)

The Company has complied with all applicable environmental and labour laws. The Company continues to be certified under ISO-14001 and OHSAS 18001-2007 for its environment management systems and occupational health and safety management systems respectively.

### Prevention of Sexual Harassment at workplace policy

The Company has in place prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All women employees are covered under this policy. During the year 2016-17, no complaints were received by the ICC.

### 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:

- Received **"India's most promising Company of the year 2016-17"** at 12<sup>th</sup> CNBC TV18 India Business Leader Awards event.
- Received **"Plaque"** award in **'ICAI Awards for Excellence in Financial Reporting'** for the financial year 2015-16 from Institute of Chartered Accountants of India.
- Received **"Telecom Infra Leader"** in the Power Solutions Category for the year 2016 at the 24<sup>th</sup> Annual Cyber Media ICT Awards event.
- Bestowed with prestigious **ABK AOTS awards** in following three different categories
  - i. **Model 5S Company award** for Automotive Battery Plant, Tirupati
  - ii. **5S sustenance award** for MVRLA Battery plant, Chittoor
  - iii. **Gold award under Excellence category** Automotive Battery plant II , Chittoor
- **Six teams won Gold awards** in ICQCC (International Convention of Quality Control Circles) 2016 competition held in Bangkok, Thailand
- Received **"Significant Achievement in HR Excellence"** – CII National HR Excellence Award from Confederation of Indian Industry.
- Received Global HR Excellence for companies with **'Best Practices in Employee Relations'** and **'Best Talent Management Practices'** from Employer Branding Institute India.

### 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.

### Acknowledgement

The Board of Directors takes 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.

Your Directors also take this opportunity to thank the joint venture partner Johnson Controls for their valuable assistance and support. The Directors are thankful to the shareholders for their continued patronage.

On behalf of the Board

Place: Hyderabad  
Date: May 24, 2017

**Dr. Ramachandra N Galla**  
Chairman

## Annexures to Directors' Report

### Annexure I

#### Form MR-3

#### Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**Amara Raja Batteries Limited**  
CIN: L31402AP1985PLC005305  
Renigunta- Cuddapah Road  
Karakambadi  
Tirupati – 517 520

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") having its Registered Office at Renigunta-Cuddapah Road, Karakambadi, Triupati – 517 520. 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 (to the extent applicable);
- (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) During the year, the Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under Foreign Exchange Management Act, 1999 (FEMA) and hence, the requirement of complying with the provisions of FEMA and the rules and regulations made there under does not arise;
- (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) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 does not arise;
  - e) During the year under review, the Company has neither issued any debentures nor has any outstanding debentures to be redeemed and hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;
  - 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) During the year under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and
  - h) The Company has not bought back any securities during the period under review and hence the question of compliance with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;
- (vi) The other laws specifically applicable to the Company are as follows:
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;

With respect to Fiscal laws and Labour Laws, based on the information & explanations provided by the management and officers of the Company and periodical reports and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of the above mentioned laws.

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 Agreements entered into by the Company 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.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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 before the schedule of 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. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has convened and recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted 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 resolutions has been recorded.

We further report that based on the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, 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 including industrial and labour laws, rules, regulations and guidelines.

We further report that during the audit period:

- (i) the Board had approved the proposal for expansion of Two Wheeler Battery capacity from 12 million p.a to 25 million p.a in a phased manner spread over 5 years i.e till FY 2022 at Majara Kothapalle Village, Chittoor District.

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

**CS R.SRIDHARAN**  
CP No. 3239  
FCS No. 4775  
UIN : S2003TN063400

Place : Chennai

Date : 24th May, 2017

Note: 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.



To  
The Members  
**Amara Raja Batteries Limited**  
CIN: L31402AP1985PLC005305  
Renigunta- Cuddapah Road  
Karakambadi  
Tirupati – 517 520

**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 on test basis 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. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. 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

Place : Chennai  
Date : 24th May, 2017

## 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.

### 2. Board of Directors

- i) Presently the Board comprises of eight Directors of which Vice Chairman and Managing Director is an Executive Director. Out of seven (7) Non-Executive Directors, four (4) including one woman director are Independent Directors and three (3) are Non Independent Directors. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of the Regulations.
- ii) 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
Mr. Raphael John Shemanski DIN : 07462586	Director	Non-Executive
Mr. Shu Qing Yang DIN : 01916660 (upto January 22, 2017)	Director	Non-Executive
Mr. Trent Moore Nevill DIN : 07699463 (w.e.f January 22, 2017)	Director	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
Mr. Raymond J Brown DIN : 01916646 (upto November 6, 2016)	Director	Independent; Non Executive
Ms. Bhairavi Tushar Jani DIN : 00185929	Director	Independent; Non Executive

- iii) Five Board Meetings were held during the year as against the minimum requirement of four meetings 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 24, 2016	9	8
August 6, 2016	9	9
November 5, 2016	9	8
January 22, 2017	8	7
March 16, 2017	8	6

- iv) The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2017 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		AGM held on August 6, 2016
	Held	Attended	
Dr. Ramachandra N Galla	5	5	Yes
Mr. Jayadev Galla	5	5	Yes
Mr. Raphael John Shemanski ^	5	5	Yes
Mr. Shu Qing Yang #	5	4	Yes
Mr. Trent Moore Nevill #	5	1	NA
Mr. Nagarjun Valluripalli	5	4	Yes
Mr. N Sri Vishnu Raju	5	5	Yes
Mr. T R Narayanaswamy	5	3	Yes
Mr. Raymond J Brown +	5	3	Yes
Ms. Bhairavi Tushar Jani	5	4	Yes

^ Mr. Raphael John Shemanski participated in the board meeting held on March 16, 2017 through video conference.

# Mr. Shu Qing Yang resigned as a Director with effect from January 22, 2017 and Mr. Trent Moore Nevill was appointed as an additional director with effect from January 22, 2017.

+ Mr. Raymond J Brown resigned as a Director with effect from November 6, 2016.

- v) The number of directorships, memberships/chairmanships in committees held by the directors including Amara Raja Batteries Limited as on March 31, 2017 are given below:

Name of the Director	Number of directorships in companies#	Number of committee memberships in companies*	
		Chairperson	Member
Dr. Ramachandra N Galla	10	2	1
Mr. Jayadev Galla	9	Nil	1
Mr. Raphael John Shemanski	1	Nil	Nil
Mr. Trent Moore Nevill	1	Nil	Nil
Mr. Nagarjun Valluripalli	17	1	Nil
Mr. N Sri Vishnu Raju	19	Nil	3
Mr. T R Narayanaswamy	10	Nil	2
Ms. Bhairavi Tushar Jani	11	Nil	1

# Excluding directorship in foreign companies.

\* Audit Committee and Stakeholders Relationship Committee(s) only are considered.



- vi) Dr. Ramachandra N Galla is the father of Mr. Jayadev Galla. Other than Dr. Ramachandra N Galla and Mr. Jayadev Galla, none of the directors are related to any other Director on the Board. Mr. Raphael John Shemanski and Mr. Trent Moore Nevill are the representatives of Johnson Controls.
- vii) The details of the shares held by the Directors as on March 31, 2017:

Name of the Director	No. of equity shares held (face value of ₹1/-each)
Dr. Ramachandra N Galla	12,795,074*
Mr. Jayadev Galla	12,821,984*

\* As on March 31, 2017, M/s. RNgalla Family & Co., a partnership firm holds the beneficiary interest on 12,795,074 shares of Dr. Ramachandra N Galla and 12,445,834 shares of Mr. Jayadev Galla.

None of the other directors hold any shares in the Company. The Company has not issued any convertible instruments.

viii) **Familiarisation Programme**

In addition to giving a formal appointment letter to newly appointed Directors on the Board, a handbook covering the role, function, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

The newly appointed 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 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 [www.amararaja.co.in](http://www.amararaja.co.in).

- ix) 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.
- x) 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 posted on [www.amararaja.co.in](http://www.amararaja.co.in). 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, 2017. In terms of Schedule V to the Regulations, a declaration signed by the Vice Chairman and Managing Director is enclosed to this report.
- xi) During the financial year 2016-17, 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.
- xii) Mr. Jayadev Galla, Vice Chairman and Managing Director and Mr. S V Raghavendra, Chief Financial Officer of the Company have submitted a certificate to the Board on the fairness of the financial statements and other matters as specified in Part B of Schedule II of the Regulations.
- xiii) 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. The tenure of the Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder. The Independent Directors at their meeting, reviewed the Performance of, the Board as a whole, Non independent Directors and the Chairman of the Board.
- xiv) During the year, all the Independent Directors had met separately on March 16, 2017 without the attendance of non-independent directors and members of the management.
- xv) None of the Directors serve as an Independent Director 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.
- xvi) 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, 2017.

- xvii) The senior management personnel confirmed that they don't have any personal interest in respect of all material financial and commercial transactions entered by the Company, which may have a potential conflict with the interest of the Company at large.
- xviii) 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 Companies Act, 2013 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. Mr. Nagarjun Valluripalli, Independent Director and Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 6, 2016.
- iii) During the financial year 2016-17, five (5) meetings of the Audit Committee were held on May 20, 2016, August 6, 2016, November 5, 2016, January 22, 2017 and March 16, 2017. 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.
- iv) The composition of the Audit Committee and attendance of members are given below:

Name	Category	Attendance
Mr. Nagarjun Valluripalli, Chairman	Non-Executive, Independent	4
Mr. N Sri Vishnu Raju	Non-Executive, Independent	5
Mr. T R Narayanaswamy	Non-Executive, Independent	3
Ms. Bhairavi Tushar Jani	Non-Executive, Independent	3

### 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 Companies Act, 2013 and Regulation 19 of the Regulations read with Part D of Schedule II of the Regulations.
- ii) Three meetings of the Nomination and Remuneration Committee were held on May 20, 2016, January 22, 2017 and March 16, 2017. 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	2
Mr. T R Narayanaswamy	Independent, Non-Executive	2
Mr. N Sri Vishnu Raju	Independent, Non-Executive	3

#### iii) 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.

#### Remuneration to Directors

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 Directors from Galla Family and the representative Directors of Johnson Controls are not paid sitting fees for attending any Board/Committee meetings.

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

The shareholders at the 30<sup>th</sup> annual general meeting held on August 14, 2015 approved payment of Commission to Dr. Ramachandra N Galla, Non- Executive Chairman @ 3% of the net profits of the Company and other Non-Executive Independent Directors @ 1% of the net profits of the Company in such sum and proportion as the Board may deem fit and proper for a period of five years commencing from September 1, 2015 to August 31, 2020.

iv) **Details of Remuneration paid to the Directors for the year ended March 31, 2017 are given below:**

a) **Non-Executive Directors (other than representatives of Johnson Controls):**

₹ Lakhs

Name	Commission	Sitting Fees
Dr. Ramachandra N Galla	2,283.88	Nil
Mr. Nagarjun Valluripalli	5.00	1.50
Mr. N Sri Vishnu Raju	5.00	1.80
Mr. T R Narayanaswamy	5.00	1.10
Mr. Raymond J Brown <sup>+</sup>	3.00	0.60
Ms. Bhairavi Tushar Jani	5.00	1.10
<b>Total</b>	<b>2,306.88</b>	<b>6.10</b>

+ Mr. Raymond J Brown resigned as a Director with effect from November 6, 2016.

b) **Mr. Jayadev Galla, Vice Chairman and Managing Director:**

₹ Lakhs

Particulars	Amount
Salary	240.00
Perquisites and Allowances	-
Commission	3,566.25
Retirement benefits	0.22
<b>Total</b>	<b>3,806.47</b>

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.

v) **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 of every Director was evaluated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

Mr. Trent Moore Nevill, additional director did not participate in the evaluation process or being evaluated, as he was appointed at the end of financial year 2016-17.



## 5. Share Transfer and Stakeholders Relationship Committee

- The constitution and terms of reference of the Share Transfer and Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Companies Act, 2013 and Regulation 20 of the Regulations read with Part D of Schedule II of the Regulations. The said Committee attends to the redressal of complaints of shareholder's.
- During the financial year 2016-17, four meetings of the Committee were held on May 24, 2016, August 6, 2016, November 5, 2016 and January 22, 2017.
- The Composition of the Share Transfer and Stakeholders Relationship Committee and the attendance of members are given below:

Name	Category	Attendance
Dr. Ramachandra N Galla	Non-Independent; Non-Executive	4
Mr. Jayadev Galla	Non-Independent; 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 2016-17, Nine (9) complaints pertaining to non-receipt of shares/share certificates were received and redressed to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2017.

## 6. Corporate Social Responsibility Committee

- In Compliance with Section 135 of the Companies Act, 2013, (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 2016-17, one meeting of the Committee was held on November 5, 2016.
- 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	0
Mr. Raphael John Shemanski*	Non-Independent, Non-Executive	1

\* Appointed as member of the Committee with effect from August 6, 2016

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

## 7. General Body Meetings

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

For the Financial year	Venue	Day and date	Time
2015-16	Registered Office:	Saturday, August 6, 2016	2:30 PM
2014-15	Renigunta-Cuddapah Road, Karakambadi, Tirupati,	Friday, August 14, 2015	11:30 AM
2013-14	Andhra Pradesh – 517 520	Wednesday, August 6, 2014	11:30 AM

Special Resolutions passed during the three previous years:

### Financial year 2015-16

No special resolutions were passed during the financial year 2015-16.

### Financial year 2014-15

Special Resolutions passed

- To authorize the board of directors to borrow up to ₹500 crores over and above the aggregate of the paid-up capital and free reserves under Section 180(1)(c) of the Companies Act, 2013.

- b. To authorize the board of directors to create mortgage or charge on the properties of the Company under Section 180 (1)(a) of the Companies Act, 2013.
- c. To authorize the board of directors to enter into all kind of transactions with Mangal Industries Limited, a related party, upto an estimated amount of ₹600 crores in each financial year.

#### Financial year 2013-14:

Special Resolutions passed

- a. To appoint Mr. Vikramadithya Gourineni as Management Executive under Section 314 (1) (b) of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003.
- b. To enter into lease agreement with Amara Raja Infra Private Limited to take lease of land admeasuring 12 acres situated at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District.

#### Resolutions passed by Postal Ballot

No Postal Ballot was conducted during the financial year 2016-17. No special resolution is proposed to be passed through postal ballot.

### 8. Means of communication

The quarterly, half-yearly and annual results are submitted to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.amararaja.co.in](http://www.amararaja.co.in).

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

### 9. General shareholders information

Date, time and venue of Annual General Meeting	Monday, August 7, 2017 at 2:30 PM at the Registered Office of the Company i.e. Renigunta - Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520
Financial calendar (tentative):	Financial Year - April to March First Quarter Results -Mid of August 2017* Half-yearly Results - Mid of November 2017* Third Quarter Results -Mid of February 2018* Results for the year ending March 31, 2018 - last week of May 2018* *Provisional
Listing of shares on stock exchanges	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 2017-18 have been paid to all the above stock exchanges.
Book Closure	August 1, 2017 to August 7, 2017 (both days inclusive)
Stock Code/Scrip Code	AMARAJABAT
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 A
Performance of the Company's share price vis-à-vis-Sensex	Please see Annexure A

## 9. General shareholders information (contd.)

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	All the valid transfers received are processed and approved by the Share Transfer and Stakeholders Relationship Committee by circular resolutions.
Distribution of Shareholding and Shareholding Pattern as on March 31, 2017	Please see Annexure B
Dematerialization of Shares and Liquidity	97.37% of the equity shares of the Company were dematerialized as on March 31, 2017.
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.co.in Website : www.amararaja.co.in

## 10. Other Disclosures

### 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 Companies Act 2013 and Regulation 23 of the Regulations.

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) were made in note 34 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 <http://www.amararaja.co.in/policies/ARBL-Policy-on-dealing-with-Related-Party-Transactions.pdf>

The members at the annual general meeting held on August 14, 2015 approved and authorised the Board to enter into transactions with Mangal Industries Limited (MIL) upto a cumulative value of transactions of ₹600 crores in each financial year. During the financial year 2016-17, the transactions with MIL amounted to ₹645.86 crores, a material transaction and necessary resolution for approval of the members for additional transaction value of ₹45.86 crores is being included in the notice of ensuing annual general meeting as required under the Regulation 23 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and the policy adopted by the Company under the said Regulations.



### **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.

### **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 <http://www.amararaja.co.in/policies/ARBL-Whistle-Blower-Policy.pdf>

### **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.

### **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.

## **11. The Company has complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

## **12. 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. With regard to the non-mandatory requirements the Company has complied to the extent stated below:

- a. Board: The Company has a separate office maintained for the Non-Executive Chairman.
- b. Audit Qualifications: There are no qualifications on the financial statements for the financial year ended March 31, 2017 by the Statutory Auditors of the Company.
- c. Other Non-Mandatory Requirements: The Company would be progressively adopting the other non-mandatory requirements

**13. The 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:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Disclosures on website	Yes

**14. Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Upto the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

These are the first financial statements of the Company prepared as per Ind AS with transition date of April 1, 2015. The reconciliations and detailed explanation on the effect of the transition to Ind AS from previous GAAP on the Company's Balance Sheet, financial performance and cash flows is given in note 45.

**15. Risk Management**

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the element of risks 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.

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

**17. The Management Discussion and Analysis Report have been included separately forming part of the Annual Report.**

**18. 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.

## 19. 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, 2016	409	8,59,000
Number of equity shareholders who approached the Company for transfer of shares of ₹1/- each from the suspense account	18	70,500
Number of equity shareholders to whom shares were transferred from suspense account during the year	18	70,500
Aggregate number of equity shareholders and the outstanding shares of ₹1/- each in the suspense account lying as on March 31, 2017	391	7,88,500
The voting rights on the shares outstanding in the Suspense account as on March 31, 2017 are frozen till a claim from the rightful owner of such shares is received.		

## 20. Other requirements/Information

### Dividend Policy

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings based on the recommendation of the Board of Directors. As required under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held on November 5, 2016 had adopted a policy for distributing dividend upto 15% of the profit after tax (PAT). Accordingly, every year the Company would pay the dividend amount upto 15% of the profit after tax (PAT) to all the eligible shareholders.

### Transfer of unclaimed dividend

During the year under review, an amount of ₹7,76,953 pertaining to unpaid/unclaimed dividend for the financial year 2008-09 has been transferred to Investor Education and Protection Fund (IEPF) on September 26, 2016.

Members who have not yet encashed their dividend from the financial year 2009-10 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.

Following table gives information relating to due dates for transfer of dividends to IEPF:

Financial Year	Date of Declaration	Due Date of Transfer to IEPF
2009-10	29.07.2010	03.09.2017
2010-11 (special dividend)	24.01.2011	01.03.2018
2010-11	13.08.2011	18.09.2018
2011-12	14.08.2012	19.09.2019
2012-13	14.08.2013	19.09.2020
2013-14	06.08.2014	11.09.2021
2014-15	14.08.2015	19.09.2022
2015-16 (interim dividend)	15.03.2016	20.04.2023

As required under the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012, (rules) the Company uploaded on the Company's website [www.amararaja.co.in](http://www.amararaja.co.in) the particulars of unclaimed dividend as on August 6, 2016 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 rules. The same is also available on the website [www.iepf.gov.in](http://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](http://www.iepf.gov.in) and lodge their claim to RTA by submitting an application in writing and supported by a deed of indemnity immediately.



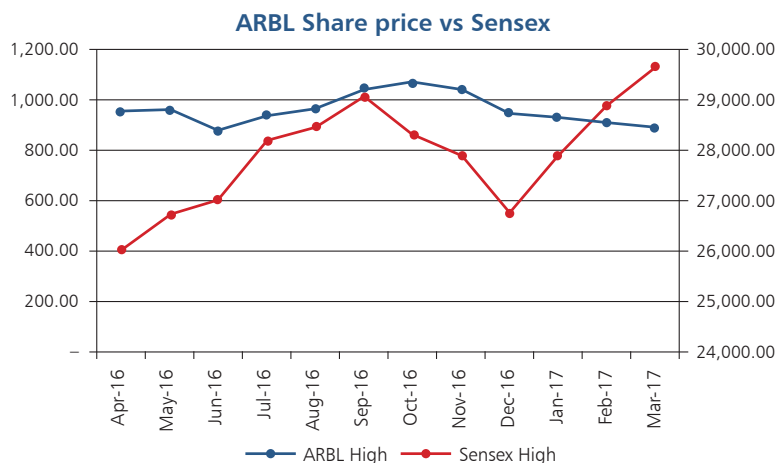
## Annexure A

High, Low prices (based on closing prices) of the Company's shares traded on NSE and BSE and performance of BSE Sensex and S&P CNX Nifty during the period from April 1, 2016 to March 31, 2017 are furnished below:

Month	NSE		Nifty 50		BSE		Sensex	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2016	955.85	861.65	7,979.90	7,546.45	953.70	863.00	26,064.12	24,673.84
May 2016	958.70	839.60	8,178.50	7,706.55	957.40	840.75	26,725.60	25,101.73
June 2016	876.45	835.00	8,287.75	8,088.60	875.95	834.90	27,020.66	26,395.71
July 2016	937.10	835.95	8,666.30	8,323.20	936.95	836.75	28,208.62	27,126.90
August 2016	956.35	877.40	8,786.20	8,544.85	957.20	876.30	28,452.17	27,697.51
September 2016	1,038.80	969.80	8,952.50	8,591.25	1,039.35	969.70	29,045.28	27,827.53
October 2016	1,063.70	998.85	8,769.15	8,520.40	1,063.25	997.90	28,334.55	27,529.97
November 2016	1,038.65	874.35	8,626.25	7,929.10	1,040.50	877.20	27,876.61	25,765.14
December 2016	944.60	869.55	8,261.75	7,908.25	944.20	868.30	26,747.18	25,807.10
January 2017	930.40	858.10	8,641.25	8,179.50	928.05	861.20	27,882.46	26,595.45
February 2017	909.55	845.70	8,939.50	8,716.40	909.40	846.45	28,892.97	28,141.64
March 2017	890.05	823.25	9,173.75	8,897.55	889.00	824.40	29,648.99	28,832.45

### Performance of the Company's share price vis-à-vis-Sensex

A comparative line chart showing performance of share price (Closing High) of the Company with BSE Sensex (Closing High) during the financial year 2016-17



Performance of the Company's share price as at the beginning and end of the financial year 2016-17

Amount in ₹

Name of the Stock Exchange	NSE Close Price	BSE Close Price
Price as on April 1, 2016	887.05	888.20
Price as on March 31, 2017	890.05	889.00
Change in Value (Rs.)	3.00	0.80
% Change	0.34	0.09

**Distribution of Equity Shareholding as on March 31, 2017**

No. of shares held	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
1 - 100	1,240,029	0.73	39,914	65.47
101 - 500	3,275,568	1.92	14,463	23.72
501 - 1000	1,758,765	1.03	2,400	3.94
1001 - 2000	3,377,731	1.98	2,304	3.78
2001 - 3000	1,899,228	1.11	699	1.14
3001 - 4000	721,835	0.42	205	0.34
4001 - 5000	881,824	0.52	193	0.32
5001 - 10000	2,503,587	1.46	351	0.57
10001 and above	155,153,933	90.83	437	0.72
<b>Total</b>	<b>170,812,500</b>	<b>100.00</b>	<b>60,966</b>	<b>100.00</b>

**Mode of Holding as on March 31, 2017**

Particulars	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
Demat mode	166,311,744	97.37	60,407	99.08
Physical mode	45,00,756	2.63	559	0.92
<b>Total</b>	<b>170,812,500</b>	<b>100.00</b>	<b>60,966</b>	<b>100.00</b>

**Categories of Equity Shareholders as on March 31, 2017**

Category	Number of Shares held	Percentage of holding
Promoters	88,927,452	52.06
Mutual Funds & UTI	14,138,856	8.28
Banks/Financial Institutions	1,099,473	0.64
Foreign Institutional Investors/Foreign Portfolio Investor/NRI's	40,996,496	24.00
Corporate Bodies	5,340,176	3.13
Trusts	317,452	0.19
Others	19,992,595	11.70
<b>Total</b>	<b>170,812,500</b>	<b>100.00</b>

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a code of conduct for all 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, 2017.

Place: Hyderabad  
Date: May 24, 2017

**Jayadev Galla**  
Vice Chairman and Managing Director

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Corporate Identification No. : L 31402AP1985PLC005305**  
**Nominal Capital : ₹20,00,00,000**

To  
The Members  
**Amara Raja Batteries Limited**  
Renigunta-Cuddapah Road  
Karakambadi  
Tirupati – 517 520

We have examined all relevant records of **Amara Raja Batteries Limited**, having its Registered Office at Renigunta Cuddapah Road, Karakambadi, Tirupati – 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, 2017. 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. 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. 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 Directors and 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 31<sup>st</sup> March, 2017.

**For R SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R SRIDHARAN**  
FCS No. 4775  
CP No. 3239  
UIN : S2003TN063400

Place: Chennai  
Date : 24th May 2017



## BUSINESS REPOSPPONSIBILITY REPORT

### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L31402AP1985PLC005305
2.	Name of the Company	Amara Raja Batteries Limited
3.	Registered address	Renignuta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh India
4.	Website	www.amararaja.co.in
5.	E-mail id	investorservices@amararaja.co.in
6.	Financial Year reported	March 31, 2017
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 (b) Number of National Locations	42 countries (Distributors)  <b>Plant Locations:</b> a) Renigunta - Cuddapah Road, Karakambadi Tirupati, Andhra Pradesh 517 520 b) Nunegundlapalle Village Bangarupalayam Mandal, Chittoor District Andhra Pradesh 517 416  <b>Distribution Network:</b> Present across PAN India through franchisees and dealers.
10.	Markets served by the Company – Local/ State/ National/International	National & International

## Section B: Financial details of the Company

1.	Paid up Capital (INR)	₹17.08 crores
2.	Total Turnover (INR)	₹5,981.39 crores
3.	Total profit after taxes (INR)	₹478.49 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, 2017 was ₹16.00 crores which is 3.34% of the profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure V 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?	No
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)	Not Applicable
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 BR 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)	00143610
	Name	Mr. Jayadev Galla
	Designation	Vice Chairman and Managing Director
	Telephone number	040-23139000
	e-mail id	jg@amararaja.co.in
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 The policy is part of the Company's Health, Safety and Environment, (HSE) Policy.	Yes There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Leave Policy, Road Safety Policy, Group Mediclaim Policy, etc.	Yes 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
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





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
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	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	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	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	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
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.amararaja.co.in/policies/ARBL-Whistle-Blower-Policy.pdf">http://www.amararaja.co.in/policies/ARBL-Whistle-Blower-Policy.pdf</a> <a href="https://www.amararaja.co.in/policies/ARBL-Revised-Code-of-conduct.pdf">https://www.amararaja.co.in/policies/ARBL-Revised-Code-of-conduct.pdf</a>	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	<a href="http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-Policy.pdf">http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-Policy.pdf</a>	View restricted to the respective stakeholders

SI 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
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
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 are in constantly work together 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 team is a forum to raise any grievances or concerns of the employees of the Company.	The continuous engagement with the customers, suppliers, channel partners and annual channel partners meet enables the Company to capture and address their concerns and grievances, if any. An investor grievance mechanism is in place to respond to the grievances of the investors.	Policy grievances pertaining to employee well-being related concerns are handled by the respective business HR managers. Further an annual communication meet with senior management team is a forum to raise any grievances or concerns of the employees of the Company.	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. The Company is in the process of developing and improving its system for evaluating the implementation of policies.								

#### 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 pending 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?

This is the first Business Responsibility Report of the Company and the Company proposes to publish BR annually.

### 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, raw materials and waste reduction. The Company ensures compliance requirements of the law that relate to products and services, environmental aspects and occupational health & safety.

The company designs, develops and supplies products for

1. Renewable energy storage (Green Energy)
2. Electric Mobility (e-Rickshaw)
3. Railway Metro to replace environmental concern Ni-Cadmium batteries
4. Advanced AGM&EFB for Automotive Start-Stop application,
5. Speciality Products having Quick Recharge ability for Telecom Towers to save/limit/eliminate Diesel Generation & time leading to Carbondioxide Reduction and saving fossil fuels



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 utilising/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, which amongst others, include setting up of 2.6 MW roof top solar panels in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. This ensures use of clean energy and also entails power at low cost.

The Company undertakes various projects to improve green cover in the manufacturing plants and in the Chittoor district, which would help in the improving the water ground 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 optimised 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 endeavours 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 8,685 employees as on March 31, 2017, including employees hired on temporary basis.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

The Company do not hire employees on contractual or casual basis.

3. **Please indicate the Number of permanent women employees**

The Company has 430 permanent women employees as on March 31, 2017.

4. **Please indicate the Number of permanent employees with disabilities**

The Company has 2 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 an unique and matured model of Association. 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	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

- a. Permanent Employees – 100%
- b. Permanent Women Employees – 94%
- c. Casual/Temporary/Contractual Employees – NA
- d. Employees with Disabilities – 100%

**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
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 related 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 installed 2.6 MW roof top solar panels & required systems to generate clean electrical energy in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. 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 risks. The company is certified with ISO 14001:2004 – 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 greenhouses through utilization of clean energy, wherever possible. However, the Company does not have a specific project related to clean development mechanism.

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 installed 2.6 MW roof top solar panels and systems to generate clean energy in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. This ensures use of clean energy and also entails power at low cost.

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

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:**
  - a. Confederation of Indian Industry (CII)
  - b. Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
  - c. Federation of Indian Export Organisation (FIEO)
  - d. Engineering Export Promotion Council (EEPC)
  - e. Employers' Federation of Southern India (EFSI)
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 through these associations support all those proposals which are basically meant to further the advancement/improvement of public good especially in the areas of food/energy security and sustainable business principles.

#### 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 Amara Raja group takes pride to state that much before the law was enacted in the true spirit of giving back to the society a certain percentage of the profits were contributed to the Rajanna Trust, a vehicle for carrying the CSR activities of the Company. The Company has a well-defined CSR policy which is in line with the provision 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?**  
 The Company is in the process of conducting an impact assessment of the CSR initiatives.
4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**  
 The Company has spent ₹16.00 crores on the CSR Activities during the financial year 2016-17. The amount was spent on areas as mentioned in Annexure V 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 main focus of the CSR policy of the Company is 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 community development 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 was 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 last past five years and there are no pending cases as on March 31, 2017.

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. We had conducted a survey on "Brand Health Study" through Ipsos Indica, a market research organization.

**Form No. MGT-9**  
**Extract of Annual Return**  
**as on the financial year ended on March 31, 2017**

[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 - 517520 Tel: 91 877 226 5000 Fax: 91 877 228 5600 E-mail: investorservices@amararaja.co.in Website: www.amararaja.co.in
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 shall be stated:

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	95%

**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
Nil					

#### 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	Total	Demat	Physical	Total	
<b>A. Promoters</b>							
<b>(1) Indian</b>							
a. Individual/ HUF	3,19,74,058	-	3,19,74,058	3,76,150	-	3,76,150	0.22 (18.50)
b. Central Government	-	-	-	-	-	-	-
c. State Government	-	-	-	-	-	-	-
d. Bodies Corporate	31,15,500	-	31,15,500	31,15,500	-	31,15,500	1.82 -
e. Banks / FI	-	-	-	-	-	-	-
f. Any Other -	-	-	-	-	-	-	-
M/s. RKGalla Family & Co. *	-	-	-	4,02,31,308	-	4,02,31,308	23.56
<b>Sub-total (A) (1):</b>	<b>3,50,89,558</b>	-	<b>3,50,89,558</b>	<b>4,37,22,958</b>	-	<b>4,37,22,958</b>	<b>25.60 5.06</b>
<b>(2) Foreign</b>							
a) NRIs -Individuals	94,26,644	-	94,26,644	7,93,244	-	7,93,244	0.46 (5.06)
b) Other - Individuals	-	-	-	-	-	-	-
c) Bodies Corporate	4,44,11,250	-	4,44,11,250	4,44,11,250	-	4,44,11,250	26.00 -
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	<b>5,38,37,894</b>	-	<b>5,38,37,894</b>	<b>5,38,37,894</b>	-	<b>4,52,04,494</b>	<b>26.46 (5.06)</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>8,89,27,452</b>	-	<b>8,89,27,452</b>	<b>8,89,27,452</b>	-	<b>8,89,27,452</b>	<b>52.06 -</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	1,45,53,300	10,500	1,45,63,800	1,41,28,356	10,500	1,41,38,856	8.28 (0.25)
b) Banks / FI	8,93,915	7,500	9,01,415	10,91,973	7,500	10,99,473	0.64 0.11
c) Central Government	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs	1,63,57,818	1,500	1,63,59,318	33,26,231	1,500	33,27,731	1.95 (7.63)



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	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors	1,79,89,333	-	1,79,89,333	10.53	3,02,73,113	-	3,02,73,113	17.72	7.19
<b>Sub-total (B)(1):</b>	<b>4,97,94,366</b>	<b>19,500</b>	<b>4,98,13,866</b>	<b>29.17</b>	<b>48819673</b>	<b>19,500</b>	<b>4,88,39,173</b>	<b>28.59</b>	<b>(0.58)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	44,57,735	2,50,514	47,08,249	2.76	50,89,662	2,50,514	53,40,176	3.13	0.37
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	1,44,78,067	12,99,356	1,57,77,423	9.24	1,63,78,367	12,20,276	1,75,98,643	10.30	1.06
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	20,44,187	-	20,44,187	1.20	8,74,580	-	8,74,580	0.51	(0.69)
<b>c) Others (specify)</b>									
Clearing members	66,473	-	66,473	0.04	3,04,844	-	304,844	0.18	0.14
Foreign nationals	-	-	-	-	60	-	60	-	-
Hindu Undivided Families	5,09,032	-	5,09,032	0.30	4,25,688	-	4,25,688	0.25	(0.05)
Non Resident Indians	42,95,728	34,94,814	77,90,542	4.56	43,85,186	30,10,466	73,95,652	4.33	(0.23)
Others - Unclaimed suspense account	8,59,000	-	8,59,000	0.50	7,88,500	-	7,88,500	0.46	(0.04)
Trusts	3,16,276	-	3,16,276	0.19	3,17,452	-	3,17,452	0.19	-
<b>Sub-total (B)(2):</b>	<b>2,70,26,498</b>	<b>50,44,684</b>	<b>3,20,71,182</b>	<b>18.77</b>	<b>2,85,64,619</b>	<b>44,81,256</b>	<b>3,30,45,875</b>	<b>19.35</b>	<b>0.58</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7,68,20,864</b>	<b>50,64,184</b>	<b>8,18,85,048</b>	<b>47.94</b>	<b>7,73,84,292</b>	<b>45,00,756</b>	<b>8,18,85,048</b>	<b>47.94</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>16,57,48,316</b>	<b>50,64,184</b>	<b>17,08,12,500</b>	<b>100.00</b>	<b>16,63,11,744</b>	<b>45,00,756</b>	<b>17,08,12,500</b>	<b>100.00</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>16,57,48,316</b>	<b>50,64,184</b>	<b>17,08,12,500</b>	<b>100.00</b>	<b>16,63,11,744</b>	<b>45,00,756</b>	<b>17,08,12,500</b>	<b>100.00</b>	<b>-</b>

\*As on March 31, 2017, M/s. RKGalla Family & Co., a partnership firm owns the beneficial interest of the above shares and Dr. Ramachandra N Galla, Mrs. Amara Kumari Galla, Mr. Jayadev Galla, Mrs. Padmavathi Galla, Mr. Ashok Galla, Mr. Siddharth Galla, Dr. Gourineni Ramadevi, Mr. Vikramadithya Gourineni and Mr. Harshavardhana Gourineni held shares of the Company as partners of the aforesaid firm.



**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 share holding during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Ramachandra N Galla*	1,27,95,074	7.49	1,27,95,074	7.49	-
2	Amara Kumari Galla*	52,60,500	3.08	52,60,500	3.08	-
3	Jayadev Galla*	1,28,21,984	7.51	1,28,21,984	7.51	-
4	Padmavathi Galla*	9,91,500	0.58	9,91,500	0.58	-
5	Ashok Galla*	52,500	0.03	52,500	0.03	-
6	Siddharth Galla*	52,500	0.03	52,500	0.03	-
7	Ramadevi Gourineni*	80,55,900	4.72	80,55,900	4.72	-
8	G V Ramakrishna Vara Prasad*	7,93,244	0.46	7,93,244	0.46	-
9	Harshavardhana Gourineni*	2,88,750	0.17	2,88,750	0.17	-
10	Vikramadithya Gourineni*	2,88,750	0.17	2,88,750	0.17	-
11	Mangal Industries Limited	31,15,500	1.82	31,15,500	1.82	-
12	Johnson Controls (Mauritius) Private Limited	4,44,11,250	26.00	4,44,11,250	26.00	-
		<b>8,89,27,452</b>	<b>52.06</b>	<b>8,89,27,452</b>	<b>52.06</b>	<b>-</b>
			<b>0.69</b>		<b>0.22</b>	

\* As on March 31, 2017, M/s. RINGGalla Family & Co., a partnership firm owns the beneficial interest of the above shares and the aforesaid promoters held shares of the Company as partners of the aforesaid firm.

**c. Change in Promoters' Shareholding (please specify, if there is no change)**

	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
At the beginning of the year	8,89,27,452	52.06		-
No change during the year				
At the end of the year		-	8,89,27,452	52.06

**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
<b>1.</b>	<b>Franklin Templeton Investment Funds</b>				
	<b>At the beginning of the year</b>	<b>40,14,006</b>	<b>2.35</b>		
	Market purchases/(sales) during the week ended				
	April 29, 2016	(100,000)	(0.06)	3,914,006	2.29
	May 27, 2016	115,644	0.07	4,029,650	2.36
	June 3, 2016	414,356	0.24	4,444,006	2.60
	June 24, 2016	150,000	0.09	4,594,006	2.69
	September 16, 2016	29,200	0.02	4,623,206	2.71
	September 23, 2016	27,689	0.02	4,650,895	2.72
	October 7, 2016	115,600	0.07	4,766,495	2.79
	November 4, 2016	17,511	0.01	4,784,006	2.80
	<b>At the end of the year</b>			<b>4,784,006</b>	<b>2.80</b>
<b>2.</b>	<b>Franklin Templeton Mutual Fund (including all managed schemes)*</b>				
	<b>At the beginning of the year</b>	<b>3,883,001</b>	<b>2.27</b>		
	Net market purchases/(sales) during the week ended:				
	April 8, 2016	(3,976)	(0.00)	3,879,025	2.27
	April 15, 2016	(25,413)	(0.01)	3,853,612	2.26
	April 22, 2016	(85,611)	(0.05)	3,768,001	2.21
	May 6, 2016	(28,149)	(0.02)	3,739,852	2.19
	May 13, 2016	(28,351)	(0.02)	3,711,501	2.17
	August 5, 2016	(50,000)	(0.03)	3,661,501	2.14
	September 2, 2016	(280,000)	(0.16)	3,381,501	1.98
	September 9, 2016	(402,622)	(0.24)	2,978,879	1.74
	September 30, 2016	(315,163)	(0.18)	2,663,716	1.56
	October 14, 2016	(17,400)	(0.01)	2,646,316	1.55
	October 21, 2016	(7,600)	(0.00)	2,638,716	1.54
	October 28, 2016	(100,000)	(0.06)	2,538,716	1.49
	November 4, 2016	(220,000)	(0.13)	2,318,716	1.36
	January 27, 2017	100,000	0.06	2,418,716	1.42
	February 10, 2017	(6,500)	(0.00)	2,412,216	1.41
	February 17, 2017	(4,470)	(0.00)	2,407,746	1.41
	February 24, 2017	100,000	0.06	2,507,746	1.47
	March 3, 2017	50,000	0.03	2,557,746	1.50
	March 31, 2017	6,928	0.00	2,564,674	1.50

SI 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
	<b>At the end of the year</b>			<b>2,564,674</b>	<b>1.50</b>
<b>3.</b>	<b>ICICI Prudential Mutual Fund (including all managed schemes)*</b>				
	<b>At the beginning of the year</b>	<b>3,004,930</b>	<b>1.76</b>		
	Net market purchases/(sales) during the week ended				
	June 30, 2016	159,744	0.09	3,164,674	1.85
	July 8, 2016	1,987	0.00	3,166,661	1.85
	July 15, 2016	275,485	0.16	3,442,146	2.02
	August 12, 2016	4	0.00	3,442,150	2.02
	September 9, 2016	(348,300)	(0.20)	3,093,850	1.81
	September 16, 2016	(87,664)	(0.05)	3,006,186	1.76
	September 23, 2016	253	0.00	3,006,439	1.76
	October 7, 2016	59	0.00	3,006,498	1.76
	December 9, 2016	4	0.00	3,006,502	1.76
	December 16, 2016	187,910	0.11	3,194,412	1.87
	December 23, 2016	90,429	0.05	3,284,841	1.92
	December 31, 2016	134,197	0.08	3,419,038	2.00
	January 6, 2017	5,167	0.00	3,424,205	2.00
	February 11, 2017	59	0.00	3,424,264	2.00
	February 17, 2017	301,567	0.18	3,725,831	2.18
	February 24, 2017	320,144	0.19	4,045,975	2.37
	March 17, 2017	110,271	0.06	4,156,246	2.43
	<b>At the end of the year</b>			<b>4,156,246</b>	<b>2.43</b>
<b>4.</b>	<b>Smallcap World Fund, Inc</b>				
	<b>At the beginning of the year</b>	<b>21,73,886</b>	<b>1.27</b>		
	April 29, 2016	(136,770)	(0.08)	2,037,116	1.19
	May 6, 2016	(63,230)	(0.04)	1,973,886	1.16
	October 21, 2016	(44,052)	(0.03)	1,929,834	1.13
	October 28, 2016	(43,539)	(0.03)	1,886,295	1.10
	November 4, 2016	(4,396)	(0.00)	1,881,899	1.10
	November 11, 2016	(2,143)	(0.00)	1,879,756	1.10
	<b>At the end of the year</b>			<b>1,879,756</b>	<b>1.10</b>
<b>5.</b>	<b>Wasatch International Growth Fund#</b>				
	<b>At the beginning of the year</b>	<b>14,58,482</b>	<b>0.85</b>		
	Market purchases/(sales) during the week ended				
	June 30, 2016	(144,327)	(0.08)	1,314,155	0.77
	July 1, 2016	(150,865)	(0.09)	1163290	0.68
	July 8, 2016	(84,472)	(0.05)	1,078,818	0.63
	January 6, 2017	(8,423)	(0.00)	1,070,395	0.63
	<b>At the end of the year</b>			<b>1,070,395</b>	<b>0.63</b>
<b>6.</b>	<b>Baron Emerging Market Fund</b>				

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
	<b>At the beginning of the year</b>	<b>1,427,000</b>	<b>0.84</b>		
	Market purchases/(sales) during the week ended :				
	July 22, 2016	73,000	0.04	1,500,000	0.88
	July 29, 2016	167,636	0.10	1,667,636	0.98
	August 5, 2016	82,364	0.05	1,750,000	1.02
	September 2, 2016	50,000	0.03	1,800,000	1.05
	September 9, 2016	100,000	0.06	1,900,000	1.11
	November 11, 2016	50,000	0.03	1,950,000	1.14
	November 18, 2016	50,000	0.03	2,000,000	1.17
	<b>At the end of the year</b>			<b>2,000,000</b>	<b>1.17</b>
<b>7.</b>	<b>Durga Rani Chunduri</b>				
	<b>At the beginning of the year</b>	<b>13,51,500</b>	<b>0.79</b>		
	Market purchases/(sales) during the week ended : Nil				
	<b>At the end of the year</b>			<b>13,51,500</b>	<b>0.79</b>
<b>8.</b>	<b>J O Hambro Capital Management Umbrella Fund PLC (Various funds)</b>				
	<b>At the beginning of the year</b>	<b>1,310,020</b>	<b>0.77</b>		
	Net market purchases/(sales) during the week ended				
	April 22, 2016	8,194	0.00	1,318,214	0.77
	April 29, 2016	27,028	0.02	1,345,242	0.79
	June 17, 2016	(7,945)	(0.00)	1,337,297	0.78
	June 30, 2016	101,453	0.06	1,438,750	0.84
	July 22, 2016	(7,144)	(0.00)	1,431,606	0.84
	October 7, 2016	15,286	0.01	1,446,892	0.85
	October 21, 2016	77,240	0.05	1,524,132	0.89
	November 11, 2016	6,575	0.00	1,530,707	0.90
	November 18, 2016	16,976	0.01	1,547,683	0.91
	November 25, 2016	(6,059)	(0.00)	1,541,624	0.90
	December 2, 2016	(5,963)	(0.00)	1,535,661	0.90
	December 16, 2016	(53,298)	(0.03)	1,482,363	0.87
	December 23, 2016	(19,182)	(0.01)	1,463,181	0.86
	December 31, 2016	(62,573)	(0.04)	1,400,608	0.82
	January 13, 2017	(29,539)	(0.02)	1,371,069	0.80
	<b>At the end of the year</b>			<b>1,371,069</b>	<b>0.80</b>
<b>9.</b>	<b>Powermaster Engineers Private Limited<sup>#</sup></b>				
	<b>At the beginning of the year</b>	<b>12,63,528</b>	<b>0.74</b>		
	Market purchases/(sales) during the week ended : Nil				
	<b>At the end of the year</b>			<b>12,63,528</b>	<b>0.74</b>
<b>10.</b>	<b>Dr. Upendranath N</b>				
	<b>At the beginning of the year</b>	<b>1,246,292</b>	<b>0.73</b>		
	Market purchases/(sales) during the week ended				
	September 2, 2016	470,200	0.28	1,716,492	1.00
	September 23, 2016	(76,833)	(0.04)	1,639,659	0.96



SI 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 30, 2016	(91,095)	(0.05)	1,548,564	0.91
	October 7, 2016	(62,072)	(0.04)	1,486,492	0.87
	October 14, 2016	(19,272)	(0.01)	1,467,220	0.86
	October 21, 2016	(39,285)	(0.02)	1,427,935	0.84
	October 28, 2016	(10,333)	(0.01)	1,417,602	0.83
	March 3, 2017	(25,000)	(0.01)	1,392,602	0.82
	<b>At the end of the year</b>			<b>1392,602</b>	<b>0.82</b>
<b>11.</b>	<b>Fidelity Investment Trust - Fidelity Emerging Markets Fund ^</b>				
	<b>At the beginning of the year</b>	<b>1,160,524</b>	<b>0.68</b>		
	Net market purchases/(sales) during the week ended :				
	June 10, 2016	(15,365)	(0.01)	1,145,159	0.67
	June 17, 2016	113,299	0.07	1,258,458	0.74
	September 16, 2016	(15,677)	(0.01)	1,242,781	0.73
	January 6, 2017	87,410	0.05	1,330,191	0.78
	January 13, 2017	21,231	0.01	1,351,422	0.79
	January 20, 2017	(13,988)	(0.01)	1,337,434	0.78
	February 3, 2017	108,850	0.06	14,46,284	0.85
	February 24, 2017	109,949	0.06	15,56,233	0.91
	<b>At the end of the year</b>			<b>15,56,233</b>	<b>0.91</b>

\* 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, 2017. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on April 1, 2016.

^ Not in the Top 10 shareholders as on April 1, 2016. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on March 31, 2017.

**e. Shareholding of Directors and Key Managerial Personnel:**

Sl No.	For Each of the Directors and KMP	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.	Dr. Ramachandra N Galla, Chairman				
	At the beginning of the year	1,27,95,074	7.49		
	At the end of the year			1,27,95,074*	7.49
2.	Mr. Jayadev Galla, Vice Chairman and Managing Director				
	At the beginning of the year	1,28,21,984	7.51		
	At the end of the year			1,28,21,984*	7.51
3.	Mr. Shu Qing Yang				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
4.	Mr. Raphael John Shemanski				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
5.	Mr. Nagarjun Valluripalli				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
6.	Mr. N Sri Vishnu Raju				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
7.	Mr. T R Narayanaswamy				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
8.	Mr. Raymond J Brown				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
9.	Ms. Bhairavi Tushar Jani				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
10.	Mr. S V Raghavendra, Chief Financial Officer				
	At the beginning of the year	170	0.0001		
	At the end of the year			170	0.0001
11.	Mr. M R Rajaram, Company Secretary				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil

\* As on March 31, 2017, M/s. RKGalla Family & Co., a partnership firm owns the beneficial interest on 12,795,074 shares of Dr. Ramachandra N Galla, Chairman and 12,445,834 shares of Mr. Jayadev Galla, Vice Chairman and Managing Director.

## V. INDEBTEDNESS

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

₹ crores

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	74.14	-	74.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>74.14</b>	-	<b>74.14</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	(1.67)	-	(1.67)
<b>Net Change</b>	-	<b>(1.67)</b>	-	<b>(1.67)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	72.47	-	72.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>72.47</b>	-	<b>72.47</b>

\*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:

₹ Lakhs

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Jayadev Galla	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	240.00	240.00
	(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	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	3,566.25	3,566.25
	- as % of profit		
	- others, specify	-	-
5	Others, Contribution to Provident Fund	0.22	0.22
	<b>Total (A)</b>	<b>3,806.47</b>	<b>3,806.47</b>
	Ceiling as per the Act i.e 5% of the net profits calculated under Section 198 of the Companies Act, 2013		3,806.47

**B. Remuneration to other directors:**

₹ Lakhs

Sl. no.	Name of the Director	Particulars of Remuneration			
		Fees for attending board / committee meetings	Commission	Others, please specify	Total Amount
1.	<b>Independent Directors</b>				
	Mr. Nagarjun Valluripalli	1.50	5.00	-	6.50
	Mr. N Sri Vishnu Raju	1.80	5.00	-	6.80
	Mr. T R Narayanaswamy	1.10	5.00	-	6.10
	Mr. Raymond J Brown*	0.60	3.00	-	3.60
	Ms. Bhairavi Tushar Jani	1.10	5.00	-	6.10
	<b>Total (1)</b>	<b>6.10</b>	<b>23.00</b>	<b>-</b>	<b>29.10</b>
2.	<b>Other Non-Executive Directors</b>				
	Dr. Ramachandra N Galla	-	2,283.88	-	2,283.88
	Mr. Shu Qing Yang*	-	-	-	-
	Mr. Trent M Nevill*	-	-	-	-
	Mr. Raphael J Shemanski*	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>2,283.88</b>	<b>-</b>	<b>2,283.88</b>
	<b>Total (B)= (1+2)</b>	<b>6.10</b>	<b>2,306.88</b>	<b>-</b>	<b>2,306.88</b>
	Total Managerial Remuneration				2,306.88
	Ceiling as per the Act i.e 1% of the net profits calculated under Section 198 of the Companies Act, 2013 <sup>#</sup>				761.29

\* Please refer the clause 2(iii) of the Corporate Governance Report on their resignation/ appointments during the year.

<sup>#</sup> The shareholders at their meeting held on August 14, 2015 approved payment of Commission to Dr. Ramachandra N Galla, Non- Executive Chairman @ 3% of the net profits of the Company and other Non-Executive Independent Directors upto 1% of the net profits of the Company under the Companies Act, 2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

₹ Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. S V Raghavendra, CFO	Mr. M R Rajaram, Company Secretary	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	106.29	57.09	163.38
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	1.85	0.86	2.71
	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	-	-	-
	<b>Total</b>	<b>108.14</b>	<b>57.95</b>	<b>166.09</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.



## 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 as follows:

- Education
- Health
- Environment
- 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: <http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-policy.pdf>

### 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. Raphael John Shemanski	Member	Non-Independent, Non-Executive

### 3. Average net profit of the Company for last three financial years: ₹625.90 crores

### 4. Prescribed CSR Expenditure (2% of the Average Net Profit as in item 3 above): ₹12.52 crores

### 5. Details of CSR spend for the financial year:

- Total amount spent for the financial year : ₹16.00 crores
- Amount unspent, if any : Nil
- 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 primary school building i.e Amara Raja Vidyalayam	Rural Development Project	Diguvamagham, Chittoor, Andhra Pradesh	₹12.50 crores	₹12.50 crores	₹12.50 crores	Implementing Agency i.e Rajanna Trust
Running expenses of Skill Development Centre	Rural Development Project	Pettamitta, Chittoor, Andhra Pradesh	₹3.50 crores	₹3.50 crores	₹25.10 crores	Implementing Agency i.e Rajanna Trust

Place: Hyderabad  
Date: May 24, 2017

**Dr. Ramachandra N Galla**  
Chairman of the CSR Committee

## Annexure VI

### 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 arm's length basis

(a) Name(s) of the related party and nature of relationship	Mangal Industries Limited (MIL) Dr. Ramachandra N Galla, Chairman and Mr. Jayadev Galla, Vice Chairman and Managing Director are Directors of MIL and exercise control/significant control of MIL.
(b) Nature of contracts/ arrangements/ transactions	<b>Income:</b> Sale of goods/fixed assets; Rendering of services and Sharing of expenses  <b>Expenses:</b> 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

\* Appropriate approvals have been taken for related party transactions and necessary resolution for approval of members is being placed at the ensuing annual general meeting. Advances paid, if any, have been adjusted against invoices, wherever applicable. Please refer note 34 to the notes forming part of the financial statements for further information on transactions with MIL.

**On behalf of the Board**

Place: Hyderabad  
Date: May 24, 2017

**Dr. Ramachandra N Galla**  
Chairman

**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 Company are categorized under three broad areas of focus:

- Product Technology
- Manufacturing Engineering
- Research & Analysis

The Technology projects are identified to address the following specific objectives:

- Research on New Energy Storage Technologies/Non-Lead Acid Technologies.
- New product development for emerging applications.
- Manufacturing technology up-gradation to make the batteries robust and high end performer.
- Development of import substitution in materials and products.
- Exploration of environmental friendly operations/ materials.
- Material/Process development activities for enhancing battery performance and cost efficiency.
- Value engineering efforts for product improvements.

**ii. Benefits derived as a result of the above Technology Projects**

- An effective desulphation formulation developed that help to boost the performance of batteries.
- An eco-friendly (ROHS compliant) and cost effective FR formulation was developed.
- Developed advanced automotive batteries with AGM technology for start-stop application.
- Developed high range motorcycle batteries for higher CCA vehicles.
- Developed tubular flooded batteries for e-Rickshaw application.
- Cost effective & high life products for HUPS application in export markets.
- Developed short tubular product range with low & high warranty variants for HUPS and solar applications.
- Developed and evaluated processes for
  - i. Optimized curing and regular acid-filled formation resulting in energy and time savings.
  - ii. Improved active material efficiency.
- Demonstrated advanced Gel Technology for e-Rickshaw application.
- Evaluated and implemented optimized formation process with acid recirculation system leading to productivity enhancement.
- Implemented advanced plate technology in motorcycle batteries.
- Introduced high power series in UPS for data centre application.
- Introduced high energy density FTA product for telecom application.
- Indigenization of tooling (Make in India Concept) for critical molds used in industrial batteries.
- Introduced robust packing standards for lead & lead alloys, separators and additives.
- Indigenous design and development of tooling for reciprocation based continuous plate making technology.
- Obtained NABL accreditation status for electrical and calibration laboratories.
- Tractor battery warranty reduction by enhancing the active material utilization.
- Validated advanced positive plate making technology for automotive application.
- Registered 2 designs, filed 3 patents in India and obtained 4 publications.

### iii. Future Plan of Action (2017-18)

- ACS validation for AGM VRLA batteries.
- Continue efforts on developing light weight & sealed batteries to meet the change in automotive application requirements.
- Design and Development of 2V Series – Manufacturing in monoblock plant for optimum utilization of plant capacities.
- Development of product variants for start-stop application.
- Deploy processes for improved material efficiency.
- Development of Eco friendly flux i.e. ROHS compliant.
- Development of efficient and cost-effective Bi-polar batteries.
- NABL Accreditation is planned for the chemical and physical laboratories.
- New series of product development for telecom Sector to cater change in application usage scenarios.
- Pursue alternate terminal welding method for S-VRLA batteries.
- Study to further improve the charge acceptance in automotive batteries.
- Study on alternate binders to enhance the paste cohesion.
- Study and evaluation process methodologies for enhanced battery durability.
- TGel Technology demonstration for e-Rickshaw application.
- Technology demonstration of Tubular 2V for motive power application (PzB/PzS) & standby application (OPzS).
- Validation of advanced plate technology for UPS, automotive & motorcycle batteries.
- Validation of new plate making technologies.

### iv. Efforts in brief, made towards technology absorption

- Implemented advanced negative plate technology for UPS application with optimized material cost and improved cycle times.
- Indigenously designed and developed tooling for reciprocation based continuous plate making technology.
- Novel concept for cleaning cover venting system was successfully demonstrated and regularization is planned.
- Studied and implemented application based advanced poly design with enhanced gas path to meet the vehicle vibration & endurance testing.

### 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. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

a. The details of technology imported	The Company has imported technology for the manufacture of Automotive (SLI) batteries from Johnson Controls.
b. The year of Import	1998
c. Whether the technology been fully absorbed	Yes. Further, latest developments in the technology are absorbed and implemented from time to time with the help of Johnson Controls as and when required.
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not applicable

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

₹ crores

Sl. No	Parameters	2016-17	2015-16
1	Capital	5.28	1.76
2	Recurring	7.57	6.19
<b>Total</b>		<b>12.85</b>	<b>7.95</b>

**viii. Foreign exchange earnings and outgo**

₹ crores

Sl. No	Particulars	2016-17	2015-16
1	Foreign exchange used	1496.25	1,293.60
2	Foreign exchange earned	406.74	279.63

**On behalf of the Board**

Place: Hyderabad  
Date: May 24, 2017

**Dr. Ramachandra N Galla**  
Chairman

**Annexure VIII**

**Information pursuant to Section 197 of the Act read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- a. **The Ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any for the financial year 2016-17:**

<b>Name of the Director/ Key Managerial Personnel</b>	<b>Ratio of the remuneration to the median remuneration of the employees</b>	<b>% increase/ (decrease) in remuneration</b>
<b>Non-Executive Directors</b>		
Dr. Ramachandra N Galla Non-Executive Chairman	1,249.66	(3.04)
Mr. Raphael John Shemanski Non-Executive Director	-	-
Mr. Trent Moore Nevill Non-Executive Director	-	-
Mr. Shu Qing Yang* Non-Executive Director	-	-
Mr. Nagarjun Valluripalli Non-Executive Independent Director	2.74	-
Mr. N Sri Vishnu Raju Non-Executive Independent Director	2.74	-
Mr. T R Narayanaswamy Non-Executive Independent Director	2.74	-
Mr. Raymond J Brown* Non-Executive Independent Director	1.64	-
Ms. Bhairavi Tushar Jani Non-Executive Independent Director	2.74	-
<b>Executive Director</b>		
Mr. Jayadev Galla Vice Chairman and Managing Director	2,082.77	(3.04)
<b>Key Managerial Personnel</b>		
Mr. S V Raghavendra Chief Financial Officer	59.17	6.29
Mr. M R Rajaram Company Secretary	31.71	6.02

\* Mr. Raymond J Brown and Mr. Shu Qing Yang resigned as directors of the Company with effect from November 6, 2016 and January 22, 2017 respectively.

- b. **The percentage increase in the median remuneration of employees in the financial year:** 13.98%
- c. **The number of permanent employees on the rolls of the Company:** 6,222
- 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 2016-17 was 9%. The Percentage increase/(decrease) in the managerial remuneration for the same financial year was (3.04%).
- 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**

Place: Hyderabad  
 Date: May 24, 2017

**Dr. Ramachandra N Galla**  
 Chairman

# Independent Auditors' Report

To the members of

**Amara Raja Batteries Limited**

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **AMARA RAJA BATTERIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 the significant accounting policies and other explanatory information.

## Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

The transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2015 dated May 29, 2015 expressed an unmodified opinion on those financial statements, and

have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

## 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 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 Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the requisite disclosures related to permitted and non-permitted transactions as stated in Note 9 to the Ind AS financial statements are in accordance with the books of account maintained 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  
 (Firm's Registration No. 000513S)

### Karumanchi Rajaj

Partner  
 Membership No. 202309  
 Secunderabad, May 24, 2017

### For Deloitte Haskins & Sells LLP

Chartered Accountants  
 (Firm's Registration No. 117366W/W-100018)

### Sumit Trivedi

Partner  
 Membership No. 209354  
 Secunderabad, May 24, 2017



# 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, 2017 in conjunction with our audit of the 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls 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, 2017, 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.

#### **For Brahmayya & Co.**

Chartered Accountants  
 (Firm's Registration No. 000513S)

#### **Karumanchi Rajaj**

Partner  
 Membership No. 202309  
 Secunderabad, May 24, 2017

#### **For Deloitte Haskins & Sells LLP**

Chartered Accountants  
 (Firm's Registration No. 117366W/W-100018)

#### **Sumit Trivedi**

Partner  
 Membership No. 209354  
 Secunderabad, May 24, 2017

# 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 of the Company admeasuring 8.68 hectares in Uttarakhand State, which is under dispute (refer details in Note 33 of the financial statements). The carrying amount of this land as at March 31, 2017 is ₹Nil.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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 generally 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, 2017 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, 2017 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	2008-09 to 2015-16	3.81	2.79
		Tribunal	2007-08 and 2009-10 to 2011-12	1.36	0.36
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner level	2004-05 and 2010-11 to 2011-12	0.28	0.24
		Tribunal	2007-08	0.14	-
Income Tax Act, 1961	Income-tax	Appellate Authority upto Commissioner level	2009-10	0.33	0.17
Central Excise Act, 1944	Excise Duty	Tribunal	2003-04 to 2007-08	0.96	0.61
Finance Act, 1994	Service Tax	Tribunal	2005-06	0.76	0.61

Out of the total disputed dues aggregating ₹7.64 crores as above, ₹4.78 crores has been stayed for recovery by the relevant authorities.

There are no dues of customs duty as at March 31, 2017 on account of disputes.

- |  |  |
|--|--|
| <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.</p> | <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|--|--|

**For Brahmayya & Co.**

Chartered Accountants  
 (Firm's Registration No. 000513S)

**Karumanchi Rajaj**

Partner  
 Membership No. 202309  
 Secunderabad, May 24, 2017

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
 (Firm's Registration No. 117366W/W-100018)

**Sumit Trivedi**

Partner  
 Membership No. 209354  
 Secunderabad, May 24, 2017



# Balance Sheet

as at March 31, 2017

All amounts are in ₹crores, except share data and where otherwise stated

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>A. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	3	1,487.02	1,347.95	939.90
(b) Capital work-in-progress		240.25	122.68	86.17
(c) Other intangible assets	4	5.12	4.06	4.37
(d) Intangible assets under development		-	0.17	0.15
(e) Financial assets				
(i) Other investments	5	18.88	20.00	18.86
(ii) Other financial assets	6	5.90	5.39	3.86
(f) Income tax assets (net)	19	10.88	4.13	-
(g) Other non-current assets	11	57.90	38.24	66.01
<b>Total non - current assets</b>		<b>1,825.95</b>	<b>1,542.62</b>	<b>1,119.32</b>
<b>Current assets</b>				
(a) Inventories	7	816.95	601.64	418.13
(b) Financial assets				
(i) Other investments	5	127.78	-	-
(ii) Trade receivables	8	570.49	592.15	554.10
(iii) Cash and cash equivalents	9	100.74	78.42	74.60
(iv) Bank balances other than (iii) above	10	70.18	71.83	147.58
(v) Other financial assets	6	7.51	9.70	7.69
(c) Other current assets	11	64.97	54.40	67.53
<b>Total current assets</b>		<b>1,758.62</b>	<b>1,408.14</b>	<b>1,269.63</b>
<b>Total assets</b>		<b>3,584.57</b>	<b>2,950.76</b>	<b>2,388.95</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	12	17.08	17.08	17.08
(b) Other equity	13	2,575.99	2,098.79	1,767.40
<b>Total equity</b>		<b>2,593.07</b>	<b>2,115.87</b>	<b>1,784.48</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14	69.01	72.47	74.14
(b) Provisions	15	40.42	38.29	39.33
(c) Deferred tax liabilities (net)	16	81.51	53.75	33.57
(d) Other Non-current liabilities	20	40.94	32.58	-
<b>Total Non - current liabilities</b>		<b>231.88</b>	<b>197.09</b>	<b>147.04</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	17	418.44	349.29	266.03
(ii) Other financial liabilities	18	146.63	129.41	96.68
(b) Provisions	15	53.66	54.63	42.33
(c) Current tax liabilities (net)	19	-	-	3.25
(d) Other current liabilities	20	140.89	104.47	49.14
<b>Total current liabilities</b>		<b>759.62</b>	<b>637.80</b>	<b>457.43</b>
<b>Total equity and liabilities</b>		<b>3,584.57</b>	<b>2,950.76</b>	<b>2,388.95</b>
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  
(Firm's Registration No. 000513S)

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 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

**S.V. Raghavendra**  
Chief Financial Officer

**M.R. Rajaram**  
Company Secretary

Place : Secunderabad  
Date : May 24, 2017

Place : Secunderabad  
Date : May 24, 2017

Place : Hyderabad  
Date : May 24, 2017

# Statement of profit and loss

for the year ended March 31, 2017



**AMARA RAJA**

Gotta be a better way

All amounts are in ₹crores, except share data and where otherwise stated

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>I</b> Revenue from operations	21	5,981.39	5,184.34
<b>II</b> Other income	22	49.24	45.88
<b>III Total Income (I+II)</b>		<b>6,030.63</b>	<b>5,230.22</b>
<b>IV EXPENSES</b>			
Cost of materials consumed		3,452.16	2,742.14
Purchases of stock-in-trade		207.43	286.97
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(171.10)	(118.60)
Excise duty		664.24	566.58
Employee benefits expense	24	277.75	242.91
Finance costs	25	5.77	5.53
Depreciation and amortisation expense	26	191.17	140.69
Other expenses	27	701.00	641.36
<b>Total Expenses (IV)</b>		<b>5,328.42</b>	<b>4,507.58</b>
<b>V Profit before tax (III - IV)</b>		<b>702.21</b>	<b>722.64</b>
<b>VI Tax expense</b>	28		
(i) Current tax		195.64	210.76
(ii) Deferred tax (credit) / expense		28.08	20.25
<b>Total Tax expense (VI)</b>		<b>223.72</b>	<b>231.01</b>
<b>VII Profit for the year (V - VI)</b>		<b>478.49</b>	<b>491.63</b>
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit plans		(2.01)	(0.09)
(b) Equity instruments through other comprehensive income		0.40	1.14
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.32	0.07
<b>Total Other Comprehensive (Loss) / Income [(i)+(ii)]</b>		<b>(1.29)</b>	<b>1.12</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>477.20</b>	<b>492.75</b>
<b>Earnings per share (of ₹1/- each):</b>			
Basic and Diluted (₹)		<b>28.01</b>	<b>28.78</b>
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  
(Firm's Registration No. 0005135)

**Karumanchi Rajaj**  
Partner  
M. No. 202309

Place : Secunderabad  
Date : May 24, 2017

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sumit Trivedi**  
Partner  
M.No. 209354

Place : Secunderabad  
Date : May 24, 2017

**For and on behalf of the Board of Directors**

**Dr. Ramachandra N Galla**  
Chairman

**S.Vijayanand**  
Chief Executive Officer

**M.R. Rajaram**  
Company Secretary  
Place: Hyderabad  
Date : May 24, 2017

**Jayadev Galla**  
Vice Chairman and Managing Director

**S.V. Raghavendra**  
Chief Financial Officer

## Statement of changes in equity

for the year ended March 31, 2017

All amounts are in ₹crores, except share data and where otherwise stated

Equity share capital	Amount
Balance at April 1, 2015	17.08
Changes in equity share capital during the year	-
Balance at March 31, 2016	17.08
Changes in equity share capital during the year	-
Balance at March 31, 2017	17.08

	Reserves and surplus				Items of other comprehensive income		Total
	Securities premium reserve	Capital reserves*	General reserve	Retained earnings	Remeasurements of the defined benefit plans	Equity investments through other comprehensive income	
Balance at April 1, 2015	31.19	0.00	259.56	1,468.91	-	7.74	1,767.40
Profit for the year	-	-	-	491.63	-	-	491.63
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.06)	1.18	1.12
<b>Total comprehensive income for the year 2015-16</b>	-	-	-	<b>491.63</b>	<b>(0.06)</b>	<b>1.18</b>	<b>492.75</b>
Payment of dividends (including tax thereon) <sup>@</sup>	-	-	-	(161.36)	-	-	(161.36)
Transfer for General reserve	-	-	48.94	(48.94)	-	-	-
<b>Balance at March 31, 2016</b>	<b>31.19</b>	<b>0.00</b>	<b>308.50</b>	<b>1,750.24</b>	<b>(0.06)</b>	<b>8.92</b>	<b>2,098.79</b>
Profit for the year	-	-	-	478.49	-	-	478.49
Other comprehensive income for the year, net of income tax	-	-	-	-	(2.01)	0.72	(1.29)
<b>Total comprehensive income for the year 2016-17</b>	-	-	-	<b>478.49</b>	<b>(2.01)</b>	<b>0.72</b>	<b>477.20</b>
Transfer for General reserve	-	-	47.85	(47.85)	-	-	-
<b>Balance at March 31, 2017</b>	<b>31.19</b>	<b>0.00</b>	<b>356.35</b>	<b>2,180.88</b>	<b>(2.07)</b>	<b>9.64</b>	<b>2,575.99</b>

\* Amounts below ₹1 lakh

@ includes final dividend for FY 2014-15 ₹3.61 per share aggregating ₹73.99 crores (including dividend distribution tax thereon) and interim dividend for FY 2015-16 ₹4.25 per share aggregating ₹87.37 crores (including dividend distribution tax thereon)

See accompanying notes to the financial statements

In terms of our report attached

**For Brahmayya & Co.**  
Chartered Accountants  
(Firm's Registration No. 000513S)

**Karumanchi Rajaj**  
Partner  
M. No. 202309

Place : Secunderabad  
Date : May 24, 2017

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sumit Trivedi**  
Partner  
M.No. 209354

Place : Secunderabad  
Date : May 24, 2017

For and on behalf of the Board of Directors

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Chairman

**S.Vijayanand**  
Chief Executive Officer

**M.R. Rajaram**  
Company Secretary

Place: Hyderabad  
Date : May 24, 2017

**Jayadev Galla**  
Vice Chairman and Managing Director

**S.V. Raghavendra**  
Chief Financial Officer

## Cash flow statement

for the year ended March 31, 2017

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. Cash flows from operating activities</b>		
Profit before tax	702.21	722.64
Adjustments for:		
Depreciation and amortisation expense	191.17	140.69
Loss on sale of property, plant and equipment (net) / written off	2.65	1.99
Finance costs	5.77	5.53
Interest income on bank deposits	(6.03)	(9.79)
Dividend income from equity instruments designated at FVTOCI	(0.01)	(0.05)
Gain on sale of investments in mutual funds	(15.15)	(8.88)
Export benefits under EPCG scheme	(5.63)	(0.82)
Net gain arising on financial assets mandatorily measured at FVTPL	(0.12)	-
Liabilities no longer required written back	(2.99)	(1.59)
Provision for doubtful trade receivables	3.03	2.68
Bad trade receivables written off (net)	0.67	0.61
Net unrealised foreign exchange gain	(6.60)	(6.92)
	166.76	123.45
	868.97	846.09
Movements in working capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade receivables	16.85	(41.87)
- Inventories	(215.31)	(183.51)
- Other assets	(15.47)	1.44
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables	73.52	85.71
- Other liabilities	33.05	58.84
- Provisions	(6.32)	6.15
	(113.69)	(73.24)
Cash generated from operations	755.28	772.85
Income taxes paid	202.39	218.14
<b>Net cash generated by operating activities (A)</b>	<b>552.89</b>	<b>554.71</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(438.16)	(517.18)
Proceeds from sale of property, plant and equipment	7.70	26.75
Purchase of financial instruments- mutual fund units	(2,844.00)	(2,319.00)
Proceeds from sale of investments in mutual fund units	2,731.49	2,327.88
Proceeds from sale of long term investments	1.51	-
Bank balances not considered as cash and cash equivalents (net)	0.93	77.60
Interest income on bank deposits	5.58	10.08
Dividend income received from long term investments	0.01	0.05
<b>Net cash used in investing activities (B)</b>	<b>(534.94)</b>	<b>(393.82)</b>



## Cash flow statement

for the year ended March 31, 2017

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	(1.67)	(1.81)
Finance costs	(0.30)	(0.49)
Dividends paid including tax on dividend	-	(161.36)
<b>Net cash used in financing activities (C)</b>	<b>(1.97)</b>	<b>(163.66)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>15.98</b>	<b>(2.77)</b>
Cash and cash equivalents at the beginning of the year	78.42	74.60
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	6.34	6.59
<b>Cash and cash equivalents at the end of the year (Refer Note 9)</b>	<b>100.74</b>	<b>78.42</b>

See accompanying notes to the financial statements

In terms of our report attached

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Chartered Accountants  
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Chief Financial Officer

**M.R. Rajaram**  
Company Secretary

Place : Secunderabad  
Date : May 24, 2017

Place : Secunderabad  
Date : May 24, 2017

Place: Hyderabad  
Date : May 24, 2017

## 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 have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013, read together with the the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014 ("Previous GAAP").

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Reconciliations and description of the effect of the transition to Ind AS from previous GAAP is given in Note 45.

#### 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. 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, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

##### i) Provision for warranty

The Company estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and includes the applicable taxes and duties like excise duty and also the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### 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) Defined benefit obligations

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

### 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.

## D. 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. Excise duty is included in the value of finished goods.
- (iii) Stock-in-trade: Weighted average cost.

## E. Property, plant and equipment

### (i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and impairment losses, if any. 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

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

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 Companies Act, 2013 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.:

Asset	Useful lives (in years)
Plant and machinery (including electrical installations and moulds)	1-10

The useful lives of the assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets.

Assets costing ₹5,000 and below are fully depreciated in the year of acquisition.

Assets acquired under finance lease and leasehold improvements are amortised over the lower of estimated useful life and lease term.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the assets and the resultant gains or losses are recognised in the Statement of Profit and Loss.

## F. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on straight-line basis, from the date that they are available for use.

## G. Impairment

### (i) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. The Balance Sheet presentation for financial instruments is described below:

### **Financial assets measured at amortised cost, contractual revenue receivable:**

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### **(ii) Non-financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

The recoverable amount of an asset on cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of asset ("the cash generating unit").

## **H. 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. 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. Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when fair value is measured. Exchange differences arising on actual payment/ realization and translations referred to above are recognised in the Statement of Profit and Loss.

## **I. Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

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.



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### J. Employee benefits

#### (i) Defined contribution plans

The Company's contributions to Provident Fund (Government administered), Employees' State Insurance Scheme and Superannuation Fund (under a scheme of Life Insurance Corporation of India), considered as defined contribution plans are charged as an expense in the Statement of Profit and Loss when the employees have rendered services entitling them to the contributions.

#### (ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The defined benefit obligations recognized in the Balance Sheet represents the present value of the defined obligations as reduced by the fair value of plan assets, if applicable. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and are 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.

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss under the line item 'Employee benefits expense'.

#### (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.

### K. Revenue recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable, net of returns, trade discounts, incentives, rebates and other similar allowances.

Revenue includes only the gross inflows of economic benefits, including excise duty received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

#### (a) Sale of goods:

Revenue from sale of goods is recognised when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over goods sold.

#### (b) Rendering of services:

Revenue from installation, commissioning and maintenance services is recognised based on the agreements with the customers and when services are rendered with reference to the stage of completion which can be measured reliably.

#### (c) Other Income:

Interest income is recognised using effective interest method. Royalty income is recognised on accrual basis in accordance with the terms of the agreement. 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.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### L. Financial Instruments

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 instruments. Financial assets and financial liabilities 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 at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss.

Purchase or sales 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 trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) and non-derivative financial liabilities at amortised cost. Management determines the classification of its financial instruments at initial recognition.

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.

#### (a) Non-derivative financial assets

##### (i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents and eligible current and non-current assets.

Cash comprises cash on hand, cash at bank, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### (ii) Equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (OCI) pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established and the amount of dividend can be measured reliably.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### (iii) Financial assets at fair value through profit or loss (FVTPL)

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.

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

#### De-recognition of financial assets

The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset (except as mentioned above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received and receivable is recognised in the Statement of Profit and Loss.

### (b) Non-derivative financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and 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.

#### De-recognition of financial liability

The Company de-recognises financial liabilities, when and only when, the Company's obligations are discharged, cancelled or have expired. 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.

## M. Leases

### Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments and a liability is recognised for an equivalent amount.

### Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the Statement of Profit and Loss, unless the lease agreement explicitly states that increase is on account of inflation.

## N. 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.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### 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 or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

### O. 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.

### P. 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 capitalized. The amount capitalized 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.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Q. 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.

### R. 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.

### S. New standards and interpretations not yet adopted

#### Standards issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendment relating to Ind AS 7 is applicable to the Company from April 1, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the Company.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 3: Property, plant and equipment and capital work in progress</b>			
<b>Carrying amounts of:</b>			
Land			
- Freehold	1.24	1.24	1.43
- Leasehold	66.41	51.78	92.96
Leasehold improvements	40.02	10.53	12.48
Buildings	441.39	410.50	253.99
Plant and Equipment (including electrical installations)	880.05	827.86	545.55
Furniture and fixtures	11.29	7.50	7.78
Vehicles	7.17	13.89	10.08
Office equipment	28.85	19.26	10.65
Computer	10.60	5.39	4.98
	<b>1,487.02</b>	<b>1,347.95</b>	<b>939.90</b>
Capital work in progress	240.25	122.68	86.17
	<b>240.25</b>	<b>122.68</b>	<b>86.17</b>



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Note 3: 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
<b>(A) Cost or deemed cost</b>										
Balance at April 1, 2015	1.43	92.96	12.48	253.99	545.55	7.78	10.08	10.65	4.98	939.90
Additions	-	2.65	-	144.86	407.63	0.71	5.66	11.99	3.06	576.56
Disposals/adjustments*	(0.19)	(43.31)	-	25.79	(17.40)	-	(0.28)	(0.13)	0.05	(35.47)
Balance at March 31, 2016	1.24	52.30	12.48	424.64	935.78	8.49	15.46	22.51	8.09	1,480.99
Additions	-	15.23	33.44	50.70	208.26	5.09	2.52	15.51	8.69	339.44
Disposals/adjustments*	-	-	-	(0.27)	(2.72)	(0.08)	(8.75)	(0.85)	(0.20)	(12.87)
Balance at March 31, 2017	1.24	67.53	45.92	475.07	1,141.32	13.50	9.23	37.17	16.58	1,807.56
<b>(B) Accumulated depreciation and impairment</b>										
Balance at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal/adjustment of assets	-	-	-	-	(6.54)	-	(0.14)	(0.03)	(0.01)	(6.72)
Depreciation expense	-	0.52	1.95	14.14	114.46	0.99	1.71	3.28	2.71	139.76
Balance at March 31, 2016	-	0.52	1.95	14.14	107.92	0.99	1.57	3.25	2.70	133.04
Eliminated on disposal of assets	-	-	-	(0.01)	(0.86)	(0.01)	(1.27)	(0.26)	(0.11)	(2.52)
Depreciation expense	-	0.60	3.95	19.55	154.21	1.23	1.76	5.33	3.39	190.02
Balance at March 31, 2017	-	1.12	5.90	33.68	261.27	2.21	2.06	8.32	5.98	320.54
<b>(C) Carrying amount</b>										
Balance at April 1, 2015	1.43	92.96	12.48	253.99	545.55	7.78	10.08	10.65	4.98	939.90
Balance at March 31, 2016	1.24	51.78	10.53	410.50	827.86	7.50	13.89	19.26	5.39	1,347.95
Balance at March 31, 2017	1.24	66.41	40.02	441.39	880.05	11.29	7.17	28.85	10.60	1,487.02

\* Adjustments includes transfers inter-se

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 4: Other intangible assets</b>			
<b>Carrying amounts of:</b>			
Software	5.12	4.06	4.37
	<b>5.12</b>	<b>4.06</b>	<b>4.37</b>
Intangible assets under development	-	0.17	0.15
	<b>-</b>	<b>0.17</b>	<b>0.15</b>

Particulars	Software	Total
<b>(A) Cost or deemed cost</b>		
<b>Balance at April 1, 2015</b>	<b>4.37</b>	<b>4.37</b>
Additions	1.03	1.03
Disposals/adjustments	-	-
<b>Balance at March 31, 2016</b>	<b>5.40</b>	<b>5.40</b>
Additions	2.60	2.60
Disposals/adjustments	-	-
<b>Balance at March 31, 2017</b>	<b>8.00</b>	<b>8.00</b>
<b>(B) Accumulated amortisation and impairment</b>		
<b>Balance at April 1, 2015</b>	<b>-</b>	<b>-</b>
Amortisation expense	1.34	1.34
<b>Balance at March 31, 2016</b>	<b>1.34</b>	<b>1.34</b>
Amortisation expense	1.54	1.54
<b>Balance at March 31, 2017</b>	<b>2.88</b>	<b>2.88</b>
<b>(C) Carrying amount</b>		
<b>Balance at April 1, 2015</b>	<b>4.37</b>	<b>4.37</b>
<b>Balance at March 31, 2016</b>	<b>4.06</b>	<b>4.06</b>
<b>Balance at March 31, 2017</b>	<b>5.12</b>	<b>5.12</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 5: Other investments</b>			
<b>Non-current</b>			
<b>(I) Investments in equity instruments at FVTOCI</b>			
<b>Quoted investments (fully paid) [A]</b>			
(i) Standard Batteries Limited 125 (March 31, 2016: 125, April 1, 2015: 125) equity shares of ₹1 each*	0.00	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2016: 25, April 1, 2015: 25) equity shares of ₹2 each*	0.00	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2016: 10,000, April 1, 2015: 10,000) equity shares of ₹1 each	0.22	0.14	0.18
(iv) HBL Power Systems Limited 5,500 (March 31, 2016: 5,500, April 1, 2015: 5,500) equity shares of ₹1 each	0.02	0.02	0.03
(v) IVRCL Limited, India Nil (March 31, 2016: 160,000, April 1, 2015: 160,000) equity shares of ₹2 each	-	0.10	0.25
(vi) IDBI Bank Limited Nil (March 31, 2016: 23,749, April 1, 2015: 23,749) equity shares of ₹10 each	-	0.17	0.17
(vii) Andhra Bank Nil (March 31, 2016: 227,900, April 1, 2015: 227,900) equity shares of ₹10 each	-	1.19	1.80
<b>Total aggregate Quoted investments [A]</b>	<b>0.24</b>	<b>1.62</b>	<b>2.43</b>
<b>Unquoted investments (fully paid) [B]</b>			
(i) Indian Lead Limited 1,128 (March 31, 2016: 1,128, April 1, 2015: 1,128) equity shares of ₹10 each*	-	-	-
(ii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2016: 1,206,000, April 1, 2015: 1,206,000) equity shares of ₹10 each	18.63	18.37	16.42
<b>Total aggregate Unquoted investments [B]</b>	<b>18.63</b>	<b>18.37</b>	<b>16.42</b>
<b>Total [C = A+B]</b>	<b>18.87</b>	<b>19.99</b>	<b>18.85</b>
Less: Aggregate amount of impairment in value of assets [D]*	0.00	0.00	0.00
<b>Total investments in equity instruments at FVTOCI [E = C-D]</b>	<b>18.87</b>	<b>19.99</b>	<b>18.85</b>
<b>(II) Investments carried at amortised cost</b>			
6 years National Savings Certificates (Refer Note below) [F]	0.01	0.01	0.01
<b>Total Non-current Investments [E+F]</b>	<b>18.88</b>	<b>20.00</b>	<b>18.86</b>
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	0.36	0.36
Aggregate market value of quoted investments	0.24	1.62	2.43
Aggregate carrying value of unquoted investments	18.63	18.37	16.42
Aggregate amount of impairment in value in investments*	0.00	0.00	0.00

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
<b>Investments mandatorily measured at fair value through profit or loss (FVTPL)</b>			
<b>Quoted investments in mutual funds</b>			
SBI Mutual Fund (97,777.34 units of ₹2552.32 each)	25.01	-	-
HDFC Mutual Fund (1,64,418.82 units of ₹3,208.92 each)	52.76	-	-
ICICI Mutual Fund (10,38,874.26 units of ₹240.72 each)	25.00	-	-
Kotak Mutual Fund (75,837.10 units of ₹3,297.48 each)	25.01	-	-
<b>Total Quoted investments measured at FVTPL</b>	<b>127.78</b>	<b>-</b>	<b>-</b>
<b>Total Current Investments</b>	<b>127.78</b>	<b>-</b>	<b>-</b>
Aggregate book value of quoted investments - at cost	127.66	-	-
Aggregate market value of quoted investments	127.78	-	-

\* Amounts below ₹1 lakh

### Note 6: Other financial assets

<b>Non-current</b>			
Security deposits*	5.90	5.39	3.86
<b>Total</b>	<b>5.90</b>	<b>5.39</b>	<b>3.86</b>

\* Includes to related parties ₹1.10 crores (As at March 31, 2016: ₹0.87 crores; As at April 1, 2015: ₹0.99 crores)

<b>Current</b>			
(a) Advances to related parties:			
- Security deposits	-	0.02	-
- Reimbursable expenses	2.10	4.57	-
(b) Security deposits	1.17	1.29	2.78
(c) Interest accruals:			
- Interest accrued on deposits	4.23	3.78	4.07
- Interest accrued on overdue trade receivables	0.01	0.04	0.84
<b>Total</b>	<b>7.51</b>	<b>9.70</b>	<b>7.69</b>

### Note 7: Inventories

(at lower of cost and net realisable value)

(a) Raw materials and bought-out components	205.99	169.28	113.82
(b) Work-in-progress	215.46	150.70	136.33
(c) Finished goods	317.62	220.42	114.32
(d) Stock-in-trade (goods purchased for resale)	17.37	8.23	10.10
(e) Stores and spares (including secondary packing material)	59.90	52.31	42.90
(f) Loose tools	0.61	0.70	0.66
<b>Total</b>	<b>816.95</b>	<b>601.64</b>	<b>418.13</b>
Raw materials includes material-in-transit	49.89	42.41	17.94

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 23 and 27.

(ii) The cost of inventories recognised as an expense includes ₹0.87 crores (during 2015-16: ₹0.26 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2015-16: ₹ Nil) in respect of reversal of such write-downs.

(iii) There are no inventories expected to be recovered after more than twelve months

(iv) The mode of valuation of inventories has been stated in Note 2.D

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 8: Trade receivables</b>			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	570.49	592.15	554.10
(c) Doubtful	3.99	2.89	1.22
	<b>574.48</b>	<b>595.04</b>	<b>555.32</b>
Allowance for doubtful receivables	(3.99)	(2.89)	(1.22)
<b>Total</b>	<b>570.49</b>	<b>592.15</b>	<b>554.10</b>

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, ₹99.72 crores (as at March 31, 2016 : ₹113.48 crores; as at April 1, 2015: ₹81.15 crores) is due from one of the Company's large customers. There are no other customers who represent more than 5% 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 days the receivables are due and the rates used in the provision matrix.

(iv) <b>Movement in the expected credit loss allowance</b>	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
Balance at the beginning of the year	2.89	1.22
Movement in expected credit loss allowance on trade receivables	1.10	1.67
<b>Balance at the end of the year</b>	<b>3.99</b>	<b>2.89</b>

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 9: Cash and cash equivalents</b>			
(a) Balances with banks			
- in current accounts	81.68	54.86	27.58
- in EEFC accounts	8.78	12.03	4.38
(b) Cash on hand	0.11	0.18	0.13
(c) Cheques on hand	10.17	11.35	42.51
<b>Cash and cash equivalents as per the cash flow statement</b>	<b>100.74</b>	<b>78.42</b>	<b>74.60</b>

### Specified Bank Notes Disclosure (SBN's)

During the year, the Company had specified bank notes and other denomination note (ODN's) as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBN's and other notes as per the notification is given below:

Amount in Rupees (₹)			
Particulars	SBN's	ODN's	Total
Closing cash on hand as on November 08, 2016	620,000	349,992	969,992
(+) Permitted receipts	-	3,785,954	3,785,954
(+) Non-permitted receipts	91,000		91,000
(-) Permitted payments		3,133,717	3,133,717
(-) Non-permitted payments	108,000		108,000
(-) Amount deposited in Banks	603,000	18,270	621,270
Closing cash on hand as on December 30, 2016	-	<b>983,959</b>	<b>983,959</b>



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Note 10: Other bank balances

(a) In deposit accounts			
(i) original maturity more than 3 months	61.00	62.00	145.33
(b) In earmarked accounts			
(i) Dividend accounts	3.10	3.82	1.97
(ii) Balances held as margin money against guarantees given [Refer Note below]	6.08	6.01	0.28
<b>Total</b>	<b>70.18</b>	<b>71.83</b>	<b>147.58</b>

**Note:** Includes deposit aggregating ₹Nil (March 31, 2016: ₹0.01 crores ; April 1, 2015: ₹Nil) with remaining maturity of more than 12 months from the Balance Sheet date.

### Note 11: Other assets

<b>Non-current</b>			
(a) Capital advances	13.34	8.41	24.98
(b) Capital advances to related parties	11.56	3.86	22.92
(c) Prepaid expenses	1.70	1.78	1.14
(d) Balances with government authorities	7.63	7.38	7.19
(e) Other deposits (Electricity deposits, for other utilities, etc.)	23.67	16.81	9.78
<b>Total</b>	<b>57.90</b>	<b>38.24</b>	<b>66.01</b>
<b>Current</b>			
(a) Contractually reimbursable expenses	11.13	7.43	4.06
(b) Commercial advances	11.20	12.75	12.80
(c) Advances to employees	0.29	0.72	0.31
(d) Balances with government authorities (advances, CENVAT credit, VAT credit and Service tax credit receivable)	19.66	17.49	37.21
(e) Prepaid expenses	4.56	5.24	2.67
(f) Other receivables (export incentives, etc.)	18.13	10.77	10.48
<b>Total</b>	<b>64.97</b>	<b>54.40</b>	<b>67.53</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Note 12: Share capital</b>						
(a) <b>Authorised</b>						
Equity shares of ₹1/- each	200,000,000	20.00	200,000,000	20.00	200,000,000	20.00
(b) <b>Issued</b>						
Equity shares of ₹1/- each	175,028,500	17.50	175,028,500	17.50	175,028,500	17.50
(c) <b>Subscribed and fully paid-up</b>						
Equity shares of ₹1/- each	170,812,500	17.08	170,812,500	17.08	170,812,500	17.08
	<b>170,812,500</b>	<b>17.08</b>	<b>170,812,500</b>	<b>17.08</b>	<b>170,812,500</b>	<b>17.08</b>

### 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)
<b>Balance at April 1, 2015</b>	<b>170,812,500</b>	<b>17.08</b>
Changes during year	-	-
<b>Balance at March 31, 2016</b>	<b>170,812,500</b>	<b>17.08</b>
Changes during year	-	-
<b>Balance at March 31, 2017</b>	<b>170,812,500</b>	<b>17.08</b>

- (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, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	%	Number of shares	%	Number of shares	%
RN Galla Family & Co.*	40,231,308	23.55	-	-	-	-
Dr. Ramachandra N Galla	-	-	12,795,074	7.49	12,795,074	7.49
Jayadev Galla	376,150	0.22	12,821,984	7.51	12,821,984	7.51
Johnson Controls (Mauritius) Private Limited	44,411,250	26.00	44,411,250	26.00	44,411,250	26.00

\* Beneficial interest in respect of 12,795,074 shares of Dr. Ramachandra N Galla, 12,445,834 shares of Jayadev Galla and 14,990,400 shares of the rest was transferred in the name of RN Galla Family & Co.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 13: Other equity</b>			
(a) General reserve	356.35	308.50	259.56
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	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 account	31.19	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	9.64	8.92	7.74
Change in fair value of equity instruments through other comprehensive income.			
(e) Other items of other comprehensive income	(2.07)	(0.06)	-
Other items of other comprehensive income consists of remeasurements of defined benefit plan.			
(f) Retained earnings	2,180.88	1,750.24	1,468.91
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.			
<b>Total</b>	<b>2,575.99</b>	<b>2,098.79</b>	<b>1,767.40</b>

\*Amount below lakh

## Note 14: Non-current borrowings

<b>Unsecured - at amortised cost</b>			
Deferred Payment Liabilities			
Sales tax deferment loans [Refer Note below]	72.47	74.14	75.95
Less: Current maturities of sales tax deferment loans disclosed under Note 18 - Other financial liabilities - Current	3.46	1.67	1.81
<b>Total</b>	<b>69.01</b>	<b>72.47</b>	<b>74.14</b>

**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 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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 15 : Provisions</b>			
<b>A. Non-current</b>			
<b>Employee benefits</b>			
- Leave encashment	10.00	12.39	12.10
- Gratuity	-	(0.08)	(0.37)
<b>Other provisions</b>			
- Product warranty [Refer Note below and Note 40]	30.42	25.98	27.60
<b>Total Non-current provisions</b>	<b>40.42</b>	<b>38.29</b>	<b>39.33</b>
<b>B. Current</b>			
<b>Employee Benefits</b>			
- Leave encashment	2.12	1.37	0.84
- Gratuity	0.47	-	-
<b>Other provisions</b>			
- Product warranty [Refer Note below and Note 40]	51.07	53.26	41.49
<b>Total Current provisions</b>	<b>53.66</b>	<b>54.63</b>	<b>42.33</b>

**Note:** The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligation for warranties. The estimation has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

## 16. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet

Deferred tax assets	23.82	23.35	9.81
Deferred tax liabilities	(105.33)	(77.10)	(43.38)
<b>Total</b>	<b>(81.51)</b>	<b>(53.75)</b>	<b>(33.57)</b>

2016-17	Opening balance	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(77.10)	(23.99)	-	(101.09)
Financial assets measured at FVTOCI	5.00	-	0.32	5.32
Deferred revenue	12.35	(1.15)	-	11.20
Provision for doubtful debts	1.00	0.38	-	1.38
Provision for employee benefits	4.94	0.98	-	5.92
Unwinding of warranty provision	0.06	(0.06)	-	-
Others	-	(4.24)	-	(4.24)
	<b>(53.75)</b>	<b>(28.08)</b>	<b>0.32</b>	<b>(81.51)</b>
2015-16	Opening balance	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Property, plant and equipment	(41.69)	(35.41)	-	(77.10)
Financial assets measured at FVTOCI	4.96	-	0.04	5.00
Deferred revenue	-	12.35	-	12.35
Provision for doubtful debts	0.42	0.58	-	1.00
Provision for employee benefits	4.43	0.48	0.03	4.94
Unwinding of warranty provision	(1.69)	1.75	-	0.06
	<b>(33.57)</b>	<b>(20.25)</b>	<b>0.07</b>	<b>(53.75)</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 17: Trade payables</b>			
Trade payables [Refer Note 30]	418.44	349.29	266.03
<b>Total</b>	<b>418.44</b>	<b>349.29</b>	<b>266.03</b>

## Note 18: Other financial liabilities

<b>Current</b>			
Current maturities of Non-current borrowings [Refer Note 14]	3.46	1.67	1.81
Unpaid dividends	3.10	3.82	1.97
<b>Other payables:</b>			
- Payables on purchase of property, plant and equipment	59.82	40.39	18.93
- Others (employee related, others) [Refer Note below]	80.25	83.53	73.97
<b>Total</b>	<b>146.63</b>	<b>129.41</b>	<b>96.68</b>

**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 19: Income tax assets and liabilities

<b>Income tax assets (net)</b>			
Advance tax/ TDS receivable	10.88	4.13	-
<b>Total</b>	<b>10.88</b>	<b>4.13</b>	<b>-</b>
<b>Current tax liabilities (net)</b>			
Income tax payable	-	-	3.06
Wealth tax payable	-	-	0.19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.25</b>

## Note 20: Other liabilities

<b>Non-current</b>			
<b>Revenue received in advance</b>			
- Deferred revenue arising from government grant [Refer Note below]	40.94	32.58	-
<b>Total Non-current</b>	<b>40.94</b>	<b>32.58</b>	<b>-</b>
<b>Current</b>			
(a) Revenue received in advance			
- Deferred revenue arising from government grant [Refer Note below]	6.14	6.05	-
(b) Statutory remittances ( Excise duty, PF, VAT, TDS, etc.)	48.62	43.50	27.85
(c) Advances from customers	19.51	9.88	10.28
(d) Others (includes accruals relating to trade promotion schemes)	66.62	45.04	11.01
<b>Total Current</b>	<b>140.89</b>	<b>104.47</b>	<b>49.14</b>

**Note:** The deferred revenue of ₹47.08 crores (March 31, 2016: ₹38.63 crores; April 1, 2015: ₹Nil) arises as a result of duty benefit received on import of plant and equipment under Export Promotion Capital Goods scheme. 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 financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 21: Revenue from operations</b>		
a. Sale of products [Including Excise Duty of ₹646.19 crores for the year ended March 31, 2017 (March 31, 2016: ₹551.09 crores)] (Refer Note (i) below)	5,920.61	5,143.96
b. Sale of services (Refer Note (ii) below)	45.88	38.16
c. Other operating revenues (Refer Note (iii) below)	14.90	2.22
<b>Total</b>	<b>5,981.39</b>	<b>5,184.34</b>
<b>Notes:</b>		
<b>(i) Sale of products comprises:</b>		
Manufactured goods		
- Storage batteries	5,729.65	4,814.55
Sub-total - Sale of manufactured goods	<b>5,729.65</b>	<b>4,814.55</b>
Traded goods		
- Storage batteries	162.01	329.41
- Home UPS	28.95	-
Sub-total - Sale of traded goods	<b>190.96</b>	<b>329.41</b>
<b>Total - Sale of products</b>	<b>5,920.61</b>	<b>5,143.96</b>
<b>(ii) Sale of services comprise:</b>		
- Installation and Commissioning	9.54	11.88
- Annual Maintenance	0.94	0.53
- Others (subject and other matters experts, service charges, etc.)	35.40	25.75
<b>Total - Sale of services</b>	<b>45.88</b>	<b>38.16</b>
<b>(iii) Other operating revenues comprise:</b>		
- Sale of process scrap	1.41	1.40
- Export benefits (including MEIS & EPCG benefits) [Refer Note (iv) below]	13.49	0.82
<b>Total - Other operating revenues</b>	<b>14.90</b>	<b>2.22</b>
<b>(iv)</b> Includes ₹5.63 crores (for the year ended March 31, 2016 : ₹0.82 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 20]		

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 22: Other income</b>		
<b>a) Interest income</b>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits (at amortised cost)	6.03	9.79
- Other financial assets carried at amoritsed cost	1.08	2.42
- Unwinding of discounts on rental deposits	0.23	0.18
	<b>7.34</b>	<b>12.39</b>
<b>b) Dividend income</b>		
Dividend from equity investments designated as at FVTOCI	0.01	0.05
The dividends from equity investments designated as at FVTOCI recognised for current year relates to investment derecognised during the year and dividend of previous year relate to investments held at the end of the previous year.		
	<b>0.01</b>	<b>0.05</b>
<b>c) Other non operating income</b>		
(i) Interest income on other deposits	1.45	0.92
(ii) Sale of non process scrap	2.73	3.57
(iii) Liabilities no longer required written back	2.99	1.59
(iv) Provision for doubtful trade receivables written back	1.30	0.56
(v) Others	4.14	5.25
	<b>12.61</b>	<b>11.89</b>
<b>d) Other gains and losses</b>		
(i) Gain on disposal of mutual funds	15.15	8.88
(ii) Net foreign exchange gains	14.01	12.67
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	0.12	-
	<b>29.28</b>	<b>21.55</b>
<b>Total (a+b+c+d)</b>	<b>49.24</b>	<b>45.88</b>

**Note:**

The amount represents a net gain on non-derivative current investments which are mandatorily measured at fair value [Refer Note 5] and comprises an increase in fair value of ₹0.12 crores (for the year ended March 31, 2016 ₹Nil).

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 23: Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the beginning of the year		
Finished goods - storage batteries	220.42	114.32
Work-in-progress	150.70	136.33
Stock-in-trade		
- Storage batteries	8.23	10.01
- Home UPS	-	0.09
	<b>8.23</b>	<b>10.10</b>
<b>[A]</b>	<b>379.35</b>	<b>260.75</b>
Inventories at the end of the year		
Finished goods - storage batteries	317.62	220.42
Work-in-progress	215.46	150.70
Stock-in-trade		
- Storage batteries	4.04	8.23
- Home UPS	13.33	-
	<b>17.37</b>	<b>8.23</b>
<b>[B]</b>	<b>550.45</b>	<b>379.35</b>
<b>Increase in finished goods, work-in-progress and stock-in-trade [A-B]</b>	<b>(171.10)</b>	<b>(118.60)</b>

## Note 24: Employee benefits expense

(a) Salaries and wages	230.51	205.57
(b) Contribution to provident and other funds [Refer Note 31]	14.62	11.98
(c) Staff welfare expenses	32.62	25.36
<b>Total</b>	<b>277.75</b>	<b>242.91</b>

## Note 25: Finance costs

(a) Interest costs:		
(i) Interest on working capital facilities	0.04	0.01
(ii) Others	-	0.18
(b) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	5.47	5.05
(ii) Others	0.26	0.29
<b>Total</b>	<b>5.77</b>	<b>5.53</b>

## Note 26: Depreciation and amortisation expense

Depreciation of property, plant and equipment [Refer Note 3]	190.02	139.76
Amortisation of intangible assets [Refer Note 4]	1.54	1.34
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	0.39	0.41
<b>Total depreciation and amortisation expense</b>	<b>191.17</b>	<b>140.69</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 27: Other expenses</b>		
Consumption of stores and spares (including packing material)	72.57	69.56
Tools consumed	0.88	0.90
Power and fuel	161.55	144.51
Rent	16.54	14.50
Repairs and maintenance		
- Plant and machinery	4.70	4.51
- Buildings	2.85	1.77
- Others	3.33	4.65
Insurance	6.96	5.65
Rates and taxes	4.29	4.14
Communication	2.78	2.69
Travelling and conveyance	18.93	19.68
Outward freight and handling charges	151.73	131.32
Advertisement and sales promotion	24.35	33.15
Expenditure on Corporate Social Responsibility	16.00	11.98
Legal and professional	5.69	5.85
Payment to auditors [Refer Note below]	0.81	0.75
Bad trade receivables written off	1.33	1.06
Less : Provision released	0.66	0.45
	0.67	0.61
Provision for doubtful trade receivables	3.03	2.68
Loss on sale of property, plant and equipment (net) / written off	2.65	1.99
Warranty expenses (net)	75.13	57.00
Service expenses	32.85	25.86
Printing and stationery	1.93	1.42
Miscellaneous expenses	90.78	96.19
<b>Total</b>	<b>701.00</b>	<b>641.36</b>
<b>Note:</b>		
Payment to auditors comprise (net of service tax) <sup>#</sup>		
(a) To statutory auditors		
(i) Statutory audit fee	0.50	0.50
(ii) Limited review fee	0.15	0.12*
(iii) Tax audit fee	0.05	0.05
(iv) Reimbursement of expenses	0.07	0.05
(b) To cost auditor for cost audit	0.04	0.03
<b>Total</b>	<b>0.81</b>	<b>0.75</b>

<sup>#</sup> excludes ₹0.15 crores ( for the year ended March 31, 2016 : ₹ Nil) paid / payable to an affiliate firm of the joint auditors.

\* includes ₹0.02 crores paid to the previous auditors.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Note 28: Income tax recognised in profit or loss</b>		
<b>Current Tax</b>		
In respect of the current year	207.15	211.50
In respect of the prior years	(11.51)	(0.74)
	<b>195.64</b>	<b>210.76</b>
<b>Deferred Tax</b>		
In respect of the current year	24.57	20.25
Adjustments to deferred tax attributable to changes in tax rates and laws	3.51	-
	<b>28.08</b>	<b>20.25</b>
<b>Total income tax expense recognised</b>	<b>223.72</b>	<b>231.01</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	<b>702.21</b>	<b>722.64</b>
Income tax expense calculated at 34.608% (2015-16: 34.608%)	243.02	250.09
Effect of income that is exempt from taxation	(0.01)	(0.05)
Tax effects of amounts which are not deductible in determining taxable profit	5.47	3.19
Effect of concessions (research and development and other allowances)	(16.65)	(19.71)
Others	(0.11)	(1.77)
	<b>231.72</b>	<b>231.75</b>
Adjustment recognised in the current year in relation to tax of prior years (net)	(8.00)	(0.74)
<b>Income tax expense recognised in profit or loss</b>	<b>223.72</b>	<b>231.01</b>

The tax rate used for the year 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 34.608% 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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Note 29: Contingent liabilities and commitments</b>			
<b>(i) Contingent Liabilities:</b>			
Claims against the Company not acknowledged as debt			
- Excise duty / Service tax	1.10	1.10	1.19
- Sales tax/VAT	13.29	7.93	5.41
- Income tax	0.16	0.20	1.31
- Electricity related	72.42	70.16	69.24
- Other	5.67	5.67	-
<b>(ii) Commitments:</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	238.30	139.72	266.37
(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 30: Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	7.47	1.44	0.69
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-	0.01
(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	-	-	0.01
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (iv)	-	-	0.01

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 31: 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 ₹4.30 crores (Year ended March 31, 2016: ₹3.50 crores) for provident fund contributions, ₹5.18 crores (Year ended March 31, 2016: ₹4.09 crores) for Superannuation Fund contributions and ₹3.69 crores (Year ended March 31, 2016: ₹3.11 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.

##### (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, 2017	As at March 31, 2017	As at April 01, 2015
Present value of obligation	12.71	8.91	8.00
Fair Value of plan assets	(12.24)	(8.99)	(8.37)
<b>(Asset)/Liability recognised in the Balance Sheet</b>	<b>0.47</b>	<b>(0.08)</b>	<b>(0.37)</b>

##### (ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total
<b>As at April 1, 2015</b>	<b>8.37</b>	<b>8.00</b>	<b>(0.37)</b>
Current service cost	-	0.95	0.95
Interest cost	-	0.63	0.63
Interest income	0.69	-	(0.69)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	-	-
Actuarial (gain)/loss arising from experience adjustments	-	0.09	0.09
Contributions	0.69	-	(0.69)
Benefit payments	(0.79)	(0.79)	-
Return on plan assets, excluding interest income	-	-	-
Transfer from Group Companies	0.03	0.03	-
<b>As at March 31, 2016</b>	<b>8.99</b>	<b>8.91</b>	<b>(0.08)</b>
Current service cost	-	1.01	1.01
Interest cost	-	0.71	0.71
Interest income	0.72	-	(0.72)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.40	0.40
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.60	0.60
Actuarial (gain)/loss arising from experience adjustments	-	1.06	1.06
Contributions by employer	2.46	-	(2.46)
Benefit payments	(0.15)	(0.15)	-
Return on plan assets, excluding interest income	0.05	-	(0.05)
Transfer from Group Companies	0.17	0.17	-
<b>As at March 31, 2017</b>	<b>12.24</b>	<b>12.71</b>	<b>0.47</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

	Year ended March 31,2017	Year ended March 31,2016
<b>Note 31: Employee benefits (contd.)</b>		
<b>(iii) Statement of Profit and Loss</b>		
The charge to the Statement of Profit and Loss comprises:		
<b>Employee Benefit Expenses</b>		
Current service cost	1.01	0.95
Interest cost	0.71	0.63
Interest income	(0.72)	(0.69)
Expenses shared to group companies	-	0.03
<b>Net impact on profit before tax</b>	<b>1.00</b>	<b>0.92</b>
<b>Remeasurement of the net defined benefit plans:</b>		
Actuarial (gain)/loss arising from changes in demographic assumptions	0.40	-
Actuarial (gain)/loss arising from changes in financial assumptions	0.60	-
Actuarial (gain)/loss arising from experience adjustments	1.06	0.09
Return on plan assets, excluding interest income	(0.05)	-
<b>Net impact on other comprehensive income before tax</b>	<b>2.01</b>	<b>0.09</b>

### (iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31,2017	As at March 31,2016
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 31,2017	As at March 31,2016	As at April 01,2015
Discount rate	7.22%	8.00%	8.00%
Salary escalation rate	7.00%	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 31,2017		As at March 31,2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.77)	0.87	(0.81)	0.95
Salary escalation rate (1% movement)	0.81	0.73	0.88	(0.77)

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

	As at March 31, 2017	As at March 31, 2016
<b>Note 31: Employee benefits (contd.)</b>		
<b>(vii) Maturity analysis</b>		
Maturity profile of defined benefit obligation:		
Within 1 year	1.31	0.47
1-2 year	1.23	0.54
2-3 year	1.33	0.54
3-4 year	1.24	0.71
4-5 year	1.33	0.63
5-10 year	5.81	4.50

The Company expects to contribute ₹1.91 crores to its defined benefit plans during the next fiscal year.

## Note 32: 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 of 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, 2017	For the year ended March 31, 2016
India	5,559.71	4,892.43
Outside India	421.68	291.91
<b>Total</b>	<b>5,981.39</b>	<b>5,184.34</b>

Refer to Note 43 on Financial Risk Management and Capital Management for information on revenue from major customers.

**Note 33:** 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 has gone in appeal against the order of the District Collector and is pursuing the matter with relevant authorities. Consequent to the appeal by the Company against the aforesaid order, the Court of Board of Revenue, Dehradun, Uttarakhand State, has stayed the proceedings initiated under the aforesaid order.

However, pending resolution of the matter which is *sub-judice*, 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 of 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.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Note 34: Related party transactions

#### (a) Details of related parties

##### Entity exercising significant influence

RN Galla Family & Co. (Partnership firm)  
 Johnson Controls (Mauritius) Private Limited, Mauritius

##### Key Management Personnel

Jayadev Galla Vice Chairman and Managing Director

##### Relative of Key Management Personnel

Dr. Ramachandra N Galla (Father of KMP) Chairman

##### Entities in which KMP / Relatives of KMP exercise significant influence

Amara Raja Power Systems Limited  
 Amara Raja Electronics Limited  
 Mangal Industries Limited  
 Amara Raja Infra Private Limited  
 Amara Raja Industrial Services Private Limited  
 Asistmi Solutions Private Limited  
 Amara Raja Media and Entertainment Private Limited  
 RNGalla Family Holdings Private Limited  
 G2 Healthcare Private Limited  
 Nine Nines Lifestyle Private Limited  
 Amaron Batteries Private Limited  
 Rajanna Trust

#### Transactions with the above related parties during the year were:

Particulars	For the Year ended	
	March 31, 2017	March 31, 2016
<b>Sale of goods</b>		
Amara Raja Power Systems Limited	12.75	14.64
Amara Raja Electronics Limited	9.72	9.59
Mangal Industries Limited	0.50	8.97
<b>Sale of Fixed Assets</b>		
Amara Raja Industrial Services Private Limited	7.73	-
Mangal Industries Limited	0.01	11.39
<b>Purchase of goods</b>		
Amara Raja Power Systems Limited	0.37	0.25
Amara Raja Electronics Limited	45.74	0.44
Mangal Industries Limited	601.19	443.88
<b>Availing of services</b>		
Amara Raja Infra Private Limited	2.23	38.69
Amara Raja Industrial Services Private Limited	41.71	21.60
<b>Purchase of Fixed Assets</b>		
Amara Raja Power Systems Limited	15.41	10.64
Amara Raja Electronics Limited	0.03	0.08
Mangal Industries Limited	31.43	45.62
Amara Raja Infra Private Limited	224.55	248.60
<b>Rent Expense</b>		
Jayadev Galla	3.13	3.08
Dr. Ramachandra N Galla	0.51	0.49
Amara Raja Infra Private Limited	0.10	0.10
<b>Donation Expense</b>		
Rajanna Trust	16.00	26.23



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

Particulars	For the Year ended	
	March 31, 2017	March 31, 2016
<b>Note 34: Related party transactions (contd.)</b>		
<b>Expenses reimbursed to</b>		
Amara Raja Power Systems Limited	0.01	0.12
Amara Raja Electronics Limited	0.01	-
Mangal Industries Limited	0.01	0.69
Amara Raja Infra Private Limited	0.34	0.11
Amara Raja Industrial Services Private Limited	1.18	1.01
<b>Dividends Paid</b>		
Jayadev Galla	-	10.08
Dr. Ramachandra N Galla	-	10.06
Johnson Controls (Mauritius) Private Limited	-	34.91
Mangal Industries Limited	-	2.45
<b>Interest Expense</b>		
Amara Raja Power Systems Limited	0.01	0.02
Mangal Industries Limited	-	0.001
<b>Expenses recovered from</b>		
Amara Raja Power Systems Limited	4.80	4.24
Amara Raja Electronics Limited	2.32	2.91
Mangal Industries Limited	11.89	5.72
Amara Raja Infra Private Limited	2.24	0.54
Amara Raja Industrial Services Private Limited	1.55	0.30
<b>Royalty Income</b>		
Amara Raja Electronics Limited	0.64	1.06
<b>Cash Discounts received</b>		
Amara Raja Power Systems Limited	0.001	-
Amara Raja Electronics Limited	0.06	-
Mangal Industries Limited	-	0.66
<b>Interest Income</b>		
Amara Raja Power Systems Limited	0.20	0.63
Amara Raja Electronics Limited	0.14	1.15
Mangal Industries Limited	0.01	0.29
Amara Raja Industrial Services Private Limited	0.08	-
<b>Rental Income</b>		
Mangal Industries Limited	0.82	0.47
<b>Remuneration</b>		
Jayadev Galla	38.06	39.23
<b>Commission</b>		
Dr. Ramachandra N Galla	22.84	23.56

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

Balances receivable from / payable to related parties are as follows:

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Note 34: Related party transactions (contd.)</b>			
<b>Trade Receivables</b>			
Amara Raja Power Systems Limited	4.02	3.86	8.27
Amara Raja Electronics Limited	3.19	15.38	7.21
Mangal Industries Limited	0.06	0.42	0.21
<b>Security Deposits</b>			
Jayadev Galla	2.04	2.04	2.04
Dr. Ramachandra N Galla	0.32	0.32	0.32
Amara Raja Infra Private Limited	-	0.02	1.50
<b>Interest Receivable</b>			
Amara Raja Power Systems Limited	0.004	0.04	0.57
Amara Raja Electronics Limited	0.003	-	0.15
Mangal Industries Limited	0.001	-	-
Amara Raja Industrial Services Private Limited	0.002	-	-
Amara Raja Infra Private Limited	-	-	0.12
<b>Advances (including contractually reimbursible expenses)</b>			
Amara Raja Electronics Limited	0.32	0.39	-
Amara Raja Power Systems Limited	0.99	1.00	-
Mangal Industries Limited	2.96	2.39	0.18
Amara Raja Infra Private Limited	9.20	3.49	22.74
Amara Raja Industrial Services Private Limited	0.19	1.15	-
<b>Trade payables</b>			
Amara Raja Power Systems Limited	0.04	0.01	0.02
Amara Raja Electronics Limited	5.01	0.01	-
Mangal Industries Limited	11.70	30.43	25.02
Amara Raja Infra Private Limited	0.35	3.32	2.02
Amara Raja Industrial Services Private Limited	4.11	2.50	0.23
<b>Payables on purchase of fixed assets</b>			
Amara Raja Power Systems Limited	4.27	4.48	0.33
Amara Raja Electronics Limited	0.02	-	0.01
Mangal Industries Limited	4.77	3.02	3.14
Amara Raja Infra Private Limited	26.00	10.57	5.82
<b>Donation Payable</b>			
Rajanna Trust	-	0.44	-
<b>Other Payables (Employee Related)</b>			
Jayadev Galla	35.79	36.81	31.09
<b>Commission payable to Non Executive Directors</b>			
Dr. Ramachandra N Galla	22.84	23.43	20.16
<b>Rent Payable</b>			
Jayadev Galla	0.14	0.08	0.15
Dr. Ramachandra N Galla	0.02	0.02	0.02

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 35: Earnings per share (EPS)</b>		
Profit for the year (in ₹crores) [A]	478.49	491.63
Weighted average number of equity shares of ₹1 each outstanding during the year (No's) [B]	170,812,500	170,812,500
<b>Earnings per share</b>		
Basic and diluted (in ₹) [A/B]	<b>28.01</b>	<b>28.78</b>

### Note 36: Leases

The Company's significant leasing arrangements are in respect of operating leases for premises (offices and warehouses). These leasing arrangements which are cancellable, range between 1 years and 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of ₹16.54 crores (year ended March 31, 2016: ₹14.50 crores) paid under such arrangements has been charged to the Statement of Profit and Loss.

### Note 37: Revenue expenditure capitalized to fixed assets/ capital work-in-progress

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Employee benefits expense	0.19	3.52
(b) Cost of material consumed (net) (Refer Note below)	-	1.78
(c) Power and Fuel	-	1.19
(d) Depreciation and amortization expense	0.39	0.41
(e) Others	0.10	0.45
<b>Total</b>	<b>0.68</b>	<b>7.35</b>

**Note:** Net of income from sale of batteries, scrap, etc. ₹Nil crores (Year ended March 31, 2016: ₹2.44 crores)

### Note 38: Disclosure as per Regulation 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (i) Loans and advances in the nature of loans given to Companies in which Directors are interested ₹Nil (March 31, 2016: ₹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.

### Note 39: Details of expenditure incurred on research and development

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Revenue Expenditure:</b>		
(a) Cost of materials consumed	0.50	0.71
(b) Consumption of stores and spares (including secondary packing material)	0.21	0.18
(c) Employee benefits expense	5.19	4.06
(d) Power and fuel	0.57	0.35
(e) Others	1.10	0.89
<b>Total Revenue Expenditure [A]</b>	<b>7.57</b>	<b>6.19</b>
<b>Capital expenditure [B]</b>	<b>5.28</b>	<b>1.76</b>
<b>Total [A+B]</b>	<b>12.85</b>	<b>7.95</b>

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.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Note 40: Details of Provisions

- (a) Provision for warranty relates to warranty provision made in respect of sale of certain storage batteries, the estimated cost of which is accrued at the time of sale. The products are generally covered under a free warranty period ranging from 6 months to 3 years.
- (b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

	2016-17	2015-16
<b>Balance as at April 1</b>	<b>79.24</b>	<b>69.09</b>
Additional provisions recognised	55.05	51.17
Amount utilised / reversed during the year	(58.27)	(46.07)
Unwinding of discount and effect of changes in the discount rate	5.47	5.05
<b>Balance as at March 31</b>	<b>81.49</b>	<b>79.24</b>
Out of the above,		
Classified under Non-Current provisions (Refer Note 15)	30.42	25.98
Classified under Current provisions (Refer Note 15)	51.07	53.26

### Note 41: Category-wise classification of Financial Instruments

The Carrying and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

Particulars	Carrying value			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>						
<b>Measured at Amortised cost</b>						
(i) Cash and cash equivalents	100.74	78.42	74.60	100.74	78.42	74.60
(ii) Other bank balances	70.18	71.83	147.58	70.18	71.83	147.58
(iii) Trade receivables	570.49	592.15	554.10	570.49	592.15	554.10
(iv) Other financial assets	13.41	15.09	11.55	13.41	15.09	11.55
<b>Measured at FVTOCI</b>						
(i) Investments in equity instruments	18.88	20.00	18.86	18.88	20.00	18.86
<b>Measured at FVTPL</b>						
(a) Mandatorily measured:						
(i) Current investment- Mutual funds	127.78	-	-	127.78	-	-
<b>Total Financial assets</b>	<b>901.48</b>	<b>777.49</b>	<b>806.69</b>	<b>901.48</b>	<b>777.49</b>	<b>806.69</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
(i) Borrowings	72.47	74.14	75.95	72.47	74.14	75.95
(ii) Trade payables	418.44	349.29	266.03	418.44	349.29	266.03
(iii) Other financial liabilities	143.17	127.74	94.87	143.17	127.74	94.87
<b>Total Financial liabilities</b>	<b>634.08</b>	<b>551.17</b>	<b>436.85</b>	<b>634.08</b>	<b>551.17</b>	<b>436.85</b>

#### Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2016.

#### Financial assets and liabilities measured at fair value as at Balance Sheet date

- The fair values of investments in mutual funds is based on the net asset value ['NAV'] as stated by issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

- The fair values of investments in unquoted equity investments has been estimated using a discounted cash flow model under income approach. The valuation requires Management to make certain assumptions about model inputs, including forecast cash flows, discount rate and credit risk, the probabilities of the various estimates within range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted investments.

### Note 42: Fair value hierarchy

The fair value of financial instruments as referred to in Note 41 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 categories used are as follows:

**Level 1:** Quoted prices for identified instruments in an active market.

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at the fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
	March 31, 2017	March 31, 2016	April 1, 2015				
1) Investments in quoted mutual funds	Investment in Quoted mutual funds - aggregate face value - ₹127.78 crores			Level 1	Quoted bid prices in an active market		
2) Investments in equity instruments (quoted) (Note 3)	Listed equity securities in various companies domiciled in India - aggregate fair value of - ₹0.24 crores	Listed equity securities in various companies domiciled in India - aggregate fair value of - ₹1.62 crores	Listed equity securities in various companies domiciled in India - aggregate fair value of - ₹2.43 crores	Level 1	Quoted bid prices in an active market		



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
	March 31, 2017	March 31, 2016	April 1, 2015				
3) Investments in equity instrument at FVTOCI (unquoted) (Note 3)	1.65% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹18.63 crores	1.65% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹18.37 crores	1.65% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹16.42 crores	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	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, 2016: 1% to 3% ; as at April 1, 2015 1% to 3%).	A slight increase in long term revenue growth rates used in isolation would result in increase in the fair value (Refer Note 1 below)  A slight increase in the WACC used in isolation would result in decrease in the fair value (Refer Note 2 below)

### Notes:

- 1 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 ₹0.78 crores and ₹(0.68) crores respectively [as at March 31, 2016: increase/(decrease) by ₹0.63 crores and ₹(0.55) crores; as at April 1, 2015: increase/(decrease) by ₹0.61 crores and ₹(0.53) crores respectively].
- 2 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 ₹(1.17 crores) and ₹(0.96) crores, ₹1.34 crores and ₹1.12 crores respectively (as at March 31, 2016: (decrease)/increase by ₹(0.93 crores) and ₹(0.77) crores), ₹1.07 crores and ₹0.90 crores respectively; as at April 1, 2015: (decrease)/increase by ₹(0.87 crores) and ₹(0.73) crores), ₹1.01 crores and ₹0.86 crores respectively)
- 3 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

### Note 43: Financial Risk Management and Capital Management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, credit risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

#### A. 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.

##### Trade receivables

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.

Historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from top customer	695.65	701.31
Revenue from top 5 customers	1153.95	1281.22

Apart from one customer who is the largest customer of the Company, the Company does not have significant credit risk exposure to any single counter party.

##### Other financial assets

The Company maintain exposure in cash and cash equivalents, term deposits with banks and money market liquid mutual funds.

The Company's maximum exposure of credit risk as at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying value of each class of financial assets.

#### B. Foreign currency risk management

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.

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 following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

##### As at March 31, 2017

	₹in crores				
Particulars	US\$	EURO	GBP	Other currencies*	Total
<b>Assets</b>					
Trade receivables	28.09	-	-	-	28.09
Cash and cash equivalents	8.82	-	-	0.00	8.82
<b>Liabilities</b>					
Trade payables	78.54	6.65	0.93	0.00	86.12
Net asset / (liabilities)	(41.63)	(6.65)	(0.93)	0.00	(49.21)

\* Other currencies includes currencies such as Japanese Yen, 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

### As at March 31, 2016

₹in crores

Particulars	US\$	EURO	GBP	Other currencies*	Total
<b>Assets</b>					
Trade receivables	14.02	-	-	-	14.02
Cash and cash equivalents	12.10	-	-	0.01	12.11
<b>Liabilities</b>					
Trade payables	80.23	0.93	0.81	0.33	82.30
Net asset / (liabilities)	(54.11)	(0.93)	(0.81)	(0.32)	(56.17)

\* Others includes currencies such as Singapore \$, Japanese Yen, Russian ruble, South Korean Won, etc.

### As at April 1, 2015

₹in crores

Particulars	US\$	EURO	GBP	Other currencies*	Total
<b>Assets</b>					
Trade receivables	18.88	-	-	-	18.88
Cash and cash equivalents	4.41	-	-	0.00	4.41
<b>Liabilities</b>					
Trade payables	15.54	0.86	0.33	-	16.73
Net asset / (liabilities)	7.75	(0.86)	(0.33)	0.00	6.56

\* Others includes currencies such as Singapore \$, Japanese Yen, Russian ruble, South Korean Won, etc.

### Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹2.46 crores gain in the Statement of Profit and Loss (2015-16: ₹2.81 crores gain). A 5% weakening of the INR against these currencies 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 5% change in foreign currency rates.

### C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. 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, 2017 and March 31, 2016. 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 table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	March 31, 2017		
	Trade payables	Payables for purchase of fixed assets	Borrowings
Less than 1 year	418.44	59.82	3.46
More than 1 and less than 3 years	-	-	10.58
More than 3 and less than 5 years	-	-	24.08
More than 5 years	-	-	34.35
<b>Total</b>	<b>418.44</b>	<b>59.82</b>	<b>72.47</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

March 31, 2016			
Particulars	Trade payables	Payables for purchase of fixed assets	Borrowings
Less than 1 year	349.29	40.39	1.67
More than 1 and less than 3 years	-	-	8.94
More than 3 and less than 5 years	-	-	16.73
More than 5 years	-	-	46.80
<b>Total</b>	<b>349.29</b>	<b>40.39</b>	<b>74.14</b>

April 1, 2015			
Particulars	Trade payables	Payables for purchase of fixed assets	Borrowings
Less than 1 year	266.03	18.93	1.81
More than 1 and less than 3 years	-	-	5.13
More than 3 and less than 5 years	-	-	10.58
More than 5 years	-	-	58.43
<b>Total</b>	<b>266.03</b>	<b>18.93</b>	<b>75.95</b>

### Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. 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 monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

### Note 44: Dividend

The Board of Directors at its meeting held on May 24, 2017 have recommended a dividend of ₹4.25 per equity share of face value of ₹1 each for the financial year ended March 31, 2017. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

### Note 45: Transition to Ind AS

For periods upto and including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act") read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"). The Company's financial statements for the year ended March 31, 2017 are prepared in accordance with Ind AS notified under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. The adoption of Ind AS was carried out in accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied consistently and retrospectively for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016 and the opening Ind AS Balance Sheet as at April 1, 2015 the date of transition to Ind AS.

In preparing these financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at transition date under Ind AS and Previous GAAP have been recognised directly in equity [retained earnings or another appropriate category of equity]. This note explains the principal adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### A. Exceptions from full retrospective application:

- (i) **Estimates exception:** Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP.
- (ii) **Classification and measurement of financial assets:** The Company has determined the classification of financial assets in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income criteria based on the facts and circumstances that existed as of the transition date.
- (iii) **Government loans:** The requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109 - Financial Instruments, in respect of recognition and measurement of interest-free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest-free loans as per the financial statements of the Company prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.

### B. Exemptions from retrospective application:

- (i) **Deemed cost for property, plant and equipment and intangible assets:** The Company has elected to continue with carrying value of all its property plant and equipment, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### C. Transition to Ind AS - Reconciliations.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i. Reconciliation of Equity as at April 1, 2015 and March 31, 2016
- ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016; and
- iii. Material adjustment to Statement of cash flows.

#### (i) Reconciliation of Equity

Particulars	Note	As at March 31, 2016	As at April 1, 2015
<b>Total Equity as per previous GAAP [A]</b>		<b>2,101.64</b>	<b>1,699.57</b>
- Adjustment of dividend and related distribution tax	a	-	73.99
- Effect of unwinding of discounted amount of provisions	b	5.39	3.29
- Effect of remeasurements of defined benefit plans (net of tax)	c	0.03	-
- Effect of fair valuation of equity investments through other comprehensive income (net of tax)	d	8.92	7.74
- Others	e	(0.11)	(0.11)
<b>Total adjustment to equity [B]</b>		<b>14.23</b>	<b>84.91</b>
<b>Total equity as per Ind AS [C: A+B]</b>		<b>2,115.87</b>	<b>1,784.48</b>

#### ii) Reconciliation of Total Comprehensive Income

Particulars	Note	For the year ended March 31, 2016
<b>Net Profit after tax as reported under previous GAAP</b>		<b>489.44</b>
- Impact of discounting of warranty provisions (net of finance costs)	b	0.36
- Reclassification of Actuarial gains/losses arising in respect of employee benefit scheme to Other Comprehensive Income (OCI)	c	0.09
- Others	e	(0.03)
- Tax adjustments		1.77
<b>Net Profit after tax as reported under Ind AS</b>		<b>491.63</b>
Other comprehensive income (net of tax)		1.12
<b>Total Comprehensive income for the year as reported under Ind AS</b>		<b>492.75</b>

- (iii) There were no material differences between the Statement of cash flows presented under Ind AS and the Previous GAAP.



## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Effect of Ind AS adoption on the Balance sheet as at March 31, 2016 and April 1, 2015

	Note	As at March 31, 2016			As at April 1, 2015		
		Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Property, plant and equipment	f	1,312.27	35.68	1,347.95	939.90	-	939.90
(b) Capital work-in-progress	f	119.74	2.94	122.68	86.17	-	86.17
(c) Other intangible assets		4.06	-	4.06	4.37	-	4.37
(d) Intangible assets under development		0.17	-	0.17	0.15	-	0.15
(e) Financial assets							
(i) Other investments	d	16.08	3.92	20.00	16.08	2.78	18.86
(ii) Other financial assets	e	6.87	(1.48)	5.39	5.23	(1.37)	3.86
(f) Income tax assets (net)		4.13	-	4.13	-	-	-
(g) Other non-current assets	e	36.93	1.31	38.24	64.94	1.07	66.01
<b>Total non - current assets</b>		<b>1,500.25</b>	<b>42.37</b>	<b>1,542.62</b>	<b>1,116.84</b>	<b>2.48</b>	<b>1,119.32</b>
<b>Current assets</b>							
(a) Inventories		601.64	-	601.64	418.13	-	418.13
(b) Financial assets							
(i) Other investments		-	-	-	-	-	-
(ii) Trade receivables		592.15	-	592.15	554.10	-	554.10
(iii) Cash and cash equivalents		78.42	-	78.42	74.60	-	74.60
(iv) Bank balances other than (iii) above		71.83	-	71.83	147.58	-	147.58
(v) Other financial assets		9.70	-	9.70	7.69	-	7.69
(c) Other current assets	e	54.34	0.06	54.40	67.34	0.19	67.53
<b>Total current assets</b>		<b>1,408.08</b>	<b>0.06</b>	<b>1,408.14</b>	<b>1,269.44</b>	<b>0.19</b>	<b>1,269.63</b>
<b>Total Assets</b>		<b>2,908.33</b>	<b>42.43</b>	<b>2,950.76</b>	<b>2,386.28</b>	<b>2.67</b>	<b>2,388.95</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		17.08	-	17.08	17.08	-	17.08
(b) Other equity	a to e	2,084.56	14.23	2,098.79	1,682.49	84.91	1,767.40
<b>Total Equity</b>		<b>2,101.64</b>	<b>14.23</b>	<b>2,115.87</b>	<b>1,699.57</b>	<b>84.91</b>	<b>1,784.48</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		72.47	-	72.47	74.14	-	74.14
(b) Provisions	b,c	46.02	(7.73)	38.29	44.31	(4.98)	39.33
(c) Deferred tax liabilities (net)	b,c,d	58.84	(5.09)	53.75	36.84	(3.27)	33.57
(d) Other Non-current liabilities	f	-	32.58	32.58			
<b>Total Non - current liabilities</b>		<b>177.33</b>	<b>19.76</b>	<b>197.09</b>	<b>155.29</b>	<b>(8.25)</b>	<b>147.04</b>
<b>Current liabilities</b>							
(a) Financial liabilities							
(i) Trade payables		349.29	-	349.29	266.03	-	266.03
(ii) Other financial liabilities		129.41	-	129.41	96.68	-	96.68
(b) Provisions	b,a	52.24	2.39	54.63	116.32	(73.99)	42.33
(c) Current tax liabilities (net)		-	-	-	3.25	-	3.25
(d) Other current liabilities	f	98.42	6.05	104.47	49.14	-	49.14
<b>Total current liabilities</b>		<b>629.36</b>	<b>8.44</b>	<b>637.80</b>	<b>531.42</b>	<b>(73.99)</b>	<b>457.43</b>
<b>Total equity and liabilities</b>		<b>2,908.33</b>	<b>42.43</b>	<b>2,950.76</b>	<b>2,386.28</b>	<b>2.67</b>	<b>2,388.95</b>

## Notes to the financial statements

All amounts are in ₹crores, except share data and where otherwise stated

### Effect of Ind AS adoption on Statement of Profit and Loss for the year ended March 31, 2016

	Note	Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS
I Revenue from operations	g,f,h	4,690.67	493.67	5,184.34
II Other income	e	45.68	0.20	45.88
<b>III Total Revenue [I+II]</b>		<b>4,736.35</b>	<b>493.87</b>	<b>5,230.22</b>
<b>IV Expenses</b>				
Cost of materials consumed		2,742.14	-	2,742.14
Purchases of stock-in-trade	g	325.45	(38.48)	286.97
Changes in inventories of finished goods, stock-in-trade and work-in-progress	h	(103.12)	(15.48)	(118.60)
Excise duty	h	-	566.58	566.58
Employee benefits expense	c	243.00	(0.09)	242.91
Finance costs	b	0.48	5.05	5.53
Depreciation and amortization expense		139.87	0.82	140.69
Other expenses	b,e,g	666.34	(24.98)	641.36
<b>Total Expenses [IV]</b>		<b>4,014.16</b>	<b>493.42</b>	<b>4,507.58</b>
<b>V Profit before tax [III - IV]</b>		<b>722.19</b>	<b>0.45</b>	<b>722.64</b>
<b>VI Tax expenses</b>				
(i) Current tax		210.76	-	210.76
(ii)Deferred tax (credit) / expense	b	21.99	(1.74)	20.25
<b>Total Tax expenses [VI]</b>		<b>232.75</b>	<b>(1.74)</b>	<b>231.01</b>
<b>VII Profit for the year [V - VI]</b>		<b>489.44</b>	<b>2.19</b>	<b>491.63</b>
<b>VIII Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans	c	-	(0.09)	(0.09)
(b) Equity instruments through other comprehensive income	d	-	1.14	1.14
(ii) Income tax relating to items that will not be reclassified to profit or loss			0.07	0.07
<b>Total Other Comprehensive Income [VIII]</b>		<b>-</b>	<b>1.12</b>	<b>1.12</b>
<b>IX Total Comprehensive Income [VII + VIII]</b>		<b>489.44</b>	<b>3.31</b>	<b>492.75</b>

### Notes to the reconciliations

- Under previous GAAP, dividends on equity shares (including dividend distribution tax thereon) recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends (including dividend distribution tax thereon) are recognised when declared by the members in general meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹Nil (April 1, 2015 - ₹73.99 crores), but does not effect profit before tax and profit for the year ended March 31, 2016.
- Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has discounted the warranty provisions to present value at the reporting dates resulting in the provisions being decreased. Consequently, the unwinding of discount has been recognised as a finance cost. Further, the corresponding differences in deferred taxes have also been recognised.

- c. Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial losses for the year ended March 31, 2016 were ₹0.09 crores and tax effect thereon ₹0.03 crores. This change does not affect the total equity, but there is a increase in the profit before tax of ₹0.09 and in total comprehensive income of ₹0.06 crores for the year ended March 31, 2016.
- d. Under previous GAAP, long-term investments were measured at cost less provision for diminution, other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in carrying amount. The corresponding deferred taxes have also been recognized. These changes do not affect profit before tax for the year ended March 31, 2016 because the investments have been classified as FVTOCI.
- e. Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Profit for the year end and total equity as at March 31, 2016 decreased by ₹0.21 crores due to amortisation of prepaid rent, which is partially off-set by the notional interest income of ₹0.20 crores recognised on security deposits.
- f. Under Ind AS, government grants in the nature of duty benefit under Export Promotion Capital Goods scheme (EPCG) received have been recognised separately in the financial statements. Deferred revenue of ₹38.63 crores (April 1, 2015: ₹Nil) arises as a result of duty benefit received on import of plant and equipment under EPCG scheme. The deferred revenue is recognised in the Statement of Profit and Loss in the proportion of depreciation charged on such assets.
- g. Under previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions and incentives given to customers (including through free issues of traded batteries), which have been reclassified from 'advertising and sales promotion' within other expenses and 'purchase of traded goods' under Previous GAAP and netted from revenue under Ind AS. The change does not affect total equity as at March 31, 2016, profit before tax or total comprehensive income for the year ended March 31, 2016.
- h. Under previous GAAP, revenue from sale of products was presented net of excise duty. However, under Ind AS, excise duty is included in sale of goods. Excise duty expense is presented separately on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses. In the light of above, increase/ (decrease) of excise duty on finished goods included as part of changes in inventories of finished goods, work-in-progress and stock-in-trade has been included in 'excise duty' presented as expense on the face of the Statement of Profit and Loss.

**Note 46:** The financial statements are approved for issue by the Board of Directors on May 24, 2017.

**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

**S.V. Raghavendra**  
Chief Financial Officer

**M.R. Rajaram**  
Company Secretary

Place: Hyderabad  
Date : May 24, 2017

## NOTICE OF THE ANNUAL GENERAL MEETING

To the members of  
**Amara Raja Batteries Limited**

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Amara Raja Batteries Limited will be held on Monday, August 7, 2017 at 2:30 p.m. at the registered office of the Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh-517520 to transact the following business:

### Ordinary Business

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors' and Auditors' thereon and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution**:  
**"RESOLVED** that the audited financial statements of the Company for the financial ended March 31, 2017, the report of the auditor's thereon and the report of the Board of Directors for the financial year ended March 31, 2017, as placed before the 32<sup>nd</sup> Annual General Meeting be and are hereby received, considered and adopted."
- To declare dividend on the equity shares of the Company for the financial year ended March 31, 2017 and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution**:  
**"RESOLVED** that a dividend of ₹4.25 per share (425%) recommended by the Board of Directors be and is hereby declared on the equity shares of ₹1 each of the Company for the year ended March 31, 2017 and the same be paid to those shareholders, in case of shares held in physical form, whose names appear in the register of members as of the close of business hours on July 31, 2017 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on July 31, 2017 as per details furnished by the depositories for this purpose."
- To appoint a director in place of Mr. Raphael J Shemanski (DIN: 07462586) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution**:  
**"RESOLVED** that Mr. Raphael J Shemanski (DIN: 07462586) 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."
- To ratify the appointment of joint statutory auditors and fix their remuneration and in this regard 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 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"), the appointment of joint statutory auditors i.e 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 which was approved at the Annual General Meeting held on August 14, 2015 to hold office for a term of 5 years i.e from the conclusion of the 30<sup>th</sup> annual general meeting until the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company, be and is hereby ratified from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹70,00,000 (Rupees Seventy Lakhs only) plus reimbursement of out of pocket expenses and applicable taxes and the Board of Directors of the Company be and they are hereby authorised to pay such increased audit fees as they may deem fit."

### Special Business

- To appoint Mr. Trent Moore Nevill (DIN: 07699463 ) as a Director and in this regard 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 Qualification of Directors) Rules, 2014, as amended from time to time ("Act"), Mr. Trent Moore Nevill (DIN: 07699463) who was appointed as an Additional Director of the Company with effect from January 22, 2017 by the Board of Directors, who holds office upto the date of this Annual General Meeting under Section 161 of the Act and Article 95 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 his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To ratify the remuneration of the Cost Auditors for the financial year 2017-18 and in this regard 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 (Act) and 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 2017-18 at a remuneration of ₹3,50,000 (Rupees Three Lakhs Fifty Thousand only) plus reimbursement of out of pocket expenses and applicable taxes be and is hereby ratified.

**RESOLVED FURTHER** that any of the Directors or Key Managerial Personnel of the Company be and they are hereby severally authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

7. To approve the transactions with Mangal Industries Limited (MIL) and authorise the Board to enter into agreement(s)/ contract(s) with MIL and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution**:

**"RESOLVED** that pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, the additional transactions entered into with Mangal Industries Limited (MIL) to the extent of ₹45.86 crores during the financial year 2016-17, in excess of ₹600 crores being limits approved by members at Annual General Meeting held on August 14, 2015, be and is hereby ratified.

**RESOLVED FURTHER** that approval of the members of the Company be and is hereby accorded to the Board of Directors or Committee of the Board of Directors (hereinafter referred to as the "Board") for entering into contract/ arrangement/transactions with MIL, a related party for the purchase, sale or supply of products, materials, availing or rendering of services or any other obligations including leasing of property on such terms and conditions as may be mutually agreed upon by the Company and MIL upto an amount of ₹1,000 crores in each financial year commencing from FY 2017-18 onwards, on such terms and conditions as may be mutually agreed upon between the Company and MIL.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to decide upon the nature and value of products, materials, goods or services to be transacted with MIL within the aforesaid limits.

**RESOLVED FURTHER THAT** the Board be and are hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, to give effect to the above resolution."

8. To alter the Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013 and in this regard 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 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014 as amended from time to time ("Act"), consent of the members of the Company be and is hereby accorded to the alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association in substitution, and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER** that the Board be and is hereby authorised to take such steps and do all such acts, deeds and things as is considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider necessary or desirable to give effect to this resolution."

**By Order of the Board**  
**For Amara Raja Batteries Limited**

**M R Rajaram**  
Company Secretary

Place: Hyderabad  
Date: May 24, 2017

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.co.in, Website: www.amararaja.co.in

**Notes:**



1. **A Member entitled to attend and vote at the Annual General Meeting (the “meeting” or “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.**

**A person can act as proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**

**The proxy form in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**

2. Corporate member(s) intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 (Act) authorising their representatives to attend and vote on their behalf at the meeting.
3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the special business to be transacted at the meeting, is annexed hereto.
4. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking appointment/re-appointment at the meeting is furnished and forms part of the Notice.
5. The registers i.e Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Act respectively will be available for inspection to the members at the meeting.
6. The register of members and share transfer books of the Company will remain closed from Tuesday, August 1, 2017 to Monday, August 7, 2017 (both days inclusive), for the purpose of determining the entitlement of member to the dividend for the financial year 2016-17, if declared at the meeting.
7. The dividend, if declared, shall be paid on or before August 31, 2017 to those members whose name appear in the register of members as of the close of business hours on July 31, 2017 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on July 31, 2017 as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8. The copies of the Annual Report 2016-17 including the notice of the 32<sup>nd</sup> Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose e-mail address are registered with the Company/Depositories for communication purposes. For members who have not registered their e-mail address, the aforesaid documents are being sent in the permitted mode.
9. Members may also note that the notice of the 32<sup>nd</sup> Annual General Meeting, proxy form and the Annual Report 2016-17 shall be placed on the Company's website [www.amararaja.co.in](http://www.amararaja.co.in). The physical copies will also be available at the registered office of the Company for inspection during normal business hours on working days.
10. The route map to the venue of the meeting is furnished herewith and forms part of the Notice.
11. **Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents, Cameo Corporate Services Limited (“Cameo”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the concerned Depository Participant by the members.**
12. **Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.**
13. **Members holding shares in physical form are requested**
  - to advise any change in their address immediately to Cameo Corporate Services Limited, Chennai.
  - to update their Bank details already registered with Company/Cameo Corporate Services Limited or register their bank details by submitting the duly completed National Electronic Clearing Services (NECS) mandate form attached to this annual report and forward the same to the Cameo Corporate Services Limited to enable the Company to remit the dividend through NECS.

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 RTA/Depositories for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Cameo Corporate Services Limited, Chennai.
16. Members seeking any information with regard to the financial statements are requested to write to the Company atleast 7 days before the meeting so as to enable the management to keep the information ready at the meeting.
17. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.
18. **Voting through electronic means:** 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Central Depository Services (India) Limited (CDSL) as the authorised agency to provide e-voting facilities. Instructions for e-voting are given in note no. 24.
19. **Voting at AGM:** The facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right to vote at the meeting. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.
20. 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 poll at AGM in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at 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 three (3) days 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.
22. 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 resolutions.
23. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company [www.amararaja.co.in](http://www.amararaja.co.in) and on CDSL's website <https://evotingindia.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same on their website(s).
24. **E-voting Instructions:** The instructions and other information relating to e-voting are as under:
- Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Now click on "Shareholders" to cast your votes.
  - Now fill up the following details in the appropriate boxes:

User - ID	For CDSL: 16 digits beneficiary ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID Members holding shares in Physical Form should enter Folio Number registered with the Company
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  - Next enter the Image Verification as displayed and click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department.</p> <p>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their Demat account number/Folio No., as the case may be, in the PAN field.</p> <p>In case the Folio No. is less than 8 digits, enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar and Folio No. is 1, then enter RA00000001 in the PAN field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said folio</p> <p>If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank column.</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Now select the Electronic Voting Sequence Number (EVSN) along with "Amara Raja Batteries Limited" from the drop down menu and click on "SUBMIT".
- xi. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. The option "YES" implies that you assent to the Resolution and Option "NO" implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "YES/NO" or alternatively you may partially enter any number in "YES" and partially in "NO", but the total number in "YES" and "NO" taken together should not exceed your total shareholding.
- xii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire notice or resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding remote e-voting, please write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Members can also refer to Frequently Asked Questions ("FAQs") available under the "HELP" section on [www.evotingindia.com](http://www.evotingindia.com)

**Other Instructions**

- i. The remote e-voting will commence on **Friday, August 4, 2017 (9:00 a.m. IST) and ends on Sunday, August 6, 2017 (5:00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on Monday, July 31, 2017 i.e cutoff date may cast their vote electronically. The e-voting module shall be disabled by CDSL 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.
- ii. **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, 2017. 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, 2017 shall only be entitled to avail the facility of remote e-voting and voting at the meeting through ballot.**
- iii. 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, 2017 may write to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Company at [investorservices@amararaja.co.in](mailto:investorservices@amararaja.co.in) for User ID and password or follow the instructions in note no. 24 for casting their vote. If the member is already registered with CDSL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

**Statement pursuant to Section 102 (1) of the Companies Act, 2013(Act)**

The following statement sets out all material facts relating to special business mentioned in the accompanying notice dated May 24, 2017 and shall be taken as forming part of the notice.

**Item No. 5**

Mr. Trent Moore Nevill (Mr. Trent Nevill) was appointed as an Additional Director of the Company by the Board with effect from January 22, 2017, pursuant to Section 161 of the Companies Act, 2013 (Act) and holds office upto the date of this Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Act, from a member along with deposit of requisite amount proposing the candidature of Mr. Trent Nevill for the office of Director under Section 152 of the Act. The Company has received from Mr. Trent Nevill the requisite disclosures/declarations pursuant to the provisions of the Act.

The particulars of Mr. Trent Nevill viz., qualification, expertise and directorships and memberships of other Board Committees of listed entities and other details as required under Secretarial Standards are furnished hereunder and in Corporate Governance Report.

Mr. Trent Nevill is interested in the resolution as set out at item no. 5 of this notice with regard to his appointment as a Director.

**Item No. 6**

The Board of Directors at their meeting held on May 24, 2017, on recommendation of the Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad as cost auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18 on a remuneration of ₹3,50,000 (Rupees Three Lakhs Fifty Thousand only) plus reimbursement of out of pocket expenses and applicable taxes.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, consent of the members is sought by way of an ordinary resolution as set out at item no. 6 of the notice ratifying the remuneration payable to the Cost Auditors for the financial year 2017-18.

**Item No. 7**

Mangal Industries Limited (MIL), is a related party as per Section 2 (76) of the Companies Act, 2013 and Regulation 2 (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. MIL was promoted by the Galla Family as a means to source quality components for Batteries. The Company sources quality components needed for the batteries from MIL. The pricing of the components are competitive and are at an arm's length basis.

The Members at the AGM held on August 14, 2015 had authorised the Board to enter into transactions with MIL upto an amount of ₹600 crore in any financial year commencing from the FY 2015-16 onwards. The cumulative transactions with MIL for the FY 2016-17 are at ₹645.86 crores, which exceeded 10% of the audited turnover of the Company and are "material" in nature as defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"). Further keeping in view of the growing business projections in the future years, the cumulative transactions with MIL are estimated to be at around ₹1,000 crores over a period of time.

Accordingly, the necessary resolutions at item no. 7 is being proposed to ratify the additional transaction value of ₹45.86 crores entered into with MIL for FY 2016-17 and authorize the Board or Committee of the Board to enter into transactions with MIL upto ₹1,000 crores for each of the financial year commencing from 2017-18 onwards for approval of the members by way of an ordinary resolution in terms of the Regulations.

Dr. Ramachandra N Galla, Chairman and Mr. Jayadev Galla, Vice Chairman and Managing Director to the extent of their shareholding in the Company are interested in the resolution set out in the enclosed notice. The relatives of Dr. Ramachandra N Galla, Chairman and Mr. Jayadev Galla, Vice Chairman and Managing Director may be deemed to be concerned or interested to the extent of their shareholding interest, if any, in the Company in the said resolution.

**Item No. 8**

The Companies Act, 2013 (New Act/Act), read with Rules made thereunder, has brought out various changes in the provisions that were contained in the Companies Act 1956 (Old Act). The existing Articles of Association (AoA) of the Company was formulated based on the provisions of the Old Act and therefore contains certain provisions which are not in line with the provisions of the New Act. The New Act provides that in case of conflict with the provisions of the New Act and the Articles of Association of the Company, the provisions of the New Act will prevail. However, it is considered desirable to amend the Articles of Association of the Company to bring it in line with the provisions of the New Act.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the applicable Rules, consent of the members is sought by way of special resolution as set out at item no. 8 of the notice for adoption of new Articles of Association of the Company. The Board of Directors at the meeting held on May 24, 2017 had accorded their approval for alteration of Articles of Association.

The existing AOA of the Company and the draft of proposed AOA is available on the Company's website at [www.amararaja.co.in](http://www.amararaja.co.in) for perusal by the Members. Member(s) interested in obtaining a physical copy of the AOA can send in their request to the Company e-mail address: [investorservices@amararaja.co.in](mailto:investorservices@amararaja.co.in).

**By Order of the Board**  
For **Amara Raja Batteries Limited**

Place: Hyderabad  
Date: May 24, 2017

**M R Rajaram**  
Company Secretary



Pursuant to Secretarial Standards-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief particulars of the directors proposed for re-appointment/appointment at the Annual General Meeting are given below

<b>I. Name of the Director</b>	<b>Mr. Raphael John Shemanski (Mr. Ray Shemanski)</b>
Date of Birth	June 7, 1962
Qualification	Bachelor of Science degree from Saginaw Valley State University, Michigan and a Master of Business Administration from the University of Michigan
Expertise	<p>Mr. Ray Shemanski joined Johnson Controls in 2003 and currently leads the Johnson Controls Power Solutions Global Aftermarket Business. In this role he manages a team to focus on the strengths of the local market leadership through regional management and strong operating responsibility for the balance of company's Starting, Lighting and Ignition (SLI) lead acid battery manufacturing facilities worldwide. He also supports both Aftermarket and Original Equipment customers with SLI products.</p> <p>Previously, Mr. Ray Shemanski was Vice President and General Manager of Johnson Controls Global Original Equipment Group where he managed customer relationship surrounding the company's battery technologies.</p> <p>Mr. Ray Shemanski also served as Vice President and General Manager of Johnson Control's Automotive Experience, Ford Business Unit.</p>
Relationship with other directors and KMP	Not related to any other director or KMP of the Company
Name(s) of listed entities in which Directorships held	Amara Raja Batteries Limited
Name of listed entities in which Committee membership (s)/Chairmanship (s) held	Amara Raja Batteries Limited - Member of Corporate Social Responsibility Committee
Total shares held by him in the Company	Nil
<b>II. Name of the Director</b>	<b>Mr. Trent Moore Nevill (Mr. Trent)</b>
Date of Birth	July 25, 1971
Qualification	Bachelor's Degree in Industrial Engineering from Texas A&M University.
Expertise	<p>Mr. Trent has most recently been appointed as President, Johnson Controls - Asia Pacific. Prior to his new role, Mr. Trent was the Vice President and General Manager, Systems and Services North America for Johnson Controls. In his 20 years of service in Johnson Controls, he has served in a variety of commercial, operations, and general management leadership positions within Building Efficiency. Mr. Trent led the Customer Growth Strategy to integrate the Systems, Services and Solutions businesses into a \$4.3B organization.</p> <p>Mr. Trent is a 2008 graduate of Johnson Controls' Global Extreme Leadership Program (XLP), and multi-time recipient of both the prestigious Chairman's Award and Merit Award. He was also a member of the JCI-York Integration Team. Mr. Trent earned a Bachelor's Degree in Industrial Engineering from Texas A&amp;M University.</p> <p>Mr. Trent was just recently placed as a Board Member for the Milwaukee School of Engineering Board of Regents. Mr. Trent is also a member of the Architects, Contractors and Engineers (ACE) Mentor Program of America, Council on Foreign Relations, Construction Industry Roundtable (CIRT) and sits on the Board of Directors for US Air Conditioning Distributors, LLC.</p>
Relationship with other directors and KMP	Not related to any other director or KMP of the Company
Name(s) of listed entities in which Directorships held	Amara Raja Batteries Limited
Name of listed entities in which Committee membership (s)/Chairmanship (s) held	Nil
Total shares held by him in the Company	Nil



## Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305

Registered Office: Renigunta – Cuddapah Road, Karakambadi, Tirupati – 517520, Andhra Pradesh

Tel: 91 (877) 226 5000 Fax: 91 (877) 228 5600

investorservices@amararaja.co.in | www.amararaja.co.in

### Proxy Form - Form MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### 32<sup>nd</sup> Annual General Meeting – August 7, 2017

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Name of the Member(s) :

Registered address :

E-mail id :

Folio No./ Client ID No. :

DP ID :

---

I/We, being the member (s) of ..... shares of the Amara Raja Batteries Limited, hereby appoint

1. Name : .....  
Address : .....  
e-mail id : .....  
Signature : .....or failing him/her
2. Name : .....  
Address : .....  
e-mail id : .....  
Signature : .....or failing him/her
3. Name : .....  
Address : .....  
e-mail id : .....  
Signature : .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, August 7, 2017 at 2:30 p.m. at the registered office of the Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh -517 520 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject matter of the resolution
1.	Adoption of the audited financial statements for the financial year ended March 31, 2017 together with the reports of the Board of Directors' and Auditors' thereon.
2.	Declaration of dividend on the equity shares of the Company for the financial year 2016-17.
3.	Appointment of Mr. Raphael J Shemanski, as Director of the Company.
4.	Ratification of appointment of M/s. Brahmayya & Co., and M/s. Deloitte Haskins & Sells LLP as the joint statutory auditors of the Company.
5.	Appointment of Mr. Trent M Nevill as Director of the Company.
6.	Ratification of the remuneration to be paid to the cost auditors of the Company for the financial year 2017-18.
7.	Ratification of additional transactions entered into with Mangal Industries Limited (MIL) during the FY 2016-17 and authorising the Board to enter into agreement/contract with MIL for enhanced limits from FY 2017-18 onwards.
8.	Adoption of new Articles of Association of the Company.

Signed this ..... day of ..... 2017

Affix a  
Revenue  
Stamp of ₹1/-

Signature of the Member

**Notes:**

1. The proxy form in order to be effective, should be duly stamped, completed, signed and must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.
2. The Proxy need not be a Member of the Company.
3. The proxy holder may vote either for or against each resolution.



## Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305

Registered Office: Renigunta – Cuddapah Road, Karakambadi, Tirupati – 517520, Andhra Pradesh

Tel: 91 (877) 226 5000 Fax: 91 (877) 228 5600

investorservices@amararaja.co.in | www.amararaja.co.in

### ATTENDANCE SLIP 32<sup>nd</sup> Annual General Meeting (AGM) – August 7, 2017

Sr. No.

Folio No. / DP ID No. / Client ID No.	
Name and registered address of the member	
Name(s) of the Joint Holder(s) if any	
Number of Shares held	
Full Name of the Proxy (IN BLOCK LETTERS)	

I certify that I am a member/proxy for the member of the Company. I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Monday, August 7, 2017 at 2:30 p.m. at the registered office of the Company at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520

#### SIGNATURE OF THE MEMBER/PROXY

1. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members/Proxy holders are requested to bring their copies of the Annual Report to the AGM.
2. Only members/representatives of the Corporate members or proxies are allowed to attend the AGM. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013 (Act). A copy of authorisation should be deposited with the Company.

### Route Map to the AGM Venue

Venue: Auditorium, Amara Raja Batteries Limited, Renigunta-Cuddapah Road, Karakambadi,  
Tirupati - 517520



Not to scale

To

M/s. Cameo Corporate Services Limited  
**Unit: Amara Raja Batteries Limited**  
V Floor, Subramanian Building  
No. 1, Club House Road  
Chennai- 600 002

**Dear Sir,**

**Payment of Dividend through NECS (NECS Mandate Form)**

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the Folio mentioned hereunder, directly to my/our bank account through the National Electronic Clearing Service (NECS)

The details are given below:

Folio No.	
Name of First / Sole Shareholder	
First Shareholders Address:	
Email Id	
Mobile No.	

**Particulars of Bank:**

Name of Bank in Full									
Branch Name & Address									
IFSC Code									
Branch Code									
(9 Digits Code Number of the Bank and branch as appearing on the <b>MICR</b> Cheque issued by the Bank). Please attach a photocopy of the cheque.									
Type of Account with code	Saving Bank 10			Current 11			Cash Credit 13		
Account No. (as appearing on the Cheque Book)									

I/We, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company or User institution responsible. I/We undertake to inform any subsequent changes in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through I/We understand that, the above details shall be maintained by you till I/We hold the shares in physical mode under the captioned folio.

Place:

(Signature of Sole/First holder)

Date:





To

M/s. Cameo Corporate Services Limited

**Unit: Amara Raja Batteries Limited**

V Floor, Subramanian Building

No. 1, Club House Road

Chennai- 600 002

**Dear Sir,**

**Sub: E-mail address Registration**

I am a shareholder of the Company. I want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto, Balance Sheets, Director's reports, Auditor's Reports etc or any other Communication from the Company through e-mail. Please register my e-mail ID, set out below, in your records for sending communication through e-mail:

Folio No. / DP ID & Client ID

Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

.....

.....

E-mail ID (to be registered) : .....

Contact Tel No. : Mobile.....

Landline.....

Signature:

Place:

Date:

**Notes:**

1. Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.
2. Kindly submit duly completed form to Cameo Corporate Services Limited, V Floor, Subramanian Building, No. 1, Club House Road, Chennai-600002





## SAFE HARBOUR

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS-WRITTEN AND ORAL-THAT WE PERIODICALLY MAKE, MAY CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS.

WE HAVE TRIED WHEREVER POSSIBLE TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATES', 'ESTIMATES', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES' AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN 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.

WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

