



AMARA RAJA BATTERIES LIMITED

FY 20<sup>14</sup><sub>15</sub>



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In the five years leading up to 2014-15, Amara Raja Batteries Limited...

...streamlined its operations to achieve a higher capacity utilisation

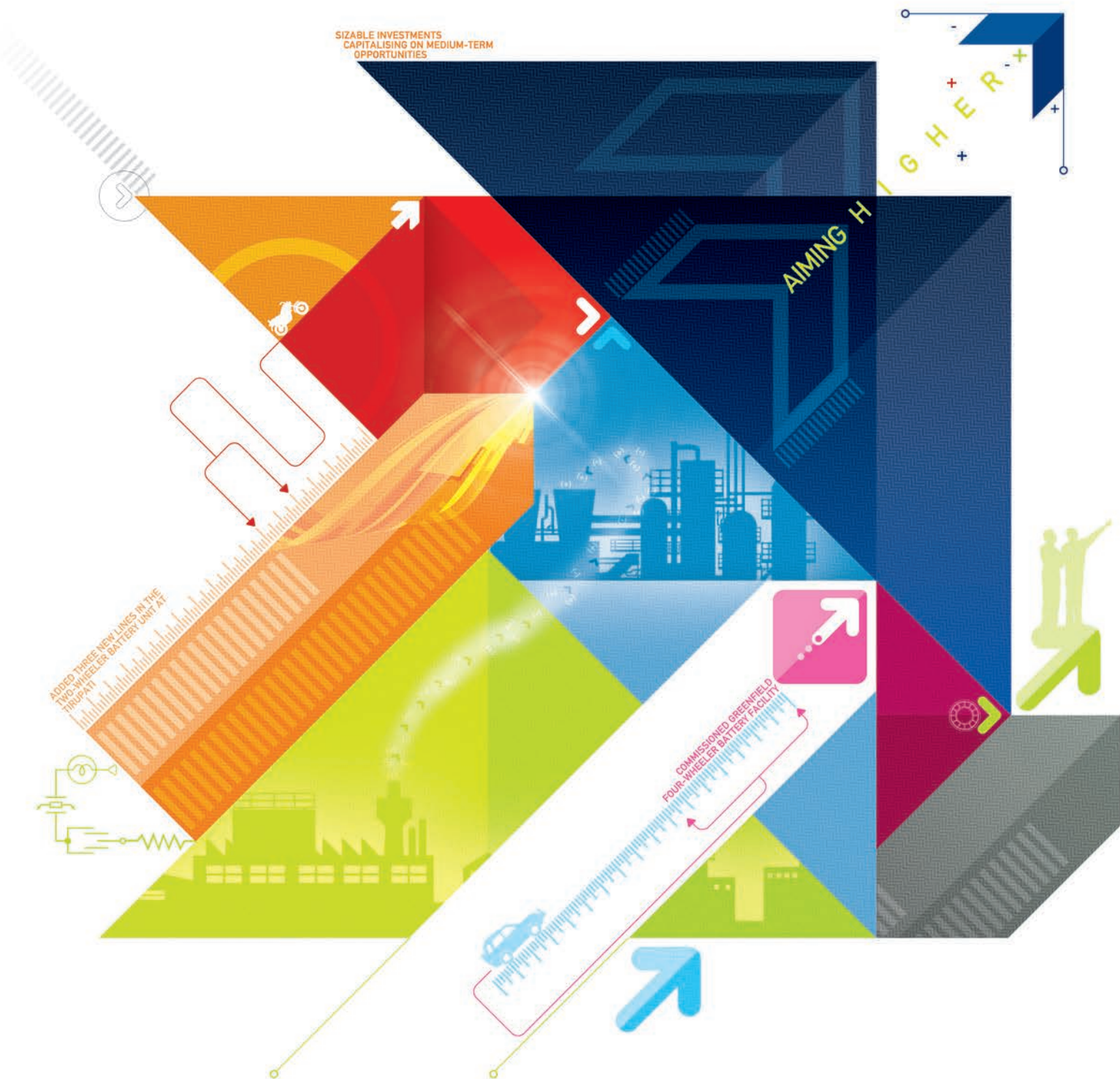
...marketed products faster to double its topline

...optimised operating costs to grow its bottomline more than 170%

...utilised resources efficiently to strengthen return on assets by more than 1,350 bps

... maximised returns from every rupee invested in the business to strengthen capital returns by more than 524 bps

*We are now aiming higher.*





# SCALE

**HAVING** maximised our output, the Amara Raja management had two options. One, make incremental investments in capacity in line with market growth; two, make sizeable investments to capitalise on medium-term opportunities.

At Amara Raja, we selected the latter with the objective to replicate our retrospective performance.

**We** commissioned our greenfield four-wheeler battery facility (2.25 million batteries per annum) at an investment of more than ₹400 crore in March 2015; our existing infrastructure possesses the foundation to scale capacity to 6 million units per annum in the next phase.

**We** added three lines in our two-wheeler battery unit at Karakambadi, increasing our battery capacity by 3.6 million units; we plan to add two lines in 2015-16, taking our cumulative manufacturing capacity to 10.8 million units per annum.

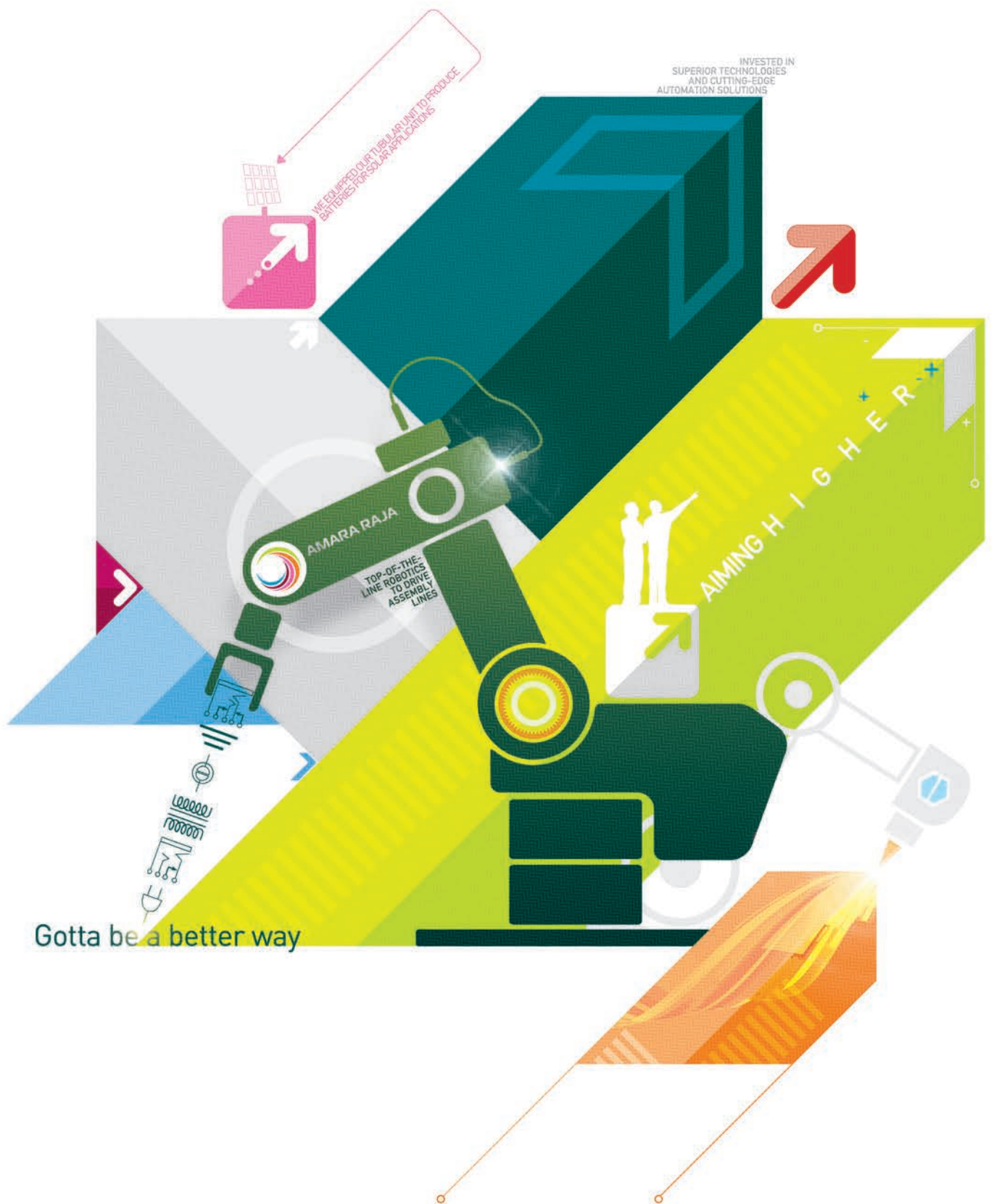
**We** increased our industrial battery capacity by an additional 180 million Ampere-hours per annum through extensive de-bottlenecking; we intend to increase capacity by another 240 million Ampere-hours per annum in 2015-16.

**We** are commissioning a 1.4 million unit greenfield battery unit (tubular technology) for manufacturing batteries addressing the home UPS segment; Phase-I (0.9 million units per annum) is expected to commence by the end of 2015-16.

*We are aiming higher.*



**We intend to increase capacity by another 240 million Ampere-hours per annum in 2015-16.**



# EFFICIENCY

**AT** Amara Raja the cutting-edge investment in our new facilities will help raise standards across our facilities, kick-starting a dynamic productivity cycle.

We created flexibility in our assembly lines to address diversified responsibilities, de-risking our operations from an excessive dependence on a single product.

**Graduated** our two-wheeler battery unit to produce Quanta® range of SVRLA batteries for application in small UPSs and emergency lamps, among others

**Reinforced** our MVRLA plant to manufacture automotive four-wheeler batteries

**Strengthened** our LVRLA capacity to produce 2V motive power batteries

**Equipped** our tubular unit to produce batteries for solar applications

We invested in superior technologies and cutting-edge automation solutions to enhance productivity.

**Introduced** the expanded metal technology to manufacture negative plates for optimising lead consumption and improving product quality

**Introduced** the gravity lead pot concept in the grid formation unit for all plants

**Invested** in top-of-the-line robotics to drive assembly lines and undertake labour-intensive operations, enhancing quality and productivity

**Invested** in best-in-class environmental management systems and ventilation solutions, reducing shop floor fatigue; this not only ensured stricter compliance but also addressing the requirements of our esteemed customers

These initiatives are expected to strengthen profitability and shareholder value.

*We are aiming higher.*



We equipped our tubular unit to produce batteries for solar applications.

# THIS IS OUR PLATFORM FOR AIMING HIGHER

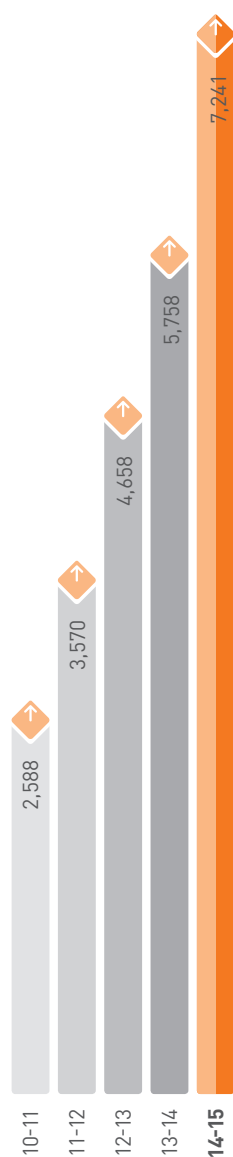
## NET REVENUE

(₹ MILLION)



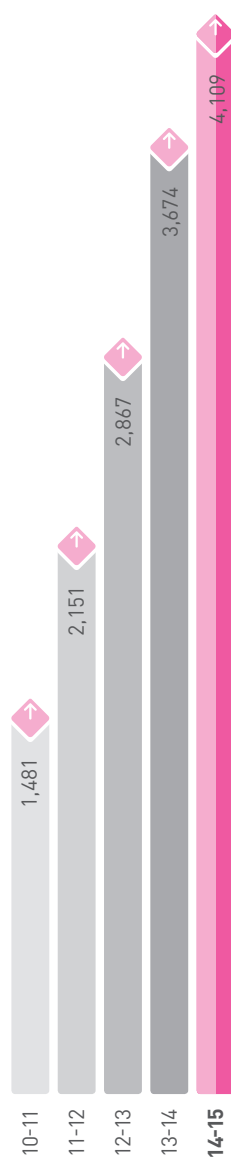
## EBITDA

(₹ MILLION)



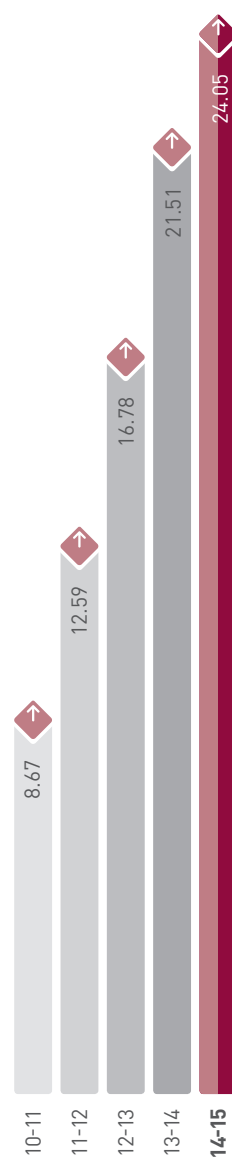
## NET PROFIT

(₹ MILLION)



## EARNINGS PER SHARE\*

(₹)



\* For face of ₹ 1 each





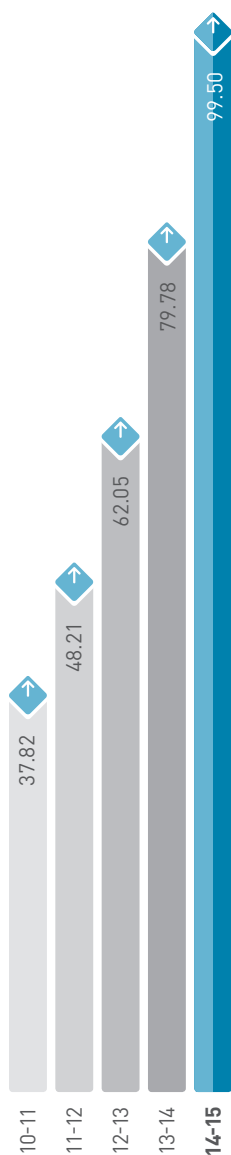
# 1,350<sup>bps</sup>

In the five years leading to 2014-15, Amara Raja Batteries Limited, utilised resources efficiently to strengthen return on assets by more than 1,350 bps

## BOOK VALUE PER SHARE\*



(₹)

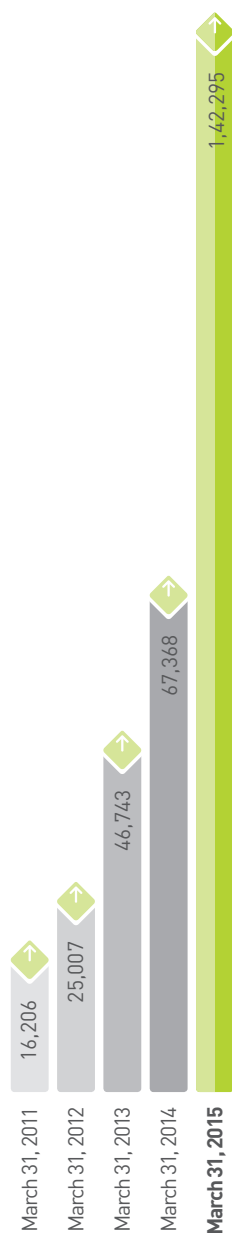


\* For face of ₹ 1 each

## MARKET CAPITALISATION



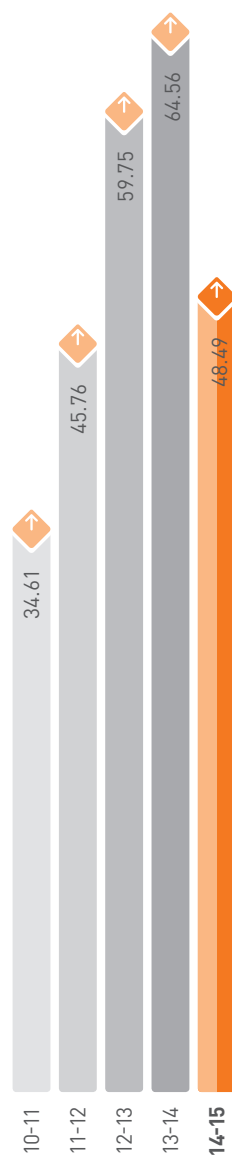
(₹ MILLION)



## RETURN ON ASSETS



(%)



## RETURN ON CAPITAL EMPLOYED



(%)





# VISION

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

## CORE PURPOSE

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



### 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.



### Experience

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



### Responsibility

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

## STATEMENT FROM THE MANAGEMENT

*Dear friends,*

*The year 2014-15 was satisfying at Amara Raja.*

Even as the country's economic growth made decent progress, Amara Raja developed the right products, addressed large customers, enhanced operating efficiency and increased stakeholder returns.

As India prepares to surge economically, Amara Raja has set its sights on greater heights, not merely capitalising on the country's growth but contributing to it as well.

### **India is aspiring higher**

India's macro environment appears optimistic for various reasons. A dynamic Central Government is proposing industrial reforms, catalysing investments and removing business blockers. The result is that after two years of subdued progress, India's GDP reported 7.3% growth in 2014-15,

overtaking China's growth in the last quarter to emerge as the fastest growing major global economy.

There is an optimism that India's growth could accelerate following a reduction in interest rates, proposed introduction of Good and Services Tax in 2016, launch of the Atal Mission for Rejuvenation and Urban Transformation, Smart Cities, Make in India and Digital India initiatives.

Credible sources predict that India is expected to overtake China in 2015 to become the world's fastest growing major economy; this lead could widen in 2016. This trend is expected to continue for about two decades, provided we are able to develop and upskill the people to derive maximum benefit from our rich demographic dividend.

The bottomline is that India can expect to see better days across the foreseeable future.

### **Businesses are envisioning higher**

At Amara Raja, we are optimistic that this economic transformation will strengthen the prospects of core sectors and catalyse the demand for standby batteries, its principal product.

Dr. Ramachandra N Galla  
*Chairman*



“AT AMARA RAJA, WE ARE CONFIDENT THAT THE ADDITIONAL VOLUMES WILL MAKE IT POSSIBLE FOR US TO CAPITALISE ON THE FORECASTED ECONOMIC RESURGENCE.”

**Telecom:** Unlike most developed countries, India leapfrogged from landline to mobile communication and is quickly moving to digital usage through the penetration of smartphones. By 2016, India could have more than 200 million smartphone users, emerging as the second largest such market in the world. This number is expected to reach 651 million by 2019, making it one of the most exciting smartphone markets in the world (Source: Cisco).

This aggressive growth in smartphones could lead to a significant 13-fold rise in mobile data usage in just five years. Mobile traffic could grow thrice as fast as fixed IP traffic between 2014 and 2019. Mobile data traffic could account for 28% of the total internet traffic by 2019 (9% in 2014).

In addition, the Government's focus on providing all government services digitally is expected to drive data traffic on telecom networks. Further, the Government's Smart City Mission and Digital India programmes are expected to create growth opportunities for the stand-by battery segment.

**Automobiles:** India's passenger vehicle and two-wheeler segments are steering towards robust double-digit growth, capitalising on economic reforms, lower

fuel prices and reduction in interest rates.

The Indian passenger vehicle market is expected to grow at a CAGR of 12% to 5 million units by 2020 (Source: Roland Berger). The two-wheeler market is expected to grow at the same pace to 29.5 million units; the commercial vehicle market is likely to grow at a 7% CAGR to 1.175 million units. Over the long-term, the Indian car market is expected to emerge as the third largest in the world.

Interestingly, the Indian used car market, currently about 1.2x of the new car market, is relatively small compared to the corresponding size in developed markets (~3.0x). The expectation is that this used car market could outpace domestic new car sales growth in the near- to medium-term (Source: ICRA).

**IT and ITeS:** India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 52% of the US\$ 124-130 billion market. India's IT-BPM sector grew at a 25% CAGR over 2000-2013, three to four times the global IT-BPM spend, and estimated to expand at a 9.5% CAGR to US\$ 300 billion by 2020.

*Continued on next page*





## STATEMENT FROM THE MANAGEMENT

Continued from previous page

India's internet economy is expected to touch ₹10 trillion (US\$ 161.26 billion) by 2018, accounting for 5% of the country's gross domestic product (Source: *Boston Consulting Group and Internet and Mobile Association of India*). Besides, India, the fourth largest base for young businesses in the world and home to 3,000 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020 (Source: *Nasscom and Zinnov*).

**Banking:** Rural India, with 68% of India's population, is evolving rapidly, marked by growing incomes, literacy and aspirations. However, of more than 600,000 rural Indian habitations, only about 30,000 have a commercial bank branch. This scenario could soon change; RBI received 72 applications for small finance banks and 41 applications for payments banks, these new banks expected to extend banking services to the marginalised outside the country's banking system.

The Company is also studying actively the new opportunities available across technology applications and business models.

### Amara Raja climbing higher

In view of credible growth estimates of downstream user sectors, Amara Raja commissioned larger capacities for its automotive and industrial businesses which, we are confident, will lead to stronger demand across the next 24-36 months.

Since our investments have been made during the economic downturn and our capacities have been commissioned just as the economy is recovering, we are hopeful of better returns.

In the automotive battery space, we added 2.25 mn unit capacity for 4-wheeler batteries and 3.60 mn unit capacity for 2-wheeler batteries.

In the industrial battery segment, we increased the LVRLA battery capacity by 30%.

We are entering the new technology space of tubular batteries addressing the home UPS segment, expected to commence operations by the end of the current fiscal. This would provide a new business opportunity in the emerging solar power sector as the new facility can produce solar batteries.

Jayadev Galla  
*Vice Chairman & Managing Director*



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WHILE WE ARE CONFIDENT THAT ALL USER SECTORS WILL GROW ATTRACTIVELY OVER THE MEDIUM-TERM, GROWTH COULD BE DIFFERENTLY PHASED DEPENDING ON GOVERNMENT POLICIES AND CORPORATE PRIORITIES. IN VIEW OF THIS, WE HAVE INVESTED IN FUNGIBLE PRODUCTION LINES, MAKING IT POSSIBLE TO SHIFT FREELY FROM THE MANUFACTURE OF ONE PRODUCT TO ANOTHER, IN LINE WITH EVOLVING DEMAND.

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We must assure shareholders that even as we added sizeable capacities, we are de-risking our business. While we are confident that all user sectors will grow attractively over the medium-term, growth could be differently phased depending on government policies and corporate priorities. In view of this, we have invested in fungible production lines, making it possible to shift freely from the manufacture of one product to another, in line with evolving demand.

Our exports are steadily increasing; we will continue to increase exports, making them a significant part of our business, going forward.

**Our significant expansion comprised the following features:**

**We** funded the expansion completely out of accruals.

**We** invested in infrastructure to accommodate additional capacity at a marginal investment.

**We** made significant investments in cutting-edge automation to benchmark operations in line with global standards.


At Amara Raja, we are confident that the additional volumes will make it possible for us to capitalise on the forecasted economic resurgence. Our expanded operations are expected to enhance shareholder value.

**Acknowledgement**



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 joint-venture partner Johnson Controls Inc., customers, employees, channel partners, bankers and suppliers.

*With warm regards,*  
**The management team**





# MANAGEMENT DISCUSSION AND ANALYSIS







## Economic overview

Markets that began reviving in 2013-14 gained momentum in 2014-15.

India's GDP grew 7.3% in 2014-15 against 6.9% in 2013-14 and 5.1% in 2012-13. The growth is based on a new methodology of calculating GDP, with 2011-12 as the base year, against 2004-05 used earlier.

The economy was relatively independent of factors associated with usual economic slowdowns evident in 2011-12 and 2012-13 – inflation, fiscal deficit, weak demand, external account imbalances and oscillating rupee.

India's GDP growth is expected to accelerate to 7.5% in fiscal year 2015-16 which could reach 8% in 2017-18, on the back of significant acceleration of investments and favourable oil prices (*Source: World Bank*).

 **7.5%**

At 7.5%, India's growth in the quarter ended March 2015 was higher than China's 7%. The growth in the March quarter was in line with the advance estimates and the highest among large economies.



# 25%+

A typical three-year life of a battery would mean that the strong 25%+ industry growth in FY11/12 could translate into strong replacement demand in FY14/15.

## Battery Industry

The Battery industry has witnessed a slew of new product introductions, technology innovations, emergence of domestic competition, joint ventures, and corporate consolidations that have totally altered its landscape.

The lead acid battery market can be divided into two broad market spectrums: automotive and industrial batteries.

### Automotive batteries

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.

**The OE space:** This is a difficult segment to service as each automobile manufacturer has different specifications for which the battery has to undertake mass customization. As leading international auto giants have established their production bases in India, their demand for world-class batteries has mandated Indian battery manufacturers to keep pace and meet the high standards expected. Additionally, margins for battery manufacturers are usually thin.

### The aftermarket space:

The replacement market is where the margins are, and hence battery majors are now paying a lot of attention to this segment. Considering

the fact that the discerning Indian vehicle owner is today more quality and brand conscious is willing to pay more to be free from battery problems.

The introduction of maintenance free batteries in the OE and replacement segments, led to longer trouble free life of batteries. This space is very substantial. The replacement market also has a sizeable unorganised component, which is continuously shrinking.

### Industrial batteries

Batteries here are used as a standby source of power for various application like Telecom, Railways, Utilities, UPS, Defence etc. Motive Power application where the batteries are used to power the Forklifts etc (Material Handling equipment) too are classified as Industrial segment.

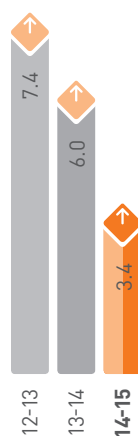
## GDP GROWTH

(%)



## INFLATION - WPI AVERAGE

(%)



## GROSS FISCAL DEFICIT

(%)





Industrial batteries are of three types - conventional flooded (lead acid) batteries, valve regulated lead acid (VRLA) batteries, and nickel cadmium batteries. VRLA batteries have, within a very short period of time, gained leadership as the highest selling industrial batteries, replacing conventional flooded and Ni-Cad batteries. The VRLA battery works on the principal of Oxygen Recombination there by eliminating the need for periodic water additions. Since they are sealed in construction, they are more environmental and user friendly.

The demand for stationary / standby batteries have increased over the past 10 years owing to huge gaps in supply and demand of power. With the emergence of India as an IT super power, and the liberalization

of the wired and wireless telecom sector, there has been a swift rise in deployment of computer and communication networks. This has augmented the demand for industrial batteries, and this trend is only bound to increase as India continues to develop the service sector that includes call centers, data centers, banking networks, etc.

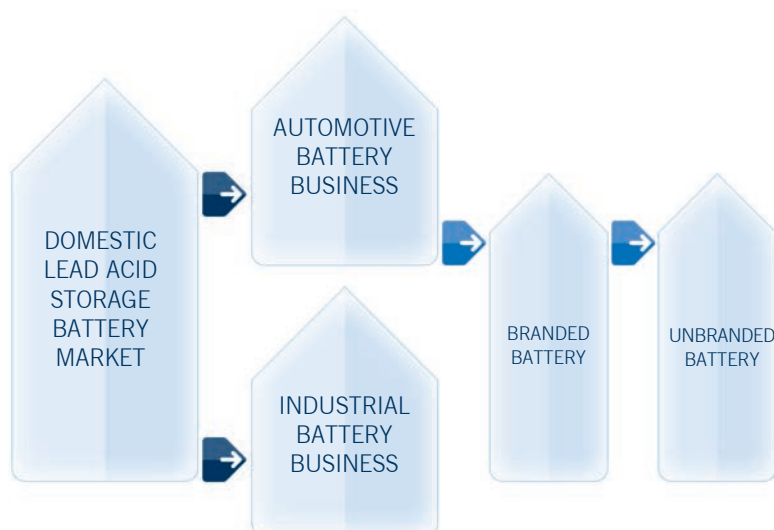
The industrial battery market has a few established players as capital investment in technology and the manufacture of these batteries is considerably high.

### Optimism

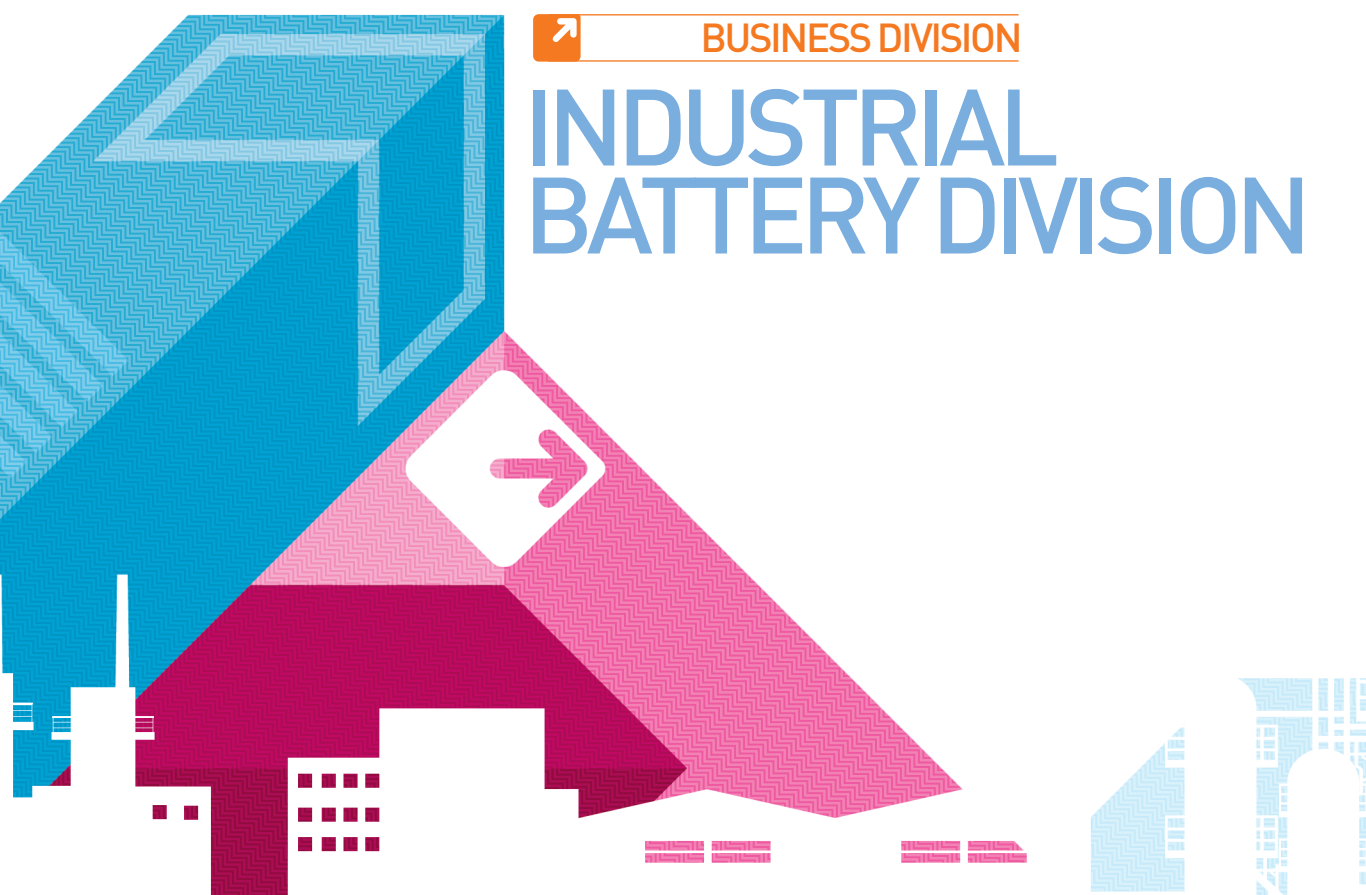
The battery market in India is experiencing growing demand from multiple sectors. Apart from the conventional demand from manufacturing industries, the digital and telecom boom has generated a growing demand for batteries for power storage equipment.

The growth of the battery market is also driven by increasing demand from sectors like banking, hospitality, transportation and other industrial applications. Besides, the thrust in the solar sector has added an impetus to prospects in this business space.

### INDUSTRY STRUCTURE







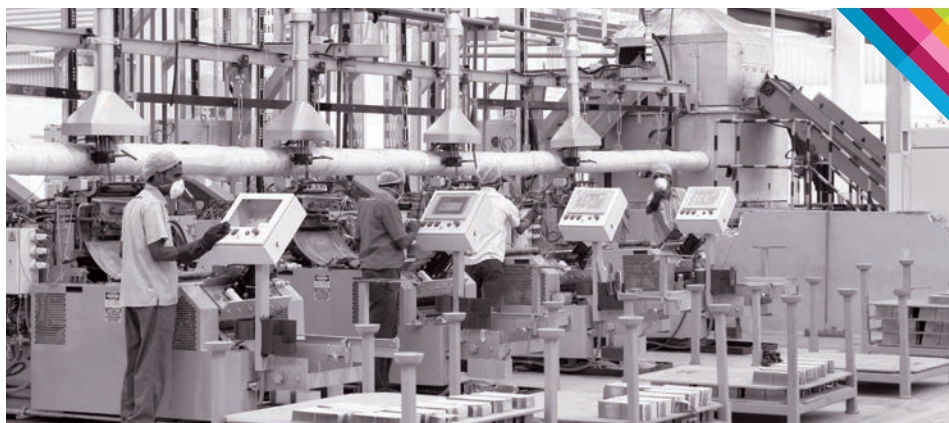
BUSINESS DIVISION

# INDUSTRIAL BATTERY DIVISION



2,200<sup>Mn Ah</sup>

CAPACITY (STANDARD  
EQUIVALENT UNITS PER ANNUM)



GRID CASTING SECTION -  
NEW LVRLA PLANT AT  
NUNEGUNDLAPALLE VILLAGE,  
CHITTOOR DISTRICT.

Amara Raja manufactures batteries for the telecom, UPS, railways, solar and power utility sectors, marketed by four brands – AmaronVolt™, Power Stack®, Quanta® and Power Sleek™. The industrial battery product portfolio offers capacities ranging from 4.5 Ah to 5,000 Ah. The Company's key customers include Indus Towers, Bharti Airtel, Bharti Infratel, ATC, Vodafone, Idea, Reliance, Tata Communications, Viom, BSNL, Indian Railways, Emerson, Schneider, Legrand, Delta, Socomec, Eaton among others.

#### Our initiatives in 2014-15

##### At our LVRLA facility

**Increased** plant capacity through strategic de-bottlenecking and line-balancing initiatives

**Achieved** 100% capacity utilisation at the LVRLA plant

**Enhanced** productivity by 6% through uptime improvement across sections

**Reduced** lead scrap generation by ~20% through Six Sigma and Quality Control

**Implemented** 2,733 suggestions and 90 Quality Control projects for procedural improvement

**Regularised** the manufacture of two new products which enjoy demand from the telecom industry

##### At our MVRLA facility

**Stabilised** operations at the new facility at Nunegundlapalle village, Chittoor district and achieved a capacity utilisation of ~80%

**Minimised** lead scrap generation by 30% through special projects implemented in the pasting section and formation area

**Implemented** 2,164 suggestions and 94 Quality Control projects leading to process improvements

#### Our achievements in 2014-15

**Received** Partner of the Year award from Indus Towers (telecom customer) for 2014-15

**Received** self-certification from Bharti Infra Limited (telecom customer) for supplies

**Won** Excellence Award at National Convention Quality Circle (NCQC), Pune

#### What we are looking forward to

In line with the country's projected economic recovery, India's core business sectors are expected to accelerate, widening opportunities.

**Telecom:** An Ericsson study suggests that the mobile broadband user base in India is likely to quadruple across six years. The country's mobile subscriber base is expected to grow from 795 million in 2013 to 1,145 million by 2020. Smartphone penetration, driven by data usage, could increase from 90 million

 **12%**

The cash-to-GDP ratio in developed countries is less than 5%, but in India the ratio is 12%.  
(Source: DNA India June 24, 2015)



Dr. RAMACHANDRA N GALLA, CHAIRMAN ALONG WITH SRINIVASA RAO GANGA, CHIEF MARKETING OFFICER – IBD AND BHANU PRAKASH A, HEAD-DIRECT BUSINESS-IBD RECEIVING “PLATINUM AWARD” FOR THE “PARTNER OF YEAR 2014-15” FROM INDUS TOWERS LIMITED FOR SECOND TIME IN A ROW.

devices in 2013 to 520 million devices. Currently, an average user consumes 155 megabytes of data per month, which could increase to 390 megabytes by 2017 and a projected 620 megabytes by 2020.

**Electronic payment:** In its ongoing drive to encourage the use of plastic money and electronic payments, the government will nudge public sector banks to

enhance their point of sale (PoS) terminal networks substantially, so that the country's total PoS terminals rise to five million in two years. At present, India has around 1.2 million PoS terminals.

**Internet economy:** India's internet economy is expected to touch the ₹10 trillion-mark (US\$ 161.26 billion) by 2018, accounting

for 5% of the country's gross domestic product (Source: *Boston Consulting Group and Internet and Mobile Association of India*).

**Entrepreneurship:** India, the fourth largest base for young businesses in the world and home to 3,000 tech startups, is set to increase its base to 11,500 tech startups by 2020 (Source: *Nasscom and Zinnov*).

### Challenges

*Amara Raja may be stretched to market additional volumes.*

**Mitigation:** The Company has strong business relations with key customers in the telecom and UPS battery segments. Their strong growth provides optimism for increasing sales volumes. Besides, the Company added customers in the last three years but was unable to meet their complete requirements due to capacity constraints; the additional capacity allows the Company to

increase business with these clients. The Company is growing exports to nations comprising the Indian Ocean rim; the additional volumes will enable it to grow market share in these geographies. Further, the Company is looking to strengthen its presence in other user segments (railways and solar power).

*The Company may not be able to fill large capacities, impacting business returns.*

**Mitigation:** Amara Raja has created adequate capacities with the overarching

strategy of filling volumes over 24-30 months, pre-emptively embedded into the business plan. As a cost optimisation strategy, the Company has invested heavily in automation solutions and robotics to reduce manpower, improve product quality and plant productivity. Moreover, the Company's vision lies in creating additional base infrastructure with prospective expansions in mind.







BUSINESS DIVISION

# AUTOMOTIVE BATTERY DIVISION



8.25<sup>Mn</sup>

FOUR-WHEELER  
BATTERIES CAPACITY



8.40<sup>Mn</sup>

TWO-WHEELER  
BATTERIES CAPACITY

(ABSOLUTE UNITS PER ANNUM)



Dr. N CHANDRABABU NAIDU, HON'BLE CHIEF MINISTER OF ANDHRA PRADESH INAUGURATING THE FOUR WHEELER AUTOMOTIVE BATTERY PLANT AT NUNEGUNDLAPALLE VILLAGE, CHITTOOR DISTRICT

Amara Raja entered the automotive battery segment in 2000-01 following its JV with Johnson Controls Inc., the world's largest manufacturer of automotive batteries, when it introduced Amaron batteries, based on zero-maintenance technology, for the first time in India, the key differentiator in an otherwise cluttered Indian automotive battery market.

In the OE space, the Company's major customers include Ford, Maruti Suzuki, Hyundai, Honda, M&M, Tata, VE Commercial, Volvo, Eicher, Daimler Benz, TAFE Tractors and Isuzu Motors, among others. The Company is a leading player in the aftermarket segment among four-wheelers.

The Company's key strength lies in its pan-India distribution and network which comprises of 30000+ Amaron and PowerZone retailers, ensuring pan-India reach.

#### Our initiatives in 2014-15

##### At our four-wheeler facility

**Enhanced** productivity by 7% through uptime improvement; achieved a 99% capacity utilisation

**Achieved** a 7% reduction in lead scrap generation through improvements in the oxide plant

**Achieved** a marginal energy bill reduction despite the addition of a large air-conditioning unit in the formation area, which helped improve the formation area uptime

**Focused** on maintaining product quality across batches, which reduced in-plant battery failure

**Implemented** a Six Sigma project in the plate preparation area, which increased lead oxide and plate production

**Implemented** 2,292 suggestions and 96 Quality Circle projects

##### At our two-wheeler facility

**Commissioned** three new lines in the two-wheeler manufacturing facility, enhancing cumulative capacity to 8.4 million units per annum

**Improved** in-plant productivity by 12% through process stabilisation and assembly uptime improvement, achieving a capacity utilisation of 94%

**Introduced** new products – two for the aftermarket, four in the power zone and eight for the private label segment

**Reduced** lead scrap by 5% through continuous improvement projects in the grid casting and pasting sections

**Implemented** 1,863 suggestions and 67 Quality Circle projects

#### Our achievements in 2014-15

##### The four-wheeler battery team

**Received** the national-level Par Excellence Award at the National Convention Quality Circle (NCQC), Pune

**Received** the national-level First Prize for a Six Sigma project from Confederation of Indian Industry (CII)

**Received** the Overall Excellence Award from Maruti Suzuki Limited in the field of QCDM (Quality, Cost, Delivery and Management)

 **160mn**

Globally, the need for affordable mobility is on the rise, strengthening the demand for two-wheelers. By 2021, more than 160 million two-wheelers could be produced annually – a third more than today.



Mr. RAJESH JINDAL, CHIEF MARKETING OFFICER-ABD AND Mr. SAAYON CHAKARABARTI, HEAD-OF BUSINESS RECEIVING 'SHIELD' AWARD ON OVERALL EXCELLENCE FROM MARUTI SUZUKI LIMITED - RECOGNITION FOR OUR EXCELLENCE IN THE FIELD OF QCDM (QUALITY, COST, DELIVERY AND MANAGEMENT) PARAMETERS

### The two-wheeler battery team

**Received** product approval from key OEMs, namely Bajaj, Royal Enfield and M&M

**Received** the Silver Award at the International Convention on Quality Control Circles (ICQCC), Colombo

**Received** two Par Excellence Awards and three Excellence Awards from ICQC, Pune

**Received** five Gold Awards at Chapter Convention Quality Circles (CCQC) 2014, Hyderabad

**Received** the 5's Excellence Award from ABK-AOTS, DOSAKAI

**What we are looking forward to** India's passenger vehicle and two-wheeler market is headed for double-digit growth. Reduced fuel and interest costs as well as aggressive new product variant launches by OEMs are expected to catalyse growth.

**4-wheelers:** The commercial and passenger car industry in India is among the top sixth largest in the world. By 2030, the Indian car market is likely to emerge as the third largest car market. ICRA expects the domestic passenger vehicle industry to grow at 5-7% in 2015-16 and 8-10% the year after.

**2-wheelers:** Scooter and motorbike makers have outlined plans to invest nearly ₹6,000 crore over three years to produce an additional eight million two-wheelers annually in anticipation of double-digit sales growth. The proposed expansion could increase the country's overall two-wheeler production capacity by 37.5% – from 21.3 million presently to 29.3 million units.

**After market:** In the automotive segment, the passenger vehicle was the fastest growing segment – production increased from 1.2 mn units in FY05 to 3.2 mn units in FY13 – representing

a CAGR of 12.9%, creating a large after-market opportunity.

The Indian two-wheeler industry is the largest in the world as far as volume of production and sales are concerned. India is the biggest two-wheeler market, registering a growth rate of 9.5% between 2006 and 2014, opening a sizeable aftermarket opportunity.

### Our business challenges

*1. The Company may not be able to market increased volumes.*

**Mitigation:** Amara Raja has prudently balanced sales between OEMs and the aftermarket. In the OEM space, the Company enjoys business relations with leading OEMs in India.

Each year, over the last three years, the Company added new product platforms (from existing customers) and new customers to its client base, strengthening sales volumes. Besides, the Company is establishing a strong presence in Africa, the Middle East and South East Asian nations.

*2. The Company may not be able to fill large capacities, impacting profitability.*

**Mitigation:** Amara Raja has created capacities to fill volumes over 24-30 months. As a cost optimisation strategy, the Company invested in automation solutions and robotics to reduce manpower, improve

product quality and plant productivity. Moreover, the proactive creation of additional infrastructure and utilities bodes well, going forward.





## BUSINESS DRIVER-01

# HUMAN RESOURCES



AMARA RAJA TEAM RECEIVING THE "BEST EMPLOYER AWARD 2014-15" FROM THE EMPLOYER BRANDING INSTITUTE.

Amara Raja firmly believes that its workforce is its strategic differentiator and consequently invests in talent across organisational levels. It believes the 'Amara Raja Way' philosophy it has inculcated over the years will be pivotal towards the Company emerging as a 'Preferred Place of Work'.

Even as the Company increased its presence across various segments, it

never lost sight of sustaining 'Excellence in HR' and making Amara Raja a world-class organisation. The Company's endeavour was to infuse and hone skills among its personnel in line with the changes transpiring in a dynamic marketplace. The organisation invested in dedicated programmes so that its youthful workforce is better prepared to address current and future needs.

### Team segregation

Description	2014-15	
	Number	% to total
Permanent employees with disabilities	2	0.03
Employees from weaker sections (SCs, STs and OBCs)	2,508	32.02
Permanent women employees	441	5.63
Other employees not included in any of the above	1,479	18.88
Engineering and management graduate trainees hired under the Amara Raja Nava Prathibha scheme	61	0.78
Graduate and diploma trainees hired under the Amara Raja Nava Prathibha Scheme	52	0.66
Shopfloor trainees in manufacturing under the Amara Raja Nava Prathibha Scheme	2,920	37.28
Personnel hired on temporary/retainer basis	370	4.72
<b>Total</b>	<b>7,833</b>	<b>100.00</b>



## 31 years

With an average age of 31 years for the 4,430-strong workforce as on March 31, 2015, the Amara Raja team is an invigorating combination of knowhow and liveliness.



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#### The Amara Raja Way™

Amara Raja continued its journey of institutionalising the 'Amara Raja Way'. In addition to a book titled 'The Amara Raja Way', elucidating the journey of Amara Raja, its core purpose and values were developed and published for internal circulation; several programmes were conducted to educate people on the values. About 106 internal trainers across managerial levels were specifically trained, anchored workshops at various locations. 25 programmes were conducted in 2014-15 and they are

being continued in the following year to cover all employees in the Company.

#### Workforce strategy

A comprehensive study of the socioeconomic environment, sectoral peers and other integral aspects have helped in analysing and initiating various programmes that raise the bar in terms of the day-to-day performance of the frontline workforce. Though these were actuated in the early years, the initiatives that were taken up comprehensively in the last year to augment the frontline workforce began to bring in the desired results. The Company benchmarking studies also reiterated that the organisation's practices are comparable with the best in the region.

#### Talent acquisition

The in-house exclusive talent acquisition cell inducted versatile talent to drive growth. The Company's Nava Prathibha and Mentorship i.e Margadarshi programmes were revamped further to groom young trainees faster from campuses.

#### Learning and development

Amara Raja's learning and development calendar captured the development needs of employees through performance appraisals, TQM and TPM initiatives. In 2014-15, specific in-house programmes were anchored to build technical expertise and impart soft skills. A comprehensive competence mapping exercise was initiated during the fiscal gone by. Employees were

nominated for participating in specialised learning and development workshops/seminars organised by external institutions.

Through its internal trainers and external experts, the Company provided 11,274 person-days (78,918 person-hours) of training to employees.

#### Amara Raja in-house diploma course

A Unique in-house diploma course was developed to hone shopfloor skills. Once implemented, this programme will enable high-performing individuals without formal college education to acquire the required skills to advance in their careers. This programme will be implemented progressively.

#### HR Excellence

Amara Raja has adopted CII's HR excellence model and has subsequently ushered in palpable improvement across all its processes and practices. During 2014-15, a comprehensive

assessment was conducted by external assessors from CII. Based on the assessment, the organisation has been adjudged with commendation of 'strong commitment to HR excellence'.

#### HR Awards

The organisation participates in the Best HR Practices competition in order to emulate industry-best practices. This year, Amara Raja has won several awards and recognitions at the national and continental

levels. Case in point: the organisation has been awarded the 'Best Employer for the Year 2014-15' by the Employer Branding Institute.



AMARA RAJA TEAM RECEIVING THE "GOLD CATEGORY AWARD" IN AREAS OF HR STRATEGY AND TECHNOLOGY EXCELLENCE IN HR AT THE GREENTECH HR AWARDS 2015

### Succession planning and leadership development

Amara Raja, in partnership with a leading strategic consulting organisation, developed a comprehensive process for identifying high-performing talent and potential leaders. The aim is to train them so that they can take up key positions across different management levels. The process will involve comprehensive potential assessment and development programmes that will help the organisation build a strong leadership pipeline.

### Prevention of Sexual Harassment at Workplace policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment

of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act). An ICC (Internal Compliance Committee) has been set up to redress complaints regarding sexual harassment. All women employees are covered under this policy. During 2014-15, no complaints were received by the ICC.

### Communication meets

During the year, the Company conducted a communication meet where the results and plans were communicated. During this meet, the organisation's core purpose, vision and values were discussed. Dr. Ramachandra N Galla, Chairman, Mr. Jayadev Galla, Vice Chairman & Managing Director, and the senior leadership team addressed

the employees. The event was webcast across locations. An open house session provided employees with an opportunity to interact with the apex leadership team. The leadership team also conducted a communication meet to address all people across plants. An Open House was conducted where many of the employee queries were directly addressed by the leaders. This has been helping the organisation to create an open and conducive work environment.

### Technology in HR

To stay abreast of the changes taking place in the market and to take advantage of technology to provide efficient services, the latest cloud-based human capital management suite has been acquired and is being

implemented. This will allow processes related to employee life cycle management, recruitment, onboarding and succession planning to be automated. This technological upgradation brings in new levels of efficiency and effectiveness without losing the human touch.

**Employee central** module – maintains an employee database and automates workflows for faster approval.

**Succession** module – ensures structured succession management, career progression and employee development.

**Recruiting** module – provides procedural consistency and automates the entire recruitment process.

**Onboarding** module – enables new recruits to complete formalities online.

### Health, safety and environment

The Company lays the utmost emphasis on health, safety and environmental aspects across all its activities.

**Case in point:** The new plant at Nunegundla Pale has already received ISO 14001:2004 (Environmental Management System) and BS OHSAS 18001:2007 (Occupational Health & Safety Management System) certifications demonstrating our unrelenting commitment in this regard.

With an overarching vision of 'no harm to people and to the earth' and in a bid to achieve excellence in the field of health, safety and environment, the Company intensified programs on –

**Safety** trainings across classroom, on-the-job, refresher and continuous coaching platforms

**Seamless** hazardous waste management

**Energy** saving – daylight systems at all plants

**Reduce**, reuse and recycle – Recycled about 10% of

plastics (PPCP); Reused about 30% of the wood for packaging

The Company believes that best ideas come from the people at the workplace and as such many projects have been undertaken as part of Quality Circle projects/Six Sigma projects – resulting in an improved performance in many in terms of health, safety and environment activities.

The Company deputed a team to their joint venture partner, JCI plants to study

the HSE best practices. The Company is revamping ventilation systems and hygiene systems at the old plants in line with international standards over a three year-long programme. The STP has been upgraded to 600 Kilolitres per day and the recycled water is fully utilized for gardening. Greenbelt development is an on-going program and added about 2000 trees in the last three years.

# SUPPLY CHAIN



MR. L VENKAT MADHAV, HEAD-SUPPLY CHAIN MANAGEMENT RECEIVING THE WAREHOUSE EXCELLENCE AWARD FROM CII

**A standby battery is critical across applications.** This criticality makes it imperative to replace non-functioning batteries immediately. This is why the efficiency of the supply chain is crucial to the success of a battery manufacturer and especially challenging for Amara Raja for the following reasons:

The Company services 1,200-plus channel partners pan-India as well as distributors spread across the Indian Ocean rim.

The Company services the diverse needs of leading OEMs in the automotive, UPS and telecom sectors.

The success of Amara Raja in this area is reflected in the Company's positioning – a

preferred supplier among leading OEMs and a brand preferred by discerning individuals.

## **Raw material sourcing:**

Lead, lead alloys, separators and other commodities are critical components of battery manufacture. The Company maintains a prudent balance between imports and domestic sourcing. The Company actively maintains supply chain synergies with its joint venture partner – Johnson Controls Inc. – to ensure functional efficiency. The Company strengthened its material sourcing capability by securing supply agreements for the entirety of its key inputs. The Company also strengthened its vendor team for ensuring material

sourcing for expanding its 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 160 vehicles daily for inbound and outbound traffic across more than 300 destinations with efficient systems and processes in place through the distribution network.

**Road transport:** The Company transported finished products through commercial vehicles. The continued rise in diesel prices during 2014-15, consequent to diesel price deregulation, affected the optimisation of logistics costs.

Over the last 24 months, the team undertook a number of initiatives to strengthen its logistical efficiency:

**Forged** relations with fleet owners, expanding the overall vehicle-owner network

**Used** GPS-enabled fleets, ensuring increasing vehicle availability and faster delivery

**Entered** into agreements with reputed transporters, serving a particular region to ensure timely consignment delivery

**Provided** a detailed shift-wise, weekly schedule of vehicle requirement to every transporter, providing them adequate opportunities to arrange vehicles

**Maintained** a high load factor in excess of 90%, optimising per battery logistics cost

**Strengthened** adherence to payment against proof-of-delivery

**Institutionalised** an appraisal system for all transporters, rewarding superior performers

**Automated** the document management system, which reduced vehicle waiting time to a quarter of erstwhile levels

**Created** a seamless network of transporters to address demand round-the clock

**Implemented** a solution which automated the shipment note; it provided an SMS alert to the distribution centre to the franchisee(s), detailing the material despatch date, vehicle number and tentative arrival dates

To optimise logistics costs, the Company increased the transportation of consignments via rail, which involved strategic planning and accurate scheduling. Substantial outbound dispatches were transferred via rail during FY2014-15.

**Distribution:** The Company runs 30 distribution centres across five regions and was recently awarded the Silver Award for warehouse excellence from the CII.

**Shipping:** The Company shifted its focus from dealing with freight forwarders instead of shipping liners. This entailed analysing the key routes used for exports, identifying the best liner for each route and entering into medium-term contracts with them. Having being awarded the 'Star' certification, the Company leveraged its export-import benefits to guarantee unimpeded movement of material through ports.



# QUALITY ASSURANCE

Building a quality culture across all levels and at all functions is the key to our success. Amara Raja believes that quality is a journey towards excellence and continues to effectively practise concepts like FMEA, SPC/SQC, Visual Management, 5S, QCC, Industrial Engineering (IE), TPM and Lean Six Sigma through Quality and Continuous Improvement programmes.

There are about 363 quality circles; 499 projects were implemented, bringing value to the operational performance. Front line employees take pride in engaging in such improvement tasks, and participate actively in regional, national and 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 efficiency and effectiveness to business processes across the supply chain.

**Received** Shield Award for Overall Excellence from Maruti Suzuki Limited – a recognition of excellence in the field of QCDM parameters (Quality, Cost, Delivery and Management)

**Received** Partner of the Year with the Platinum Award for the year 2014-15 from Indus Towers Ltd for the second time in a row

**Receipt** of Hero Award from Indus Towers Limited for safety practices

**Received** Gold Award in the best infrastructure supplier category 2014-15 from Indus Towers Limited

Our other recognitions include

**QCC & SIX SIGMA AWARDS – ARBL:**

**Received** one Gold Award and one Silver Award at the International Convention on Quality Control Circles – ICQCC 2014, Sri Lanka

**Received** sixteen Gold Awards and one Silver Award at the National Convention on Quality Circle – NCQC 2014, Pune

**Received** three Par Excellence, eleven Excellence and one Distinguished Award at the Chapter Convention Quality Circles – CCQC 2014, Hyderabad

**Received** 1st Prize for Six Sigma at the CII National Level Competition in Bengaluru

**Others - ISBU:**

**Recognition** from the Airtel team for its tremendous support during the Kashmir floods

**Received** self-certification from Bharati Infra Limited for Process and Product

**Others – ASBU:**

**Achieved** Rank-B in ASES (Alliance supplier Evaluation System) by Renault Nissan Technology & Business Centre, India

**Received** GSO Bahrain certification for Product, valid for a year

**Received** BPS Certification from Philippines for Systems, Process and Product, valid for three years

**Received** Diamond mark certification, Kenya for Systems, Process and Product, valid for three years

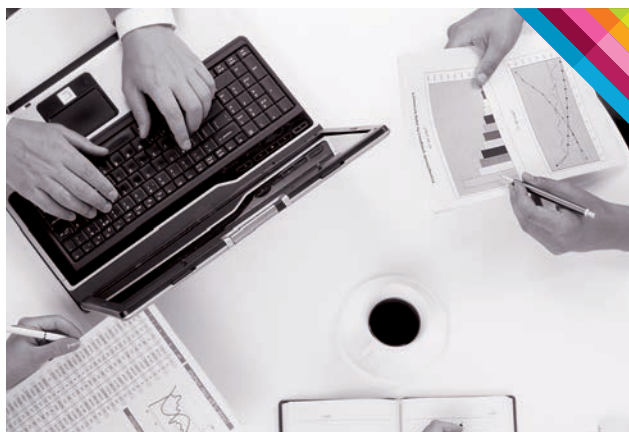


NEW DUST EXTRACTION, CENTRAL VACUUM AND FRESH AIR SYSTEMS FOR THREE ASSEMBLY LINES AT THE NUNEGUNDLAPALLE VILLAGE, CHITTOOR DISTRICT.





# INFORMATION TECHNOLOGY



Amara Raja's IT team provides innovative, customer-focused and robust solutions to all functional teams to ensure real-time data availability for informed decision-making. The IT team addresses all information, communication and technological needs of the business. The centralised in-house team based out of Karakambadi delivers seamless service despite the challenges posed by its remote location.

## 2014-15 in retrospect

**Rolled** out Amaron® franchisees solution to enhance franchisee efficiency across 323 locations

**Started** implementation of human capital management solutions to empower individuals by leveraging easy-to-use tools and getting an insight into employee lifecycles

**Implemented** EXIM software for exports-imports function, enabling supply chain visibility and operational agility in sync with the existing ERP system

**Provided** IT support to finance-shared service centre regarding business process automation

**Conducted** detailed studies to enhance ISMS (Information Security Management System) and DC-DR (Data Centre-Disaster Recovery) efficiencies from a risk mitigation perspective

**Adopted** mobile management solutions to enhance the speed of collaborative communication

**Enhanced** redundant connectivity across all branches and distribution centres

## Roadmap for 2015-16

**ERP** Implementation for Tubular Batteries project

**Phase II** initiation of the Human Capital Management Solutions

**Phase II** implementation of the ISMS and DC-DR framework work

**Explore** Manufacturing Execution Systems for further enhancing operations efficiency and effectiveness

**Deliver** IT support for effective Implementation of Ind AS Implementation



## 323 locations

The Company rolled out Amaron® franchisees solution to enhance franchisee efficiency across 323 locations



## ANALYSIS OF FINANCIAL STATEMENTS



Mr. S V RAGHAVENDRA, CHIEF FINANCIAL OFFICER RECEIVING NATIONAL AWARD FOR EXCELLENCE IN COST MANAGEMENT FOR THE YEAR 2013 OF INSTITUTE OF COST ACCOUNTANT OF INDIA

The Company's performance in 2014-15 showcases its ability to grow business and profitability despite a sluggish business environment prevailing in key user sectors namely the automotive and the telecom sectors.

### Statement of Profit and Loss

#### Net income from operations:

It grew by 23% from ₹34,366.59 million in 2013-14 to ₹42,113.29 million in 2014-15, owing to a heartening increase in business volumes in both business divisions – industrial batteries and automotive batteries.

The Industrial battery business division registered a healthy double-digit growth despite a stagnant market. This was primarily due to the additional volumes – consequent to the commissioning of new capacities, both in LVRLA and MVRLA.

With the additional volumes, the Company increased

its business share with key customers and added new ones. Besides, exports registered a heartening growth with increasing volumes going to the telecom and UPS sectors.

The Automotive battery segment also registered healthy growth despite a sluggish four-wheeler sector.

**Business** growth in the OE segment was due to product approvals for new OE platforms and increasing share with existing platforms.

In the aftermarket space, widening reach and focused branding initiatives resulted in healthy double-digit growth; the PowerZone format was launched for the first time in urban cities, generating a heartening response.

In the two-wheeler segment, the Company's revenue grew at a healthy pace owing to increased offtake by OE customers and growing demand in the aftermarket segment.

### EBITDA MARGIN

(%)



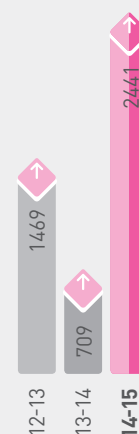
### NET MARGIN


(%)



### INTEREST COVER

(x)



 **17.19%**  
EBITDA margin stood at 17.19% in 2014-15 against 16.75% in 2013-14

#### Operating expenses:

Operating expenses (total expenses less interest and depreciation) increased by 22% from ₹28,763.30 million in 2013-14 to ₹35,022.54 million in 2014-15. Operating expenses as a percentage of total income declined from 83% in 2013-14 to 82% in 2014-15 as a result of cost optimisation initiatives at its operating facilities.

#### Cost of material consumed:

It increased 21% from ₹21,011.95 million in 2013-14 to ₹25,494.67 million in 2014-15. This increase was primarily due to a significant increase in production volumes; an increase in lead and alloy prices also contributed to an increase in material costs.

#### Employee expenses:

Expenses under this head increased 23% from ₹1,583.16 million in 2013-14 to ₹1,950.93 million in 2014-15, largely due

to an increase in the team size for managing expanded operations – the Company's team size stood at 4,430 as on March 31, 2015 against 3,834 as on March 31, 2014.

**Other expenses:** The balance under this head increased 22% from ₹4346.60 million in 2013-14 to ₹5,310.40 million in 2014-15. This was due to a 28% increase in manufacturing expenses (primarily power and fuel), a 14% increase in selling expenses (primarily freight outward expenses) and a 28% increase in administrative expenses.

**Margins:** The commissioning of the sizeable new capacity is yet to operate at optimum capacity; hence, costs are yet to be completely absorbed. This impacted operating margins marginally. EBITDA margin stood at 17.19% in 2014-15 against 16.75% in 2013-14 while net margin

stood at 9.76% in 2014-15 against 10.69% in 2013-14.

#### Balance Sheet

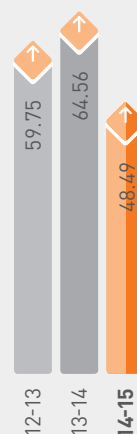
**Capital employed:** The capital employed in the business increased by 23% from ₹14,785 million as on March 31, 2014 to ₹18,124 million as on March 31, 2015. This was due to the commissioning of new facilities at its greenfield site, which was completely funded from internal accruals.

**Shareholders' fund:** The balance under this head increased by 25% from ₹13,627.01 million as on March 31, 2014 to ₹16,995.71 million as on March 31, 2015. This increase was due to the ploughback of business profits at the year end. The share capital remained unchanged over the previous year; promoters held 52.06% in the Company as on March 31, 2015.

#### RETURN ON NETWORTH (%)



#### RETURN ON ASSETS (%)



#### WORKING CAPITAL (Days)





# 12%

The current assets balance increased by 12% from ₹11,427.15 million as on March 31, 2014 to ₹12,758.86 million as on March 31, 2015. This increase was marginal when compared to the increase in business at 23%

**Non-current liabilities:** The balance under this head stood at ₹1,552.92 million as on March 31, 2015 against ₹1,430.37 million as on March 31, 2014. The largest component under this sub-head was long-term debt comprising interest-free sales tax deferment, an Andhra Pradesh Government incentive where the sales tax component is retained by the Company and is repayable 14 years from the date of each availment in annual instalments.

**Current liabilities:** The balance under this head increased marginally from ₹4,778.08 million as on March 31, 2014 to ₹5,332.21 million as on March 31, 2015. This increase was due to an increase in trade payables (consequent to business growth) and other current liabilities.

**Non-current assets:** The balance under this head increased 32% from ₹8,408.31 million as on March 31, 2014 to ₹11,121.98 million as on March 31, 2015. This increase was primarily

owing to a 52% increase in tangible assets (consequent to the commissioning of new manufacturing lines at its existing and greenfield facilities). The capital work-in-progress at ₹861.68 million comprised the tubular gel facility, which is expected to commence operations in the current year.

**Current assets:** The balance under this head increased by 12% from ₹11,427.15 million as on March 31, 2014 to ₹12,758.86 million as on March 31, 2015. This increase was marginal when compared to the increase in business at 23%; it showcased the Company's ability in maintaining a disciplined working capital cycle, leading to enhanced organisational liquidity.

#### Internal control

The Company believes that business efficiency, management effectiveness and asset safeguarding can be sustained through adequate internal control and process standardisation. 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



# ₹861.68

The capital work-in-progress at ₹861.68 million comprised the tubular gel facility, which is expected to commence operations in the current year.

# RISK MANAGEMENT

Risk Management at Amara Raja is an integral part of the business model, focusing on mitigating the adverse impact of risks on the business objectives and enabling the Company to leverage market opportunities effectively. The Company leverages knowledge gathered over more than two decades to strengthen viability and allay shareholder apprehension about growth prospects.

## Risk management framework

Amara Raja's integrated risk management approach comprises a compliance with prudential norms, structured reporting and effective controls. A combination of centrally issued policies and divisionally-evolved procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

This approach conforms to the Company's strategic direction and is consistent with stakeholders' desired total returns, credit rating and risk appetite. The senior management periodically reviews the risk management framework to maintain contemporariness and address emerging challenges.

## Risk categories

The risks associated with the Company's business are broadly classified into four major categories.

**Economic risk:** Due to a downturn or adverse political situations, which may impact organisational objectives negatively

**Operational risk:** Inherent to business operations, including manufacturing and distribution operations, any other business activity disruptions

**Financial risk:** Due to major fluctuations in currency markets, rise in interest rates and possible debt non-recovery

**Human resource risk:** Due to attrition of key managerial persons or disruption of operations due to other human resource issues

Risk	Mitigation plan
<b>Economic risk:</b> A downturn in the economy could impact the offtake of batteries.	<p><b>The Company</b> caters to a number of user sectors which has created multiple revenue streams.</p> <p><b>The Company</b> has established strong relations with customers in various user sectors, which de-risks the Company from an overexposure in any one user segment.</p>
<b>Operational risk:</b> Increasing lead costs could impact business profitability.	<p><b>With growing</b> operational scale, the Company has emerged as a large lead purchaser providing it negotiating power.</p> <p><b>The Company</b> leverages relationships with its joint venture partner for optimising lead procurement costs.</p>
Inflation could raise operational costs, affecting business profitability.	The Company's continuous improvement projects for streamlining processes, improving productivity and reducing wastages has facilitated in optimising operational costs.
<b>Financial risk:</b> Rising interest costs could impact business profits.	<b>The Company</b> does not have any debt on its books. The Company recently commissioned a large capacity that was entirely funded through accruals.
Growing scale would require an increase in working capital requirement.	<b>The Company</b> commissioned its incremental capacities in a phased manner, which enabled it to build cash flows, strengthening organisational liquidity.
<b>Human resource risk:</b> The Company may not get the necessary skilled team to manage growing business operations.	<b>The Company</b> established a corporate brand that enables it to attract rich talent. The structured recruitment policy and disciplined induction process enables the Company to select the right talent. Its people-centric policies and practices help the Company nurture and retain talent.

# THE SOCIALLY RESPONSIBLE CORPORATE



STUDENT AT MECHANICAL WORKSHOP

Amara Raja has always been a responsible corporate citizen and it has demonstrated its commitment to the improvement of the standard of living of the rural people. Much before the advent of law on CSR spend was implemented, the Company has been contributing towards this cause through the Mangal Trust and Rajanna Trust. The trusts are running programs in the areas of education, health, water conservation, environment protection and rural development.

The Amara Raja Group believes in inclusive growth by providing opportunities to the rural population, enhance their skills and create employment opportunities for them in those geographies. Case in point: all its manufacturing plants are located in the rural areas of Andhra Pradesh with 82% of its 10,880-strong employee base consisting individuals from rural background.

## The skill gap

There is a visible mismatch between the supply and availability of talented personnel across industries. Towards fostering the cause of skilling rural India and also as a part of the CSR during the year 2014-15 a state of the art Amara Raja Skill Development Center (ARSDC) was constructed. The Mission of ARSDC is 'Skilling Rural India to Make in India'. This institution is now anchoring multi skill industrial courses which would equip the rural talent with necessary skills to enhance their employability.

## Objectives

**Provide** industrial training to matriculated rural population and help instil them with livelihood-earning skills

**Minimise** the gap between the supply and availability of talent by training rural population in line with evolving scenarios across businesses



ARIEL VIEW OF THE AMARA RAJA SKILL DEVELOPMENT CENTRE



STUDENTS TRAINING IN ELECTRONICS LABORATORY



### Nature of the course

The entire course is residential and focuses on skill and personality development so as to enhance employability.

### Key features

**Training methodology** - 70% practical and 30% theory

On-the-job stipend

**Latest** infrastructure, well-equipped classrooms, labs and workshops

**Entirely** free course inclusive of food, accommodation, uniforms and study material

**Hostel** facilities for both for boys and girls

**Various** lab facilities and workshops

**Extracurricular** activities

### Introduction of ARSDC Students to Amara Raja Group

An important event was held for the benefit of the ARSDC students on January 10, 2015. Dr. K. Lakshminarayana, IAS, Director, Andhra Pradesh Skill Development Corporation was the Chief Guest. The Honourable Chairman, Group CEOs many other dignitaries graced the event with their presence.

### Affirmative action

About 20 to 25% of the students are admitted from SC and ST communities.

### Employment opportunity

The Group hopes to provide employment opportunity to some of these trained personnel. ARSDC would also help to cater to the requirements of industries around, going forward.



BOYS HOSTEL, ARSDC



Dr. RAMACHANDRA N GALLA, ADDRESSING THE EVENT



CLASSROOM TRAINING OF THE STUDENTS AT ARSDC

# 10 YEARS FINANCIALS

₹ million

Parameters/Year	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>OPERATING RESULTS</b>										
Net sales	42,113	34,367	29,589	23,645	17,611	14,645	13,132	10,833	5,958	3,637
Profit before depreciation, interest & tax (PBDIT)*	7,241	5,758	4,658	3,570	2,588	2,965	2,056	1,795	905	521
Profit before interest & tax (PBIT)*	5,883	5,087	3,952	3,096	2,171	2,536	1,711	1,551	735	374
Profit before tax (PBT)	6,099	5,367	4,218	3,186	2,204	2,546	1,227	1,459	712	373
Profit after tax (PAT)	4,109	3,674	2,867	2,151	1,481	1,670	805	944	470	238
Dividends	617	552	430	323	393	248	68	40	40	28
Dividend Tax	123	94	73	52	65	42	12	7	7	4
Retained profits	3,369	3,029	2,363	1,776	1,023	1,380	725	897	423	206
<b>SOURCES AND APPLICATION OF FUNDS</b>										
<b>SOURCES OF FUNDS</b>										
Share capital	171	171	171	171	171	171	171	114	114	114
Reserves and surplus	16,825	13,456	10,427	8,064	6,288	5,266	3,885	3,217	2,323	1,899
Net worth	16,996	13,627	10,598	8,235	6,459	5,437	4,056	3,331	2,437	2,013
Debt	759	857	881	855	1,000	912	2,859	3,163	1,407	405
Deferred tax liability	368	301	195	220	205	216	182	169	136	120
Funds employed	18,124	14,785	11,674	9,310	7,664	6,565	7,097	6,663	3,980	2,538
<b>APPLICATION OF FUNDS</b>										
Gross fixed assets	14258 ^	9,880	6727 ^	6,213	5,388	4,911	4,271	3,106	2,577	1,907
Accumulated depreciation	4,815	3,648	3,138	2,667	2,237	1,854	1,458	1,217	1,009	863
Net fixed assets	9,443	6,232	3,589	3,546	3,151	3,057	2,813	1,889	1,568	1,044
Capital work-in-progress (CWIP)	863	1,446	1,030	315	375	227	396	657	62	48
Investments	161	161	161	161	161	161	471	162	162	320
Gross current assets	13,414	13,555	12,924	9,494	7,472	6,311	5,260	5,749	3,500	2,280
Current liabilities and provisions	5,757	6,609	6,030	4,206	3,495	3,191	1,843	1,794	1,312	1,154
Net current assets	7,657	6,946	6,894	5,288	3,977	3,120	3,417	3,955	2,188	1,126
Net assets	18,124	14,785	11,674	9,310	7,664	6,565	7,097	6,663	3,980	2,538
<b>RATIOS</b>										
PBT to sales (%)	14.48	15.62	14.26	13.48	12.51	17.38	9.34	13.47	11.95	10.26
PAT to sales (%)	9.76	10.69	9.69	9.10	8.41	11.40	6.13	8.71	7.89	6.54
Return on Assets (ROA) - (%) <sup>+</sup>	48.49	64.56	59.75	45.76	34.61	44.51	30.62	33.91	25.44	18.55
Return on net worth (%) <sup>@</sup>	26.83	30.33	30.45	29.28	24.90	35.18	21.80	32.73	21.12	12.46
Debt : Equity (times)	0.04	0.06	0.08	0.10	0.15	0.17	0.70	0.95	0.58	0.20
Fixed assets turnover (times) <sup>&amp;</sup>	4.14	5.06	7.52	6.42	5.57	4.79	4.67	5.73	3.80	3.48
Earnings per share (₹) <sup>#</sup>	24.05	21.51	16.78	25.18	17.34	19.56	9.42	16.57	41.31	20.94
Dividend (%)	361	323	252	189	230	145	40	35	35	25
Dividend per share (₹) <sup>#</sup>	3.61	3.23	2.52	3.78	4.60	2.90	0.80	0.70	3.50	2.50
Book value per share (₹) <sup>#</sup>	99.50	79.78	62.05	96.42	75.63	63.65	47.49	58.50	213.98	176.76
Share Price (as of 31st March) - (₹) <sup>#</sup>	833.05	394.40	273.65	292.80	189.75	164.20	36.65	195.65	340.40	234.25

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

^ Gross fixed assets are net of impairment in value

+ 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 and ₹ 2 each upto FY 2006-07 and FY 2011-12 respectively and thereafter on face value of ₹ 1 each

## Board of Directors

Dr. Ramachandra N Galla	<i>Chairman</i>
Jayadev Galla	<i>Vice Chairman and Managing Director</i>
Shu Qing Yang	Non-Executive Director
Eric Stuart Mitchell	Non-Executive Director (Upto August 6, 2014)
Bruce Arden Ronning Jr.	Non-Executive Director, (w.e.f August 6, 2014)
P Lakshmana Rao	Non-Executive Independent Director (upto January 27, 2015)
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
Bhairavi Tushar Jani	Non-Executive Independent Director (w.e.f March 28, 2015)

## Management Team

D Naren Reddy	Head - Quality Management & HSE
B Jaikrishna	President - HR and Administration
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
M M Venkata Krishna	Head - Home Incubation Task Force

## Company Secretary

M R Rajaram

## Auditors

M/s. E Phalguna Kumar & Co.  
*Chartered Accountants*, Tirupati  
M/s. Chevuturi Associates  
*Chartered Accountants*, Vijayawada

## Cost Auditors

M/s. Sagar & Associates  
*Cost Accountants*, Hyderabad

## Bankers

State Bank of India, SME Branch, Tirupati  
Andhra Bank, Main Branch, Tirupati

## 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, 2015.

## Financial Highlights

₹ million

Parameters	2014-15	2013-14
Net revenue	42,113	34,367
Other income	423	455
<b>Total income</b>	<b>42,536</b>	<b>34,822</b>
Operating profit (EBITDA)	7,241	5,758
Profit before tax (PBT)	6,099	5,367
<b>Profit after tax (PAT)</b>	<b>4,109</b>	<b>3,674</b>
Surplus brought forward	10,960	8,298
Amount available for appropriation	15,068	11,973
<b>Appropriations:</b>		
Transfer to General Reserve	411	367
Dividend on equity capital		
Proposed dividend	617	552
Corporate dividend tax	123	94
Surplus carried forward to balance sheet	13,917	10,960

## Performance overview

- The Company continued its record of clocking highest ever turnover and profit for financial year 2014-15.
- Total revenue (net of excise duty) for the year was ₹ 42.11 billion as against ₹ 34.37 billion in the previous year registering a growth of 23%
- The operating profit (Earnings Before Interest, Tax, Depreciation and Amortisation-EBITDA) for the year

stood at ₹ 7,241 million (previous year ₹ 5,758 million) representing 17.19% of net revenue.

- The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year was at ₹ 6,099 million and ₹ 4,109 million as against ₹ 5,367 million and ₹ 3,674 million of the previous financial year respectively.
- The profit after tax has registered an impressive 12% growth.



## Industrial battery business

The Company's Industrial Battery business registered double digit revenue growth over the previous financial year, in a challenging and competitive market conditions.

The growth in demand from telecom sector is primarily driven by data growth and the drive for energy optimisation by the tower companies. The demand for UPS batteries was moderate. Increased imports due to our country's Preferential Free Trade Agreements with ASEAN and Sri Lanka are a matter of concern, since the raw materials continue to attract higher import duty.

Amidst these challenges, 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 export business too registered good growth as it is more broad based in terms of geographies covered and has a much wider spread in terms of products, customers and applications.

The Company has progressively started providing total solutions to customers enabling it to forge strategic alliances.

## Automotive battery business

The Company's Automotive Battery business reported double digit revenue growth supported by volume increase of 12% in four-wheeler and 52% in two-wheeler batteries, over the previous financial year, despite capacity constraints in the automotive four-wheeler batteries.

During the year, the Company commenced full year supplies to two-wheeler OEM business, consolidating its position in this space and growing at 113% over previous year. In four-wheeler OEM space, the company grew the business by 7% in spite of almost flat automobile production. In the aftermarket automotive segment, the Company's brands grew at a healthy

pace of 16%. 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 of inverter batteries, which includes both flat and tubular plate, witnessed a good growth of 27% over previous year.

The revenue from export business grew significantly at 37% over previous year. The products of the Company and brand have started gaining recognition in overseas markets, resulting in increased business. The Company will continue its efforts to increase its exports in the Indian Ocean RIM by strengthening and expanding the distributor's network and entering into new markets.

The new four-wheeler battery plant at Nunegundlapalle village, Chittoor District with capacity of 2.25 million units per annum was commissioned during the fourth quarter of FY 2015, taking the total capacity of the four-wheeler automotive battery plant to 8.25 million units per annum.

During the year, your Board approved an investment of about ₹ 500 Crores for setting up tubular batteries manufacturing plant (for Home UPS application) with a capacity of 1.44 million units per annum and the project is progressing as per schedule.

## Financial position

The Company's financial position has shown immense improvement over the years. The networth as at March 31, 2015 improved to ₹ 16,996 million with the addition of ₹ 3,369 million to the reserves and surplus during the year. There is no interest bearing debt as of March 31, 2015. CRISIL had re-affirmed the ratings on the Company's long-term bank loan facilities at 'CRISIL AA+/Stable' and on the short-term bank facilities at 'CRISIL A1+.'

During the year under review, the gross fixed assets including capital work-in-progress increased by ₹ 3,875 million (net of deletions of ₹ 118 million) and are at ₹ 15,277 million (previous year ₹ 11,402 million). The entire additions were funded through internal accruals. The earnings per share of ₹1 each for the financial year 2014-15 grew by 12% at ₹ 24.05 as against ₹ 21.51 for the previous financial year, while the book value per share as at March 31, 2015 was at ₹ 99 as against ₹ 80 as at March 31, 2014.

## Dividend

In line with the dividend policy of the Company, to pay dividend (excluding corporate dividend tax) upto 15% of the profit after tax of the Company, your directors have pleasure in recommending a dividend of ₹ 3.61 per equity share of ₹1 each (361%) for the financial year ended March 31, 2015, subject to the approval of the shareholders.

The dividend, if approved, would involve a cash outflow of ₹ 616.63 million towards dividend and ₹ 123.29 million towards corporate dividend tax, resulting in a total cash outflow of ₹ 739.92 million.

## Transfer to reserves

Your directors have proposed to transfer a sum of ₹ 410.86 million to the general reserve out of the profits earned by the Company. An amount of ₹ 13,917 million is proposed to be retained as surplus in the statement of Profit and Loss.

## Directors and Key Managerial Personnel

Mr. Eric Stuart Mitchell (DIN: 06561619) and Mr. P Lakshmana Rao (DIN: 01463507) resigned from the Board with effect from August 6, 2014 and January 27, 2015 respectively. The Board wishes to place on record their sincere appreciation for the valuable services rendered by Mr. Eric Stuart Mitchell and Mr. P Lakshmana Rao during their tenure as directors of the Company.

Mr. Bruce Ronning Jr. (DIN: 06938974) was appointed as director in the casual vacancy caused by the resignation of Mr. Eric Stuart Mitchell (DIN: 06561619) with effect from August 6, 2014. He holds office upto the date of the ensuing annual general meeting as Mr. Eric Stuart Mitchell was liable to retire by rotation at this AGM.

Ms. Bhairavi Tushar Jani (DIN: 00185929) was appointed as an Additional Director (Independent) on the Board with effect from March 28, 2015.

The resolutions seeking your approval for the appointment(s) of Mr. Bruce Ronning Jr. as a Director and Ms. Bhairavi Tushar Jani as an independent director for a term of five years effective from August 14, 2015 are included in the notice of the ensuing annual general meeting along with brief details about them. The Company has received a notice in writing under Section 160 of the Act proposing their appointments.

All the Independent Directors have declared that each of them satisfy the criteria of the independence as stipulated under

the Section 149(6) of the Companies Act, 2013 ("Act") and Clause 49 of the listing agreement entered into with the stock exchanges and there was no change in the circumstances which may affect their independence during the year.

Pursuant to the provisions of Section 203 of the Act, Mr. Jayadev Galla, Vice Chairman and Managing Director, Mr. S V Raghavendra, Chief Financial Officer and Mr. M R Rajaram, Company Secretary are the key managerial personnel of the Company.

## Auditors

M/s. E Phalgun Kumar & Co., Chartered Accountants, Tirupati and M/s. Chevuturi Associates, Chartered Accountants, Vijayawada, the joint statutory auditors of the Company who hold office until the conclusion of the ensuing annual general meeting had given notice expressing their desire to retire as auditors of the Company at the ensuing annual general meeting, in order to enable the Company to comply with the provisions of the Companies Act, 2013 governing rotation of auditors.

The Board of Directors wishes to place on record their sincere appreciation of the services of the joint statutory auditors especially in terms of ensuring timely completion and the quality of audit.

M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants had given their consent(s), if appointed, to hold office as the joint statutory auditors for a term of five (5) years from the conclusion of this 30<sup>th</sup> annual general meeting till the conclusion of 35<sup>th</sup> annual general meeting. The said firm(s) have confirmed their eligibility under Sections 139 and 141 of the Companies Act, 2013 and rules framed there under for their appointment as the joint statutory auditors of the Company.

The Audit Committee considered, recommended and the Board of Directors propose the appointment of M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the joint statutory auditors of the Company. Necessary resolution is being placed before the members for their approval.

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 Audit is not applicable for the financial year 2014-15. The Cost Audit report for the financial year 2013-14 was filed on September 16, 2014.

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 R.Sridharan & Associates, Company Secretaries to undertake the secretarial audit of the company for the financial year 2014-15. The Secretarial Audit Report in Form MR-3 received from them is annexed herewith as **Annexure I**.

## Corporate Governance

The report on corporate governance along with the certificate from practising company secretary regarding compliance of conditions of corporate governance for the year ended March 31, 2015 pursuant to clause 49 of the listing agreement is annexed hereto and forms part of the annual report. The Managing Director and the Chief Financial Officer of the Company have submitted a certificate endorsing to the Board the correctness of the financial statements and other matters as required under clause 49 (IX) of the listing agreement entered into with the stock exchanges.

## Management discussion and analysis

Management discussion and analysis report, highlighting the performance and prospects of the Company's business, forms part of this annual report.

## Directors' responsibility statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirm to the best of their knowledge and belief that in the preparation of the statement of profit and loss for the financial year ended March 31, 2015 and the balance sheet as at that date ("financial statements"):

- i) the applicable accounting standards 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 Companies Act, 2013, 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) the financial statements have been prepared on a going concern basis.
- v) the proper internal financial controls are in place and that such internal financial controls were adequate and were operating effectively
- vi) the 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 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 II**

### Number of Meetings of the Board

During the year six meetings of the Board of the Directors of the Company were convened and held in accordance with the provisions of the Companies Act, 2013. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming part of this annual 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 part of this annual 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 III** 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 the link <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 <http://www.amararaja.co.in>

### Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the listing agreement entered into with the Stock Exchanges, the Board had carried out an annual performance evaluation of its own performance, the directors individually as well as 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. Ms. Bhairavi Tushar Jani, additional director, being appointed on March 28, 2015 was excluded from the evaluation process.

The Independent Directors at their separate meeting reviewed the Performance of the Board as a whole, Non independent Directors and the Chairman of the Board.

### 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 Clause 49 of the listing agreement and other applicable laws were given and explained to the new Directors.

The Directors appointed by the Board 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 roles/responsibility. The details of the familiarisation programme is available on the Company's website.

### 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 year, the Company entered into lease agreements with Amara Raja Infra Private Limited to take on lease land admeasuring 12 acres and 62 acres situated at Nunegundlapalle village, Bangarupalyam Mandal, Chittoor District to construct hostel/canteen, amenities for workmen and also for its expansion plans, which may be deemed not to be in the ordinary course of business of the Company. The shareholders approved these proposals by way of special resolution at the AGM on August 6, 2014 and through postal ballot process. The results of the postal ballot were declared on September 24, 2014.

During the financial year 2014-15, 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.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus

approval of the Audit Committee is obtained for transaction with the related parties which 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.

As all the transactions with the related parties are on Arm's length basis and there are no material related party transactions as per policy adopted by the Company, the particulars of contracts or arrangements with the related parties under Section 188 in Form AOC-2 is not enclosed herewith.

### Internal Controls

The details of internal control system and the adequacy of internal financial controls with respect to financial statements are given in the corporate governance report which forms part of the annual report.

### 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 the link <http://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, 2015.

### Particulars of Remuneration

The information required pursuant to Section 197(12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexured hereto as **Annexure IV**.



A statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the said rules is also annexed to the Directors' Report. However, in terms of the provisions of Section 136(1) read with relevant proviso thereto of the Act, the annual report is being sent to the members of the Company excluding the aforesaid statement. The statement is available for inspection at the Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company at its registered office address.

## 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 V** and forms part of this annual report.

## 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.

## 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:

- Business Today in its edition "BEST CEOs" ranked Mr. Jayadev Galla, Vice Chairman and Managing Director at 6<sup>th</sup> position in the overall ranking for the mid-sized companies in India.
- Platinum award" for "Partner of the Year 2014-15" from Indus Towers Limited for customer focused approach, service delivery and product innovation.
- Received "OVERALL EXCELLENCE" award from Maruti Suzuki Limited in the field of QCDM (Quality, Cost, Delivery and Management) parameters.
- Amaron® has been awarded as 'Asia's Most Promising Brand' for the year 2013-14 under Automotive Category by World Consulting and Research Corporation (WCRC).
- The Company won second position in "National award for excellence in cost management for the year 2013 under "Private-Manufacturing-Organisation large" from the Institute of Cost Accountants of India.

- Amara Raja has been adjudged as "1st Best Employer Award" for 2014-15 by The Employer Branding Institute and has won Employer Branding Awards 2014-15 for Talent Management, HR Strategy in Line with Business, Training, Recruitment, Retention Strategy and Career Development. Amara Raja also won "Global HR Excellence Award" for "Talent Management and Innovative HR Practices."
- Amara Raja has been awarded "The Golden Globe Tigers Award 2015" for Excellence and Leadership in Training and Development in three categories. The awards were bestowed by HRD Management committee of World HRD Congress.

## Transfer to the Investor Education and Protection Fund

In terms of Section 205A read with Section 205C of the Companies Act, 1956, an amount of ₹ 4,35,179 being unclaimed dividend pertaining to the financial year 2005-06 was transferred to the Investor Education and Protection Fund (IEPF) on October 16, 2014.

## Health, safety and environmental protection

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.

## 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 Inc. for their valuable assistance and support. The Directors are thankful to the shareholders for their continued patronage.

On behalf of the Board

Dr. Ramachandra N Galla  
Chairman

Place: Hyderabad  
Date: July 15, 2015

### Secretarial Audit Report for the financial year ended March 31, 2015

[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**  
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** (hereinafter called "the Company") [Corporate Identification Number : L31402AP1985PLC005305]. 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 Amara Raja Batteries Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 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) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 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, 1992;
  - 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 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise.
  - e) During the period 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 shares during the period under review and hence the provisions of compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable;
- (vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:
1. The Factories Act, 1948
  2. Apprentices Act, 1961 and Apprenticeship Rules, 1991
  3. Contract Labour (Regulation & Abolition Act), 1970 & Contract Labour (Regulation And Abolition) Central Rules, 1971
  4. Employees' Provident Funds & Miscellaneous Provisions Act, 1952
  5. Equal Remuneration Act, 1976
  6. The Employees' State Insurance Act, 1948
  7. Industrial Disputes Act, 1947
  8. Industrial Employment (Standing Orders) Act, 1946
  9. The Maternity Benefit Act, 1961 & Maternity Benefit Rules, 1967
  10. The Minimum Wages Act, 1948 and The Minimum Wages (Central) Rules, 1950
  11. The Payment of Bonus Act, 1965
  12. The Payment of Gratuity Act, 1972
  13. The Payment of Wages Act, 1936 and Payment of Wages (Procedure) Rules, 1937
  14. Professional Tax Rules
  15. Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013
  16. Industries Development & Regulation Act, 1951
  17. The Trade Union Act, 1926
  18. The Batteries (Management and Handling) Rules, 2001
  19. The Boilers Act, 1923 & Indian Boilers Regulations, 1950
  20. Environment (Protection) Act, 1986 and the applicable rules made thereunder.
  21. Gas Cylinders Rules, 1981

22. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
23. The Petroleum Act, 1934 & Petroleum Rules, 1976
24. The Indian Electricity Act, 2003 & Rules, 1956
25. Competition Act, 2002
26. Consumer Protection Act, 1986
27. The Legal Metrology Act, 2009
28. The Copy right Act, 1957
29. Patents Act, 1970
30. The Trade Marks Act, 1999
31. Other local laws as applicable to various plants and offices.

With respect to Fiscal laws such as Income Tax, Finance Act, Wealth Tax, Professional Tax Rules, Central Sales Tax & Local Sales Tax, Value Added Tax, Central Excise, Customs and Service Tax Rules based on the information and explanation provided to us by the management and officers of the Company and also on verification of reports of professionals including reports of Internal Audit, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- (i) The Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act are applicable with effect from 1st July, 2015. However, the Secretarial Standards 1 and 2 relating to Board Meetings and General Meetings which were issued by the ICSI as recommendatory in nature have been generally complied with.
- (ii) The Listing Agreements were entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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 Companies Act, 2013.

Notice is given to all directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent 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.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been properly recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and nature of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has got the approval of the Shareholders by passing Special Resolution through Postal Ballot pursuant to Section 188 and other applicable provisions, if any, of the Companies Act,

2013, for entering into a Lease Agreement with M/s. Amara Raja Infra Private Limited to take on lease land admeasuring 62 acres situated at Majara Kothapalli Village of Yadamarri Mandal and/ or Nunegundlapalle Village of Bangarupalayam Mandal in Chittoor District for a period of 99 years for a lease consideration of Rupees 40.30 crores.

For R Sridharan & Associates  
Company Secretaries

CS R Sridharan

Place : Chennai  
Date : May 6, 2015

C P No. 3239  
FCS No.4775

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

**Annexure A**

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

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

1. Maintenance of secretarial record 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

Place : Chennai  
Date : May 6, 2015

C P No. 3239  
FCS No.4775



**Form No. MGT-9**  
**Extract of Annual Return**  
**as on the financial year ended on March 31, 2015**  
[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:

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	272	92

## 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)

##### i) Category-wise Share Holding

Category of Shareholders	Share holding at the beginning of the year				Share holding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	3,19,74,058	-	3,19,74,058	18.72	3,19,74,058	-	3,19,74,058	18.72	-
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	3115,500	-	31,15,500	1.82	3115,500	-	31,15,500	1.82	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>3,50,89,558</b>	<b>-</b>	<b>3,50,89,558</b>	<b>20.54</b>	<b>3,50,89,558</b>	<b>-</b>	<b>3,50,89,558</b>	<b>20.54</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	94,26,644	-	94,26,644	5.52	94,26,644	-	94,26,644	5.52	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	4,44,11,250	-	4,44,11,250	26.00	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>-</b>	<b>5,38,37,894</b>	<b>31.52</b>	<b>5,38,37,894</b>	<b>-</b>	<b>5,38,37,894</b>	<b>31.52</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>8,89,27,452</b>	<b>-</b>	<b>8,89,27,452</b>	<b>52.06</b>	<b>8,89,27,452</b>	<b>-</b>	<b>8,89,27,452</b>	<b>52.06</b>	<b>-</b>

Category of Shareholders	Share holding at the beginning of the year				Share holding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a. Mutual Funds	1,97,35,031	12,000	1,97,47,031	11.56	1,52,30,451	12,000	1,52,42,451	8.92	-2.64
b. Banks / FI	25,670	7,500	33,170	0.02	1,59,556	7,500	1,67,056	0.10	0.08
c. Central Government	-	-	-	-	-	-	-	-	-
d. State Government	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	2,56,53,554	1,500	2,56,55,054	15.02	2,48,42,846	1,500	2,48,44,346	14.54	-0.48
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)									
Foreign Portfolio Investor (Corporate) Category I	-	-	-	-	2,527	-	2,527	0.00	-
Foreign Portfolio Investor (Corporate) Category II	-	-	-	-	59,59,626	-	59,59,626	3.49	3.49
<b>Sub-total (B)(1):</b>	<b>4,54,14,255</b>	<b>21,000</b>	<b>4,54,35,255</b>	<b>26.60</b>	<b>4,61,95,006</b>	<b>21,000</b>	<b>4,62,16,006</b>	<b>27.06</b>	<b>0.46</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	47,87,653	2,50,514	50,38,167	2.95	51,34,704	2,50,514	53,85,218	3.15	0.20
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,26,75,881	16,25,652	1,43,01,533	8.37	1,33,12,583	14,22,256	1,47,34,839	8.63	0.26

Category of Shareholders	Share holding at the beginning of the year				Share holding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	54,22,235	-	54,22,235	3.17	42,78,218	-	42,78,218	2.50	-0.67
c) Others (specify)									
Clearing members	291,000	-	291,000	0.17	6,58,338		6,58,338	0.39	0.22
Directors and their relatives	33,000	-	33,000	0.02	-	-	-	-	-
Foreign nationals	400	-	400	0.00	300	-	300	0.00	-
Hindu Undivided Families	645,909	-	645,909	0.38	5,22,516	-	5,22,516	0.31	-0.07
Non Resident Indians	60,03,803	34,94,814	94,98,617	5.56	54,00,873	34,94,814	88,95,687	5.21	-0.36
Others-Unclaimed suspense account	9,13,000	-	9,13,000	0.53	8,86,000	-	8,86,000	0.52	0.01
Trusts	3,05,932	-	3,05,932	0.18	3,07,926	-	3,07,926	0.18	-
Sub-total (B)(2):	3,10,78,813	53,70,980	3,64,49,793	21.34	3,05,01,458	51,67,584	3,56,69,042	20.88	-0.46
Total Public Shareholding (B) = (B)(1) + (B)(2)	7,64,93,068	53,91,980	8,18,85,048	47.94	7,66,96,464	51,88,584	8,18,85,048	47.94	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	16,54,20,520	53,91,980	17,08,12,500	100.00	16,56,23,916	51,88,584	17,08,12,500	100.00	-

## ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Share holding at the beginning of the year				Share holding at the end of the year				% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares		
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	1.56		1,28,21,984	7.51	0.69		-
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	-		-
		8,89,27,452	52.06	1.56		8,89,27,452	52.06	0.69		-

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

Particulars	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



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

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Franklin Templeton Mutual Fund (including all managed funds)				
	At the beginning of the year	57,56,988	3.37		
	Net market purchases/(sales) during the week ended:				
	April 18, 2014	(15,000)	(0.01)	5,733,088	3.36
	May 2, 2014	(28,850)	(0.02)	5,704,238	3.34
	May 9, 2014	(2,758)	(0.00)	5,701,480	3.34
	May 23, 2014	38,655	0.02	5,740,135	3.36
	May 30, 2014	(12,047)	(0.01)	5,728,088	3.35
	June 13, 2014	(25,000)	(0.01)	5,703,088	3.34
	June 20, 2014	(3,603)	(0.00)	5,699,485	3.34
	June 30, 2014	73,003	0.04	5,772,488	3.38
	July 4, 2014	355,600	0.21	6,128,088	3.59
	July 11, 2014	50,000	0.03	6,178,088	3.62
	July 18, 2014	8,333	0.00	6,186,421	3.62
	August 14, 2014	(25,000)	(0.01)	6,161,421	3.61
	August 22, 2014	(597,500)	(0.35)	5,563,921	3.26
	September 12, 2014	(47,300)	(0.03)	5,516,621	3.23
	September 19, 2014	(32,662)	(0.02)	5,483,959	3.21
	September 30, 2014	(132,338)	(0.08)	5,351,621	3.13
	October 17, 2014	(32,857)	(0.02)	5,318,764	3.11
	October 24, 2014	(92,143)	(0.05)	5,226,621	3.06
	October 31, 2014	(67,741)	(0.04)	5,158,880	3.02
	November 7, 2014	(26,685)	(0.02)	5,132,195	3.00
	November 14, 2014	(155,574)	(0.09)	4,976,621	2.91
	December 5, 2014	(50,000)	(0.03)	4,926,621	2.88
	December 12, 2014	(50,000)	(0.03)	4,876,621	2.85
	January 23, 2015	(15,007)	(0.01)	4,861,614	2.85
	January 30, 2015	(84,993)	(0.05)	4,776,621	2.80
	February 6, 2015	(5,000)	(0.00)	4,771,621	2.79
	March 13, 2015	(15,000)	(0.01)	5,733,088	3.36
	At the end of the year			4,771,621	2.79

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
2.	<b>Copthall Mauritius Investment Limited</b>				
	At the beginning of the year	41,96,795	2.46		
	Market purchases/(sales) during the week ended				
	April 4, 2014	54,835	0.03	4,251,630	2.49
	April 11, 2014	625	0.00	4,252,255	2.49
	April 18, 2014	16,905	0.01	4,269,160	2.50
	May 16, 2014	(157,136)	(0.09)	4,112,024	2.41
	May 23, 2014	(102,530)	(0.06)	4,009,494	2.35
	May 30, 2014	(188,923)	(0.11)	3,820,571	2.24
	June 6, 2014	(156,517)	(0.09)	3,664,054	2.15
	June 13, 2014	(102,046)	(0.06)	3,562,008	2.09
	June 20, 2014	(24,601)	(0.01)	3,537,407	2.07
	June 30, 2014	(49,692)	(0.03)	3,487,715	2.04
	July 4, 2014	(13,305)	(0.01)	3,474,410	2.03
	July 11, 2014	(74,029)	(0.04)	3,400,381	1.99
	July 18, 2014	(103,396)	(0.06)	3,296,985	1.93
	July 25, 2014	(91,110)	(0.05)	3,205,875	1.88
	July 31, 2014	(8,610)	(0.01)	3,197,265	1.87
	August 1, 2014	(4,746)	(0.00)	3,192,519	1.87
	August 8, 2014	(272,095)	(0.16)	2,920,424	1.71
	August 14, 2014	(80,500)	(0.05)	2,839,924	1.66
	August 22, 2014	(366,537)	(0.21)	2,473,387	1.45
	August 29, 2014	(52,684)	(0.03)	2,420,703	1.42
	September 5, 2014	(99,166)	(0.06)	2,321,537	1.36
	October 10, 2014	(484,965)	(0.28)	1,836,572	1.08
	November 21, 2014	(13,189)	(0.01)	1,823,383	1.07
	November 28, 2014	(463,964)	(0.27)	1,359,419	0.80
	December 12, 2014	21,975	0.01	1,381,394	0.81
	At the end of the year			13,81,394	0.81

3.	<b>ICICI Prudential Mutual Fund (including all managed funds)</b>				
	At the beginning of the year	35,49,568	2.08		
	Market purchases/(sales) during the week ended				
	May 9, 2014	(28,915)	(0.02)	3,520,653	2.06
	May 16, 2014	(131,422)	(0.08)	3,389,231	1.98
	June 6, 2014	(39,663)	(0.02)	3,349,568	1.96
	July 4, 2014	(15,507)	(0.01)	3,334,061	1.95
	July 11, 2014	(62,325)	(0.04)	3,271,736	1.92
	July 25, 2014	(19,691)	(0.01)	3,252,045	1.90
	August 1, 2014	(540)	(0.00)	3,251,505	1.90
	August 8, 2014	(44,021)	(0.03)	3,207,484	1.88
	November 21, 2014	(2,554)	(0.00)	3,204,930	1.88
	At the end of the year			32,04,930	1.88

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
4.	Dr. Upendranath N				
	At the beginning of the year	25,72,254	1.52		
	Market purchases/(sales) during the week ended				
	December 31, 2014	(65,700)	(0.04)	2,506,554	1.47
	January 2, 2015	(33,712)	(0.02)	2,472,842	1.45
	January 9, 2015	(88,255)	(0.05)	2,384,587	1.40
	January 16, 2015	(173,862)	(0.10)	2,210,725	1.29
	January 30, 2015	(63,471)	(0.04)	2,147,254	1.26
	At the end of the year			2,147,254	1.26

5.	HDFC Mutual Fund (including all managed funds)				
	At the beginning of the year	2,200,000	1.29		
	Market purchases/(sales) during the week ended				
	May 30, 2014	343,000	0.20	2,543,000	1.49
	June 30, 2014	614,438	0.36	3,157,438	1.85
	July 4, 2014	(329,764)	(0.19)	2,827,674	1.66
	July 11, 2014	(23,674)	(0.01)	2,804,000	1.64
	At the end of the year			2,804,000	1.64

6.	Smallcap World Fund, Inc				
	At the beginning of the year	21,73,886	1.27		
	No change during the year				
	At the end of the year			21,73,886	1.27

7.	Mondrian Emerging Markets Small Cap Equity Fund L.P.#				
	At the beginning of the year	20,13,966	1.18		
	Market purchases/(sales) during the week ended				
	September 12, 2014	(378,950)	(0.22)	1,635,016	0.96
	September 19, 2014	(61,307)	(0.04)	1,573,709	0.92
	November 21, 2014	(62,018)	(0.04)	1,511,691	0.89
	December 12, 2014	(170,688)	(0.10)	1,341,003	0.79
	December 19, 2014	(75,718)	(0.04)	1,265,285	0.74
	December 31, 2014	(3,943)	(0.00)	1,261,342	0.74
	January 23, 2015	(23,544)	(0.01)	1,237,798	0.72
	March 27, 2015	(135,241)	(0.08)	1,102,557	0.65
	At the end of the year			1,102,557	0.65

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
8.	Sundraman Mutual Fund (including all managed funds)#				
	At the beginning of the year	18,90,000	1.11		
	Market purchases/(sales) during the week ended				
	April 4, 2014	(159,659)	(0.09)	17,30,341	1.01
	April 11, 2014	(385,627)	(0.23)	1,344,714	0.79
	April 18, 2014	(129,714)	(0.08)	1,215,000	0.71
	April 25, 2014	(65,920)	(0.04)	1,149,080	0.67
	May 2, 2014	(199,080)	(0.12)	9,50,000	0.56
	May 9, 2014	(82,498)	(0.05)	867,502	0.51
	May 16, 2014	(138,906)	(0.08)	728,596	0.43
	May 23, 2014	(218,596)	(0.13)	510,000	0.30
	May 30, 2014	(10,000)	(0.01)	500,000	0.29
	June 6, 2014	(367,618)	(0.22)	132,382	0.08
	June 13, 2014	(132,382)	(0.08)	-	-
	At the end of the year			-	-

9.	Dolly Khanna#				
	At the beginning of the year	15,40,008	0.90		
	Market purchases/(sales) during the week ended				
	April 4, 2014	(10,500)	(0.01)	1,529,508	0.90
	April 11, 2014	(4,500)	(0.00)	1,525,008	0.89
	April 18, 2014	(6,000)	(0.00)	1,519,008	0.89
	April 25, 2014	(33,250)	(0.02)	1,485,758	0.87
	May 2, 2014	(14,500)	(0.01)	1,471,258	0.86
	May 9, 2014	(23,000)	(0.01)	1,448,258	0.85
	May 16, 2014	(8,000)	(0.00)	1,440,258	0.84
	May 23, 2014	(19,697)	(0.01)	1,420,561	0.83
	May 30, 2014	(11,381)	(0.01)	1,409,180	0.82
	June 6, 2014	(27,000)	(0.02)	1,382,180	0.81
	June 13, 2014	(23,500)	(0.01)	1,358,680	0.80
	June 20, 2014	(20,450)	(0.01)	1,338,230	0.78
	June 30, 2014	(22,250)	(0.01)	1,315,980	0.77
	July 4, 2014	(8,250)	(0.00)	1,307,730	0.77
	July 11, 2014	(20,750)	(0.01)	1,286,980	0.75
	July 18, 2014	(3,250)	(0.00)	1,283,730	0.75
	July 25, 2014	(16,450)	(0.01)	1,267,280	0.74
	July 31, 2014	(5,500)	(0.00)	1,261,780	0.74
	August 1, 2014	(1,500)	(0.00)	1,260,280	0.74
	August 8, 2014	(2,200)	(0.00)	1,258,080	0.74
	August 14, 2014	(1,000)	(0.00)	1,257,080	0.74
	August 22, 2014	(9,050)	(0.01)	1,248,030	0.73
	August 29, 2014	(15,250)	(0.01)	1,232,780	0.72
	September 5, 2014	(4,250)	(0.00)	1,228,530	0.72
	September 12, 2014	(18,500)	(0.01)	1,210,030	0.71
	September 19, 2014	(18,200)	(0.01)	1,191,830	0.70

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	September 30, 2014	(26,402)	(0.02)	1,165,428	0.68
	October 3, 2014	(4,250)	(0.00)	1,161,178	0.68
	October 10, 2014	(11,500)	(0.01)	1,149,678	0.67
	October 17, 2014	(12,250)	(0.01)	1,137,428	0.67
	October 24, 2014	(6,000)	(0.00)	1,131,428	0.66
	October 31, 2014	(16,250)	(0.01)	1,115,178	0.65
	November 7, 2014	(14,900)	(0.01)	1,100,278	0.64
	November 14, 2014	(26,600)	(0.02)	1,073,678	0.63
	November 21, 2014	(9,250)	(0.01)	1,064,428	0.62
	November 28, 2014	(7,600)	(0.00)	1,056,828	0.62
	December 5, 2014	(12,250)	(0.01)	1,044,578	0.61
	December 12, 2014	(7,150)	(0.00)	1,037,428	0.61
	December 31, 2014	(20,950)	(0.01)	1,010,478	0.59
	January 2, 2015	(5,500)	(0.00)	1,004,978	0.59
	January 9, 2015	(10,050)	(0.01)	994,928	0.58
	January 16, 2015	(12,500)	(0.01)	982,428	0.58
	January 23, 2015	(10,000)	(0.01)	972,428	0.57
	January 30, 2015	(10,000)	(0.01)	962,428	0.56
	February 6, 2015	(21,250)	(0.01)	941,178	0.55
	February 13, 2015	(14,500)	(0.01)	926,678	0.54
	February 20, 2015	(2,000)	(0.00)	924,678	0.54
	February 27, 2015	(3,900)	(0.00)	920,778	0.54
	March 6, 2015	(5,088)	(0.00)	915,690	0.54
	March 13, 2015	(7,471)	(0.00)	908,219	0.53
	March 20, 2015	(2,000)	(0.00)	906,219	0.53
	March 27, 2015	(1,500)	(0.00)	904,719	0.53
	March 31, 2015	(1,000)	(0.00)	903,719	0.53
	At the end of the year			903,719	0.53

10.	Durga Rani Chunduri				
	At the beginning of the year	13,51,500	0.79		
	No change during the year				
	At the end of the year			13,51,500	0.79

11.	Wasatch International Growth Fund ^				
	At the beginning of the year	-	-		
	Market purchases/(sales) during the week ended				
	August 28, 2014	13,47,144	0.79	13,47,144	0.79
	September 12, 2014	6,43,900	0.38	19,91,044	1.17
	March 31, 2015	(5,32,562)	(0.31)	14,58,482	0.85
	At the end of the year			14,58,482	0.85



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
12.	Franklin Templeton Investment Funds ^				
	At the beginning of the year	-	-		
	Market purchases/(sales) during the week ended				
	August 8, 2014	152,283	0.09	152,283	0.09
	August 22, 2014	139,800	0.08	292,083	0.17
	September 5, 2014	199,200	0.12	491,283	0.29
	September 30, 2014	161,370	0.09	652,653	0.38
	October 3, 2014	73,703	0.04	726,356	0.43
	October 10, 2014	226,800	0.13	953,156	0.56
	October 17, 2014	504,667	0.30	1,457,823	0.85
	November 14, 2014	2,500	0.00	1,460,323	0.85
	November 21, 2014	217,000	0.13	1,677,323	0.98
	November 28, 2014	599,753	0.35	2,277,076	1.33
	December 5, 2014	5,869	0.00	2,282,945	1.34
	December 19, 2014	257,474	0.15	2,540,419	1.49
	January 30, 2015	9,296	0.01	2,549,715	1.49
	February 27, 2015	300,000	0.18	2,849,715	1.67
	March 20, 2015	63,996	0.04	2,913,711	1.71
	March 27, 2015	261,004	0.15	31,74,715	1.86
	March 31, 2015	24,232	0.01	31,98,947	1.87
	At the end of the year			31,98,947	1.87
13.	Baron Emerging Market Fund ^				
	At the beginning of the year	13,00,940	0.76		
	Market purchases/(sales) during the week ended				
	April 18, 2014	50,000	0.03	1,350,940	0.79
	May 30, 2014	50,000	0.03	1,400,940	0.82
	June 6, 2014	150,000	0.09	1,550,940	0.91
	June 13, 2014	145,560	0.09	1,696,500	0.99
	June 20, 2014	80,361	0.05	1,776,861	1.04
	June 30, 2014	114,139	0.07	1,891,000	1.11
	July 4, 2014	71,000	0.04	1,962,000	1.15
	October 24, 2014	40,000	0.02	2,002,000	1.17
	November 14, 2014	(50,000)	(0.03)	1,902,000	1.11
	December 19, 2014	(50,000)	(0.03)	1,852,000	1.08
	December 31, 2014	(50,000)	(0.03)	1,802,000	1.05
	January 9, 2015	(50,000)	(0.03)	1,752,000	1.03
	February 20, 2015	(50,000)	(0.03)	1,702,000	1.00
	March 13, 2015	(115,000)	(0.07)	1,587,000	0.93
	March 20, 2015	(85,000)	(0.05)	1,502,000	0.88
	March 27, 2015	(50,000)	(0.03)	1,452,000	0.85
	At the end of the year			1,452,000	0.85

\* 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, 2015. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on April 1, 2014

^ Not in the Top 10 shareholders as on April 1, 2014. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on March 31, 2015.

## v) 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.	<b>Dr. Ramachandra N Galla, Chairman</b>				
	At the beginning of the year	1,27,95,074	7.49		
	No change during the year				
	At the end of the year			1,27,95,074	7.49
2.	<b>Mr. Jayadev Galla, Vice Chairman and Managing Director</b>				
	At the beginning of the year	1,28,21,984	7.51%		
	No change during the year				
	At the end of the year			1,28,21,984	7.51
3.	<b>Mr. Nagarjun Valluripalli, Non-Executive Independent Director</b>				
	At the beginning of the year	3,000	0.0018		
	Market sale of shares on June 20, 2014	(3000)	0.0018	-	-
	At the end of the year			-	-
4.	<b>Other Directors</b>				
	At the beginning of the year	Nil	Nil		
	No change during the year				
	At the end of the year			Nil	Nil
5.	<b>Mr. S V Raghavendra, Chief Financial Officer</b>				
	At the beginning of the year	120	0.0001		
	Market purchase of shares on November 28, 2014	50	0.0000	170	0.0001
	At the end of the year			170	0.0001
6.	<b>Mr. M R Rajaram, Company Secretary</b>				
	At the beginning of the year	Nil	Nil		
	No change during the year				
	At the end of the year			Nil	Nil

## VI. Indebtedness

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

₹ million

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	83.83	773.13	-	856.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>83.83</b>	<b>773.13</b>	<b>-</b>	<b>856.96</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	(83.83)	(13.66)	-	(97.49)
<b>Net Change</b>	<b>(83.83)</b>	<b>(13.66)</b>	<b>-</b>	<b>(97.49)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	759.47	-	759.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>759.47</b>	<b>-</b>	<b>759.47</b>

\*Interest free sales tax deferrment loan.

## VI. Remuneration of Directors and Key Managerial Personnel

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

₹ million

Sl. No.	Particulars of Remuneration	Name of MD/WT/ 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	24.00	24.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.06	1.06
	(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	310.89	310.89
	- others, specify	-	-
5	Others, Contribution to Provident Fund	0.02	0.02
	<b>Total (A)</b>	<b>335.97</b>	<b>335.97</b>
	Ceiling as per the Act i.e 5% of the net profits calculated under Section 198 of the Companies Act, 2018		335.97

## B. Remuneration to other directors

₹ million

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. P Lakshmana Rao*	0.16	1.00	-	1.16
	Mr. Nagarjun Valluripalli	0.17	0.50	-	0.67
	Mr. N Sri Vishnu Raju	0.19	0.50	-	0.69
	Mr. T R Narayanaswamy	0.13	0.50	-	0.63
	Mr. Raymond J Brown	0.12	0.50	-	0.68
	Ms. Bhairavi Tushar Jani*	-	-	-	-
	<b>Total (1)</b>	<b>0.77</b>	<b>30.00</b>	<b>-</b>	<b>30.77</b>
2.	<b>Other Non-Executive Directors</b>				
	Dr. Ramachandra N Galla	-	201.59	-	201.59
	Mr. Shuqing Yang	-	-	-	-
	Mr. Eric Stuart Mitchell*	-	-	-	-
	Mr. Bruce Ronning Jr.*	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>201.59</b>	<b>-</b>	<b>201.59</b>
	<b>Total (B)= (1+2)</b>	<b>0.77</b>	<b>231.59</b>		<b>232.36</b>
	<b>Total Managerial Remuneration</b>				<b>232.36</b>
	Ceiling as per the Act i.e 1% of the net profits calculated under Section 198 of the Companies Act, 2018 <sup>#</sup>				<b>68.41</b>

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

<sup>#</sup> The shareholders at their meeting held on July 29, 2010 and the Ministry of Corporate Affairs vide its letter dated January 31, 2011 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 under the erstwhile Companies Act, 1956.

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

₹ million

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	8.26	5.14	13.40
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0.09	0.03	0.12
	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>8.35</b>	<b>5.17</b>	<b>13.52</b>

## VII. Penalties / Punishment/ Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

## 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:

- a. Education
- b. Health
- c. Environment
- d. Rural Development

The activities under the Education include primary, secondary and higher education, skill development of rural population, 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

3. Average net profit of the Company for last three financial years: ₹ 4,288.58 million
4. Prescribed CSR Expenditure (2% of the Average Net Profit as in item 3 above): ₹ 85.77 million
5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year : ₹ 96.25 million
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below:

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount 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 Skill Development Centre to impart employment enhancing vocational skills to rural youth	Rural Development Project	Pettamitta, Chittoor	₹ 96.25 million	₹ 96.25 million	Implementing Agency i.e Rajanna Trust

The implementation and monitoring of CSR is in compliance with the CSR policy of the Company.

Place : Hyderabad  
Date : July 15, 2015

Dr. Ramachandra N Galla  
Chairman of the CSR Committee



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 percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2014-15 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:

Name of the Director/Key Managerial Personnel	% increase in Remuneration in the financial year 2014-15	Ratio of the remuneration to the median remuneration of the employees
Dr. Ramachandra N Galla, Non-Executive Chairman	14.54%	1431.02
Mr. Eric Stuart Mitchell, Non-Executive Director*	Nil	-
Mr. Bruce Ronning Jr., Non-Executive Director*	Nil	-
Mr. Shu Qing Yang, Non-Executive Director*	Nil	-
Mr. P Lakshmana Rao, Non-Executive Independent Director <sup>#</sup>	100%	6.90
Mr. Nagarjun Valluripalli, Non-Executive Independent Director	100%	3.45
Mr. N Sri Vishnu Raju, Non-Executive Independent Director	100%	3.45
Mr. T R Narayanaswamy, Non-Executive Independent Director	100%	3.45
Mr. Raymond J Brown, Non-Executive Independent Director	100%	3.45
Ms. Bhairavi Tushar Jani, Non-Executive Independent Director <sup>^</sup>	Nil	-
<b>Executive Director</b>		
Mr. Jayadev Galla, Vice Chairman and Managing Director	14.54%	2316.75
<b>Key Managerial Personnel</b>		
Mr. S V Raghavendra, Chief Financial Officer		57.55
Mr. M R Rajaram, Company Secretary		35.64

\* Mr. Eric Stuart Mitchell resigned as a Director with effect from August 6, 2014 and Mr. Bruce Ronning Jr. was appointed as director in the casual vacancy caused by resignation of Mr. Eric Stuart Mitchell with effect from August 6, 2014.

<sup>#</sup> Mr. P Lakshmana Rao resigned as a Director with effect from January 27, 2015.

<sup>^</sup> Ms. Bhairavi Tushar Jani was appointed as an Independent Director with effect from March 28, 2015.

- b. The percentage increase in the median remuneration of employees in the financial year: 8.62%
- c. The number of permanent employees on the rolls of company: 4,430
- d. The explanation on the relationship between average increase in remuneration and company performance:

The average increase in the employee remuneration effected during the year 2014-15 is based on the individual performance and Company's performance during the previous financial year 2013-14. The other factors considered for revision in remuneration is based on market survey, functional expertise, industry standards etc.

- e. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Aggregate remuneration of Key Managerial Personnel (KMP) (₹ in million)	349.49
Revenue (₹ million)	42,113.29
Remuneration of KMP as a % of revenue	0.83
Profit Before Tax (PBT) (₹ million)	6,098.62
Remuneration of KMP as a % of PBT	5.73

- f. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies

Particular	As at March 31, 2015	As at March 31, 2014	Variation
<b>Market Capitalisation (in ₹ Crores)</b>			
BSE Limited	14,195.37	6,721.47	111.19%
National Stock Exchange of India Limited	14,229.54	6,736.85	111.22%
<b>Price Earnings Ratio</b>			
BSE Limited	34.56	18.29	88.95%
National Stock Exchange of India Limited	34.64	18.34	88.88%
<b>Market Price (₹)</b>			
BSE Limited	831.50	393.50	111.19%
National Stock Exchange of India Limited	833.05	394.40	111.22%

The Company had come out with the initial public offer (IPO) in the year 1992 at face value of ₹ 10 each. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 12.50 lakhs as on March 31, 2015.

- g. 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 2014-15 was 13.40%. The Percentage increase in the managerial remuneration for the same financial year was 14.54%

- h. Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:

Name	Remuneration (₹ million)	Revenue (₹ in million)	% of Revenue	PBT (₹ in million)	% of PBT
Mr. Jayadev Galla, Vice Chairman and Managing Director	335.97	42,113.29	0.80	6,098.62	5.51
Mr. S V Raghavendra, Chief Financial Officer	8.35	42,113.29	0.02	6,098.62	0.13
Mr. M R Rajaram, Company Secretary	5.17	42,113.29	0.01	6,098.62	0.08

- i. The key parameters for any variable component of remuneration availed by the directors:

Only commission is payable in addition to the monthly remuneration. The total remuneration paid to Mr. Jayadev Galla, Vice Chairman and Managing Director is restricted to 5% of the net profits of the Company per annum. The Commission paid to Dr. Ramachandra N Galla, Non-Executive Chairman is 3% of the net profits of the Company per annum. The amount of Commission paid to non-executive independent directors shall be determined by the Board within the overall limits of 1% of the net profits of the Company.

- j. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable as no employee is receiving remuneration in excess of the highest paid Director.

- k. 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 : July 15, 2015

Dr. Ramachandra N Galla  
Chairman

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

### 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 equipments.

### B. Technology Absorption

#### i. Specific Areas in which Technology Development is carried out by the Company

The 'Technology' activities of the Organisation 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:

- 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

- Studied and gained insight on CARBON chemistry and its relevance to enhance Lead Acid Battery performance
- Mat paste technology concept was successfully demonstrated to make manufacturing operations environmental friendly
- Established process technology for materials processing and optimization
- Pursued "Advanced positive plate technology study" successfully for MVRLA UPS Application
- Released advanced 200Ah product to cater IT/ITS requirements.
- Studied and recommended advanced environment friendly formation technique for standby industrial batteries for higher productivity with lesser energy consumption

- Developed 12V-7Ah AGM batteries to capture the unserved market in two wheeler segment
- Designed & Developed advanced automotive lead acid batteries with innovative poly designs for commercial vehicles
- Installed 18KWp Solar plant for street lighting purpose within the plant premises, with an objective of propelling the green energy technologies
- Designed niche product for start stop applications of key OEM's
- Enhanced productivity by introducing efficient plate alignment methodology in curing process
- Studied new process approaches helping to reduce plate dust
- Demonstrated an optimized process successfully that impart flame retardant property to plastic material
- Evaluated strip making technologies for performance enhancement of automotive batteries
- Introduced accelerated ageing process for tin based grids used in two wheeler batteries

#### iii. Future Plan of Action

- Development of eco-friendly grid technology for two wheeler batteries
- Development of non-corrosive electrolyte to enhance battery maintenance characteristics
- Introduce robust poly formulations that enable batteries withstand hostile service conditions
- Commercial release of mono block range batteries to meet growing needs of UPS, IT & ITES segments both in domestic & export markets
- Validation of advanced negative plate technology in Modular VRLA batteries
- Validation of Gel technology for Solar, UPS & HUPS applications.
- Carboln series design and development with new features to cater upcoming telecom needs.
- Feasibility studies (bulk) on advanced formation techniques and to choose the right one for deployment.
- Development of light weight battery for automotive applications.
- Evaluation of sealed concept for automotive battery so as to make the batteries 100% leak proof.

- Deploy alternate continuous plate making technologies
- Reduction of lead dross in lead alloy casting processes
- Validation and implementation of formation process with acid recirculation system
- Development of process technology to recover the active material from spent paste
- Development of formation process with novel paste additive that enhances formation efficiency

iv. **Efforts, made towards technology absorption**

- Studied and recommended advanced environment friendly formation technique for standby industrial batteries for higher productivity with lesser energy consumption.

- Customized the product for start stop applications of key OEM's

v. **The benefits derived like product improvement, cost reduction, product development or import substitution**

- 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 Inc. USA
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 Inc. USA 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)**

₹ million

Sl. No	Parameters	2014-15	2013-14
1	Capital	20.07	44.06
2	Recurring	50.83	41.34
	<b>Total</b>	<b>70.90</b>	<b>85.40</b>

C. **Foreign exchange earnings and outgo**

₹ million

Sl. No	Parameters	2014-15	2013-14
1	Foreign exchange used	11,046	10,092
2	Foreign exchange earned - exports	2,405	1,640

On behalf of the Board

Place : Hyderabad  
Date : July 15, 2015

Dr. Ramachandra N Galla  
Chairman

# Report on Corporate governance

Pursuant to clause 49 of the listing agreement entered into with the stock exchanges in India, 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 stipulated under clause 49 of the listing agreement entered into with the stock exchanges with regard to corporate governance.

## 2. Board of Directors

- i) Presently the Board comprises of nine Directors of which the Vice Chairman and Managing Director is an Executive Director. Out of eight Non-Executive Directors, five (5) including one woman director are Independent Directors and three (3) are Non Independent Directors. The Board has an optimum combination of Executive and Non-Executive and Independent Directors and the composition of the Board is in conformity with clause 49 of the listing agreement entered into with the stock exchanges.
- ii) 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 clause 49 of the listing agreement and Section 149(6) of the Companies Act, 2013.

- iii) 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.
- iv) 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 only Audit Committee and the Stakeholders Relationship Committee alone are reckoned. The Directors disclosed their positions held in committees and directorships held in other public limited companies as on March 31, 2015.
- v) Six Board Meetings were held during the year as against the minimum requirement of four meetings. The dates on which the meetings were held:

Sl No.	Date of Meeting	Board Strength	No. of Directors Present
1.	April 07, 2014	9	7
2.	May 28, 2014	9	7
3.	August 6, 2014	9	8
4.	November 11, 2014	9	9
5.	January 27, 2015	9	9
6.	March 28, 2015	9	6

- vi) The composition of the Board, attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting, number of directorships, memberships/chairmanships in committees of other public limited companies as on March 31, 2015 are as follows:



Name of the Director	Category	Attendance Particulars		Number of directorships in other companies <sup>#</sup>	Number of committee memberships in other companies <sup>*</sup>	
		Board Meetings	Last AGM		Chairman	Member
Dr. Ramachandra N Galla <sup>\$</sup> DIN : 00133761	Promoter/ Non-Executive Chairman	6	Yes	9	1	1
Mr. Jayadev Galla <sup>\$</sup> DIN : 00143610	Promoter/Vice Chairman and Managing Director	5	Yes	9	Nil	Nil
Mr. Eric Stuart Mitchell <sup>^##</sup> DIN : 06561619	Non- Executive Director	Nil	NA	Nil	Nil	Nil
Mr. Bruce Ronning Jr. <sup>##+</sup> DIN : 06938974	Non- Executive Director	3	Yes	Nil	Nil	Nil
Mr. Shu Qing Yang <sup>##</sup> DIN : 01916660	Non- Executive Director	6	Yes	Nil	Nil	Nil
Mr. P Lakshmana Rao <sup>**</sup> DIN : 01463507	Independent, Non-Executive Director	5	Yes	1	Nil	Nil
Mr. Nagarjun Valluripalli DIN : 00034389	Independent, Non-Executive Director	5	Yes	19	1	1
Mr. N Sri Vishnu Raju DIN : 00025063	Independent, Non-Executive Director	6	Yes	19	Nil	2
Mr. T R Narayanaswamy DIN : 01143563	Independent, Non-Executive Director	4	No	12	Nil	1
Mr. Raymond J Brown DIN : 01916646	Independent, Non-Executive Director	6	Yes	Nil	Nil	Nil
Ms. Bhairavi Tushar Jani <sup>\$\$</sup> DIN : 00185929	Independent, Non-Executive Director	0	NA	8	Nil	Nil

<sup>#</sup> Excludes Directorships in foreign companies, companies under Section 8 of Companies Act, 2013.

<sup>\*</sup> Includes only Audit Committee and Stakeholders Relationship Committee.

<sup>\$</sup> No Director is related to any other Director on the Board, except Dr. Ramachandra N Galla and Mr. Jayadev Galla who are father and son respectively.

<sup>^</sup> Mr. Eric Stuart Mitchell resigned as a Director with effect from August 6, 2014 and Mr. Bruce Ronning Jr. was appointed as director in the casual vacancy caused by resignation of Mr. Eric Stuart Mitchell with effect from August 6, 2014.

<sup>+</sup> Participated in two meetings held on May 28, 2014 (by invitation) and March 28, 2015 through audio conference call.

<sup>##</sup> Nominee Directors of Johnson Controls Inc., USA.

<sup>\*\*</sup> Mr. P Lakshmana Rao resigned as a Director with effect from January 27, 2015.

<sup>\$\$</sup> Ms. Bhairavi Tushar Jani was appointed as an Independent Director with effect from March 28, 2015.

- vii) During the financial year 2014-15, information as mentioned in annexure X to the listing agreement 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 has been placed before the Board for its consideration.
- viii) None of the Non-Executive Independent Directors have any pecuniary relationship or transactions with the Company.
- ix) The Board had at its meeting held on November 11, 2014 approved the revised code of conduct incorporating the duties of Independent Directors. 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 year ended March 31, 2015. In terms of clause 49 of the listing agreement, a declaration signed by the Managing Director is enclosed to this report.

### 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 read with clause 49 (III) of the listing agreement entered into with the stock exchanges.
- ii) The Company Secretary acts as the Secretary to the Audit Committee. Mr. P Lakshmana Rao, Chairman of the Audit Committee upto January 27, 2015 was present at the Annual General Meeting of the Company held on August 6, 2014.
- iii) During the financial year 2014-15, six meetings of the Audit Committee were held on April 7, 2014, May 27, 2014, August 5, 2014, November 11, 2014, January 27, 2015 and March 28, 2015. 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. P Lakshmana Rao, Chairman*	Independent, Non-Executive	5
Mr. Nagarjun Valluripalli, Vice Chairman	Independent, Non-Executive	5
Mr. N Sri Vishnu Raju	Independent, Non-Executive	6
Mr. T R Narayanaswamy	Independent, Non-Executive	3

\* Resigned as Director with effect from January 27, 2015.

### 4. Nomination and Remuneration Committee

- i) In Compliance with Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement entered into with the stock exchanges, the Board had delegated the powers of nomination to the Committee and renamed the "Remuneration Committee" as "Nomination and Remuneration Committee". 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 read with clause 49 (IV) of the listing agreement entered into with the stock exchanges.
- ii) Two meetings of the Nomination and Remuneration Committee were held on May 28, 2014 and March 28, 2015. The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Name	Category	Attendance
Mr. P Lakshmana Rao, Chairman*	Independent, Non-Executive	1
Mr. Nagarjun Valluripalli	Independent, Non-Executive	1
Mr. T R Narayanaswamy	Independent, Non-Executive	1
Mr. N Sri Vishnu Raju#	Independent, Non-Executive	1

\* Resigned as Director with effect from January 27, 2015.

# Appointed as member of the Nomination and Remuneration Committee with effect from March 28, 2015.

#### 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 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 Inc., USA 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 their meeting held on July 29, 2010 and the Ministry of Corporate Affairs vide its letter dated January 31, 2011 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, 2010 to August 31, 2015.

- iv) Details of Remuneration paid to the Directors for the year ended March 31, 2015 are given below:

- a) Non-Executive Directors (other than representatives of Johnson Controls Inc., USA): ₹ million

Name	Commission	Sitting Fees paid
Dr. Ramachandra N Galla	201.59	Nil
Mr. P Lakshmana Rao	1.00	0.16
Mr. Nagarjun Valluripalli	0.50	0.17
Mr. N Sri Vishnu Raju	0.50	0.19
Mr. T R Narayanaswamy	0.50	0.13
Mr. Raymond J Brown	0.50	0.12
<b>Total</b>	<b>204.59</b>	<b>0.77</b>

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

Particulars	Amount
Salary	24.00
Perquisites and Allowances	1.06
Commission	310.89
Retirement benefits	0.02
<b>Total</b>	<b>335.97</b>

Mr. Jayadev Galla was re-appointed as the Managing Director of the Company for a period of five years with effect from September 1, 2010 to August 31, 2015. The agreement entered into with Mr. Jayadev Galla may be terminated by either party by giving three months' notice.

- v) Details of shares held by the Directors as on March 31, 2015:

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

The Company has not issued any convertible instruments.

## 5. Share Transfer and Stakeholders Relationship Committee

- In Compliance with Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement entered into with the stock exchanges, the Board has renamed the "Shareholder's /Investors' Grievance Committee" as "Share Transfer and Stakeholders Relationship Committee". The said Committee looks after the redressal of complaints of shareholder's.
- During the financial year 2014-15, one meeting of the Committee was held on March 28, 2015.
- The Composition of the Share Transfer and Stakeholders Relationship Committee and the attendance of members are given below:

Name	Category	Attendance
Mr. P Lakshmana Rao, Chairman*	Independent, Non-Executive	NA
Dr. Ramachandra N Galla	Non-Independent, Non-Executive	1
Mr. Jayadev Galla	Non-Independent, Executive	1

\* Resigned as Director with effect from January 27, 2015.

- The Committee was headed by Mr. P Lakshmana Rao, an Independent Director till he resigned from the Board and thereafter Dr. Ramachandra N Galla, a Non-Executive Director heads the said Committee
- Mr. M R Rajaram, Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.
- Details of investor complaints received and redressed to the satisfaction of the shareholders during the year 2014-15 are as follows:

Particulars	Non-receipt of dividend	Non-Receipt of Share Certificate/ Unclaimed shares	Non-receipt of Annual Report
Opening balance	0	0	0
Received during the year	1	3	2
Resolved during the year	1	3	2
Closing balance	0	0	0

There are no pending shareholders complaints as on March 31, 2015.

## 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 2014-15, one meeting of the Committee was held on November 11, 2014.
- The Composition of the Corporate Social Responsibility Committee and the attendance of members are given below:

Name	Category	Attendance
Dr. Ramachandra N Galla	Non-Independent, Non-Executive	1
Mr. Nagarjun Valluripalli	Independent, Non-Executive	1
Mr. T R Narayanaswamy	Independent, Non-Executive	1

- 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 were:

For the Financial year	Venue	Day and date	Time
2013-14	Registered Office: Renigunta-Cuddapah Road Karakambadi Tirupati, Andhra Pradesh – 517 520	Wednesday, August 6, 2014	11:30 AM
2012-13		Wednesday, August 14, 2013	3:00 PM
2011-12		Tuesday, August 14, 2012	2.55 PM

- Special Resolutions passed during the previous years:

### Financial year 2013-14:

#### Special Resolutions passed

- 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.
- To enter into lease agreement with Amara Raja Infra Private Limited to take lease of land admeasuring 12 acres situated at Nunegundlapalle Village, Bangarupalyam Mandal, Chittoor District.

### Financial year 2012-13:

No special resolutions were passed during the AGM held for the said period.

### Financial year 2011-12:

Special resolution passed for alteration of Article 5 of Articles of Association of the Company pertaining to Authorised Share Capital of the Company.

- Resolutions passed by the Postal Ballot

In September 2014, a special resolution under Section 188 of the Act to enter into lease agreement with Amara Raja Infra Private Limited to take lease of land admeasuring 62 acres situated at Nunegundlapalle Village, Bangarupalyam Mandal, Chittoor District was passed by Postal Ballot. The shareholders approved the said resolution with requisite majority.

The voting details of the above postal ballot were as follows:

Number of valid votes	8,26,66,620
Number of votes in favour	7,22,96,174
Number of votes against	1,03,70,446

The postal ballot was conducted by Mr. V Suresh, Practising Company Secretary, as scrutinizer, as per the procedure laid down in Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended from time to time.

No special resolution is proposed to be passed through postal ballot

## 8. Disclosures

- Disclosure of related party transactions

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 year, the Company entered into lease agreements with Amara Raja Infra Private Limited to take on lease land admeasuring 12 acres and 62 acres situated at Nunegundlapalle village, Bangarupalyam Mandal, Chittoor District to construct hostel/canteen, amenities for workmen and also for its expansion plans, which may be deemed not to be in the ordinary course of business of the Company. The shareholders approved these proposals by way of special resolution at the AGM on August 6, 2014 and

through postal ballot process. The results of postal ballot were declared on September 24, 2014.

The transactions with the related parties are in compliance with Section 188 of the Companies Act 2013 and Clause 49 of the listing agreement entered into with the stock exchanges.

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 interest of the Company at large.

The details of the related party transactions entered during the year and disclosures as required by the Accounting Standards (AS 18) were made in note no. 31 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>

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

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

## iii) Whistle Blower Policy

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 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>

## iv) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, the pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable. The significant accounting policies, which are consistently applied, have been set out in

the notes forming part of the audited financial statements for the financial year ended March 31, 2015.

## v) 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.

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

vii) The Management Discussion and Analysis Report have been included separately forming part of the Directors Report.

viii) 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.

## ix) Internal Control Systems

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, listing agreement, 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.

## x) CEO/CFO Certification

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 required under clause 49 (IX) of the listing agreement.

## xi) 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 Clause 49 of the Listing Agreement, the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.



## 9. Means of communication

The quarterly, half-yearly and annual results are submitted to the stock exchanges in accordance with the listing agreement 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, results on its website [www.amararaja.co.in](http://www.amararaja.co.in).

The particulars relating to the postal ballot/ e-voting are published in Eenadu (Chittoor Edition) and Deccan chronicle (Nellore Edition) having a wide circulation in the Chittoor District where the registered office is situated.

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.

## 10. General shareholders information

i)	Date, time and venue of Annual General Meeting	August 14, 2015 at 11:30 a.m. at the Registered Office of the Company i.e Renigunta - Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520	
ii)	Financial calendar (tentative):	Financial Year First Quarter Results Half-yearly Results Third Quarter Results Results for the year ending March 31, 2016 *Provisional	April to March Mid of August 2015* Mid of November 2015* Mid of February 2015* last week of May 2016*
iii)	Date(s) of book closure	Saturday, August 8, 2015 to Friday, August 14, 2015 (both days inclusive)	
iv)	Proposed Dividend  Dividend Payment Date	₹ 3.61 per equity share of ₹ 1 each (361%), subject to approval of members at the AGM. On or before August 31, 2015.	
v)	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 year have been paid to all the above stock exchanges	
vi)	Stock Code /Scrip Code	NSE : AMARAJABAT BSE : 500008	
	Corporate Identity Number (CIN)	L31402AP1985PLC005305	
	International Securities Identification Number (ISIN) for equity shares of ₹1 each under Depository System	INE885A01032	
vii)	Market Price Data High, Low during each month in last Financial year	Please see Annexure A	
viii)	Performance of the Company’s share price vis-à-vis-Sensex	Please see Annexure A	

ix)	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, Client ID and DP ID at the following address: <b>Cameo Corporate Services Limited</b> V Floor, Subramanian Building No.1, Club House Road Chennai 600 002 Tel : 91 044 28460390 Fax : 91 044 28460129 E-mail : investor@cameoindia.com Website : www.cameoindia.com
x)	Share Transfer System	All the valid transfers received are processed and approved by the Share Transfer and Stakeholders Relationship Committee by circular resolutions.
xi)	Distribution of Shareholding and Share holding Pattern as on March 31, 2015	Please see Annexure B
xii)	Dematerialisation of Shares and Liquidity	96.96% of the equity shares of the Company were dematerialised as on March 31, 2015
xiii)	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.
xiv)	Plant Location(s)	The Company's plant are located at a) Renigunta – Cuddapah Road, Karakambadi, Tirupati Andhra Pradesh 517 520 b) Nunegundlapalle Village, Bangarupalyam Mandal, Chittoor District Andhra Pradesh 517 416
xv)	Address for correspondence	Amara Raja Batteries Limited Terminal A, 1-18/1/AMR/NR, Nanakramguda Gachibowli, Hyderabad 500 032 Tel no : 91 40 23139000 Fax no : 91 40 23139001 E-mail : investorservices@amararaja.co.in Website : www.amararaja.co.in

## 11. Non-mandatory requirements :

The Company has complied with the following non-mandatory requirements of clause 49 of listing agreement to the extent stated below:

- Board: The Company has a separate office maintained for the Non-Executive Chairman.
- Audit Qualifications: There are no qualifications on the financial statements for the financial year ended March 31, 2015 by the Statutory Auditors of the Company.
- Other Non-Mandatory Requirements: The Company would be progressively adopting the other non-mandatory requirements.

## 12. Other requirements/Information

### i) 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. The Board of

Directors at its meeting held on May 19, 2010 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.

### ii) Transfer of unclaimed dividend

During the year under review, an amount of ₹ 4,35,179 pertaining to unpaid/unclaimed dividend for the financial year 2006-07 has been transferred to Investor Education and Protection Fund (IEPF) on October 16, 2014. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claims.

Members who have not yet encashed their dividend from the financial year 2007-08 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
2007-08	14.08.2008	19.09.2015
2008-09	30.07.2009	04.09.2016
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

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, 2014 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.

### iii) Equity shares in unclaimed suspense account:

Pursuant to the provisions of clause 5A (II) of the Listing Agreement, 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, 2014	438	9,13,000
Number of equity shareholders who approached the Company for transfer of shares of ₹1 each from the suspense account	9	27,000
Number of equity shareholders and to whom shares were transferred from suspense account during the year	9	27,000
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on March 31, 2015	429	8,86,000

The voting rights on the shares outstanding in the Suspense account as on March 31, 2015 are frozen till a claim from the rightful owner of such shares is received.

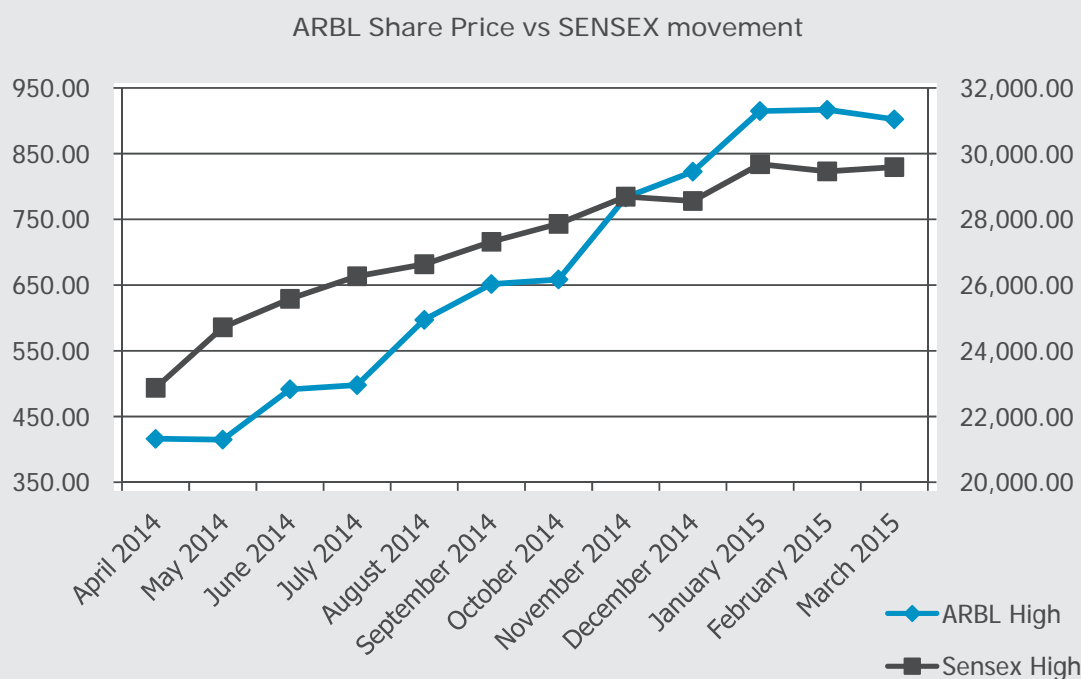
## Annexure A

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, 2014 to March 31, 2015 are furnished below:

Month	NSE		S&P CNX Nifty		BSE		Sensex	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2014	415.90	386.55	6,840.80	6,675.30	416.20	386.10	22,876.54	22,277.23
May 2014	415.05	383.70	7,367.10	6,652.55	414.85	383.50	24,716.88	22,323.90
June 2014	493.00	414.35	7,656.40	7,362.50	491.45	412.95	25,583.69	24,684.85
July 2014	499.45	456.00	7,830.60	7,454.15	497.85	455.65	26,271.85	25,006.98
August 2014	598.00	481.90	7,954.35	7,568.55	597.15	481.95	26,638.11	25,329.14
September 2014	651.75	557.00	8,173.90	7,911.85	651.65	557.25	27,319.85	26,468.36
October 2014	659.30	567.95	8,322.20	7,748.20	658.65	567.60	27,865.83	25,999.34
November 2014	782.00	643.35	8,588.25	8,324.15	783.40	643.80	28,693.99	27,860.38
December 2014	821.40	719.35	8,564.40	8,029.80	822.65	718.80	28,562.82	26,710.13
January 2015	919.60	790.70	8,952.35	8,102.10	914.85	790.10	29,681.77	26,908.82
February 2015	922.15	837.85	8,901.85	8,526.35	916.95	837.05	29,462.27	28,227.39
March 2015	905.10	810.30	8,996.25	8,341.40	902.40	811.55	29,593.73	27,458.64

### 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 2014-15



Performance of the Company's share price as at the beginning and end of the financial year 2014-15

Name of the Stock Exchange	NSE Close Price	BSE Close Price
Price as on April 1, 2014	386.55	386.10
Price as on March 31, 2015	833.05	831.50
Change in Value	446.20	445.40
% Change	115.51	115.36

As per the closing price of the Company's share on NSE, the market capitalisation increased from ₹ 66,02.76 crore as on April 1, 2014 to ₹ 14,229.53 crore as on March 31, 2015.

## Annexure B

### Distribution of Equity Shareholding as on March 31, 2015:

No. of shares held	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
1 - 5000	10,351,916	6.06	28419	97.24
5001 - 10000	2,442,375	1.43	345	1.18
10001 - 20000	2,352,677	1.38	167	0.57
20001 - 30000	1,469,020	0.86	58	0.20
30001 - 40000	876,564	0.51	24	0.08
40001 - 50000	1,075,581	0.63	24	0.08
50001 - 100000	3,777,270	2.21	52	0.18
100001 and above	148,467,097	86.92	137	0.47
<b>Total</b>	<b>170,812,500</b>	<b>100.00</b>	<b>29,226</b>	<b>100.00</b>

### Mode of Holding as on March 31, 2015:

No. of shares held	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
Demat mode	165,623,916	96.96	28,566	97.74
Physical mode	5,188,584	3.04	660	2.26
<b>Total</b>	<b>170,812,500</b>	<b>100.00</b>	<b>29,226</b>	<b>100.00</b>

### Categories of Equity Shareholders as on March 31, 2015:

Category	No. of shares	Percentage to no. of shareholders
Promoters	88,927,452	52.06
Mutual Funds & UTI	15,242,251	8.92
Banks/Financial Institutions	167,056	0.10
Foreign Institutional Investors/Foreign Portfolio Investor/NRI's	39,702,186	23.25
Corporate Bodies	5,385,218	3.15
Trusts	307,926	0.18
Others	21,080,211	12.34
<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, 2015 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place: Milwaukee  
Date: May 28, 2015

Jayadev Galla  
Vice Chairman and Managing Director



# CERTIFICATE OF COMPLIANCE FROM PRACTISING COMPANY SECRETARY UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The members of  
Amara Raja Batteries Limited

We have examined the compliance of the conditions of Corporate Governance by Amara Raja Batteries Limited ('the Company'), for the year ended March 31, 2015, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management; Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R Sridharan & Associates  
Company Secretaries

Place: Chennai  
Date: May 6, 2015

CS R Sridharan  
C P No. 3239  
FCS No.4775

# financial

## Statements

# Independent Auditors' report

To the Members of  
Amara Raja Batteries Limited

## Report on the financial statements

We have audited the accompanying financial statements of Amara Raja Batteries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on 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 Rules made thereunder. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015 ;
- b) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, 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 appears from our examination of those books and proper returns adequate for the purposes of the audit have been received from the branches to the extent not visited by us;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

# Independent Auditors' report

- e) On the basis of written representations received from the Directors as on March 31, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of sub-section (2) of section 164 of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position except those which are disclosed in the notes to the financial statements and para no.7 in Annexure to our Audit report.
  - The Company does not have any long term contracts

including derivative contracts. Hence making a provision for material foreseeable losses does not arise.

- There was no delay in transferring amounts, which were required to be transferred to the Investor Education Protection Fund by the Company.

**For E. Phalguna Kumar & Co.**  
*Chartered Accountants*  
Firm Registration No. 002644S

**For Chevuturi Associates**  
*Chartered Accountants*  
Firm Registration No. 000632S

**E. Chaitanya**  
*Partner*  
(Membership No: 215621)

**Raghunadha Rao Balineni**  
*Partner*  
(Membership No: 28105)

Place: Hyderabad  
Date : May 29, 2015

## Annexure to the Independent Auditors' report

The Annexure referred to in our report to the members of Amara Raja Batteries Limited ("Company") for the year ended March 31, 2015.

### We report that:

- In respect of its fixed assets:
  - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - According to the information and explanations furnished to us, the Company has physically verified part of its fixed assets during the year. However, the Company has adopted a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.
- In respect of its inventories:
  - According to the information and explanations furnished to us, the Company has physically verified its inventories (excluding inventories lying with third parties) during the year. In respect of inventory lying with third parties, the same has been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - According to the information furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, clauses (iii)(a) and (b) of paragraph 3 of the Order are not applicable.
- In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction.
- The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
- We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records

under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.

7. a) According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and any other statutory dues applicable

to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

- b) According to the information furnished to us, the following amounts of Income tax, Value added tax, Entry tax, Excise duty and Service tax have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of dues	Amount ₹ million	Period to which it pertains	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses	13.14 #	2005-06, 2008-09, 2009-10 and 2011-12	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Denial of input credit	0.81 &	2002-03 to 2007-08	CESTAT
Service Tax under Finance Act, 1994	Denial of abatement on freight paid to GTAs	6.06 ^	2005-06	CESTAT
Central Sales Tax Act, 1956	Non-receipt of concessional forms	5.20 ^	2004-05 to 2013-14	Appellate Authority – Upto Commissioner's Level
Local Sales Tax Acts of various states	Denial of Input Credit, Entry Tax credit and others	25.34 @	2005-06 to 2012-13	Appellate Authority – Upto Commissioner's Level

# - Stay has been granted for an amount of Rs 1.65 million. For the balance, application for stay is pending before the assessing officer.

& - Stay has been granted in respect of the amounts in appeal.

^ - Stay has been granted for an amount of Rs 0.60 million. For the balance, the application for stay is pending before the assessing officer.

@ - Stay has been granted for an amount of Rs 20.38 million. For the balance, application for stay is pending before the assessing officer.

- c) According to the information furnished to us, the Company deposited the amounts required to be transferred to Investor Education and Protection fund.
8. According to the information and explanations furnished to us, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to financial institutions, banks and debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Hence the requirements of clause (x) of paragraph 3 of the Order are not applicable to the Company.
11. According to the information and explanations given to us, no term loans were obtained by the Company during the year. Hence the provisions of clause (xi) of paragraph 3 of the Order are not applicable.

12. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For E. Phalguna Kumar & Co.

*Chartered Accountants*

Firm Registration No. 002644S

E. Chaitanya

*Partner*

(Membership No: 215621)

Place: Hyderabad

Date : May 29, 2015

For Chevuturi

*Associates*

*Chartered Accountants*

Firm Registration No.

000632S

Raghunadha Rao Balineni

*Partner*

(Membership No:

28105)

Particulars	Note No.	As at March 31, 2015		As at March 31, 2014	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2	170.81		170.81	
Reserves and surplus	3	16,824.90		13,456.20	
			16,995.71		13,627.01
Non-current liabilities					
Long-term borrowings	4	741.38		759.47	
Deferred tax liabilities (net)	5	368.48		301.33	
Long-term provisions	6	443.06		369.57	
			1,552.92		1,430.37
Current liabilities					
Short-term borrowings	7	-		83.83	
Trade payables	8	1,520.80		1,277.79	
Other current liabilities	9	2,615.69		2,156.68	
Short-term provisions	6	1,195.72		1,259.78	
			5,332.21		4,778.08
Total			23,880.84		19,835.46
ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		9,398.93		6,198.94	
Intangible assets		43.69		32.96	
Capital work-in-progress		861.68		1,443.60	
Intangible assets under development		1.52		3.14	
		10,305.82		7,678.64	
Non-current investments	11	160.76		160.76	
Long-term loans and advances	12	654.70		567.69	
Other non-current assets	13	0.70		1.22	
			11,121.98		8,408.31
Current assets					
Inventories	14	4,181.33		3,350.08	
Trade receivables	15	5,541.02		4,527.89	
Cash and bank balances	16	2,221.71		2,945.67	
Short-term loans and advances	12	740.82		560.35	
Other current assets	13	73.98		43.16	
			12,758.86		11,427.15
Total			23,880.84		19,835.46
Significant accounting policies	1				
Statement on significant accounting policies and notes are an integral part of the financial statements					

Statement on significant accounting policies and notes are an integral part of the financial statements

As per our report of even date attached

For E. Phalguna Kumar & Co.  
Chartered Accountants  
Firm Registration No. 002644S

For Chevuturi Associates  
Chartered Accountants  
Firm Registration No. 000632S

For and on behalf of the Board

E. Chaitanya  
Partner  
(Membership No: 215621)

Raghunadha Rao Balineni  
Partner  
(Membership No: 28105)

Dr. Ramachandra N Galla  
Chairman

Jayadev Galla  
Vice Chairman and  
Managing Director

Place : Hyderabad  
Date : May 29, 2015

S V Raghavendra  
Chief Financial Officer

M R Rajaram  
Company Secretary

Place : Milwaukee, USA  
Date : May 28, 2015



# Statement of Profit and Loss for the year ended March 31, 2015

₹ million

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
<b>REVENUE</b>			
Sale of products		46,039.98	38,041.27
Less: Excise duty		4,258.38	4,005.15
<b>Net sale of products</b>		<b>41,781.60</b>	<b>34,036.12</b>
Sale of services		314.84	309.32
Other operating revenue		16.85	21.15
<b>Net revenue from operations</b>	17	<b>42,113.29</b>	<b>34,366.59</b>
Other income	18	422.99	455.14
<b>Total Revenue</b>		<b>42,536.28</b>	<b>34,821.73</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	25,494.67	21,011.95
Purchases of stock-in-trade	20	2,746.49	2,113.69
Changes in inventories of finished goods, work-in-process and stock-in-trade	20	(479.95)	(292.10)
Employee benefits expense	21	1,950.93	1,583.16
Finance costs	22	2.41	7.18
Depreciation and amortisation expense	23	1,339.92	645.71
Other expenses	24	5,310.40	4,346.60
<b>Total Expenses</b>		<b>36,364.87</b>	<b>29,416.19</b>
<b>Profit before exceptional items and tax</b>		<b>6,171.41</b>	<b>5,405.54</b>
Less: Exceptional items (net)	34	72.79	38.84
<b>Profit before tax</b>		<b>6,098.62</b>	<b>5,366.70</b>
Less: Tax expense			
Current tax		1,910.00	1,580.00
Deferred tax (credit) / expense		67.16	106.23
Earlier year's (excess) / short provision		12.84	6.11
<b>Profit for the year</b>		<b>4,108.62</b>	<b>3,674.36</b>
Basic and diluted earnings per equity share of ₹ 1 each in ₹	38	24.05	21.51
Significant accounting policies	1		
Statement on significant accounting policies and notes are an integral part of the financial statements			

As per our report of even date attached

For E. Phalguna Kumar & Co.  
Chartered Accountants  
Firm Registration No. 002644S

For Chevuturi Associates  
Chartered Accountants  
Firm Registration No. 000632S

For and on behalf of the Board

E. Chaitanya  
Partner  
(Membership No: 215621)

Raghunadha Rao Balineni  
Partner  
(Membership No: 28105)

Dr. Ramachandra N Galla  
Chairman

Jayadev Galla  
Vice Chairman and  
Managing Director

Place : Hyderabad  
Date : May 29, 2015

S V Raghavendra  
Chief Financial Officer

M R Rajaram  
Company Secretary

Place : Milwaukee, USA  
Date : May 28, 2015

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax from continuing operations		6,098.62		5,366.70
Add/(Less): Adjustments for				
a. Depreciation	1,244.50		636.69	
b. Amortisation	15.06		11.04	
c. Impairment loss	80.36		-	
d. Net (income)/loss on sale of tangible fixed assets	0.08		(2.26)	
e. Tangible fixed assets written off	17.45		24.90	
f. Donation of tangible fixed asset	-		0.03	
g. Interest paid on working capital facilities	0.03		0.03	
h. Provisions and credit balances written back	(6.22)		(3.90)	
i. Bad debts written off	25.39		32.33	
j. Provision for doubtful trade receivables and advances (net)	9.51		(30.50)	
k. Exchange (gain)/loss on restatement-other than borrowings (net)	42.51		(33.81)	
l. Provision for leave encashment	24.07		14.83	
m. Provision for gratuity	9.60		6.75	
n. Provision for warranty	(108.91)		(40.22)	
o. Dividend received	(54.15)		(144.19)	
p. Interest received on bank and other deposits	(120.33)		(137.94)	
q. Interest on income tax	-		6.70	
r. Provision for wealth tax	1.90	1,180.85	2.00	342.48
Operating profit before working capital changes		7,279.47		5,709.18
Add/(Less): Adjustments for working capital changes				
a. Increase in inventories	(831.25)		(421.50)	
b. Increase in trade receivables	(1,039.45)		(711.71)	
c. Increase in loans and advances	(310.17)		(445.72)	
d. Increase in trade and other payables	705.56	(1,475.31)	263.50	(1,315.43)
Cash generated from operations		5,804.16		4,393.75
Less: a. Income tax	1,919.98		1,604.42	
b. Wealth tax	1.98	1,921.96	1.83	1,606.25
Net cash from operating activities - A		3,882.20		2,787.50
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. Purchase of tangible fixed assets		(4,553.87)		(3,303.66)
b. Purchase of intangible fixed assets		(23.02)		(10.30)
c. (Increase)/decrease in capital work-in-progress		589.50		(423.26)
d. Decrease in intangible assets under development		1.61		1.69
e. Sale of tangible fixed assets - realisation		1.13		4.98
f. Interest received on bank and other deposits		120.33		137.94
g. Dividend received		54.15		144.19
Net cash from investing activities - B		(3,810.17)		(3,448.42)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
a. Short term borrowings from banks availed / repaid	(83.83)	(13.70)
b. Interest free sales tax deferment repaid	(18.09)	(13.67)
c. Interest paid on working capital facilities	(0.03)	(0.03)
d. Dividend paid	(551.72)	(430.45)
e. Dividend tax paid	(93.77)	(73.15)
<b>Net cash from financing activities - C</b>	<b>(747.44)</b>	<b>(531.00)</b>
<b>Net cash flow from all activities (A+B+C)</b>	<b>(675.41)</b>	<b>(1,191.92)</b>
Opening cash and cash equivalents	2,928.63	4,094.68
Add: Net increase/(decrease) in cash and cash equivalents	(675.41)	(1,191.92)
Add: Effect of foreign exchange differences on restatement of cash and cash equivalents	(51.20)	25.87
<b>Closing cash and cash equivalents</b>	<b>2,202.02</b>	<b>2,928.63</b>
<b>Components of cash and cash equivalents</b>		
i) Balances with banks		
- in current accounts	275.76	156.95
- in deposit accounts	1,456.11	2,445.79
- in exchange earner's foreign currency account	43.79	56.65
ii) Cheques/drafts on hand	425.10	268.15
iii) Cash on hand	1.26	1.09
<b>Closing cash and cash equivalents</b>	<b>2,202.02</b>	<b>2,928.63</b>

Statement on significant accounting policies and notes are an integral part of the financial statements

#### Reconciliation of cash and cash equivalents

₹ million

Particulars	Year ended Mar 31, 2015	Year ended March 31, 2014
Cash and cash equivalents and other bank balances as per Balance Sheet (Refer Note No. 16)	2,221.71	2,945.67
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 on Cash Flow Statement		
i) In earmarked accounts		
- Unclaimed dividends	19.69	17.04
<b>Cash and cash equivalents</b>	<b>2,202.02</b>	<b>2,928.63</b>

As per our report of even date attached

For E. Phalgun Kumar & Co.  
Chartered Accountants  
Firm Registration No. 002644S

For Chevuturi Associates  
Chartered Accountants  
Firm Registration No. 000632S

For and on behalf of the Board

E. Chaitanya  
Partner  
(Membership No: 215621)

Raghunadha Rao Balineni  
Partner  
(Membership No: 28105)

Dr. Ramachandra N Galla  
Chairman

Jayadev Galla  
Vice Chairman and  
Managing Director

Place : Hyderabad  
Date : May 29, 2015

S V Raghavendra  
Chief Financial Officer

M R Rajaram  
Company Secretary

Place : Milwaukee, USA  
Date : May 28, 2015

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate Information

Amara Raja Batteries Limited ("the Company") is the second largest manufacturer of lead-acid storage batteries for industrial and automotive applications in India. The equity shares of the Company are listed in BSE Limited and the National Stock Exchange of India Limited. The Company's products are supplied to various user segments viz., Telecom, Railways, Power Control 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 being exported to various countries in the Indian Ocean Rim. The Company also provides installation & commissioning and maintenance services to the customers. The leading automotive and industrial battery brands of the Company are Amaron®, PowerZone™, Power Stack®, AmaronVolt™ and Quanta®.

### 2. Significant Accounting Policies

#### a. Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India. The financial statements are prepared to comply in all material respects with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014, the pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable and guidelines issued by the Securities and Exchange Board of India. The Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard or amendments to the provisions of any statute which requires a change in the accounting policy hitherto in use.

#### b. Use of Estimates

The preparation of the financial statements requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosures relating to the contingent liabilities and commitments. Examples of such estimates include provisions for warranty claims, provisions for doubtful debts and advances, provisions for sales incentive and promotional schemes offered to customers, employee benefit plans, useful lives of fixed assets and provisions for impairment. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### c. Fixed assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets is inclusive of freight, non-refundable duties and taxes, the cost of installation/erection, pre-production expenses including cost of trial runs and other incidental expenses incurred to bring the asset to its present location and condition.

Intangible assets are stated at cost of acquisition less accumulated amortisation. All costs, including financing costs on specific borrowings utilised for financing the assets, incurred till the time the asset is put to use for intended purpose are capitalised.

Capital work-in-progress and intangible assets under development are stated at the amount expended upto the date of Balance Sheet.

#### d. Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line basis, at the higher of the following

- Rates determined on the basis of useful life of the assets estimated by the management or
- Rates specified in Schedule II of the Companies Act, 2013.

The following are the estimated useful lives adopted by the management in computing depreciation.

Name of the asset	Useful life in years upto March 31, 2014	Revised useful life in years w.e.f April 1, 2014	Basis of adoption
Buildings (Incl. Roads)	30 – 60 years	3 – 60 years	As per schedule II
Plant and machinery (Incl. moulds)	1 – 19 years	1 – 8 years	Technical evaluation
Electrical installations	3 – 15 years	3 – 10 years	As per schedule II*
Furniture and fittings	15 years	10 years	As per schedule II
IT equipments	4 years	3 years	As per schedule II
Office equipments	8 years	5 years	As per schedule II
Vehicles	9 – 14 years	8 – 10 years	As per schedule II

\* Electrical installations includes the assets such as Lightings, UPS, earthing and duty power capacitors for which depreciation is computed based on useful lives arrived at as per technical evaluation carried out.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Depreciation on assets added/ disposed off during the year is provided on pro-rata basis from/upto the date of addition or disposal, as the case may be.

Individual assets costing up to ₹ 5,000 each are fully depreciated in the year of purchase since in the opinion of the management; the estimated useful lives of the said assets are below one year.

Intangible assets, comprising of expenditure on computer software, are amortised on a straight line method over a period of five years.

Cost of lease hold land and cost of leasehold land development fee is amortised over the period of lease on proportionate basis.

### e. Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amounts of the assets to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount is estimated, at the higher of the realisable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognised in the Statement of profit and loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The impairment loss recognised in the previous accounting periods, if any, is reversed if there has been any change in the estimated recoverable amount.

### f. Borrowing Costs

Borrowing costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### g. Investments

Trade investments are the investments meant to enhance the Company's interest. Investments are classified as current or non-current based on the management's intention at the time of investment. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such diminution is other than of temporary nature.

Current investments are carried at lower of cost and fair market value.

### h. Inventories

- i) Inventories are valued at lower of cost and net realisable value.
- ii) In respect of raw materials, bought-out items, consumables, stores and spares, cost is ascertained on a weighted average basis. Cost includes freight, handling charges and non-recoverable taxes and duties.
- iii) In respect of work-in-process and finished goods, cost is determined on weighted average basis. Cost includes all direct costs and applicable production overheads incurred in bringing such inventories to their present location and condition. Finished goods are valued inclusive of excise duty.
- iv) Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.
- v) Scrap is valued at an estimated net realisable value.

Provision for obsolescence is made wherever necessary. Obsolete inventory items when identified and technically determined, are valued at estimated net realisable value.

### i. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Revenue from sale of goods is recognised when the risks and rewards in respect of ownership are transferred to the buyer under the terms of the contract which usually coincide with the dispatch of goods to the customer or when they are unconditionally appropriated under the terms of sale.
- ii) Sales include excise duty and service charges recovered and are stated net of trade discounts, allowances and sales returns.
- iii) Revenue from sale of services is recognised to the extent of services performed as per the agreements/arrangements with the customers.
- iv) Interest income is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.
- v) Cash discounts are recognised on a time proportion basis with reference to the due date for payment and actual date of payment.
- vi) Dividend income is accounted for in the year in which the right to receive the payment is established.
- vii) Insurance claims are recognized upon acceptance by the Insurance Company.
- viii) Royalty income is recognized in accordance with the substance of the relevant agreement and on an accrual basis.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

### j. Employee Benefits

#### I) Defined Contribution Plans

- i) Company's contribution to Employees Provident Fund and Employees State Insurance are made under a defined contribution plan, and are accounted for at actual cost in the year of accrual. Provident Fund contributions are made to the Government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.
- ii) Company's contribution to Superannuation Fund in respect of employees who are members are made under a defined contribution plan, being administrated by Life Insurance Corporation of India and are recognised in the Statement of Profit and Loss at predetermined rates in the year in which the employees have rendered service. The Company has no further obligations to the Scheme beyond its monthly contributions.

#### II) Defined Benefit Plans

- i) Company's liability towards Gratuity in respect of eligible employees at retirement, death, incapacitation or termination of employment is funded and is being administrated by the Life Insurance Corporation of India. Cost of providing these benefits is determined on the basis of actuarial valuation at the end of each financial year using projected unit credit method and the incremental expense thereon is recognised in the Statement of Profit and Loss in the year in which the employee has rendered service.
- ii) Expense arising on account of unutilised leave which is unfunded is arrived at as per actuarial valuation and is recognised in the Statement of Profit and Loss in the year in which the employee has rendered service in lieu of such leave.
- iii) Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the year in which they arise.

### k. Research and Development Expenses

Capital expenditure on Research and Development is classified under tangible/intangible assets and depreciated in accordance with the Company's policy mentioned above.

Research costs are charged to revenue as and when incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the capitalisation criteria is met. Other development costs are recognised in the Statement of Profit and Loss as and when incurred.

Development expenditure as capitalised above is amortised over the estimated period of useful life or economic benefits not exceeding ten years.

### l. Foreign Currency Transactions

- i) The reporting currency of the Company is Indian Rupee.
- ii) Transactions in foreign currency are initially recorded in the reporting currency at the exchange rate prevailing on the date of transaction and charged or credited to revenue with the difference in rate of exchange arising on actual receipt/payment during the year.
- iii) At each Balance Sheet date
  - Foreign currency monetary items are reported using the rate of exchange on that date.
  - Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognised.
- iv) In respect of forward exchange contracts in the nature of hedges
  - Premium or discount on the contract is amortised over the term of the contract.
  - Exchange differences on the contract are recognised as profit or loss in the period in which they arise.
- v) In respect of commodity hedging
  - The realised gain or loss in respect of commodity hedging contracts, the price period of which has expired during the year, is recognised in the Statement of Profit and Loss.
  - In respect of contracts, which are outstanding as on the date of Balance Sheet are valued at prevailing market price and the resultant gain/loss, if any, is recognised in the Statement of Profit and Loss.

### m. Income Taxes

Income tax expense comprises current tax and deferred tax.

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.



## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

iii) Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised in future period. Deferred tax assets arising on other temporary timing differences are recognised only if there is a reasonable certainty of their realisation in future period.

### n. Provisions, Contingent Liabilities and Contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognise contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### o. Product Warranties

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. Provision is also recognised for product warranties in respect of claims received and remaining unsettled as at the date of Balance Sheet.

### p. Late Delivery Charges

The liability on account of late delivery charges, due to delay in delivery of finished products is accounted for on accrual basis as per the terms of the contracts after adjusting for claims which are no longer required.

### q. Provision for doubtful trade receivables

Receivables due from customers, which remain unpaid for more than one year from the due date and / or other receivables which are otherwise considered doubtful are recognized and provided for as provision for doubtful trade receivables.

### r. Dividends

Provision for dividends payable, including income tax thereon, is recognised in the books of account as proposed by the Board of Directors, pending approval of shareholders at the ensuing Annual General Meeting.

### s. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and on hand, including cheques on hand. The Company considers all highly liquid investments, which are readily convertible into cash, to be cash equivalents.

### t. Leases

The Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss as per the applicable lease terms.

### u. Segment Reporting

The Company is engaged in the business of manufacture and sale of lead acid storage batteries. This, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, is considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

## Notes forming part of the Financial Statements

### NOTE 2: SHARE CAPITAL

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
Equity share capital		
Authorised		
200,000,000 Equity shares of ₹1 each	200.00	200.00
Issued		
175,028,500 Equity shares of ₹1 each	175.03	175.03
Subscribed and paid up		
170,812,500 Equity shares of ₹1 each	170.81	170.81
<b>Total</b>	<b>170.81</b>	<b>170.81</b>

#### a) Reconciliation of the number of shares outstanding at the beginning and end of the Year

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares	₹ million	No. of shares	₹ million
Equity share capital				
Shares outstanding at the beginning of the year	170,812,500	170.81	170,812,500	170.81
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back / forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	170,812,500	170.81	170,812,500	170.81

#### b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a face value of ₹ 1 each. Each holder of equity share is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c) Shareholders holding more than 5% of shares in the Company

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of total shares	No. of shares held	% of total shares
Equity Shares				
Dr Ramachandra N Galla	12,795,074	7.49	12,795,074	7.49
Sri Jayadev Galla	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

#### d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date : Nil.

#### e) No shares were issued pursuant to a contract without payment being received in cash.

## Notes forming part of the Financial Statements

### NOTE 3: RESERVES AND SURPLUS

₹ million

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>Capital reserve</b>				
As per last Balance Sheet	0.01		0.01	
Additions / (deductions) during the year	-		-	
		0.01		0.01
<b>Securities premium reserve</b>				
As per last Balance Sheet	311.86		311.86	
Additions / (deductions) during the year	-		-	
		311.86		311.86
<b>General reserve</b>				
As per last Balance Sheet	2,184.71		1,817.27	
Add: Transfer from surplus in the Statement of Profit and Loss	410.86		367.44	
		2,595.57		2,184.71
<b>Surplus in the Statement of Profit and Loss</b>				
As per last Balance Sheet	10,959.62		8,298.19	
Add: Profit for the year	4,108.62		3,674.36	
Amount available for appropriation	15,068.24		11,972.55	
Less: Appropriations				
Transfer to general reserve	410.86		367.44	
Proposed dividend	616.63		551.72	
Dividend tax on proposed dividend	123.29		93.77	
		13,917.46		10,959.62
<b>Total</b>		<b>16,824.90</b>		<b>13,456.20</b>

#### Remittance in foreign currency on account of dividends

Particulars	Paid in 2014-15	Paid in 2013-14
Financial year to which dividend relates	2013-14	2012-13
Number of non-resident shareholders to whom remittance made	2	7
Number of shares of ₹1 each	44,616,734	47,253,716
Amount of dividend remitted in ₹million	144.11	119.08

### NOTE 4: LONG-TERM BORROWINGS

₹ million

Particulars	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Deferred payment liabilities</b>				
Interest free sales tax deferment (Unsecured)	741.38	759.47	18.09	13.66
<b>Total</b>	<b>741.38</b>	<b>759.47</b>	<b>18.09</b>	<b>13.66</b>

#### Interest free sales tax deferment

The Company has availed interest free sales tax deferment under Andhra Pradesh sales tax deferment scheme (Target 2000) from the financial year 1997-98 as per the eligibility norms in respect of expanded capacities. The Company has availed total deferment of ₹ 811.40 million since March 1998, which is repayable after a period of 14 years from the date of each availment in annual installments.

- Eligible amount of interest free sales tax deferment - ₹ 813.33 million
- Period eligible for availment - January 1998 till September 2015

## Notes forming part of the Financial Statements

### NOTE 4: LONG-TERM BORROWINGS (Contd.)

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding liability against deferment at beginning of the year	773.13	782.40
Less: Repayments during the year against current portion	13.66	9.27
	759.47	773.13
Less: Repayments during the year against non-current portion	-	-
Outstanding liability against deferment at end of the year	759.47	773.13
Deferment liability to be repaid in next 12 months (current portion)	18.09	13.66
Balance deferment liability (non-current portion)	741.38	759.47

### NOTE 5: DEFERRED TAX LIABILITIES (NET)

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
As per previous year Balance Sheet	301.33	195.09
Add: Liability for the year	67.15	106.24
Deferred tax liabilities (net)	368.48	301.33

Major components of deferred tax assets and liabilities as at the end of the year arising on timing differences

Particulars	As at March 31, 2015		As at March 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Depreciation / amortisation		416.88		339.47
Employee benefits related and other provisions	44.26		36.90	
Provision for doubtful trade receivables	4.14		1.24	
Total	48.40	416.88	38.14	339.47
Deferred tax liabilities (net of deferred tax assets)		368.48		301.33

### NOTE 6: PROVISIONS

₹ million

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Employee benefits				
a) Gratuity	71.07	60.98	8.97	9.46
Less: Fund with LIC of India	74.78	61.75	8.97	9.46
	(3.71)	(0.77)	-	-
b) Leave encashment (Unfunded)	121.01	97.23	8.40	8.11
Others				
a) Income tax (net of taxes paid)	-	-	30.63	27.75
b) Wealth tax	-	-	1.90	2.00
c) Proposed dividend	-	-	616.63	551.72
d) Dividend tax	-	-	123.29	93.77
e) Product warranty	325.76	273.11	414.87	576.43
Total	443.06	369.57	1,195.72	1,259.78

## Notes forming part of the Financial Statements

### NOTE 6: PROVISIONS (Contd.)

#### a) Employee benefits (Disclosure required by the AS - 15)

##### I. Defined contribution plans

Contributions recognised in the Statement of Profit and Loss

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Employer's contribution to provident fund	28.16	23.02
Employer's contribution to superannuation fund	33.86	29.37
Employer's contribution to employees' state insurance	26.98	19.38
<b>Total recognised in the Statement of Profit and Loss</b>	<b>89.00</b>	<b>71.77</b>

##### II. Defined benefit plans

Reconciliation for changes in present value of defined benefits obligations

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Present value of obligations at beginning of the year	70.44	105.34	63.69	90.51
Current service cost	8.64	57.94	5.57	46.04
Interest cost	5.55	8.25	4.84	7.11
Benefits paid	(2.79)	(4.38)	(3.20)	(3.37)
Net actuarial gain	(1.88)	(37.74)	(0.46)	(34.95)
Liability transferred from other companies	0.08	-	-	-
<b>Present value of obligations at end of the year</b>	<b>80.04</b>	<b>129.41</b>	<b>70.44</b>	<b>105.34</b>

Reconciliation for changes in fair value of plan assets

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Fair value of plan assets at beginning of the year	71.21	-	59.78	-
Expected return	6.28	-	5.17	-
Contribution by employer	8.97	-	9.46	-
Benefits paid	(2.52)	-	(3.00)	-
Fund transferred from other companies	(0.19)	-	(0.20)	-
<b>Fair value of plan assets at end of the year</b>	<b>83.75</b>	<b>-</b>	<b>71.21</b>	<b>-</b>

Reconciliation of present value of defined benefit obligations and fair value of plan assets

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Present value of defined benefit obligations at end of the year	80.04	129.41	70.44	105.34
Fair value of plan assets at end of the year	83.75	-	71.21	-
Unfunded status at end of the year	(3.71)	129.41	(0.77)	105.34
<b>Net liability recognised in the Balance Sheet</b>	<b>(3.71)</b>	<b>129.41</b>	<b>(0.77)</b>	<b>105.34</b>
Net Liability to be repaid in next 12 months (current portion)	-	8.40	-	8.11
Balance liability (non-current portion)	-	121.01	-	97.23

## Notes forming part of the Financial Statements

### NOTE 6: PROVISIONS (Contd.)

Major categories of plan assets as a percentage of total plan assets (Gratuity only)

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Qualifying insurance policy	100%	100%

Amounts for the current and previous four financial years (for Gratuity)

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Present value of defined benefit obligations	80.04	70.44	63.69	54.55	49.60
Fair value of plan assets	83.75	71.21	59.78	51.57	38.22
Deficit/(Surplus) in the plan assets	(3.71)	(0.77)	3.91	2.98	11.38

**Note:** Details of experience adjustments arising on plan liabilities and plan assets have not been disclosed in the absence of relevant information

Amounts for the current and previous four financial years (for Leave encashment)

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Present value of defined benefit obligations	129.41	105.34	90.51	57.08	47.13
Deficit in the plan assets	129.41	105.34	90.51	57.08	47.13
Experience gain on plan liabilities	(39.76)	(33.73)	(29.45)	(15.16)	(14.07)

Expenses recognised in the Statement of Profit and Loss

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Current Service cost	8.64	57.94	5.57	46.04
Interest cost	5.55	8.25	4.84	7.11
Expected return	(6.28)	-	(5.16)	-
Net actuarial gain	(1.88)	(37.74)	(0.46)	(34.95)
Expenses shared to other companies	(0.19)	-	-	-
Net expenses recognised in the Statement of Profit and Loss	5.84	28.45	4.79	18.20

%

Actuarial assumptions	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
a) Discount rate	8.00	8.00	8.00	8.00
b) Attrition rate	4.00	8.00	4.00	8.39
c) Salary escalation rate per unit	7.00	13.00	7.00	13.00
d) Expected / Actual return	9.00	-	9.12	-

The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



## Notes forming part of the Financial Statements

### NOTE 6: PROVISIONS (Contd.)

#### b) Movement in provision for product warranties

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Provision as at beginning of the year	849.54	889.76
Provision made during the year	467.51	560.35
Withdrawn/reversed during the year	(576.42)	(600.57)
Provision as at end of the year	740.63	849.54

### NOTE 7: SHORT-TERM BORROWINGS

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
Loans repayable on demand		
Cash credit from banks (Secured)		
State Bank of India	-	56.57
Andhra Bank	-	27.26
<b>Total</b>	<b>-</b>	<b>83.83</b>

The working capital facilities from State Bank of India and Andhra Bank are secured by hypothecation of all current assets of the Company.

### NOTE 8: TRADE PAYABLES

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
(Unsecured)		
Trade payables		
i) Dues to Micro, Small and Medium Enterprises	6.94	4.87
ii) Others	1,513.86	1,272.92
<b>Total</b>	<b>1,520.80</b>	<b>1,277.79</b>

#### Notes relating to Micro, Small and Medium Enterprises

Based on, and to the extent of information received from the suppliers with regard to their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), on which the auditors have relied, the disclosure requirements under Section 22 of MSMED Act with regard to the payments made/due to Micro, Small and Medium Enterprises are given below:

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Principal	Interest	Principal	Interest
I. Amounts due as at the date of Balance Sheet				
a) Principal amount	Nil	-	Nil	-
b) Interest thereon	-	Nil	-	Nil
II. Amount of interest along with the amounts of the payment made beyond the appointed date during the year	Nil	Nil	Nil	Nil
III. Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	5.69	0.12	-	Nil
IV. The amount of interest accrued and remaining unpaid as at the date of Balance Sheet	-	0.12	-	Nil
V. The amount of further interest remaining due and payable in succeeding year	-	Nil	-	Nil

## Notes forming part of the Financial Statements

### NOTE 9: OTHER CURRENT LIABILITIES

₹ million

Particulars	As at March 31, 2015		As at March 31, 2014	
(Unsecured)				
Unclaimed dividends*		19.69		17.04
Other payables				
a) Employee related payables	409.15		370.12	
b) Outstanding liabilities	949.66		860.06	
c) Commission payable to Non-Executive Chairman	204.59		175.99	
d) Excise duty/Service tax payable	19.88		15.36	
e) Sales tax payables	278.06		169.88	
f) TDS/TCS payables	12.27		31.31	
g) Advances from customers	102.78		25.02	
h) Creditors for capital goods/services	189.28		176.30	
i) Other non-trade payables	412.24	2,577.91	301.94	2,125.98
<b>Sub-Total</b>		<b>2,597.60</b>		<b>2,143.02</b>
Add: Current maturities of long-term debt (Refer Note No. 4)				
Interest free sales tax deferment (Unsecured) repayable within 12 months		18.09		13.66
<b>Total</b>		<b>2,615.69</b>		<b>2,156.68</b>

\*The unclaimed dividends represent those relating to the years 2007-08 to 2013-14 (for previous year from 2006-07 to 2012-13) and no part thereof has remained unpaid or unclaimed for a period of seven years or more from the date they became due for payment requiring transfer to the Investor Education and Protection Fund.

## Notes forming part of the Financial Statements

### NOTE 10: FIXED ASSETS & DEPRECIATION

₹ million

Particulars	Gross Block			Depreciation / Amortisation				Impairment		Net Block	
	As at March 31, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	Upto March 31, 2014	For the year	On Deductions	Upto March 31, 2014	For the year	Upto March 31, 2015	As at March 31, 2015
A. Tangible assets											
Land and land development											
- Freehold land	170.17	-	-	170.17	-	-	-	75.52	80.36	155.88	14.29
- Leasehold land*	401.51	536.52	-	938.03	3.06	5.40	-	-	-	-	929.57
Buildings	1,786.24	1,172.13	-	2,958.37	197.36	166.25	-	363.61	-	-	2,594.76
R&D buildings	18.93	2.79	-	21.72	5.07	0.68	-	5.75	-	-	15.97
Plant & machinery	6,378.86	2,097.42	94.40	8,381.88	2,945.21	889.39	80.31	3,754.29	-	-	4,627.59
R&D plant & machinery	145.94	25.61	0.38	171.17	85.79	20.96	0.37	106.38	-	-	64.79
Electrical installations	522.18	526.87	9.04	1,040.01	180.34	83.18	7.83	255.69	-	-	784.32
Furniture	100.81	37.90	0.51	138.20	47.32	13.34	0.28	60.38	-	-	77.82
Vehicles	130.61	23.23	9.33	144.51	33.47	16.96	6.74	43.69	-	-	100.82
Office equipment	237.51	131.40	4.69	364.22	120.68	58.71	4.17	175.22	-	-	189.00
Total	9,892.76	4,553.87	118.35	14,328.28	3,618.30	1,254.87	99.70	4,773.47	80.36	155.88	9,398.93
Previous year	6,750.43	3,303.66	161.33	9,892.76	3,119.94	636.68	138.32	3,618.30	-	75.52	6,198.94
B. Intangible assets											
Brands/trademarks	0.12	-	-	0.12	0.12	-	-	0.12	-	-	-
Computer software	62.38	23.02	-	85.40	29.43	12.28	-	41.71	-	-	43.69
Total	62.50	23.02	-	85.52	29.55	12.28	-	41.83	-	-	43.69
Previous year	52.20	10.30	-	62.50	18.51	11.04	-	29.55	-	-	32.96
Grand Total (A+B)	9,955.26	4,576.89	118.35	14,413.80	3,647.85	1,267.15	99.70	4,815.30	80.36	155.88	9,442.62
Previous year	6,802.63	3,313.96	161.33	9,955.26	3,138.45	647.72	138.32	3,647.85	-	75.52	6,231.90
C. Capital work-in-progress											
D. Intangible assets under development											
											861.68
											1.52

\*Leasehold Land represents one time lease rental paid for 99 years. Amortisation of lease hold land rent of ₹2.62 million ( Previous Year ₹ 2.01 million) is capitalised/included in capital work-in-progress as part of pre-operative expenses.

#### Note:

a) Depreciation for the year includes an amount of ₹ 7.59 million capitalised to fixed assets / capital work-in-progress during the year.

b) Refer accounting policy no.2(d) and note no. 23, for estimated useful lives of assets adopted by the Company for providing depreciation as per Schedule II to Companies Act, 2013 and its impact on profits for the year.

## Notes forming part of the Financial Statements

### NOTE 11: NON-CURRENT INVESTMENTS

₹ million

Particulars	As at March 31, 2015		As at March 31, 2014	
<b>A. In Equity Instruments</b>				
<b>a. Quoted - Non trade at cost</b>				
i) 125 Fully paid up equity shares of ₹ 1 each in Standard Batteries Limited	0.01		0.01	
Less: Provision for diminution in value	0.01		0.01	
	-		-	
ii) 25 Fully paid up equity shares of ₹ 2 each in Nicco Corporation Limited	0.001		0.001	
iii) 10,000 Fully paid up equity shares of ₹ 1 each in Exide Industries Limited	0.04		0.04	
iv) 5,500 Fully paid up equity shares of ₹ 1 each in HBL Power Systems Limited	0.01		0.01	
v) 160,000 Fully paid up equity shares of ₹ 2 each in IVRCL Limited	0.21		0.21	
vi) 23,749 Fully paid up equity shares of ₹ 10 each in IDBI Bank Limited	1.01		1.01	
vii) 227,900 Fully paid up equity shares of ₹ 10 each in Andhra Bank	2.28	3.55	2.28	3.55
<b>b. Unquoted - Non trade at cost</b>				
1,128 Fully paid up equity shares of ₹ 10 each in Indian Lead Limited	0.03		0.03	
Less: Provision for diminution in value	0.03	-	0.03	-
<b>c. Unquoted - Trade at cost</b>				
1,206,000 Fully paid up equity shares of ₹ 10 each in Andhra Pradesh Gas Power Corporation Limited		157.14		157.14
<b>B. In Government Securities - Non trade at cost</b>				
6 years National Savings Certificates		0.07		0.07
(Lodged as security with Government departments. ₹12,000 held in the name of Dr. Ramachandra N Galla, Non-Executive Chairman)				
<b>Total</b>		<b>160.76</b>		<b>160.76</b>
Aggregate of quoted investments				
At cost		3.56		3.56
At market value		24.28		19.51
<b>Aggregate of un-quoted investments - at cost</b>		<b>157.24</b>		<b>157.24</b>
Aggregate provision for diminution in value of investments		0.04		0.04

# Notes forming part of the Financial Statements

## NOTE 12: LOANS AND ADVANCES

₹ million

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured and considered good)				
Capital advances				
Paid to others	249.82	215.52	-	-
Paid to related parties	229.16	172.95	-	20.03
Refundable deposits	175.72	179.22	2.19	0.61
Other loans and advances				
a) Material and other advances	-	-	236.05	149.37
b) Excise duty, service tax and VAT paid in advance	-	-	430.67	323.38
c) Excise duty and sales tax paid under protest	-	-	28.50	25.18
d) Electricity charges paid under protest	-	-	43.41	41.78
<b>Total</b>	<b>654.70</b>	<b>567.69</b>	<b>740.82</b>	<b>560.35</b>

### Loans and advances to related parties (Refer Note No. 31)

₹ million

Name of the Related Party	As at March 31, 2015	As at March 31, 2014
Amara Raja Infra Private Limited - Capital advance [Maximum balance outstanding ₹ 507.14 million (Previous Year ₹ 304.09 million)]	227.35	172.68
Mangal Industries Limited - Capital advance [Maximum balance outstanding ₹ 25.26 million (Previous Year ₹ 14.79 million)]	1.81	0.27
Amara Raja Power Systems Limited - Revenue advance [Maximum balance outstanding ₹ 44.60 million (Previous Year ₹ 20.02 million)]	-	20.03
(Nature of relationship - Companies in which the promoter directors are interested)		
<b>Total</b>	<b>229.16</b>	<b>192.98</b>

## NOTE 13: OTHER ASSETS

₹ million

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured and considered good)				
Interest accrued	-	-	49.13	15.58
Prepaid expenses	0.70	1.22	24.85	27.58
<b>Total</b>	<b>0.70</b>	<b>1.22</b>	<b>73.98</b>	<b>43.16</b>

## NOTE 14: INVENTORIES

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
(Valued at lower of cost or net realisable value)		
Raw materials	958.87	826.36
Add: Raw materials in transit	179.37	120.73
Total Raw materials	1,138.24	947.09
Work-in-process	1,363.29	1,052.11
Finished goods	1,143.25	941.75
Stock-in-trade	100.99	74.56
Stores and spares	422.46	323.27
Loose tools	6.58	6.07
Secondary packing materials and others	6.52	5.23
<b>Total</b>	<b>4,181.33</b>	<b>3,350.08</b>

## Notes forming part of the Financial Statements

### NOTE 15: TRADE RECEIVABLES

₹ million

Particulars	As at March 31, 2015		As at March 31, 2014	
(Unsecured)				
a) Trade receivables outstanding for a period exceeding six months from due date				
i) Considered good	90.34		34.22	
ii) Considered doubtful	11.13		3.65	
	101.47		37.87	
Less: Provision for doubtful trade receivables	11.13	90.34	3.65	34.22
b) Other trade receivables				
i) Considered good	5,450.68		4,493.67	
ii) Considered doubtful	1.06		-	
	5,451.74		4,493.67	
Less: Provision for doubtful trade receivables	1.06	5,450.68	-	4,493.67
<b>Total</b>		<b>5,541.02</b>		<b>4,527.89</b>

#### Movement in provision for doubtful trade receivables

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Provision as at beginning of the year	3.65	34.15
Provision made during the year	10.28	0.07
Reversed against collection / written off as bad debts during the year	(1.74)	(30.57)
Provision as at end of the year	12.19	3.65

### NOTE 16: CASH AND BANK BALANCES

₹ million

Particulars	As at March 31, 2015		As at March 31, 2014	
a) Cash and cash equivalents				
i) Balances with banks				
in current accounts	275.76		156.95	
in deposit accounts	1,456.11		2,445.79	
in exchange earner's foreign currency account	43.79		56.65	
ii) Cheques/drafts on hand	425.10		268.15	
iii) Cash on hand	1.26	2,202.02	1.09	2,928.63
b) Other bank balances in earmarked accounts				
Unclaimed dividends		19.69		17.04
<b>Total</b>		<b>2,221.71</b>		<b>2,945.67</b>

### NOTE 17: REVENUE FROM OPERATIONS

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
a) Sale of products				
Storage batteries (finished goods)	42,998.73		35,237.83	
Storage batteries (stock-in-trade)	2,999.95		2,089.86	
Home UPS (stock-in-trade)	41.30		713.58	
Gross revenue from sale of products		46,039.98		38,041.27
Less: Excise duty		4,258.38		4,005.15
Net revenue from sale of products		41,781.60		34,036.12



## Notes forming part of the Financial Statements

### NOTE 17: REVENUE FROM OPERATIONS (Contd.)

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
b) Sale of services				
Installation and commissioning	114.96		49.14	
Annual maintenance	82.28		146.91	
Preventive maintenance	-		15.41	
Other services	117.60		97.86	
Net revenue from sale of services		314.84		309.32
c) Other operating revenue				
Sale of process scrap		16.85		21.15
Net revenue from operations		42,113.29		34,366.59

### NOTE 18: OTHER INCOME

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest Income		
On bank and other deposits	120.33	131.22
Against trade receivables	9.60	6.72
Dividend income		
On current investments - mutual funds	54.12	142.68
On long term investments - equity instruments	0.03	1.51
Net gain on foreign currency transactions and translations	121.25	89.88
Insurance claims	28.40	32.27
Scrap sales (non-process)	24.34	14.07
Cash discount earned on early payments	7.21	10.74
Provisions and credit balances written back	6.22	3.90
Bad debts recovered	1.72	15.15
Profit on sale of tangible fixed assets written off/discarded	-	4.49
Profit on sale of current investments - mutual funds	33.90	-
Provision on doubtful trade receivables/advances written back	0.97	0.30
Royalty income	11.53	0.94
Sundry income	3.37	1.27
Total	422.99	455.14

### NOTE 19: COST OF MATERIALS CONSUMED

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Opening stock	826.36		666.18	
Add: Purchases	25,627.18		21,172.13	
Sub-total		26,453.54		21,838.31
Less: Closing stock		958.87		826.36
Total		25,494.67		21,011.95

#### a) Materials consumed comprise

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Lead	11,858.30	9,882.97
Lead alloys	9,787.81	8,183.44
Separator	994.50	895.49
Others	2,854.06	2,050.05
Total	25,494.67	21,011.95

## Notes forming part of the Financial Statements

### NOTE 19: COST OF MATERIALS CONSUMED (Contd.)

b) Comparison between consumption of imported and indigenous raw materials

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	₹ million	%	₹ million	%
Imported	10,085.14	39.56	8,947.17	42.58
Indigenous	15,409.53	60.44	12,064.78	57.42
<b>Total</b>	<b>25,494.67</b>	<b>100.00</b>	<b>21,011.95</b>	<b>100.00</b>

### NOTE 20: PURCHASES OF STOCK IN TRADE AND CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

a) PURCHASE OF STOCK-IN-TRADE

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Storage batteries	2,746.49	1,619.44
Home UPS	-	494.25
<b>Total</b>	<b>2,746.49</b>	<b>2,113.69</b>

b) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
<b>Work-in-process</b>				
Opening stock - Storage batteries	1,052.11		828.95	
Less: Closing stock - Storage batteries	1,363.29	(311.18)	1,052.11	(223.16)
<b>Finished goods</b>				
Opening stock - Storage batteries	941.75		536.44	
Less: Closing stock - Storage batteries	1,143.25		941.75	
	(201.50)		(405.31)	
Less: Excise Duty on (increase) / decrease of finished goods	(59.16)	(142.34)	(41.95)	(363.36)
<b>Stock-in-trade</b>				
Opening stock - Storage batteries	36.73		145.01	
- Home UPS	37.83		223.97	
	74.56		368.98	
Less: Closing stock - Storage batteries	100.12		36.73	
- Home UPS	0.87		37.83	
	100.99	(26.43)	74.56	294.42
<b>Net increase in inventories</b>		<b>(479.95)</b>		<b>(292.10)</b>

### NOTE 21: EMPLOYEE BENEFITS EXPENSE

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and wages	1,677.17	1,361.32
Contribution to provident and other funds	99.30	81.54
Staff welfare expenses	174.46	140.30
<b>Total</b>	<b>1,950.93</b>	<b>1,583.16</b>

# Notes forming part of the Financial Statements

## NOTE 22: FINANCE COSTS

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense		
Working capital facilities	0.03	0.03
Income tax	-	6.70
Other borrowing costs	2.38	0.45
Total	2.41	7.18

## NOTE 23: DEPRECIATION AND AMORTISATION EXPENSE

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation	1,244.50	634.41
Amortisation	15.06	11.30
Impairment of freehold land	80.36	-
Total	1,339.92	645.71

### a. Note on Depreciation

In view of the applicability of the provisions of Schedule II "Depreciation" w.e.f. April 1, 2014, the Company has revised its policy of providing depreciation whereby the Company continued to provide depreciation based on the useful lives as arrived at based on technical evaluation. The management of the Company is of opinion that the useful lives adopted for such assets are reasonable based on technical evaluation, past experience of usage pattern and working conditions in which such assets are put to use. In respect of other fixed assets, the Company computed depreciation based on useful lives as specified in Schedule II of the Companies Act, 2013. Accordingly the carrying amount of such assets as on April 1, 2014 are being depreciated over the remaining useful life of the assets. The above compliance with Schedule II to Companies Act, 2013 resulted in an additional depreciation of ₹ 360.76 million in the current financial year.

### b. Impairment provision on freehold land of ₹ 80.36 million (previous year ₹ Nil)

The Company had procured 8.6 hectares of land in FY 2011-12. However, as the Company has not put to use the above land, the District Collector has passed orders vesting the above land with the state government. Consequent to the above action of District Collector, the Company has provided for impairment loss of the said land during the current year amounting to ₹ 80.36 million. The total cost of the land purchased was ₹ 155.88 million. The Company had already provided for impairment during FY 2012-13, to the extent of ₹ 75.52 million.

Particulars	₹ million
Impairment loss recognised in the financial year 2012-13	75.52
Impairment loss recognised in the financial year 2014-15	80.36
Total provision towards impairment	155.88

## NOTE 24: OTHER EXPENSES

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>A. Manufacturing expenses</b>		
a. Stores and spares consumed (including packing material)	584.79	449.41
b. Power and fuel	1,150.76	922.56
c. Insurance	10.31	8.49
d. Repairs and maintenance to		
i) Machinery	75.88	44.46
ii) Buildings	27.76	63.18
Total (A)	1,849.50	1,443.64
<b>B. Selling expenses</b>		
a. Advertisement and promotion	253.44	275.85
b. Freight outward	851.59	595.20
c. Commission on sales	5.84	8.40
d. Service expenses	207.79	219.36
e. Warehousing and secondary freight	313.97	250.50
f. Other sales expenses	226.93	242.15
g. Product warranties	394.54	383.15
Total (B)	2,254.10	1,974.61

## Notes forming part of the Financial Statements

### NOTE 24: OTHER EXPENSES (Contd.)

₹ million

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
<b>C. Administrative expenses</b>				
a. Rent		127.47		114.10
b. Commission to Non-Executive Chairman		201.59		175.99
c. Commission to Non-Executive Independent Directors		3.00		-
d. Payment to Auditors (Refer Note No. 28)		3.93		3.92
e. Research and development expenses		5.73		4.00
f. Donations		125.29		135.42
g. Corporate Social Responsibility expenses (Refer Note No. 29)		96.25		-
h. Travel and conveyance		151.68		147.00
i. Repairs and maintenance to office equipment		34.57		18.50
j. Communication expenses		20.25		18.81
k. Consultancy charges		51.74		34.45
l. Information technology expenses		19.75		26.62
m. Office maintenance expenses		140.22		92.79
n. Loss on sale of current investments		-		0.20
o. Sundry expenses		134.06		96.52
<b>Total (C)</b>		<b>1,115.53</b>		<b>868.32</b>
<b>D. Other expenses</b>				
a. Provision for doubtful trade receivables		10.28		0.07
b. Bad debts and irrecoverable advances written off	25.39		32.33	
Less: Opening provision reversed	0.77	24.62	30.27	2.06
c. Tangible fixed assets written off		17.45		24.90
d. Loss of sale of tangible fixed assets		0.08		-
e. Premium on forward contracts		-		1.08
<b>Total (D)</b>		<b>52.43</b>		<b>28.11</b>
<b>E. Rates and taxes (excluding Income tax)</b>				
a. Rates, taxes and licenses		5.62		5.57
b. Duties and taxes (indirect taxes)		31.32		24.35
c. Wealth tax		1.90		2.00
<b>Total (E)</b>		<b>38.84</b>		<b>31.92</b>
<b>Grand Total (A+B+C+D+E)</b>		<b>5,310.40</b>		<b>4,346.60</b>

#### Comparison between consumption of imported and indigenous stores and spares

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	₹ million	%	₹ million	%
Imported	135.06	23.10	97.90	21.78
Indigenous	449.73	76.90	351.51	78.22
<b>Total</b>	<b>584.79</b>	<b>100.00</b>	<b>449.41</b>	<b>100.00</b>

### NOTE 25: VALUE OF IMPORTS CALCULATED ON CIF BASIS

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Capital goods	878.31	1,135.92
Services	12.78	9.08
Raw material and components	9,839.32	8,688.41
Stores and spares	138.67	103.14
<b>Total</b>	<b>10,869.08</b>	<b>9,936.55</b>

## Notes forming part of the Financial Statements

### NOTE 26: EXPENDITURE INCURRED IN FOREIGN CURRENCY

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Foreign travel expenses (exclusive of tickets purchased in Rupees)	12.59	9.53
Sales commission	0.47	3.79
Professional and consultation fees	1.85	2.87
Others	17.77	20.57
<b>Total</b>	<b>32.68</b>	<b>36.76</b>

### NOTE 27: FOB VALUE OF EXPORTS

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Sales	2,404.98	1,639.67

### NOTE 28: PAYMENT TO AUDITORS

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
a) For Audit		
Statutory audit	3.00	3.00
Cost audit	0.25	0.25
b) For taxation matters (including tax audit)	0.50	0.50
c) Reimbursement of expenses	0.18	0.17
<b>Total</b>	<b>3.93</b>	<b>3.92</b>

### NOTE 29: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Amount required to be spent on CSR activities as per Section 135 of the Companies Act, 2013	85.77	-
Amount spent through Rajanna Trust for the Employment enhancing vocational skill development in rural youth covered under Schedule VII to Companies Act, 2013	96.25	-

**NOTE 30:** The Company is engaged in the manufacture of lead acid storage batteries. In the perception of the management, identifying the Company's business into further segments as per Accounting Standard - 17, does not arise.

### NOTE NO. 31: RELATED PARTY TRANSACTIONS

#### Related parties particulars pursuant to "Accounting Standard -18"

- I. Parties where control exists: None
- II. Parties with whom transactions have taken place during the year
  - A) List of related parties
    1. Investing party for which the Company is an Associate  
Johnson Controls (Mauritius) Private Limited
    2. Key management personnel  
Sri Jayadev Galla                      Vice Chairman and Managing Director

## Notes forming part of the Financial Statements

### NOTE 31: RELATED PARTY TRANSACTIONS (Contd.)

#### 3. Relatives of key management personnel

Dr. Ramachandra N Galla	Father of Sri Jayadev Galla
Smt G. Amara Kumari	Mother of Sri Jayadev Galla
Smt G. Padmavathi	Wife of Sri Jayadev Galla
Dr. G. Ramadevi	Sister of Sri Jayadev Galla
Sri Ashok Galla	Son of Sri Jayadev Galla
Sri Siddharth Galla	Son of Sri Jayadev Galla

#### 4. Enterprises over which key management personnel and / or their relatives 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
Rajanna Trust

#### B) Transactions with the Related Parties

₹ million

Particulars	Transactions		Receivables / Deposits		Payables		Share capital	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Sale of goods/services (gross including duties &amp; taxes)</b>								
Amara Raja Power Systems Limited	133.13	134.72	82.68	73.29	-	-	-	-
Amara Raja Electronics Limited	161.76	184.80	72.09	101.22	-	-	-	-
Mangal Industries Limited	12.03	9.04	2.13	0.11	-	-	-	-
<b>Total</b>	<b>306.92</b>	<b>328.56</b>	<b>156.90</b>	<b>174.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Royalty Income</b>								
Amara Raja Electronics Limited	12.96	1.11	-	-	-	-	-	-
<b>Total</b>	<b>12.96</b>	<b>1.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest Income / receivable</b>								
Amara Raja Power Systems Limited	6.33	2.31	5.70	2.12	-	-	-	-
Amara Raja Electronics Limited	3.14	3.92	1.47	3.92	-	-	-	-
Amara Raja Infra Private Limited - on APSPDCL deposit	1.34	0.21	1.21	0.21	-	-	-	-
<b>Total</b>	<b>10.81</b>	<b>6.44</b>	<b>8.38</b>	<b>6.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Discount Received</b>								
Amara Raja Power Systems Limited	-	0.07	-	-	-	-	-	-
Amara Raja Electronics Limited	-	1.05	-	-	-	-	-	-
Mangal Industries Limited	-	0.46	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reimbursement/sharing of expenses (income)</b>								
Amara Raja Power Systems Limited	38.33	28.58	-	20.03	-	-	-	-
Amara Raja Electronics Limited	30.54	14.57	-	-	-	-	-	-
Mangal Industries Limited	16.94	12.96	-	-	-	-	-	-
Amara Raja Infra Private Limited - APSPDCL deposit	3.82	17.01	15.00	15.00	-	-	-	-
Amara Raja Industrial Services Private Limited	1.69	1.75	-	-	-	-	-	-
<b>Total</b>	<b>91.32</b>	<b>74.87</b>	<b>15.00</b>	<b>35.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes forming part of the Financial Statements

### NOTE 31: RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Transactions		Receivables / Deposits		Payables		Share capital	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Purchase of goods/services (gross including duties &amp; taxes)</b>								
Amara Raja Power Systems Limited	1.63	1.01	-	-	0.16	-	-	-
Amara Raja Electronics Limited	1.08	425.56	-	-	-	-	-	-
Mangal Industries Limited	3,357.71	2,543.33	-	-	250.16	226.60	-	-
Amara Raja Infra Private Limited	236.55	31.32	-	-	20.20	10.56	-	-
Amara Raja Industrial Services Private Limited	111.67	65.74	-	-	2.31	1.47	-	-
Asistmi Solutions Private Limited	0.90	-	-	-	-	-	-	-
<b>Total</b>	<b>3,709.54</b>	<b>3,066.96</b>	<b>-</b>	<b>-</b>	<b>272.83</b>	<b>238.63</b>	<b>-</b>	<b>-</b>
<b>Rents paid</b>								
Sri Jayadev Galla	29.34	27.94	20.41	20.41	-	-	-	-
Dr. Ramachandra N Galla	4.55	4.34	3.16	3.16	-	-	-	-
Dr. G. Ramadevi	29.34	27.94	20.41	20.41	-	-	-	-
Amara Raja Infra Private Limited	1.02	1.00	-	-	-	-	-	-
<b>Total</b>	<b>64.25</b>	<b>61.22</b>	<b>43.98</b>	<b>43.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reimbursement / sharing of expenses (expenses)</b>								
Amara Raja Power Systems Limited	0.38	0.10	-	-	-	-	-	-
Amara Raja Electronics Limited	0.79	0.57	-	-	-	-	-	-
Mangal Industries Limited	0.04	0.66	-	-	-	-	-	-
Amara Raja Infra Private Limited	1.10	-	-	-	-	-	-	-
Amara Raja Industrial Services Private Limited	5.86	0.62	-	-	-	-	-	-
<b>Total</b>	<b>8.17</b>	<b>1.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of capital goods/services (gross including duties &amp; taxes) and advances recoverable</b>								
Amara Raja Power Systems Limited	100.72	57.83	-	-	3.34	1.32		
Amara Raja Electronics Limited	0.15	0.06	-	-	0.05	-		
Mangal Industries Limited	158.22	130.64	1.81	0.27	31.43	2.78		
Amara Raja Infra Private Limited	2,377.78	1,488.87	227.36	172.68	58.17	52.32		
<b>Total</b>	<b>2,636.87</b>	<b>1,667.40</b>	<b>229.17</b>	<b>172.95</b>	<b>92.99</b>	<b>56.42</b>	<b>-</b>	<b>-</b>
<b>Dividend / Share capital</b>								
Sri Jayadev Galla	41.42	32.31	-	-	-	-	12.82	12.82
Dr. Ramachandra N Galla	41.33	32.24	-	-	-	-	12.80	12.80
Smt G. Amara Kumari	16.99	13.26	-	-	-	-	5.26	5.26
Smt G. Padmavathi	3.20	2.50	-	-	-	-	0.99	0.99
Dr. G. Ramadevi	26.02	20.30	-	-	-	-	8.06	8.06
Sri Ashok Galla	0.17	0.13	-	-	-	-	0.05	0.05
Sri Siddharth Galla	0.17	0.13	-	-	-	-	0.05	0.05
Mangal Industries Limited	10.06	7.85	-	-	-	-	3.12	3.12
Johnson Controls (Mauritius) Private Limited	143.45	111.92	-	-	-	-	44.41	44.41
<b>Total</b>	<b>282.81</b>	<b>220.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87.56</b>	<b>87.56</b>

## Notes forming part of the Financial Statements

### NOTE 31: RELATED PARTY TRANSACTIONS (Contd.)

₹ million

Particulars	Transactions		Receivables / Deposits		Payables		Share capital	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Remuneration								
Sri Jayadev Galla	335.98	293.32	-	-	310.90	268.48	-	-
Sri Ravi Bhamidipati	-	20.83	-	-	-	10.43	-	-
Dr. Ramachandra N Galla	201.59	175.99	-	-	201.59	175.99	-	-
Total	537.57	490.14	-	-	512.49	454.90	-	-
Donations paid								
Rajanna Trust	218.22	135.37	-	-	-	-	-	-
Total	218.22	135.37	-	-	-	-	-	-

Note: There are no amounts written off / written back or provided for during the year in respect of any related party transactions (previous year ₹Nil)

### NOTE 32: UNHEDGED FOREIGN CURRENCY EXPOSURE

₹ million

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Sundry creditors	USD	2.46	155.40	2.72	164.67
	EUR	0.13	8.62	0.14	11.60
	GBP	0.04	3.32	0.03	2.89
Advances from customers	USD	0.18	11.68	0.08	4.63
Sundry debtors	USD	3.04	188.79	2.50	148.86
Advances paid	USD	2.79	173.41	4.55	271.08
	EUR	0.73	48.65	1.49	121.37
	GBP	0.04	3.89	0.86	84.59
Foreign currency on hand	USD	0.004	0.27	0.001	0.06
	SGD	0.001	0.04	0.0002	0.0096
	EUR	0.0001	0.003	0.0001	0.0042
Bank balances	USD	0.71	43.79	0.95	56.66

There are no outstanding derivatives instruments as at end of the year (previous year ₹Nil)

### NOTE 33: LEASES

The Company is obligated under cancelable operating leases for offices, warehouses etc, which are renewable at the option of both the lessor and the lessee. Total rental expense debited to the Statement of Profit and Loss under cancelable operating leases amounts to ₹ 127.47 million (PY ₹ 114.10 million).

There are no sub-lease payments received / receivable recognised in the Statement of Profit and Loss. Also, there are no contingent rents payable and there are no restrictions imposed by lease agreements such as those concerning dividends and additional debt.

### NOTE 34: EXCEPTIONAL ITEMS

Exceptional items represent net provision for fuel surcharge adjustment for financial years 2009-10 to 2011-12, surcharge on arrears and additional demand charges for financial year 2014-15 of ₹ 72.79 million (PY ₹ 38.84 million) claim(s) by Southern Power Distribution Company of Andhra Pradesh Limited as per the orders from Andhra Pradesh Electricity Regulatory Commission.

## Notes forming part of the Financial Statements

### NOTE 35: RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED AT THE IN-HOUSE R&D CENTRE

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I. Capital expenditure		
a) Land and buildings		
i) Land	-	-
ii) Buildings	-	-
b) Capital equipment	25.61	45.87
II. Revenue expenditure		
a) Salaries and wages including other employee benefits expense	39.59	45.39
b) Consumption of materials including for consumables and stores & spares	7.82	15.07
c) Utilities - power	8.11	6.67
d) Others	15.38	8.64
III. Total expenditure incurred at R&D Centre (I + II)	96.51	121.64
IV. Total expenditure on approved R&D Centre excluding land and buildings*	70.90	85.40
V. Amounts received by R&D Centre in cash and/or kind	-	-
VI. Net amount incurred by R&D Centre (IV-V)	70.90	85.40

\* The Company has obtained approval from Department of Scientific and Industrial Research for claiming of weighted tax benefit under Section 35(2AB) of Income Tax Act, 1961 for the financial year 2014-15

### NOTE 36: REVENUE EXPENDITURE CAPITALISED TO FIXED ASSETS / CAPITAL WORK-IN-PROGRESS

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries	2.78	1.74
Amortisation and Depreciation	1.61	1.01
Trial run expenses (net of income)	102.69	65.66
Others	2.72	3.10
Total	109.80	71.51

### NOTE 37: CONTINGENT LIABILITIES AND COMMITMENTS

₹ million

Particulars	As at March 31, 2015	As at March 31, 2014
A. Contingent liabilities		
Claims against the Company not acknowledged as debts		
i) Excise duty/service tax	11.85	11.85
ii) Sales tax	54.05	99.77
iii) Income tax	13.14	14.49
iv) Electricity	692.35	541.86
v) Export obligation	208.82	234.23
[Against all the above, ₹71.91 million (PY ₹ 66.96 million) was paid under protest]		
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,663.68	700.62

Note: On the basis of the current status of individual cases and as per the legal advice obtained, wherever applicable, the management is of the view that no provision is required in respect of the above cases.

## Notes forming part of the Financial Statements

### NOTE 38: EARNINGS PER SHARE

₹ million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>Numerator - Earnings</b>		
Net profits for the period in ₹ million	4,108.62	3,674.36
<b>Denominator - Equity shares</b>		
Weighted average number of shares outstanding at the end of the year (Basic and Diluted)	170,812,500	170,812,500
Basic and diluted earnings per equity share of ₹ 1 each in ₹	24.05	21.51

### NOTE 39:

The balances in various personal accounts are subject to confirmation by and reconciliation with the concerned parties.

### NOTE 40:

In the opinion of Board of Directors the assets other than fixed assets and non-current investments are expected to realise the value stated in the financial statements, in the ordinary course of business.

### NOTE 41:

Previous year figures have been regrouped wherever necessary to conform to current year classification.

### NOTE 42:

Figures have been rounded off to the nearest million.

#### As per our report of even date attached

For E. Phalguna Kumar & Co.  
Chartered Accountants  
Firm Registration No. 002644S

For Chevuturi Associates  
Chartered Accountants  
Firm Registration No. 000632S

#### For and on behalf of the Board

E. Chaitanya  
Partner  
(Membership No: 215621)

Raghunadha Rao Balineni  
Partner  
(Membership No: 28105)

Dr. Ramachandra N Galla  
Chairman

Jayadev Galla  
Vice Chairman and  
Managing Director

Place : Hyderabad  
Date : May 29, 2015

S V Raghavendra  
Chief Financial Officer  
Place : Milwaukee, USA  
Date : May 28, 2015

M R Rajaram  
Company Secretary

# Notice of the Annual General Meeting

To the members of  
Amara Raja Batteries Limited

NOTICE is hereby given that the 30<sup>th</sup> annual general meeting of the members of Amara Raja Batteries Limited will be held on Friday, August 14, 2015 at 11:30 a.m. at the registered office of the Company situated at Renigunta-Cuddapah Road, Karakambadi-517520, Tirupati, Andhra Pradesh to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015 together with the reports of the Board of Directors' and Auditors' thereon.
2. To declare a dividend on equity shares for the financial year ended March 31, 2015.
3. To appoint 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 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, M/s. Brahmayya & Co., Chartered Accountants Firm Registration No. 000513S and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Firm Registration No. 117366W be and they are hereby appointed as the joint statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the 35<sup>th</sup> annual general meeting of the Company (subject to ratification of such appointment at every annual general meeting) on a remuneration of ₹ 50,00,000 (Rupees Fifty 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:

4. To appoint Mr. Bruce Arden Ronning Jr. (DIN: 06938974) as a Director and in this regard to consider and if thought fit, to pass, with or with 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 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Bruce Arden Ronning Jr. (DIN: 06938974) who was appointed as a Director of the Company with effect from August 6, 2014 by the Board of Directors in

the casual vacancy caused by the resignation of Mr. Eric Stuart Mitchell (DIN: 06561619), who holds office upto the date of Annual General Meeting under Section 161 of the Act and Article 94 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."

5. To appoint Ms. Bhairavi Tushar Jani (DIN: 00185929) as an Independent 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 Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, as amended from time to time and clause 49 of the listing agreement entered into with the stock exchanges, Ms. Bhairavi Tushar Jani (DIN: 00185929), who was appointed as an Additional Director of the Company with effect from March 28, 2015 by the Board of Directors, who holds office upto the date of 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 her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years effective from August 14, 2015."

6. To re-appoint Mr. Jayadev Galla (DIN : 00143610) as Vice Chairman and Managing Director of the Company and fix his 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 Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and read with Schedule V to the Act, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Jayadev Galla (DIN : 00143610) as the Vice Chairman and Managing Director of the Company for a period of five years with effect from September 1, 2015 (i.e. from September 1, 2015 to August 31, 2020) on the terms and conditions including remuneration as recommended by

the Nomination and Remuneration Committee which is set out in the explanatory statement annexed to the notice convening this annual general meeting.

**RESOLVED FURTHER** that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration including authority to determine/ vary from time to time the amount of salary, perquisites, other benefits and allowances and commission payable to Mr. Jayadev Galla in such manner as may be agreed to between the Board and Mr. Jayadev Galla, subject to the total remuneration not exceeding five percent (5%) of the net profits of the Company per annum and to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

7. To pay commission to Dr. Ramachandra N Galla, Chairman (DIN: 00133761) 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 197 and all other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, approval of the members of the Company be and is hereby accorded for the payment of Commission at the rate of three percent (3%) of the net profits of the Company per annum calculated in accordance with the provisions of Section 198 of the Act to Dr. Ramachandra N Galla, Non-Executive Chairman for a period of five years commencing from September 1, 2015.

**RESOLVED FURTHER** that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

8. To pay commission to Non-Executive Independent Directors 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 197 and all other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors and Committee(s) thereof, approval of the members of the Company be and is hereby accorded for the payment of Commission to Non-Executive Independent Directors, in such sum or proportion, in such manner and in all respects as determined by the Board, provided the aggregate of such commission shall not exceed one percent (1%) of

the net profits of the Company per annum calculated in accordance with the provisions of Section 198 of the Act for a period of five years commencing from September 1, 2015.

**RESOLVED FURTHER** that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

9. To ratify the remuneration of the Cost Auditors for the financial year 2015-16 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, 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 2015-16 at a remuneration of ₹ 2,50,000/- (Rupees Two 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 Director 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."

10. To approve the borrowing powers of the Company 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 in supersession of resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on August 14, 2006 and pursuant to Section 180(1)(c) of the Companies Act 2013 ('Act') and all other applicable provisions, if any, of the Act, as amended from time to time, and the Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors or Committee of the Board of Directors (hereinafter referred to as "the Board") to borrow from time to time any sum or sums of money as may be required for the purpose of the business of the Company on such terms and conditions and with or without the security as the Board may think fit, from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained



from the Company's bankers in the ordinary course of business) shall not at any time exceed an amount of ₹ 500 crores (Rupees Five Hundred Crores only) over and above the aggregate of the paid-up share capital and free reserves of the Company and that the Board be and is hereby empowered and authorised to decide on the terms and conditions in relation to such borrowings from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion deem fit.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/agreements as may be required and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper and to settle any question, difficulty or doubt that may arise in respect of the borrowing(s) aforesaid."

11. To authorise the Board to create charge on properties of the Company, both present and future 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 in supersession of resolution passed pursuant to Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting of the Company held on August 14, 2006 and pursuant to Section 180(1)(a) of the Companies Act 2013 ('Act') and other applicable provisions, if any, of the Act, as amended from time to time, and the Articles of Association of the Company, consent 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") to create charge, pledge, mortgage and hypothecation in addition to existing charge, pledge, mortgage and hypothecations already created by the Company, in such form, manner, ranking and at such time and on such terms and conditions as the Board may deem fit in the interest of the Company, on all or any of the immovable and/ or movable properties of the Company, both present and future, and /or any other assets or properties, either tangible or intangible, of the Company and/or the whole or any part of the undertaking(s) in favour of the Lender(s) for securing the borrowing availed or to be availed by the Company by way of loan, subject to the limits approved by the members under Section 180 (1) (c) of the Act together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia of prepayment, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s) in respect of the said loan(s)/borrowing(s).

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/agreements as may be required and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid."

12. To authorise the Board to enter into agreement(s)/ contract(s) with Mangal Industries Limited 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 Clause 49 VII of the listing agreement entered into with the stock exchanges, consent of the members of the Company be and is hereby accorded to the Board of Directors ("Board") for entering into contract/arrangement/transactions with M/s. Mangal Industries Limited (MIL), a related party as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 VII(B)(2) of the listing agreement 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 estimated amount of Rs. 600 Crores in each financial year, 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 of the Directors be and are 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 of the Directors be and are hereby authorised do all such acts, deeds and things, as it may in its absolute discretion deem necessary, to give effect to the above resolution."

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

Place: Hyderabad  
Date: July 15, 2015

**M R Rajaram**  
*Company Secretary*

**CIN: L31402AP1985PLC005305**

**Registered Office:**

Renigunta-Cuddapah Road  
Karakambadi, Tirupati – 517 520  
Andhra Pradesh  
Tel: 91 (877) 226 5000  
Fax: 91 (877) 228 5600  
E-mail: [investorservices@amararaja.co.in](mailto:investorservices@amararaja.co.in)  
Website: [www.amararaja.co.in](http://www.amararaja.co.in)

## Notes:

1. A Member entitled to attend and vote at the annual general meeting (the "meeting") 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't act as proxy on behalf of members exceeding fifty and holding in the aggregate 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 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. 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 will be available for inspection to the members at the meeting.
5. The register of members and share transfer books of the Company will remain closed from Saturday, August 8, 2015 to Friday, August 14, 2015 (both days inclusive), for the purpose of determining the entitlement of member to the dividend for the financial year 2014-15, if declared at the meeting.
6. The dividend, if declared, shall be paid on or before August 31, 2015 to those members whose name appear in the register of members as on the date of the meeting. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of August 7, 2015 as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
7. The copies of the Annual Report 2014-15 including the notice of the 30<sup>th</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 email-ids are registered with the Company/Depositories for communication purposes. For members who have not registered their email address, the aforesaid documents are being sent in the permitted mode.

8. Members may also note that the notice of the 30<sup>th</sup> annual general meeting, proxy form and the Annual Report 2014-15 will be available 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.
9. Additional information pursuant to Clause 49 of the listing agreement entered with the Stock Exchanges in respect of the directors seeking appointment/ re-appointment at the meeting are furnished and forms part of the Notice.
10. Members are advised to refer to the shareholders' referencer placed on the Company's website [www.amararaja.co.in](http://www.amararaja.co.in) covering various aspects such as investor services and grievance handling mechanism, recommendations of the Company to the shareholders, dividend, ECS facility and its requirements, unclaimed/unpaid dividend, unclaimed shares, dematerialisation/rematerialisation of shares, transfer/transmission / transposition / duplicate certificates, etc, nomination facility, miscellaneous matters and other information. Members are also advised to refer to the general shareholders' information in the corporate governance section of the annual report to know more information pertaining to shares of the Company.
11. 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.
12. 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.
13. 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.
14. **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 and the provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchanges, 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 Karvy Computershare Private Limited (Karvy) as the authorised agency to provide e-voting facilities. Instructions for e-voting are given in note no.20.

15. **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 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.
16. The Board of Directors has appointed Shri V.Suresh, a Practicing Company Secretary, (Membership No.FCS 2969) as a Scrutinizer to scrutinize the voting and remote e-voting process and Poll at AGM in a fair and transparent manner.
17. 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) working 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 him in writing who shall countersign the same.
18. The Results shall be declared by the Chairman or by an authorised by him 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.
19. After declaration of the results, the same along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.amararaja.co.in](http://www.amararaja.co.in)) and on Karvy's website (<https://evoting.karvy.com>) and communicated to BSE Limited and National Stock Exchange of India Limited
20. **E-Voting instructions:** The instructions and other information relating to e-voting are as under:
  - A. In case a Member receives an e-mail from Karvy [for Members whose email addresses are registered with the Company/ Depositories.
    - i. Open internet browser by typing the URL: <https://evoting.karvy.com>
    - ii. Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
    - iii. After entering these details appropriately, click on "LOGIN".
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum

8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E-Voting Event Number for AMARA RAJA BATTERIES LIMITED.
- vii. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [vsureshpcs@gmail.com](mailto:vsureshpcs@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Amara Raja Batteries Limited\_30<sup>th</sup> AGM."
- B. In case a Member receives physical copy of the Annual General Meeting Notice [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

- i. User ID and initial password-These will be sent separately.
- ii. Please follow all steps from Sr.No.(i) to (xii) as mentioned in (A) above, to cast your vote.

In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

#### Other Instructions

- i. The e-voting period commences on Tuesday, August 11, 2015 (9:00 AM IST) and ends on Thursday, August 13, 2015 (5:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on August 8, 2015 i.e cut off date may cast their vote electronically. The e-voting module shall be disabled by Karvy 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 August 8, 2015. A person, whose name is recorded in the register of members or in the register beneficial owners maintained by the Depositories as on the cut-off date i.e August 8, 2015 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 August 8, 2015, may write to [evoting@karvy.com](mailto:evoting@karvy.com) or to the Company at [investorservices@amararaja.co.in](mailto:investorservices@amararaja.co.in) or call requesting for User ID and password. On receipt of User ID and password, the steps from sl nos. (i) to (vii) mention in the note 20 (A) above should be followed for casting their vote. If the member is already registered with Karvy 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 July 15, 2015 and shall be taken as forming part of the notice.

## Item No. 4

Mr. Bruce Arden Ronning Jr. (Mr. Bruce) was appointed as Director of the Company by the Board with effect from August 6, 2014, in the casual vacancy caused by the resignation of Mr. Eric Stuart Mitchell, pursuant to Section 161 of the Companies Act, 2013 (Act) and holds office upto the date of this Annual General Meeting as Mr. Eric Stuart Mitchell was liable to retire by rotation at this meeting.

The Company has received a notice in writing under Section 160 of the Act, from a member along with requisite deposit amount proposing the candidature of Mr. Bruce for the Office of Director of the Company under Section 152 of the Act. The Company has received from Mr. Bruce the requisite disclosures/declarations pursuant to the provisions of the Act.

The particulars of Mr. Bruce viz., qualification, expertise and directorships and memberships of other Board Committees are furnished in this annual report and forms part of this notice.

Mr. Bruce is interested in the resolution set out at item no. 4 of this notice with regard to his appointment as a Director.

## Item No. 5

Ms. Bhairavi Tushar Jani (Ms. Bhairavi) was appointed as an Additional Director of the Company by the Board with effect from March 28, 2015, pursuant to section 161 of the Companies Act, 2013 and holds office upto the date of the 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 Ms. Bhairavi for the office of an Independent Director under Section 149 of the Act. The Company has received from Ms. Bhairavi the requisite disclosures/declarations pursuant to the provisions of the Act.

In the opinion of the Board of Directors, Ms. Bhairavi fulfils the conditions specified in the Act, the Rules made thereunder for appointment as an Independent Director and she is independent of the Management. A copy of the draft letter of her appointment setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours on working days upto the date of Annual General Meeting.

Ms. Bhairavi is interested in the resolution set out at item no. 5 of this Notice with regard to her appointment as an Independent Director.

## Item No. 6

The present tenure of Mr. Jayadev Galla as Managing Director of the Company will expire on August 31, 2015. Under the dynamic and able leadership of Mr. Jayadev Galla the Company crossed various milestones and enhanced the stakeholders' value. Taking into consideration, the valuable contributions made by Mr. Jayadev Galla and the need for his strategic directions for the future growth of the Company, the Nomination and Remuneration Committee recommended his re-appointment on the terms and conditions including remuneration as set out hereunder.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 28, 2015 unanimously approved the re-appointment of Mr. Jayadev Galla as the Vice Chairman and Managing Director of the Company for a period of five years (with effect from September 1, 2015 to August 31, 2020), pursuant to the provisions of the Companies Act, 2013, subject to the approval of the members of the Company.

The broad particulars of the terms and conditions of appointment including remuneration payable to Mr. Jayadev Galla are as follows:

1. The Vice Chairman and Managing Director shall, subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to him by the directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. Period of agreement: 5 years from September 1, 2015 to August 31, 2020
3. Remuneration comprising of salary and commission shall be as follows:

Salary : ₹ 20,00,000 per month

Commission : Five per cent (5%) of the net profits of the Company, inclusive of salary and perks.

## 4. Perquisites/benefits

### House rent allowance/accommodation

House rent allowance as may be applicable to the employees of the Company or provision of furnished accommodation.

### Medical reimbursement

Reimbursement of medical expenses incurred for self and family and dependent parents, subject to a ceiling of one month's salary per year.

### Leave travel concession

Leave Travel Concession for self and family to and from any place in India, once in a year in accordance with the rules of the Company.

### Provident fund

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

### Leave encashment

Encashment of leave at the end of tenure as per the rules of the Company.

### Gratuity

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

### Car

Company's car with driver for business purposes.

### Telephone

Telephone / Communication facilities at residence for business purposes.

### Club fee

Club fee subject to a maximum of two clubs. No admission and life membership fee will be paid.

## 5. Overall remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed 5% of the net profits of the Company.

## 6. Minimum remuneration

Where in any financial year, during the tenure of Mr. Jayadev Galla, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Jayadev Galla, remuneration by way of salary, commission and perquisites not exceeding the limits as specified under Section II of Part II of Schedule V to the Act, as amended from time to time.

7. The Vice Chairman and Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business.
8. The terms and conditions of the said re-appointment and/or agreement may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.
9. The agreement may be terminated by either party after giving the other party three (3) months' notice.
10. The Vice Chairman and Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

In order to give effect to the re-appointment of Mr. Jayadev Galla as the Vice Chairman and Managing Director of the Company, the approval of the members of the Company

by way of an ordinary resolution is required and therefore the resolution is placed before the members for their consideration and approval.

Mr. Jayadev Galla and Dr. Ramachandra N Galla are interested in the resolution set out at item no. 6 of this Notice.

The relatives of Mr. Jayadev Galla may be deemed to be interested in the resolution set out at item no. 6 of this notice, to the extent of their shareholding interest in the Company.

## Item Nos. 7 and 8

At the annual general meeting held on July 29, 2010, the members of the Company had approved the payment of commission @ 3% of the net profits of the Company per annum to Dr. Ramachandra N Galla, Non Executive Chairman and also the commission to Non-Executive Independent Directors in such sum and proportion as the Board may deem fit, provided the aggregate of such commission to Non-Executive Independent Directors shall not exceed @ 1% of net profits of the Company per annum for a period of five years commencing from September 01, 2010.

The Company had also obtained the necessary prior approval of the Central Government under the erstwhile Companies Act, 1956 for the payment of aforesaid commission.

The Nomination and Remuneration Committee considered the invaluable contributions made by Dr. Ramachandra N Galla for the growth of the Company. Considering his rich experience and the inputs/advice provided by him to the Company, the Committee felt that he needs to be adequately compensated. Accordingly the Nomination and Remuneration Committee recommended to the Board the payment of commission on profits at the rate of 3% of the Profits of the Company for each of the financial year, for a period of five years commencing from September 1, 2015.

The Non-Executive Independent Directors of the Company brings to the Board their domain expertise and rich experience across a wide spectrum of functional areas. The Board felt that the Non-Executive Independent Directors need to be compensated adequately for their time and efforts in discharging their duties under the Act.

The Board of Directors at their meeting held on May 28, 2015 unanimously approved the payment of commission, subject to the approval of the members, as set out in the item nos. 7 and 8 of this notice

Dr. Ramachandra N Galla, Non-Executive Chairman and the Non-Executive Independent Directors, are concerned or interested in this resolution to the extent that they would be entitled to receive commission as may be payable to them from time to time, if approved by the members.

The relatives of Dr. Ramachandra N Galla and Non-Executive Independent Directors may be deemed to be interested in the



resolution set out at item nos. 7 and 8 of this notice, to the extent of their shareholding interest, if any, in the Company.

#### Item No. 9

The Board of Directors at their meeting held on May 28, 2015, 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 2015-16 on a remuneration of ₹ 2,50,000/- (Rupees Two 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 ordinary resolution as set out at item no. 9 of the notice ratifying the remuneration payable to the Cost Auditors for the financial year 2015-16.

#### Item Nos. 10 and 11

The members of the Company at the Annual General Meeting held on August 14, 2006, had accorded their approval by way of an ordinary resolution as per the provisions of the erstwhile Companies Act, 1956 to the Board of Directors or committee thereof:

- a. To borrow money from the lenders, provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall, at any time, not to exceed ₹ 500.00 Crore (Rupees five hundred crore only), over and above the paidup capital and free reserves.
- b. To mortgage and or create charge, on all or any of the immovable and/ or movable properties of the Company, both present and future, and/or the whole or any part of the undertaking(s) in favour of the bankers/lenders.

However, as per the provisions of Section 180 of the Companies Act, 2013, approval of Members of the Company by way of a Special Resolution is required to borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. The Company secures the money borrowed by it by creating charge/lien/mortgage on the properties of the

Company, which may be deemed to be sale/lease as per the provisions of Section 180 of the Act

In view of the aforesaid provisions, the resolutions under Sections 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013 by way of special resolution are set out at item no. 10 and 11 authorising the Board or Committee thereof to borrow and to create charge, pledge, mortgage etc on the assets of the Company for securing the borrowings, provided that the total amount that may be borrowed by the Board shall not at any time exceed ₹ 500.00 Crore over and above the aggregate of the paid-up share capital and free reserves of the Company.

#### Item No. 12

Mangal Industries Limited (MIL), is a related party in terms of Section 2(76) of the Companies Act, 2013. 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.

During the year ahead, keeping in view of the future business projections, the cumulative transactions with MIL is estimated at Rs. 600 crores, which exceeds 10% of the audited turnover of the Company and are deemed to be "material" in nature as defined Clause 49 VII of the Listing Agreement.

Accordingly, the item no.12 is being proposed for the approval of the members by way of special resolution in terms of explanation (ii) to Clause 49 VII (E) of the listing agreement.

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.

By Order of the Board  
For Amara Raja Batteries Limited

Place: Hyderabad  
Date: July 15, 2015

M R Rajaram  
Company Secretary

Pursuant to clause 49 of the listing agreement entered into with the stock exchanges, 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. Bruce Arden Ronning Jr.</b>
Date of Birth	May 14, 1961
Qualification	Bachelor of Science in Management from University of Maryland, USA
Expertise	<p>Mr. Bruce. is the Vice President and General Manager of Asia Pacific, Power Solutions, Johnson Controls INC responsible for leading the Power Solutions Asia Pacific aftermarket business.</p> <p>Prior to this, he served as the Vice President and General Manager EMEA, responsible for the Power Solutions aftermarket business for Europe, Middle East and Africa.</p> <p>Prior to joining Johnson Controls, Mr. Bruce was the National Sales Manager for Snap-On Tools, John Bean Wheel Service Equipment division, North America.</p>
Name(s) of other Companies in which Directorships held	Nil
Name of other Companies (other than Amara Raja Batteries Limited) in which Committee membership (s)/Chairmanship (s) held	Nil
Total shares held by him in the Company	Nil
Relationship with other directors	Not related to any other director of the Company
<b>II. Name of the Director</b>	<b>Ms. Bhairavi Tushar Jani</b>
Date of Birth	May 14, 1979
Qualification	Bachelor of Science in Business with Magna Cum Laude from Miami University, Ohio, USA
Expertise	<p>Ms. Bhairavi is a fourth generation entrepreneur, developmental enthusiast and an avid venture philanthropist.</p> <p>Presently, she is an Executive Director at SCA Group of Companies founded in 1896. After Post graduation she started her career with KPMG Consulting in Washington D.C and most of her project work was in the area of supply chain, public services consulting and business process reengineering.</p> <p>She started her entrepreneur journey in 2001 by setting up a fourth party logistics company in India called i3pl and exited in 2005 before joining SCA Group of Companies.</p> <p>She has received honors and awards amongst include, Stree Shakti (Woman Power) person by CNBC Awaaz and featured as a Young Turk by CNBC TV 18.</p>
Name(s) of other Companies in which Directorships held	<p>Nijoy Freight Systems Private Limited</p> <p>Ritu Freight and Transport Services Private Limited</p> <p>Metro Call Private Limited</p> <p>Transmart (India) Private Limited</p> <p>Span Design &amp; Solution Service Private Limited</p> <p>Scmooth (India) Private Limited</p> <p>MOI Education Private Limited</p> <p>Albatross Logistics Centre (India) Private Limited</p>
Name of other Companies in which Committee membership (s)/Chairmanship (s) held	Nil
Total shares held by her in the Company	Nil
Relationship with other directors	Not related to any other director of the Company.

III. Name of the Director	Mr. Jayadev Galla
Date of Birth	March 24, 1966
Qualification	Bachelors degree in Political Science and Economics from University of Illinois, USA
Expertise	<p>Mr. Jayadev Galla has been the Managing Director of Amara Raja Batteries Limited since August, 2003. Under his guidance and leadership, the Company has achieved many milestones, expanded its footprint in overseas markets especially in the Indian Ocean Rim and increased the stakeholders value.</p> <p>Prior to joining the Company, he served as International Sales Executive, GNB Battery Technologies, Inc., USA (now part of Exide Technologies, Inc., USA)</p>
Name(s) of other Companies in which Directorships held	<p>Amara Raja Power Systems Limited</p> <p>Mangal Industries Limited</p> <p>Amara Raja Electronics Limited</p> <p>Amara Raja Infra Private Limited</p> <p>Amara Raja Industrial Services Private Limited</p> <p>Amaron Batteries Private Limited</p> <p>RNGalla Family Holding Private Limited</p> <p>Nine Nines Lifestyle Private Limited</p>
Name of other Companies in which Committee membership (s)/Chairmanship (s) held	Nil
Total shares held by him in the Company	1,28,21,984 equity shares of ₹ 1 each
Relationship with other directors	Son of Dr. Ramachandra N Galla, Chairman of the Company

## NOTES

## NOTES

## NOTES





## 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]

### 30<sup>th</sup> Annual General Meeting - August 14, 2015

Name of the Member(s)	:
Registered address	:
E-mail id	:
Folio No./ Client ID No.	:
DP ID	:

I/We, being the member (s) holding ..... 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 30<sup>th</sup> Annual general meeting of the company, to be held on Friday, August 14, 2015 at 11:30 a.m. at Renigunta-Cuddapah Road, Karakambadi, Tirupati -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, 2015 together with the reports of the Board of Directors' and Auditors' thereon.
2.	Declaration of dividend on equity shares for the financial year 2014-15.
3.	Appointment of the statutory auditors of the Company.
4.	Appointment of Mr. Bruce Arden Ronning Jr. as Director of the Company.
5.	Appointment of Ms. Bhairavi Tushar Jani as an Independent Director of the Company for a period of five years.
6.	Appointment of Mr. Jayadev Galla as the Vice Chairman and Managing Director of the Company for a period of five years effective from September 1, 2015.
7.	Approval for payment of Commission to Dr. Ramachandra N Galla, Non-Executive Chairman of the Company.
8.	Approval for payment of Commission to Non-Executive Independent Directors of the Company.
9.	Ratification of the remuneration to be paid to the cost auditors of the Company for the financial year 2015-16.
10.	Approval for borrowing limits under Section 180 of the Companies Act, 2013.
11.	Authorising the Board to create mortgage or charge on the properties of the Company under Section 180 of the Companies Act, 2013.
12.	Authorising the Board to enter into agreement(s)/contract(s) with Mangal Industries Limited, a related party under Section 2(76) of the Companies Act, 2013.

Signed this ..... day of ..... 2015

Affix a  
Revenue  
stamp of  
₹1

Signature of the Member

**Notes:** The proxy form 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. The Proxy need not be a Member of the Company



AIMING H I G H E R

**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.

