AMARA RAJA
Gotta be a better way

August 11, 2018

National Stock Exchange of India Limited
"Exchange Plaza", Bandra – Kurla Complex
Bandra East
Mumbai – 400 051
Fax No.: (022) 2659 8237/38
E-mail: cmlist@nse.co.in
Scrip Code: AMARAJABAT

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001
Fax No.:(022) 2272 3121
E-mail: corp.relations@bseindia.com
Scrip Code: 500008

Dear Sir,

Sub: Annual Report 2017-18

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the annual report approved and adopted by the members at the 33rd Annual General Meeting of the Company held on August 11, 2018.

We request you to take on record and acknowledge the same.

Thanking you,

Yours faithfully,
For Amara Raja Batteries Limited

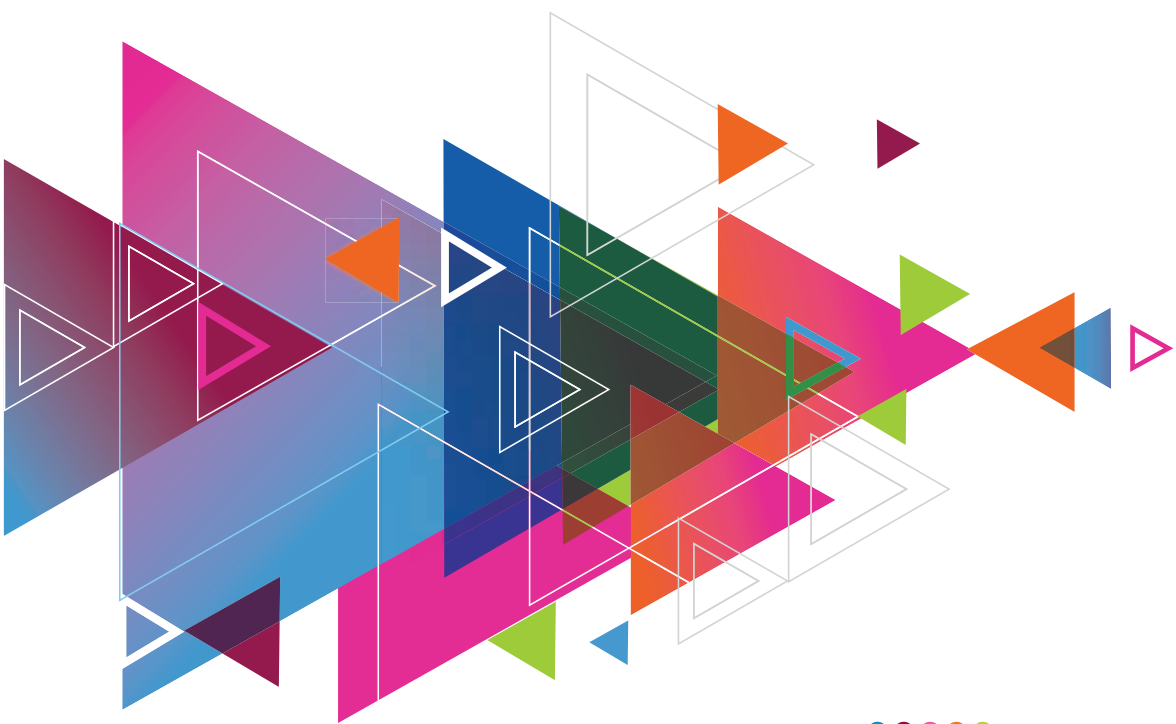
M R Rajaram
Company Secretary

Encl:a/a

Amara Raja Batteries Limited | An Amara Raja Group Company
Corporate Operations Office:
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Website:www.amararaja.co.in , Corporate Identification Number: L31402AP1985PLC005305

AMARA RAJA
Gotta be a better way

MORE..
ALWAYS..



AMARA RAJA BATTERIES LIMITED
ANNUAL REPORT 2017-18

FORWARD LOOKING STATEMENTS

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO FULLY APPRECIATE OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS – WRITTEN AND ORAL – THAT WE PERIODICALLY MAKE, CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUR ANTICIPATED RESULTS BASED ON MANAGEMENT PLANS AND ASSUMPTIONS. WE HAVE TRIED, WHERE POSSIBLE, TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATE', 'EXPECT', 'PROJECT', 'INTEND', 'PLAN', 'BELIEVE', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT, OF COURSE, GUARANTEE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN OUR ASSUMPTIONS. ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES, AND POTENTIALLY INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED, OR PROJECTED. READERS SHOULD BEAR THIS IN MIND.

WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.

Contents

CORPORATE OVERVIEW (2-13)

2 Vision Mission

4 Financial progress

6 Management Statement

10 Powering partnership

12 Awards & Recognition

MANAGEMENT DISCUSSION AND ANALYSIS (16-46)

16 Economic overview

18 Battery sector

20 Business divisions

28 Business drivers

42 Financial analysis

44 Risk management

46 Social Responsibility

STATUTORY DOCUMENTS (48-103, 149)

48 10-year financials

49 Corporate information

50 Directors' Report

149 Notice

FINANCIAL STATEMENTS (104-148)

110 Balance Sheet

111 Statement of Profit & Loss

112 Cash Flow Statement

114 Statement of Changes in Equity

115 Notes

Real success is always a constant work-in-progress.

When you learn to do something well, you keep learning to do it better.
When you create something path-breaking, you keep innovating towards the next trendsetter.
When you meet one big goal, you keep moving towards another.

In other words, you always look to push the boundaries, go the extra mile and surpass your previous performances – because success never rewards complacency. It is the ones who refuse to rest on their past laurels and keep moving towards doing more, and doing it better that manage to hold on to their place in the industry summit.

Hence for us, our core philosophy is one that includes idealism as well as realism, competence as well as greater ambitions.

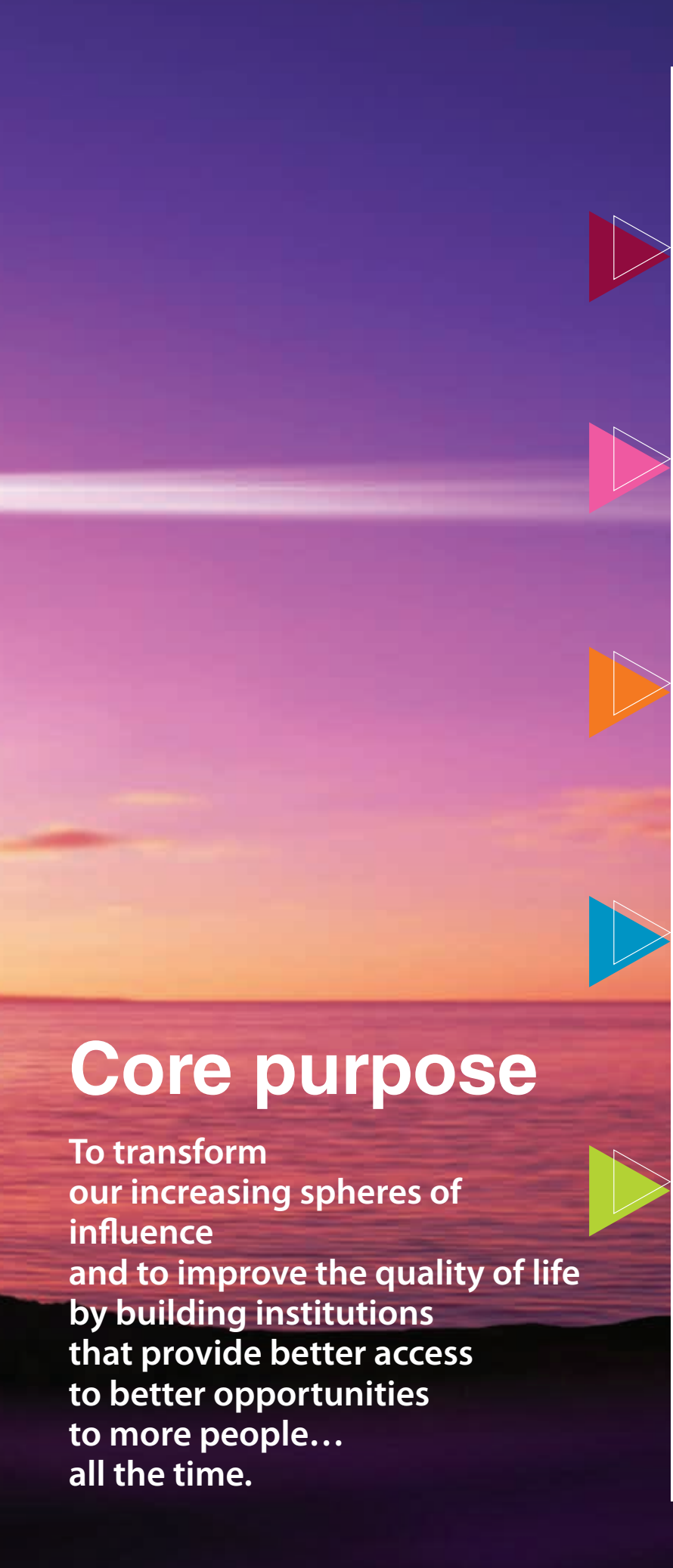
At Amara Raja, the operative words are

More...Always...



Vision

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



Core purpose

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

Innovation

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

Excellence

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

Entrepreneurship

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

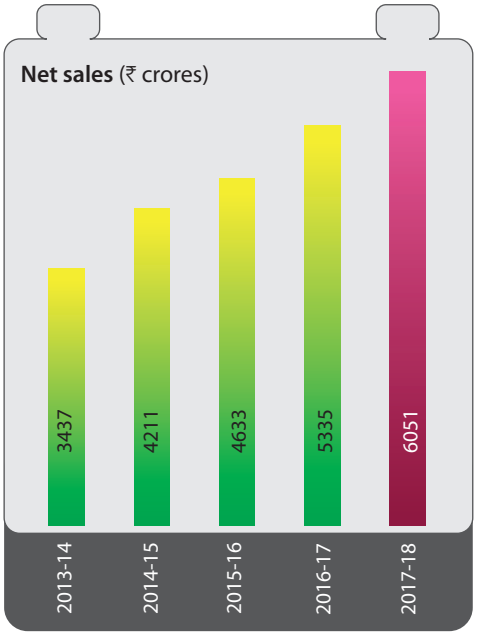
Experiences

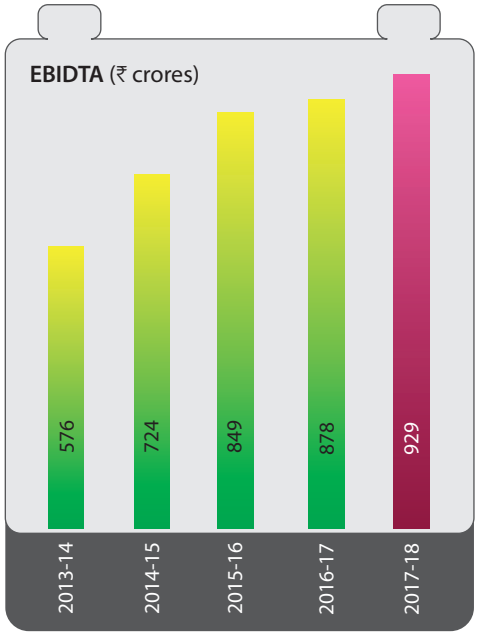
Experiences to us are what we create for our stakeholders, which make them feel part of something special, leading to endearing relationships.

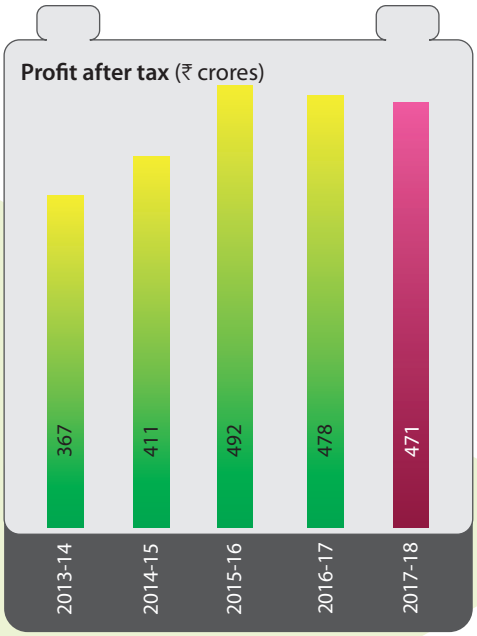
Responsibility

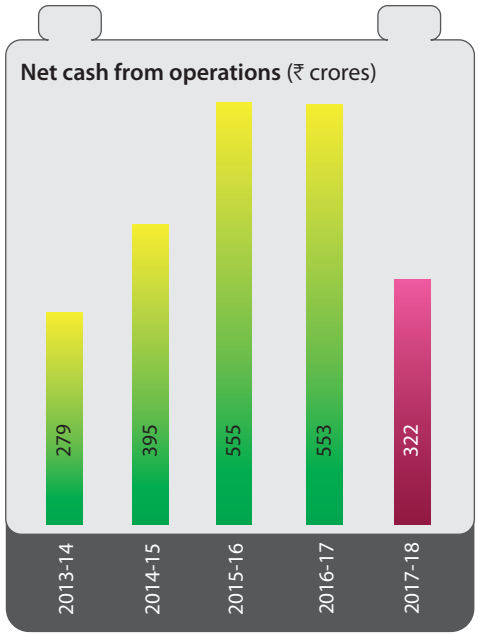
Responsibility to us is the total ownership of our thoughts and actions in every situation to achieve maximum common good in the best interest of Environment, Society, Customer, Supplier, Employee and Shareholders.

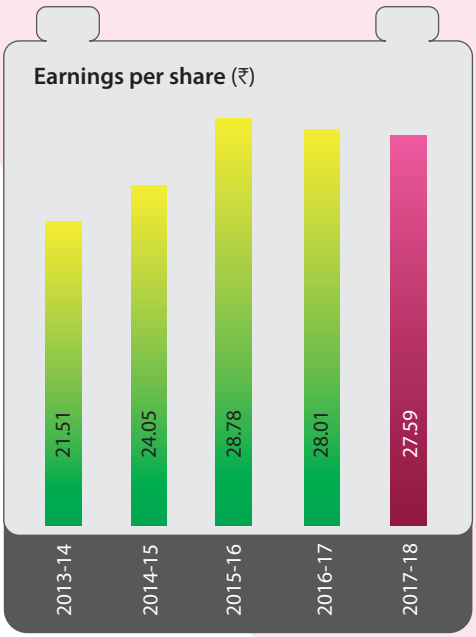
More... Always...

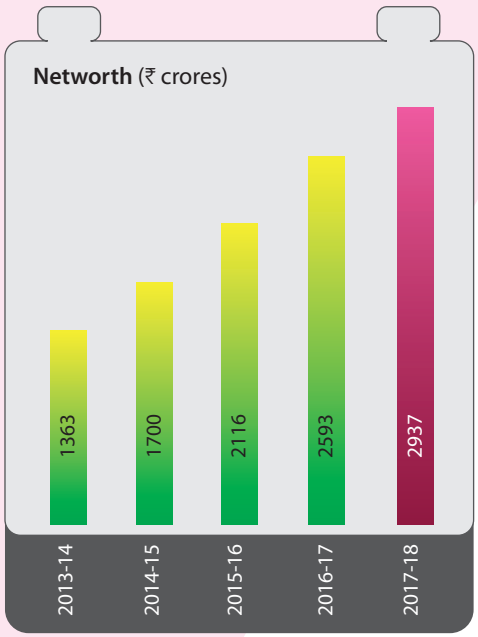

Net sales (₹ crores)
3437
4211
4633
5335
6051
2013-14
2014-15
2015-16
2016-17
2017-18

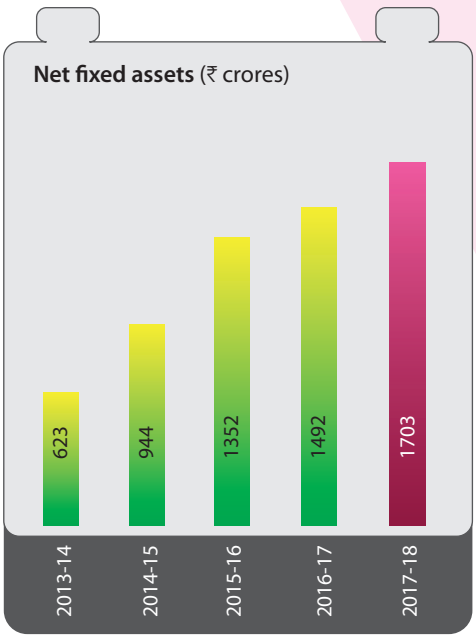

EBIDTA (₹ crores)
576
724
849
878
929
2013-14
2014-15
2015-16
2016-17
2017-18

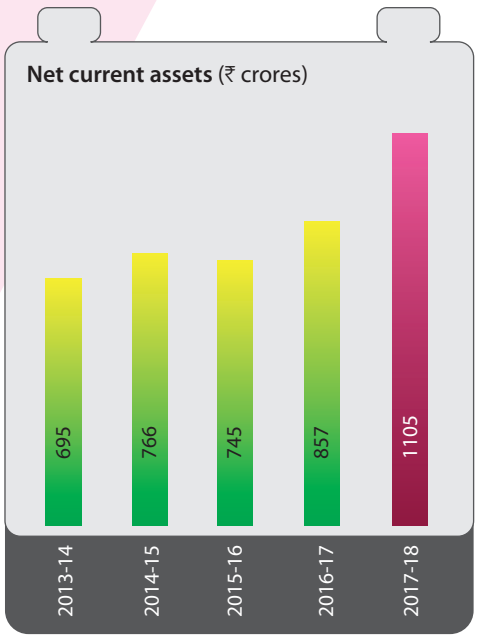

Profit after tax (₹ crores)
367
411
492
478
471
2013-14
2014-15
2015-16
2016-17
2017-18


Net cash from operations (₹ crores)
279
395
555
553
322
2013-14
2014-15
2015-16
2016-17
2017-18


Earnings per share (₹)
21.51
24.05
28.78
28.01
27.59
2013-14
2014-15
2015-16
2016-17
2017-18


Networth (₹ crores)
1363
1700
2116
2593
2937
2013-14
2014-15
2015-16
2016-17
2017-18


Net fixed assets (₹ crores)
623
944
1352
1492
1703
2013-14
2014-15
2015-16
2016-17
2017-18


Net current assets (₹ crores)
695
766
745
857
1105
2013-14
2014-15
2015-16
2016-17
2017-18

From the Management's desk



Fiscal 2017-18 was an important year for the Company as we truly lived up to the stakeholder expectation of 'More…Always…' from Amara Raja.

Dr. Ramachandra N Galla
Chairman

Dear shareholders,

Fiscal 2017-18 was an interesting year from a macro and micro economic perspective, as both registered an uptick in performance and a promise of maintaining the momentum in the following year.

Globally, the economic upswing that started in mid-2016 became broader and stronger in 2017. The global economy has not witnessed such strong and broad-based growth since the recovery of 2009-10, after the September, 2009 meltdown. The synchronised expansion will help to dispel some remaining legacies of the crisis by speeding the exit from unconventional monetary policies in advanced economies, encouraging investment, and healing labour market scars. Going forward, global growth seems on track to reach 3.9% this year and the next, catalyzed by faster growth in the Euro area, Japan, China, and the United States.

From an Indian perspective, we witnessed the roll out of the most decisive and path-breaking fiscal change in India post-Independence – the ONE NATION, ONE TAX regime, with the launch of Goods and Services Tax.

While this reform temporarily impacted India's economic progress in the first half of 2017-18, the nation bounced back with a 7%-plus GDP growth in the second half of the year, reclaiming its position as the fastest growing major economy in the world.

And from our perspective, Amara Raja experienced a very healthy growth across all our business verticals except for the telecom sector where the demand declined sharply owing to the prevailing consolidation wave. The unwavering resolve and untiring efforts of our entire team ensured that we registered healthy business growth – our revenue grew by 13% over the previous year while our EBIDTA and Net Profit stood at ₹929 crores at ₹471 crores respectively.

More…Always…
Fiscal 2017-18 was an outlier for us. For in addition to delivering higher volumes, we embarked upon important initiatives that will enable us to remain committed to our stakeholder commitment - 'More… Always…'. We will enhance capacities, widen our product basket and expand our sectoral canvass which will enable making profitable growth sustainable.

More capacity… on the anvil
We consider ourselves fortunate that our products have received an overwhelming response from customers. As a result, capacity build-up has become a routine exercise at Amara Raja.

One, our newly commissioned tubular facility operated at optimum capacity for the full year. We are adding one more line to this plant to increase its capacity by 0.4 mn batteries.

Two, having added more clients and more vehicle platforms of existing clients, we are setting up additional lines for manufacturing 4-wheeler batteries, thus taking our total capacity to 12.8 Mn batteries.

Three, having made our mark in the two-wheeler space with our differentiated products, we have set up a highly sophisticated, fully integrated facility (capacity – 17 mn batteries) for two-wheeler batteries to be commissioned in a phased manner – Phase I for manufacturing 5 mn batteries was commissioned in December 2017.

These new capacities are expected to be commissioned in the current year, which, when commissioned, promise to catalyse business performance.

More products… in the offing

One, the ongoing consolidation in the telecom sector has also changed the operating rules for tower companies. To meet their requirement, we have developed two new variants – a cost effective variant for standard usage and a premium variant which is a high-performance battery that operates seamlessly in harsh conditions (long life with quick recharge).

Two, the Government's financial inclusion drive has resulted in significant penetration of the banking sector in the power-uncertain rural India. To provide a reliable power back-up for rural banking, we launched a tubular flooded battery variant, customised to the requirement of this application. Interestingly, this development opens a completely new market space for Amara Raja.

Three, even as the Government remains steadfast on its goal of adopting the BS-VI norms by 2020, we realised that the battery requirement for passenger cars would change. In keeping with this insight, we developed the high powered Enhanced Flooded Battery for Idle-Start-Stop applications, which are currently undergoing field trials with select OE customers. And there is more to this – we are also developing a superior battery variant for Advanced, Start-Stop applications which should be launched soon.

More sectors…to be serviced

In keeping with our efforts to expand our horizon, we identified new growth opportunities that promise significant growth over the medium-term.

One, we made a foray into motive power; for this is a sunrise sector which is at an inflection point in its journey – its growth being catalysed by favourable government policies and significant investments by the private sector in new-age warehousing solutions. We are seeding the market with batteries imported from Europe before setting up our facility.

Two, we are patiently listening to the buzz around e-mobility from all quarters as this involves venturing into the much talked about lithium-ion space. And even as we focused on drawing up a strategy from all the noise, we have taken baby steps in the e-mobility space. We have developed a battery (leveraging the lead-acid platform) customised to e-rickshaw applications which, over the years, has gained prominence in the public transport backbone in cities and towns across India. In addition, even as we deliberate on foraying into lithium-ion batteries, we have set up a battery pack assembly unit (it integrates the cell with the electronics), which should be operational in the current year.

Three, our patient persistence over the years has paid off. The Indian Railways have adopted 100% use of VRLA batteries for all rolling stock applications including second class sleeper coaches (earlier being used only for AC coaches). This opens the floodgates for new demand in the horizon from this large battery consumer.

The bottomline

At Amara Raja, the excitement is visible. As you can see a number of things are happening at the same time –more infrastructure, more products, more technology, more verticals and more customers. The bottom-line then is – we are seizing the day, to emerge better tomorrow; we are strengthening our core to make our business operations more flexible. And as we are working to break out of the challenges that held us back earlier, sectoral tailwinds should help to accelerate business growth.

Heartfelt appreciation

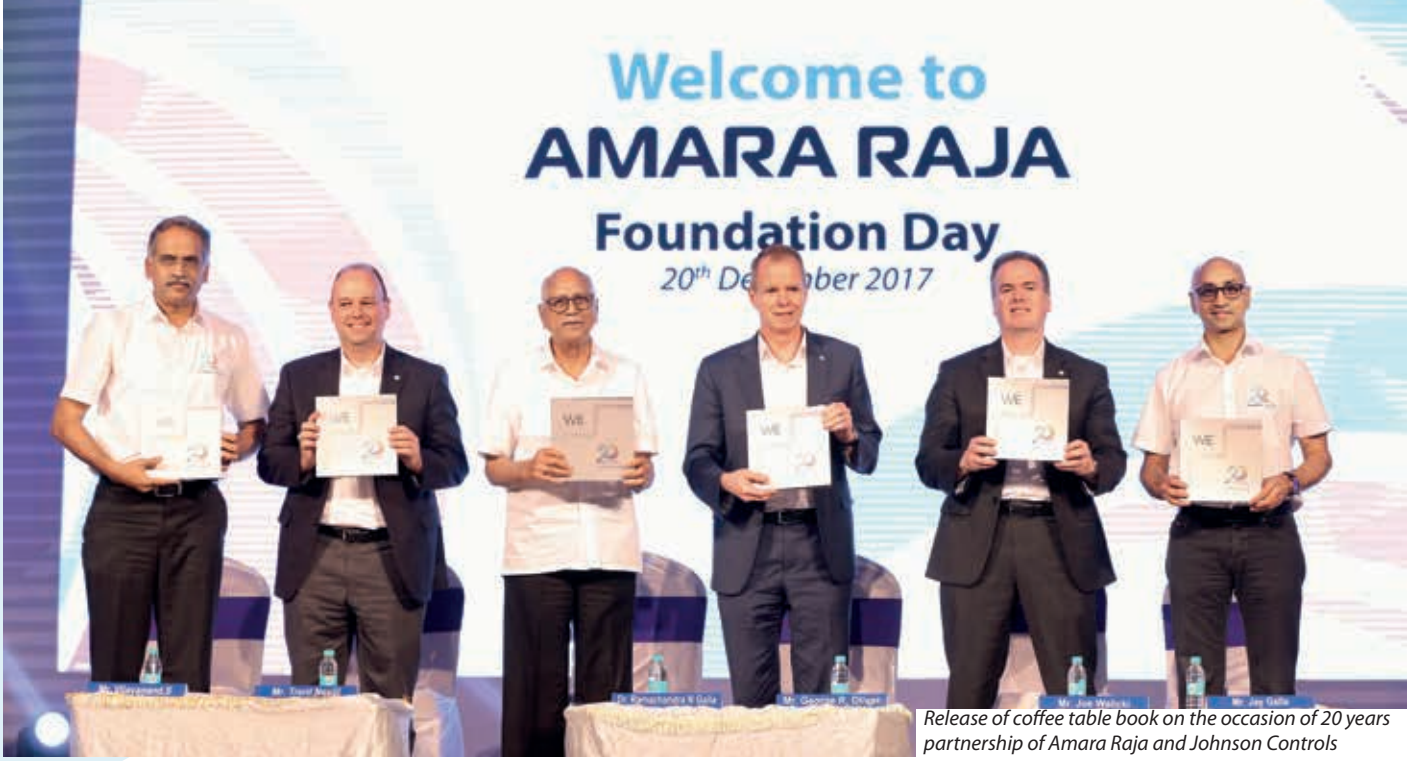
On behalf of the Company, we take this opportunity to convey our sincere appreciation to all our shareholders and express our gratitude to the government and its agencies, our eminent Board, our joint venture partner Johnson Controls, customers, employees, channel partners, bankers and suppliers for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

Warm regards

The Management Team



Mr. Jayadev Galla
Vice Chairman and Managing Director



Release of coffee table book on the occasion of 20 years partnership of Amara Raja and Johnson Controls

Powering Partnership

Amara Raja completed 20 years of its partnership with Johnson Controls (JC), a highly engaging and enriching journey which transformed Amara Raja from just another battery manufacturer into an industry trend setter.

The senior management team of Johnson Controls was led by Mr. George R. Oliver, along with 9 members of Global and Asia Pacific (APAC) Leadership teams from Shanghai (China), Singapore and Milwaukee (USA) participated in the celebrations.

"On behalf of Johnson Controls, thank you to all who have contributed to the success of Amara Raja Batteries and Johnson Controls partnership. Congratulations on twenty years of growth and success, and I look forward to decades more."

George R. Oliver
Chairman & CEO, Johnson Controls

"We joined hands with a vision to transform the Indian battery market. And we found a great partner in Johnson Controls in pursuing that vision. The partnership is a perfect example of willingness to work together to capitalise on synergies while finding ways of transcending geographical and cultural boundaries. We look forward to many more accomplishments in future as we continue our partnership journey."

Dr. Ramachandra N Galla
Chairman, Amara Raja Batteries Limited

"Dreaming big and setting audacious goals has always motivated us to raise the bar and pursue better ways of doing things. The two decade association with Johnson Controls has been a great experience. Adopting the best business practices from across JCI locations helped us offer unmatched innovative solutions and bring about a transformation in manufacturing and markets. I congratulate and thank everyone involved in the JV's success and look to reaching more pinnacles in the time to come."

Jayadev Galla
Vice Chairman and Managing Director, Amara Raja Batteries Limited





Mr. George R Oliver, Chairman and CEO of Johnson Controls addressing the media on the inauguration of two wheeler battery plant.



Senior management team of Amara Raja Batteries Limited and Johnson Controls



Award from Maruti Suzuki Limited

Awards & recognition

- Featured in Forbes Magazine's August 2017 issue, India's Super 50 Companies for the second time in a row.

- Received First Award under the category "Private – Manufacturing (Large)" at the 14th National Awards for Excellence in Cost Management 2016 from The Institute of Cost Accountants of India.

- Received the "Consistently High Quality Performance" and "Design & Development" awards from Maruti Suzuki India Ltd.

- Received the Quality award from Tata Motors Limited in recognition for our excellence in the field of QCDM parameters (Excellence in Quality, Delivery, and relationship Building)

- Received the Q1 award from Bajaj Auto Limited in recognition for our excellence in the field of QCDM parameters (Excellence in Quality, Delivery, and relationship Building).

- Received the "Overall Performance" award from Bosch Limited Bangalore.

- Received "Environmental Leadership" award from Cummins India Limited.

- Supply Chain team won the 'Best-in-class Supply Chain Innovation Award' at the Asia Logistics & Supply Chain Leadership Conclave held at Mumbai.

- Two-wheeler automotive battery plant team won the 1st runner award at the Eleventh CII Six Sigma National Conference and Competition under the "Manufacturing Industry (Discrete and Assembly Line)" category.

- Bestowed with prestigious ABK AOTS awards in following three different categories
  - Model 5S Company award for MVRLA Battery Plant, Chittoor and Automotive Battery Plant, Tirupati
  - Platinum award under Excellence category for LVRLA Battery Plant, Tirupati, Tubular Battery Plant and Automotive Battery plant II, Chittoor

- Received 4 "Gold" awards at ICQCC (International Convention of Quality Control Circles) 2017 competition held in Manila, Philippines.

- Received "First Runner" award for Small Battery Division, Tirupati at the CII National Competition on Six Sigma at Bengaluru.

- Adjudged as winner for its presentation on "Nava Prathibha -Talent building at the Entry Level" under the category of "Most Effective Recruitment, Engagement & Innovative Retention Strategy" at the CII -First National HR Circle Competition

- Received "Gold award" under infra equipment's category from Indus Towers Limited.



Award from The Institute of Cost Accountants of India


Award from Cummins Limited


5S Awards



Award from Bosch Limited



Award from Indus Towers Limited

In the backdrop of a resurgent economic and business environment, it has become important for a corporate to provide a narrative, which showcases its ability to drive business performance, which provides fair and balanced information of business operations, which empowers shareholders to make an informed decision to remain invested - a review titled **Management Discussion and Analysis.**





Battery plant(s) in Nunegundlapalle Village, Chittoor District

An Economic Overview

A global perspective

At 3.8%, global growth in 2017 was the fastest since 2011.

It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year.

What is even more interesting is that economic activity in 2017 ended on a high note. Growth in the second half of the year was above 4%, the strongest since the second half of 2010, supported by a recovery in investment.

Metal and fuel prices were supported by stronger momentum in global demand as well as supply restraints in the energy sector, including hurricane-related stoppages in the United States, financial disruptions in Venezuela, and security problems in regions of Iraq.

Equity valuations continued their ascent to near record highs, as central banks maintained accommodative monetary policy settings amid weak inflation. This was part of a broader trend across global financial markets, where low interest rates, an improved economic outlook, and increased risk appetite boosted asset prices and suppressed volatility.

About tomorrow: With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9% for 2018–19.

Over the long term: Future growth prospects look challenging indeed for advanced economies and many commodity exporters. In advanced economies, aging populations and lower projected advances in total factor productivity will make it hard to return to the pre-crisis pace for the average household's income growth. Substantially raising middle and lower incomes appears even tougher. Moreover, growth rates will inevitably bend toward their weaker longer-term levels.

An Indian perspective

Fiscal 2017-18 was a defining year for the Indian economy.

India took the bold step of completely resetting its indirect tax system to a comprehensive GST regime while continuing to experience the impact of the demonetisation shock of November 2016. Call them disruptions or structural reforms, the result of these two reforms was evident as India's GDP growth dipped to 6.7% in 2017-18 against 7.1% in 2016-17.

Even as economic progress remained throttled in the first half of the fiscal, India bounced back aggressively to report a 7%-plus growth in the second half of the year. The 7.7% in the three months ended 31 March 2018 was the fastest pace in seven quarters, signaling a strong turnaround.

The turnaround in the economy was led by robust agriculture (4.5%) and manufacturing growth (9.1%) as well as double-digit growth in construction activities (11.5%) in the March quarter. However, services sectors such as trade, hotels, transport (6.8%) and financial services (5%) decelerated from their levels in the third quarter, signaling a lingering impact from disruptions caused by hasty implementation of the goods and services tax (GST) as well as the state of the banking sector.

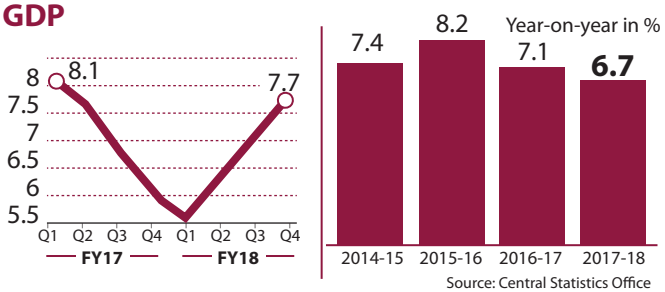
The economy, however, got a boost from higher government spending (13.3%) in the March quarter. Gross fixed capital formation, a proxy for investment demand in the economy, expanded at a double-digit pace (14.4%) after a gap of seven quarters, signaling a revival in investment activities.

This underscores the reality that the Indian economy has moved past the disruptions triggered by demonetisation of high-value currencies and rollout of the Goods and Services Tax. The latest quarterly corporate earnings data suggest that consumer demand too is reviving.

Fastest pace in seven quarters

The data indicates that the economy is reviving back to its trend growth prior to demonitisation in November 2016

GDP



Source: Central Statistics Office

India is now a **$2.5** trillion economy

India's March quarter growth is higher than China's **(6.8%)**

Govt's fiscal deficit stands at **3.53%** of GDP in FY18

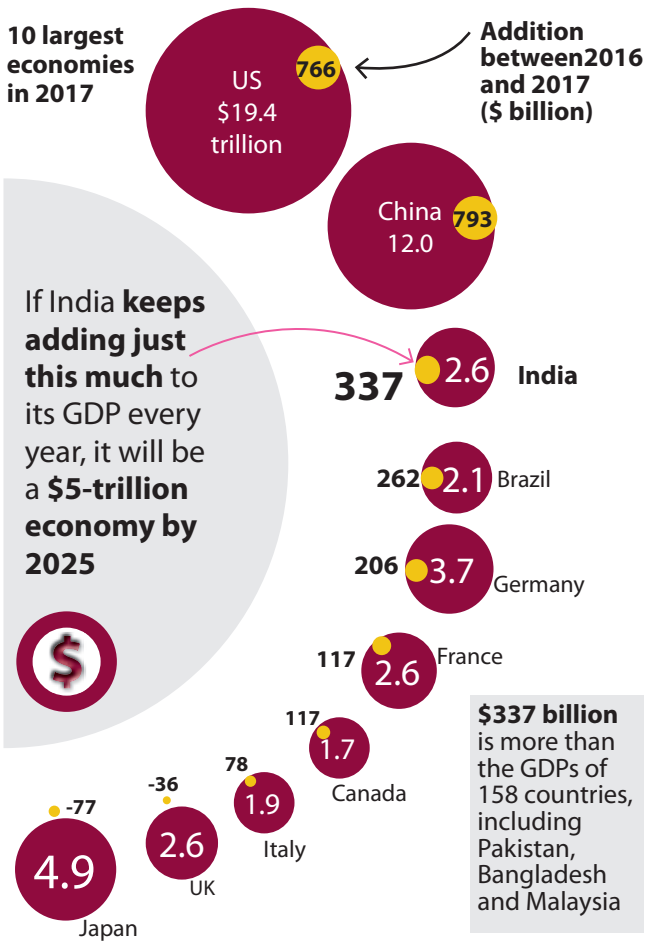
About tomorrow: In keeping with the cyclical upswing witnessed in 2017-18, Deutsche Bank estimates the country to clock a GDP growth of 7.5% in 2018-19. This tad higher than the RBI estimate of 7.4%.

On the negative side though, higher global oil prices, risk of an earlier-than-anticipated rate hike cycle from the RBI and the potential negative impact of the banking sector frauds on credit and overall growth are some of the factors that pose downside risk to its baseline GDP estimate.

The high points for 2017-18

- India emerged as the most competitive country in South Asia, appearing at No. 40 in the global competitiveness ranking of 137 countries by the World Economic Forum.
- India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, consequent to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and obtaining credit.
- India topped management consulting firm AT Kearney's 2017 Global Services Location Index for the eighth consecutive year and extended its lead over other countries from 0.47 last year to 0.76 in 2017.

INDIAN ECONOMY TO DOUBLE TO $5 TRILLION BY 2025



$337 billion is more than the GDPs of 158 countries, including Pakistan, Bangladesh and Malaysia

Growing faster than France & Germany combined
India added $337 billion to its GDP in 1 year, which is more than the $323 billion growth jointly clocked by the two European powers.

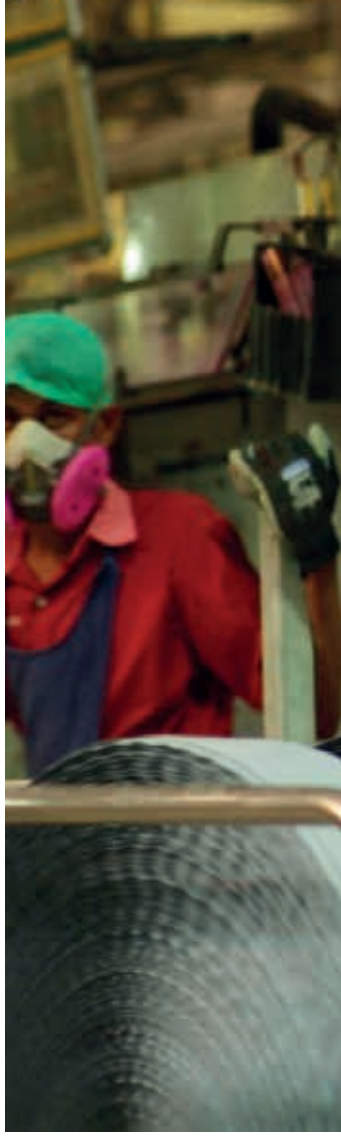
How fast does India need to grow annually to be $5 trillion in 7 years?

4.7% at constant prices with 5% inflation and no changes in exchange rate

9.7% at current prices and no changes in exchange rate

15.3% at constant prices if rupee depreciates as much as it did in the past 7 years

The Storage Battery Sector



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

The lead acid battery market can be divided into two broad spectrums – automotive (using SLI lead acid batteries) and industrial batteries (using stationary lead acid batteries).

Batteries for automotive applications 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. Two wheelers are among the largest user of SLI batteries. The automotive segment contributes in excess of 60% of the total turnover of the Indian lead acid battery market.

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

Promise: Automotive sector, smart cities, digital India program, shift towards data driven telecom services, solar power projects etc will lead to surge in demand for lead acid batteries in India. As of 2016, the market size of India lead acid battery was pegged at US$4.47 billion and is expected to grow at a CAGR of 8.36%, in value terms, during 2017-2022.

Opportunity: Although India is one of the largest markets for lead acid batteries, the nation is poised to adopt advanced energy storage technologies that can act as an enabler for 21st Century electric grid and transitioning to eMobility.

Improved technology

There has been renewed focus on improving the efficiency of lead acid batteries by offering technologically advanced products to customers. For this reason, development of high-quality batteries which are long-lasting and low-maintenance is emphasised. Absorbent glass mat (AGM) technology is one of the latest technologies introduced in India. This technology is efficient, offers optimal performance in extreme cycling applications, with both high-charge acceptance and partial state-of-charge operations.



Plate stacking unit

Lithium-ion Batteries

Batteries have advanced on two fronts, reflecting in increased specific energy for longer runtimes and improved specific power for high-current load requirements. This has widened its application base and hence improved its growth prospects.

Li-ion although has been the battery of choice for portable devices and the electric powertrain for high capacity motors but is evaluated to making in roads into the lead acid market, for lower TCO gains.

There are many limitations of lead-acid batteries. They need eight hours of charging whereas the similar capacity of Lithium-Ion can be charged in one-and-a-half hour. Because India does not have that kind of consistent power availability, especially in the rural areas, having batteries that last long is crucial for business. Lead-acid batteries are relatively inefficient as 30% of the energy is wasted in charging and discharging them. Lithium-Ion batteries are 90%-plus efficient. Use of Lithium-Ion batteries allow diesel consumption to be reduced by around a half, positioning them as ideal for rural telecom applications – as telecom majors post the consolidation phase in 2017 are focused on optimising costs (more particularly energy costs at towers).

Moreover, Data Centers need a relatively reliable power backup. Their actual requirement is of very short time – the time when power is not available and the DG sets are still to be turned on. Since their immediate power consumption is high, they cannot entirely depend on batteries and have to use DGs. Lithium-ion batteries are also preferred in this market segment because in addition to minimising the use of the DG set, they take less space (owing to their compact size), thereby saving on the cost of real estate for companies.

According to the recently published TechSci Research report 'India Lithium-ion Battery Market Forecast and Opportunities, 2020', the market for lithium-ion (Li-ion) batteries in India is projected to witness double digit growth. Lower consumer awareness, inadequate investments by companies, and lack of technological innovations curbed the proliferation of lithium ion technology till the past few years. However, rise in technological developments and increasing need for cleaner energy sources have brought Li-ion batteries to the forefront across various industries as well as end-use sectors.

Under the new policies taken up by the government, adoption of Li-ion batteries is anticipated to grow at a tremendous pace in the coming years. Rising penetration of electric vehicles, substantial investments in clean and renewable energy sources, and the recently launched Make in India campaign are expected to boost the demand for Li-ion batteries in the country. The Government of India has launched New Electric Mobility Mission Plan 2020, which projects to have 6-7 million electric vehicles running on Indian roads by 2020. Besides, Smart City projects and Green Energy Corridor for power generation from renewable sources would add to the overall installed capacity, thereby increasing the demand for energy storage batteries.

Automotive Battery Division

Business overview

The automotive battery division accounts for more than 60% of the Company's topline. Commenced in 2000 in technical collaboration with Johnson Controls, USA, the Company spearheaded through its innovative products, to transform the user experience.

In doing so, Amara Raja emerged as one of the leading suppliers of batteries for automotive applications (four-wheeler and two-wheeler) to OEs and the aftermarket. The Company's products are manufactured at its ISO/ TS-16949, ISO-14001 and BH OHSAS-18001certified manufacturing facilities in Tirupati. They are marketed under the Amaron® and Powerzone™ brands through an expansive and entrenched distribution network which comprises of 40000+ Amaron and PowerZone retailers, facilitating a pan-India reach.



Product Brands

AMARON®
AMARON HI LIFE PRO™
AMARON HI LIFE FLO™
AMARON HI LIFE GO™
AMARON HI LIFE DURO™
AMARON BLACK™
AMARON FRESH™
AMARON HEAVY DUTY HIWAY™
AMARON HEAVY DUTY HARVEST™
AMARON CURRENT™
AMARON PRO BIKE RIDER™
POWERZONE™



New two-wheeler automotive battery plant at Nunegundlapalle, Chittoor District

Business performance in 2017-18

Sales volumes for automotive batteries registered a healthy double-digit growth as sales of passenger vehicles and two-wheelers accelerated during the period under review; the Company gained market share in the OEM and aftermarket spaces.

In the OE segment, the Company added new customers even as it increased its wallet share with existing customers (its product being approved for new platforms). In the two-wheeler segment, volumes from Bajaj (a client added towards the end of 2016-17) contributed to revenue growth while in the four-wheeler space, the Company's products received the approval endorsement for all passenger vehicle platforms of the Tata stable.

The aftermarket segment made an important contribution to business growth as the Company focused on widening its presence and deepening its penetration in the Indian landmass.

The newly commissioned tubular facility commissioned in 2016-17 operated at full capacity for most of the year. The home UPS batteries from this unit marketed in the aftermarket segment received an overwhelming customer response.

While favourable sectoral tailwinds improved product offtake, the Company focused on business growth for the coming years – it invested in additional capacity.

The Company added three assembly lines for manufacturing four-wheeler batteries – adding 2.3 mn units of additional capacity. The Company expects to fully utilise this capacity in 2018-19.

The Company also created the civil works for a 17 mn unit two-wheeler battery facility to be commissioned in a phased manner – it commissioned the Phase I with a capacity of 5.1 mn units – deploying the punch technology for plate making.

The team continued to improve shop floor efficiencies as the team strengthened its continuous improvement drive leveraging global concepts namely – Lean Six Sigma, 5S and Quality Circle projects. The outcome of these initiatives was heartening – scrap generation declined, energy consumption reduced and productivity improved.

Moreover, the Company invested in low-cost automation across its manufacturing facilities to reduce operator fatigue which helped in improving product quality and person productivity.



Inauguration of the two-wheeler battery facility

Business forward

Sectoral promise: The Indian auto industry is one of the largest in the world. The industry accounts for 7.1% of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 80% share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 14% market share.

Passenger vehicles: Economic resurgence in the second half of fiscal 2017-18 has led to a broader recovery in the semi-urban and rural markets while keeping the urban markets stable. Buyer confidence and stability in business circles have also improved over the past year as initial challenges of the GST have been evened out. In addition, increased government spending on road and infrastructure building is also expected to have a positive impact on auto sales. Going forward, ICRA has forecast a 9-10% sales growth for passenger vehicles over the medium term. According to SIAM, passenger vehicles sales in India, the world's fifth largest car market, are expected to expand at a faster pace over the next five years owing to increase in GDP, higher disposal income, pay raises for government employees courtesy the 7th Pay Commission, recovery in rural incomes ; boosting demand for personal transport.

Two-wheelers: Surpassing the 20-million mark also means that the Indian two-wheeler industry posted a double-digit growth after six years primarily due to an increase in demand from the rural market. This trend is expected to continue owing to the prediction of normal monsoon at 100% of the long-period average which holds promise to book rural income.

Other factors such as crop prices (as determined by the minimum support price offered by the government), overall government spending on infrastructure, cash transfers and interest rates are also supposed to have a positive impact on rural incomes. This augurs well for the demand for two-wheelers.

E-mobility: The Government's continued focus on promoting e-vehicle on the Indian roads augurs well for the storage battery industry. Towards this end, the Government is contemplating permitting youth in the age group of 16-18 years to drive e-scooters, which are gearless. This will lead to a big demand for e-scooters. The government may also suggest taxi aggregators to have an incremental share of electric vehicles from 2020 onwards, which could be 1% of the fleet every year. Similarly, all public transport operators may also be mandated to provide 1% incremental fleet from 2020 onwards.

Business blueprint: Aligning with the sectoral promise, Amara Raja's blue print comprises an increase in manufacturing infrastructure. It plans to add two assembly lines for it four-wheeler batteries and one line for its home UPS batteries. Further, the Company will continue adding capacity for its two-wheeler batteries to cater to the growing demand of two-wheeler OE customers. Even as operating capacity is expected to continue to increase, the team will sharpen its discipline on improving shop floor efficiencies for optimising the Company's conversion costs.

From a business development perspective, the Company is in advanced stages of communication with OEs in the passenger vehicle and two-wheeler segments which holds the promise to accelerate sales volumes in the OE and aftermarket space. In its endeavor to widen its horizon, the Company is also working actively on establishing its footprint in the three-wheeler battery space.

In keeping with the e-vehicle requirement which is high on the Government agenda, the Company is setting up a pack-level assembly unit which should facilitate in establishing a foothold in this high-potential sunrise business space.

Small towns set new pace for PVs

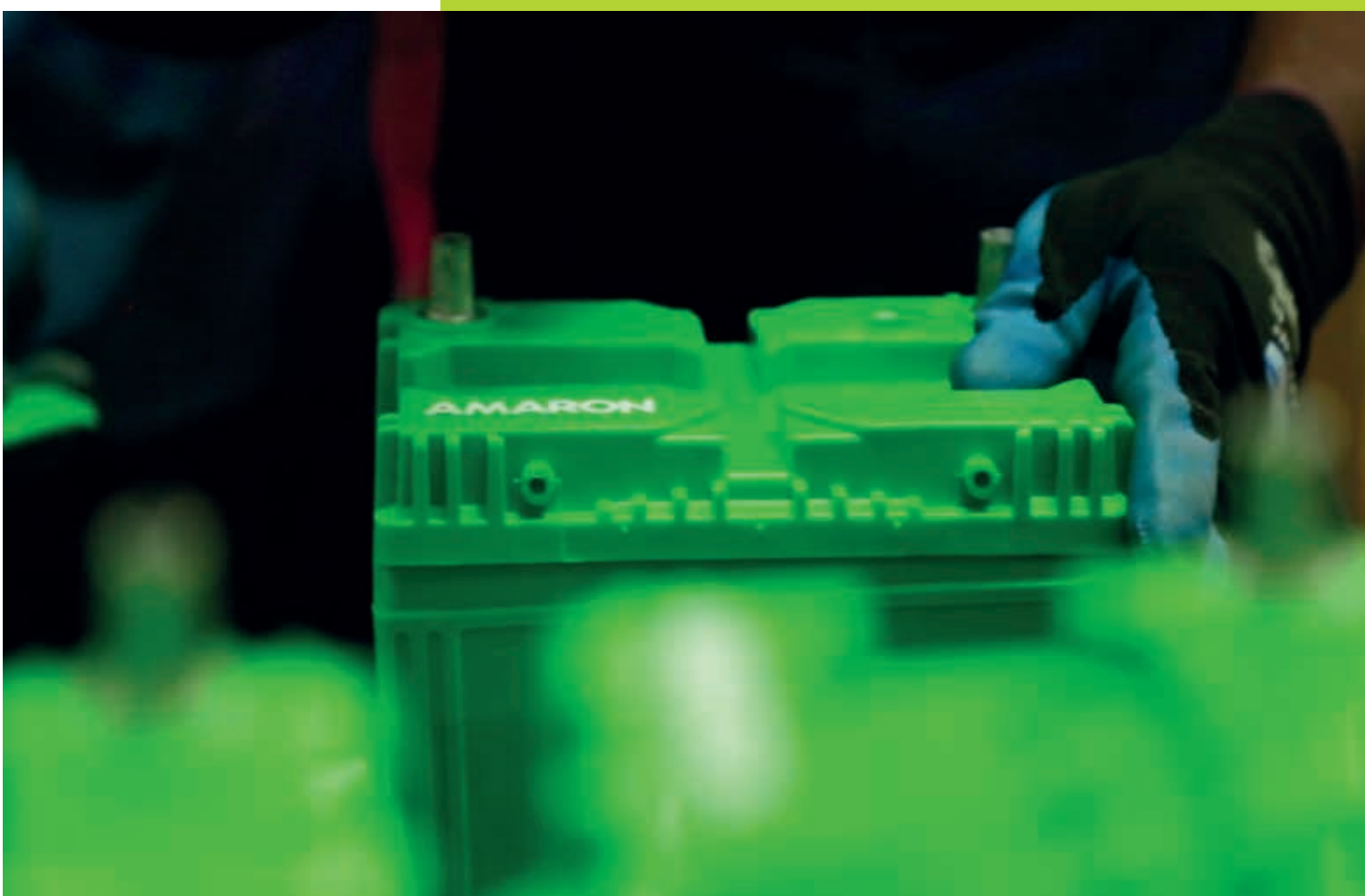
Passenger vehicle sales in India grew 7.89% in 2017-18, touching a record high of almost 3.3 million units, driven by demand from smaller towns and the increasing popularity of utility vechiles

Segment	Year-on-year change in %
Passenger cars	3.3
Utility vechicles	20.9
Vans	5.7
Total PVs*	7.89
Total CVs	19.94
Total 3-wheelers	19.94
Total 2-wheelers	14.8
Total	14.22

*Total PVs are inclusive of cars, utility and vans, PVs, passengers vehicles, CVs; commercials vehicle
Source: Siam

Focused on ISO 50001

The team is determined on receiving this coveted global Energy Management Certification for all its manufacturing facilities. This journey towards this milestone should help in reducing energy consumption by about 2-3%.



Industrial Battery Division

Business overview

The industrial battery division manufactures battery for telecom, UPS, railways, solar and power utility sectors at its ISO 9001, ISO 14001 and BS OHSAS 18001 accredited facilities. It primarily operates on a B-2-B marketing model – marketing its expansive product portfolio comprising batteries with capacities ranging from 7.2 Ah to 6,000 Ah (segregated into Large VRLA batteries and Medium VRLA batteries); 100 AQuA channel partners facilitate the reach for UPS batteries across the country.







Product Brands

AMARON VOLT™
POWER STACK™
AMARON SLEEK™
AMARON QUANTA™
AMARON BRUTE™
AMARON QUANTA SOLAR™
QRS
GENPRO™



Plate stacking robot

Business in 2017-18

Even though business volumes from other user sectors increased over the previous year, the sharp decline in offtake from the telecom sector impacted business growth.

The disruption of the telecom sector owing to aggressive pricing and packages offered by Reliance Jio forced incumbent operators to reduce their cost structures; some operators were forced to shut operations. Apart from de-growth in the sector for batteries, battery manufacturer engaged in a price war to maintain / improve their share of business.

Amara Raja continued to intensify its presence in the UPS segment. The team successfully increased product awareness with OE players in the IT and Data Center space which resulted in healthy business volumes.

The Company also launched tubular flooded batteries designed for rural banking applications towards the end of 2017-18. This was a first time entry into this space by Amara Raja. The product received approval from two important OEM's, which promises healthy business in the coming year.

During the year, the Company entered into motive power application by seeding the market with batteries imported from Europe, which were marketed under the brand 'Amaron Brute'. These batteries were well received in the market. The Company plans to grow its presence in this space over the coming years.

Over the years, the Company has successfully increased its international presence from a single product (telecom batteries) for a single market (Africa) to multiple products (telecom and UPS batteries) for multiple markets (Africa, Middle East, South and South East Asia). In its endeavor to further strengthen its international presence, the Company is in the process of incorporation of subsidiary in Middle East. The proposed subsidiary would be initially engaged in marketing the Company's products. This would facilitate in servicing the Middle-East and African markets better.

Even as the Company continued to widen its presence in the Indian markets across customers and new sectors, the shop floor team continued its disciplined efforts towards improving operating efficiencies.

The team invested in automation solutions for material handling operations and in the finishing line which has optimised manpower requirements and also enhanced productivity. Further, the team implemented numerous projects under its continuous improvement drive – this facilitated in energy conservation, productivity improvement and reduction in scrap generation.



Battery assembly line at Nunegundlapalle, Chittoor District

Business forward

Sectoral promise: The Government's unwavering focus on developing Smart Cities, the Digital India program, shift of preferences towards data driven telecom services from calling based services are some of the notable factors that would surge the deployment of storage battery across the nation.

Telecom: The heightened demand for data is putting severe pressure on telecom networks affecting the service quality adversely. Telecom networks need to invest heavily in the network expansion to meet customer expectations. Owing to this reality, there is much room for growth in small cell sites.

Further, the ongoing challenges at the Telecom operator level resulted in many players merging or closing operations. This resulted in reduction in tenancies for tower companies, forcing them to optimise their cost of operations. Hence, telecom tower companies have focused on reducing their energy consumption – diesel generators would need to give way to high-performance storage batteries. This is expected to create a new battery segment over the coming years.

Railways: Due to the persistent efforts of Amara Raja, Indian Railways have completely switched to VRLA batteries for all Rolling stock applications. The usage of VRLA batteries only for AC coach application has been now extended to all Non AC coaches as well - creating additional demand for VRLA batteries over the coming years.

UPS: India's UPS market is projected to surpass US$1.06 billion by 2022, on the back of rising industrialisation, technological developments and increasing demand for continuous power supply from IT and BFSI sectors in the country. Growth in the market is also anticipated on account of government policies directed towards development of smart cities and renewable energy projects, increasing adoption of modular UPS systems and surging demand for green UPS systems. Over the next five years, the country's UPS market is expected to be driven by the southern and western regions, which are the hubs for IT/ITES, chemical and petrochemical, jewellery, textiles, cement and oil & gas sectors in India. In addition, the Government's determined efforts towards Digital India is also driving the demand for storage batteries.

Solar power: India, under its National Solar Mission, is leading one of the largest solar capacity addition programs in the world. The country aims to have an installed solar power capacity of 100GW by the end of 2022, This would pave the way for the growth of energy storage market used in solar power projects.

Motive power: Warehousing is expected to be one of the key drivers for this segment.

Institutional investors' interest in Indian warehousing market is growing manifold on the back of the government's initiatives such as Make in India, implementation of the Goods & Services Tax and providing the infrastructure status for the logistics sector. The rise in both institutional investors' appetite for warehousing assets and

Digital transactions in India are expected to be worth US$ 1 trillion annually by 2025, according to a report by ACI Worldwide and AGS Transact Technologies (AGSTTL).

the spike in leasing transactions are attributed to the industry's rapid shift towards organised format led by the change in the operating environment owing to policy decisions. This change is also expected to drive mechanisation in warehousing.

Moreover, India is pegged to be one of the key markets for warehouse automation systems in Asia. Credible opinion makers believe that the country will attract original equipment manufacturers to set up their units in India, thanks to the low production costs. The Indian market for warehouse automation is projected to grow at a CAGR of 10-12% during 2015-2020, and is expected to reach US$3.49 billion by 2020.

Business blueprint: To sustain its leadership in the telecom space, the Company is developing new products customised for the new demands of the telecom sector – high performance in harsh conditions – which should help in optimising the energy costs for the telecom tower companies.

Amara Raja will work towards getting a larger share of new demand from the IT & ITeS sector as the Digital India gains further momentum. In addition, it will focus on capitalising on the large opportunities expected from the Indian Railways.

Even as the Company continues to strengthen its position in the existing verticals, the team will work towards growing its presence in new business areas namely motive power and international business.

These initiatives are expected to drive profitable business growth in the current year.





Indian warehousing sector will receive investments of ₹43,000 crore (US$ 6.63 billion) and will also generate two lakh job opportunities for the next three years, supported by implementation of goods and service tax and rapid growth, according to property consultant JLL India.

Intellectual Capital

Overview

People who can create infinite possibilities continue to be at the core of Amara Raja's transformative journey. For it is our people power that fuels the inspiration to go beyond the boundaries within the mind, to open doors and drive performance that not only contributes to industry growth but also catalyses it.

Our people believe in and practice our philosophy - 'Gotta be a better way' which inspires to go past limits and strive that much harder each day. The culmination of the patient and painstaking efforts of the 8900+ Amara Raja family has positioned the organisation as a 'Preferred Place to Work'.

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

The Amara Raja Way™

In 2017-18 Amara Raja continued its journey of institutionalising 'The Amara Raja Way™'. The Company conducted training sessions and participative workshops to ingrain this philosophy deeper into its team.

People strategy

The organisation believes in remaining contemporary and focusing relentlessly on achieving results through people. The organisation continued to initiate and institutionalise innovative programs in line with the People Strategy of the organisation.

"Through the Amara Raja Way™, achieve organisation objectives in an invigorating work environment by excelling in people Engagement, Development and Performance."

Amara Raja Switching Lane Program

Amara Raja has developed a comprehensive program "Switching Lanes Program (SLP)" which provides a platform for a talent to choose between a swift track or a standard track career growth.

8973
Team size

27,277
Training in 2017-18 (man-hours)

67.4
Revenue per person in 2017-18 (₹ lakh)

30
Average age of team

8
Net Profit per person in 2017-18 (₹ lakh)



Amara Raja has been adjudged as the winner for its presentation on "Nava Prathibha -Talent building at the Entry Level" under the category of "Most Effective Recruitment, Engagement & Innovative Retention Strategy" at the CII -First National HR Circle Competition.

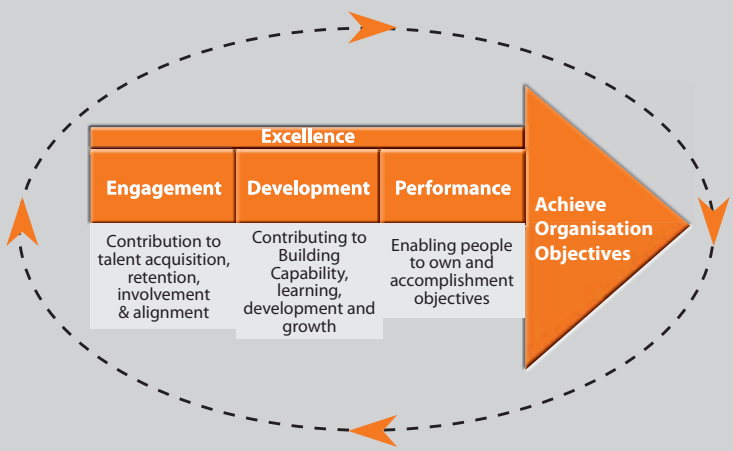
In 2017-18, in partnership with a leading strategic consulting organisation a program was rolled out for junior management levels to be cascaded to Middle and Senior management levels over the coming years. The program has been designed and implemented in a manner that provides fast track career growth opportunity to all.

The fast-track aspirants went through qualifying test after which they were moved to the fast track or the 'Right Lane'. These participants took up specific objectives in addition to their regular objectives. At the end of the first year, the performance of the participants in their additional objectives was assessed. The result of this assessment then determined their growth prospects over the coming years.

Amara Raja's Employee Value Proposition (EVP)

An EVP is about defining the essence of the Company; how the organisation is unique and what it stands for; the central reasons of the organisation that make people proud and motivated to work.

Amara Raja from its own practices, systems and policies, crystalised and developed an Employee Value Proposition aiming to inspire its existing and prospective team members. During the Group Communication Meet 2017, the EVP was communicated to all our employees



Invigorating Work Environment

Amara Raja Employee Value Proposition:

"Welcome!
Let's be part of a visionary organisation with a great purpose, values and culture; with endless opportunities for learning, growing, collaborating, leading and transforming."

Amara Raja Talent Management Model

The organisation has integrated its programs and initiatives into a coherent Talent Management Model in order to enable sustainable results. The talent management model is built around five tenets namely Attract, Engage, Develop, Excel and Grow. The model enables the organisation to focus on engagement, productivity and growth.

Amara Raja Toastmasters Club

The formation a Toastmasters Club at Amara Raja is an initiative to enable people unearth and develop their hidden potential. It provides a platform for people to learn the art of speaking, listening, and thinking – vital skills that promote self-actualisation, enhance leadership potential and foster human understanding. The first club at Amara Raja has been formed at its Head Office at Karakambadi with an intent of extending it to other locations.

Amara Raja Experiences Survey

Like every year the Survey was conducted to understand the 'Experiences' Score and Engagement Levels of people by measuring the perception on various aspects of the functioning of the organisation. The uniqueness this year was that the survey was conducted 100% online. All people participated in the 2017 full survey which was conducted across all locations and grades. The results of the survey showcased a steady increase in the employee engagement scores.

Supply Chain Management

Overview

However insignificant the storage battery appears, its demand is always 'Now'.

For the automotive OEM to the vehicle driver, from the telecom tower maintenance personnel to any mobile user, from the Data Center owner to the home maker, from the man on the street to the executive and elite – a storage battery is always an urgent emergency. Addressing this 'now' is what makes supply chain efficiency crucial to the success of a battery manufacturer.

The supply chain challenge has become even more complex especially for Amara Raja for the following reasons:

- The Company services more than 1,800-plus Amaron Franchisees/ Power Zone Retail Partners/ Aqua channel partners pan-India as well as the distributors spread across the Indian Ocean rim.
- The Company caters to the exacting just-in-time schedules of leading OEMs in the automotive, UPS and telecom sectors.
- The Company services its expansive customer footprint from two operating plants based in South-India.



120
Trucks daily



310+
Destinations in India



31,100+
Trucks (annually)



22
OEMs serviced



7,500
EXIM Containers (annually)



20
International destinations



375+
SKUs delivered



84
Supply chain team



Mr. L Venkat Madhav, Head - Supply Chain Management and his team receiving the 'Best-in-class Supply Chain innovation Award' at the Asia Logistics and Supply Chain Leadership Conclave held at Mumbai

Domestic logistics

Amara Raja has earned respect in the market place not only for its industry defining products but also its ability to ensure that its products are always available at all consuming centers pan India.

This has been achieved by the disciplined management and painstaking efforts of its supply chain team that ensure product delivery (375+ Industrial & Automotive SKUs) across more than 310 destinations in India which also includes the demanding requirements of 22 OEMs with distances ranging between 60 km and 3200 km.

And even as supply chain complexities increase every year owing to business growth (India and international destinations), the team continues its efforts towards strengthening its delivery commitment and optimising delivery costs.

In 2017-18, the team implemented important measures which facilitated delivery prediction to its customers and getting PoDs to meet statutory requirements as per finance standards, managing increased volumes and optimising costs despite the ever increasing fuel costs.

- Explored the multi-modal transport system as an alternative mode of transport to Northern markets / West (Rail / Sea) – helped to reduce the transit time and safe transportation with minimum transit loss
- Direct contracting with fleet owners to replace traditional middle man support transport model resulted in Lower logistics cost and efficient Logistics support.
- Entered into monthly rental contracts with logistics partners for product dispatches to select OEM customers helped on-time delivery to support JIT.
- Deployed the RFID technology for tracking the truck between the



plant and the distribution centers – this solution facilitates monitoring of truck movements to ensure safe and timely delivery to customers.

- Institutionalised SOPs for truck loading and unloading which facilitated reduction of loading time and documentation lead time by about 90%
- Automated the shipment note; it provided a mail alert to the FG and commercial team for loading and billing
- Strict adherence of quality of trucks used by service providers supported low carbon footprint and eliminate accidents during logistics services
- Institutionalised an appraisal system for all transporters, and rewarded superior performers
- Beyond extensive usage of surface transportation, extensively used rail mode and waterways to optimise the logistic cost and reduction in transit damages

Group Distribution

Distribution logistics pertains to secondary distribution – from the warehouse to the end-user/dealer.
The team services more than 1600 customers all over India through thirty Distribution centers and Ten OEM - 3PL with an average of 35,000 invoices per month.

Fiscal 2017-18 was pivotal for the team owing to the roll out of GST. The distribution team played a pivoted role in the DC Rationalisation to avail maximum benefit out of GST.

The team simplified and fool-proofed the bill processing system aligned to the GST regulations for seamless invoice processing and timely vendor payment. This also enabled the team to negotiate better with its vendors to improve their service quality.

Seamless support in scrap battery collection for lead recycling from automotive and industrial customers also helped in improving lead procurement efficiency.

EXIM

Increasing focus on expanding its horizon beyond the domestic boundaries have necessitated the creation of a dedicated team to manage sea-based logistics.

The EXIM team focused on reaching its products across its global footprint across 20+ nations.

The EXIM team focuses on reaching export materials to its destination on planned vessel and adherence to delivery schedules to meet customer expectations. The team deals directly with freight forwarders and shipping lines resulting in cost effective international logistics for imported raw materials and finished goods.

EXIM handled 7,500+ containers for inbound / outbound shipments per annum. On account of such high and growing export volume, the Company obtained maximum MEIS export incentive as STAR EXPORT STATUS. In addition, the Company received the EEPC, FIEO Export Excellence Awards for consistent high export business in Engineering Industry category.



Procurement

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

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

The Company strengthened lead recycling through BMHR collection over previous year. The Company also participated in bidding with Telecom Tower Companies to secure lead through battery scrap.

For sourcing separators, the Company widened its vendor base to provide for the expanding capacity. It also developed domestic sources to reduce the stock in pipeline.

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

Advantage Amara Raja

- The Company has earned the AEO status of importer from Indian customs which facilitates cost-effective management of port operations
- The Company has obtained the self-clearance license from customs enabling it to handle 100% export/import clearance by its in-house team – resulting in cost effective EXIM operations.

Quality Management

The quality ethos at Amara Raja is embodied in its articulated philosophy 'Gotta be a better way' that inspires its entire team to continue to push the efficiency bar higher. This culture when practiced across the years has transformed into the organisational DNA which does not allow the Company to rest on its laurels but to continue to seek improved methods of performing its routine tasks… small efforts leading to great growth. The Company's journey of excellence is aptly showcased in its ability to create first-of-its kind products that have completely altered industry trends.

In keeping with the organisational DNA, the Company has institutionalised globally-accepted operational tools and techniques namely – Continuous Improvement (CI), Lean Implementation programmes – TPM, Visual Management & 5S, Industrial Engineering (IE) studies, Lean Six Sigma and Quality Circle concept. This has facilitated reinforcing the quality culture across all levels and for all functions.

In addition, the Company continues to align critical operational practices with the plants of Johnson Controls.

This endeavor to build world-class products enabled us to build quality management systems and certifications of ISO 9001:2015 and IATF 16949:2016 for the established plants and new facilities. Our esteemed OEMs also provided suggestions for further improving our robust systems and processes.

Amara Raja with matured quality management systems quickly migrated to new standards of ISO 9001-2015 and IATF 16949 and became one among the first few companies in India.

Key initiatives in 2017-18

- Imbibed competency in the frontline workforce to own product quality through self-inspection
- Progressed Total Productive Maintenance (TPM) methodology towards challenging JIPM Excellence Award for the Automotive Battery Division & Small Battery Division at Karakambadi, Tirupati by 2020
- Identified and implemented numerous projects towards productivity improvement and automation

1480
Quality Circle projects

862
Quality Circles

4
GOLD Awards at ICQCC 2017, Manila

201
Members as Black Belts

757
Members as Green Belts

ISO 9001:2015 and **IATF 16949:2016**
certified



Amara Raja team at ICQCC (International Convention of Quality Control Circles) 2017 competition held in Manila, Philippines

- Implemented improved energy management systems (aligned to the global ISO energy management certification) which helped in reducing the specific energy consumption
- Increased the share of renewable energy (through rooftop solar panels) in the energy mix of the business.
- Implemented the Poka Yokes in many operations to strengthen operational efficiencies

5S, Quality Circles & Lean Six Sigma

In Amara Raja, 862 quality circles have successfully implemented 1480 QC projects. To ingrain, the Six Sigma methodology across the organisation, the Company trained 201 members as Black Belts and 757 members as Green Belts as on March 31, 2018.

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

Awards and recognition

1) QC & SIX SIGMA

- Received 04 `GOLD` awards at International convention on Quality Control Circles – ICQCC 2017, Manila, Philippines.
- Received highest level of awards for 11 teams in National Convention at Mysuru and 100 awards in Chapter convention at Tirupati on Quality Circles
- Received "First Runner" award for Small Battery Division, Tirupati at the CII National Competition on Six Sigma at Bengaluru.

2) 5S – Recognition

- Received Model 5S Company award by ABK AOTS,Tamilnadu center for
  - Small Battery Division, Tirupati.
  - MVRLA Battery Plant, Chittoor.
- Received Platinum award under Excellence category by ABK AOTS for
  - LVRLA Battery Plant, Tirupati.
  - Tubular Battery Division, Chittoor.
  - Automotive Battery Division - II, Chittoor.

3) Customer recognition

- Received the awards for "Consistently High Quality Performance" and "Design & Development" from Maruti Suzuki India Ltd.
- Received the "Quality award" from Tata Motors Limited in recognition of our excellence in the field of QCDM parameters (Excellence in Quality, Delivery, and relationship Building).
- Received the "Q1 award" from Bajaj Auto Limited in recognition of our excellence in the field of QCDM parameters (Excellence in Quality, Delivery, and relationship Building).
- Received the "Overall Performance" award from Bosch Limited.
- Received "Platinum award" from Caterpillar India Pvt Limited under Supplier Quality Excellence Process.
- Received "Gold award" under infra equipment category from Indus Towers.

Health, Safety and Environment



Overview

Through the Amara Raja Way™, the Company strengthened its commitment to people safety and environmental protection. The management believes that an incident free work place boosts employee morale and confidence in the corporate. The resultant peace of mind pushes every team member to strive harder towards uplifting the organisation to the next growth orbit. The Company's protection cover extends to the work place and beyond – striving for a cleaner work place and a green environment – leading to a healthy mind and body.

People safety and well-being

The Company has institutionalised environmental, health and safety processes. To reinforce these processes the Company conducts regular training sessions on environmental risks, occupational hazards and various health & wellness awareness sessions.

There is special focus on aspects such as emergency response, improving industrial hygiene practices and preventive health and safety measures. Protection of employees from injury or occupational disease continues to gain top priority. The Company continues to enhance health and safety by constantly reviewing the policies and bring in new systems and processes to make it a better workplace.

Key highlights in 2017-18

1) Hazard communication

- Conducted employee awareness programs on reporting hazards, unsafe conditions and unsafe acts to help in minimising on-the-job incidents
- Programmes at all manufacturing locations on emergency response, mock evacuation drills, hazard recognition, first aid training, fire-fighting training etc.

2) Safe working place

Monitored the work place air quality and ventilation systems periodically to ensure a safe working place

3) Women's health

Conducted cervical and breast cancer awareness and screening programs across locations. Participation by about 600 women employees

4) Cafeteria hygiene

Conducted regular inspections of that cafeteria by internal teams at periodic intervals to ensure a high level of hygiene is maintained

5) Solar power for energy requirement

The Company installed additional roof solar systems during the year taking the total generating capacity of 6.30 MW thereby reducing the dependence on fossil fuels.



Dust extracting unit at Nunegundlapalle, Chittoor District

Environmental sustainability

As a part of its commitment towards ecological sustainability, the Company is closely associated with multiple environmental protection programs within its business ecosystem and in the civic and social sectors beyond its operational boundaries.

The four pillars of Amara Raja's ecological sustainability program are:

- Effective use of natural resources
- Reduction of greenhouse gas emissions
- Good practices in waste and pollution control management
- Biodiversity

Ecological sustainability is a cornerstone of the Company's charter on natural capital stewardship. The storage battery industry is built on the pillars of energy efficiency, greenhouse gases mitigation, responsible water management, pollution control and waste management.

At Amara Raja, we use different tools to look for the reduction in the natural resources usage. During this year, the Company initiated the inventorisation of greenhouse gas emissions and targeted its reduction. The Company follows good manufacturing practices in waste management.

To enhance green cover, the Company planted trees that survive in tropical, dry and shale type soil by following necessary soil, micro irrigation management techniques and using treated effluents fit for gardening.

When it comes to health, safety and environment, what really matters most is, protecting our people and the places they work. We believe in and practice the mantra of "Health, Safety and Environment: Everywhere. Everyday. Everyone."

-- Jay Galla

Management system

The Company has aligned its business operations and manufacturing process to the globally accepted guidelines of the ISO 14001 and OHSAS 18001 framework for more than two decades now. All the manufacturing locations are certified to ISO 14001:2015 and BS OHSAS 18001:2007 standard.



Digital Thinking

Amara Raja has embarked on the digital journey to leverage the latest technologies to increase the efficiency and effectiveness of Amara Raja Systems to support the ambitious business growth targets

To accommodate the growing needs of the business, Amara Raja has started a journey to transform its ERP landscape to the latest SAP S/4 HANA digital core. Amara Raja would like to drive this as a Business Transformation exercise by rolling out the latest version of SAP S/4 HANA including Fiori Apps and Mobility to streamline the business processes and rolling out of MIS Dashboards for Business Analytics and decision making.

2017-18 Key Initiatives

Enterprise Applications:

- GST (Goods and Services Tax) is not only a tax reform but it is a complete process transformation. The GST implementation will be the biggest step the country has taken in ensuring economic integration. The said reform would subsume various indirect taxes such as Excise Duty, Service Tax, VAT, CST, Entry Tax, Octroi, LBT etc.

To comply with the statutory norms ONE INDIA ONE TAX (GST) Solution is successfully implemented across all Business Applications/Transactional systems in Amara Raja.

Amara Raja has gone live with GST solutions across the manufacturing locations & distribution centers PAN India on 1st Jul 2017 as per the mandate by Govt of India. Successfully uploaded all the relevant transactions to the GST Portal from the first month of the GST roll out across the country. The GST solution is complied with GST procedures & Audit requirements.

- SAP S/4HANA Digital Core: Amara Raja evaluated SAP S/4HANA ERP Digital Core Platform to build a scalable Enterprise Platform for accommodating business growth

- Amara Raja conducted a detailed Systems Assessment study to identify gaps in the current ERP System and identify the Improvement areas

- *HANA Environment Readiness:* Amara Raja upgraded its SAP environment to being HANA ready with a highly scalable, reliable hardware infrastructure to host new applications like S/4HANA, BW/4HANA and other analytical tools. In addition, the new infrastructure was deployed to support business continuity including high availability and disaster recovery

- *Partner Selection:* Amara Raja floated the detailed Request for Proposal to several partners and finalised a partner for its HANA implementation

- *Team Selection:* Amara Raja through Internal Job Posting and detailed selection process built a team of 50+ functional



ERP Implementation Team alongside new ERP Project Office

and technical team members for driving the HANA implementation

- *Sharepoint Collaboration Tool:* Amara Raja rolled out Sharepoint 2016 version to promote collaboration among its employees including rolling out Project Document libraries and Workflow collaboration tools for Business Process Management

- *Kiosk's at Shop Floor:* Amara Raja rolled out Kiosks at shop floor area to enable the workforce for Production Order reporting, Monitor the Work instructions, Videos of machine parts & its functioning

Integration of technology allows kiosks to perform a wide range of following functions.

- SAP Production order reporting
- Work instructions display
- On-line Production data display
- 5s Practices display
- Machine parts & its functioning
- Safety - Hygiene, M/C safety controls, OSHAS, HIRA
- Process flow
- Type change & process adjustments
- Do's & Don't s



Kiosk at Shop Floor



IT Infrastructure and Security

● *Core Network Upgrades:* As part of a Phased IT Infrastructure upgrade roadmap, Amara Raja rolled out high performance core switching solution including high availability and high redundancy

● *Unified Collaboration Tools:* Amara Raja IT Implemented VoIP and Video Conferencing solutions across several locations. This has resulted in faster communication and reduced calling charges between locations

● **Security Upgrades:**
- In the ongoing IT Security tools upgrade, Amara Raja upgraded firewalls for various Amara Raja locations to protect Amara Raja IT Infrastructure from intrusions, cyber-attacks and malicious traffic from external world
- IT also implemented Anti-Bots to protect any cyber Trojans contacting outside command & control centers from Amara Raja
- In addition, Amara Raja IT rolled out new VPN infrastructure to provide secure access to its employees from outside the Amara Raja network

● *Print Solutions upgrade:* Amara Raja IT Rolled out new high speed print solutions for end users across head office including centralised print management through secured network print management

2018-19 Focus Areas

Enterprise Applications:

● *SAP S/4HANA Implementation:* Amara Raja has launched a Business transformation exercise as part of the SAP S/4HANA implementation. This is to make Amara Raja systems ready to accommodate the organic and inorganic growth that Amara Raja has envisioned. This project would also involve streamlining processes across various business functions and setting up the analytics layer to facilitate business decision making

- Amara Raja would roll out SAP S/4HANA across its businesses and functions including rolling out of SAP Fiori App's
- *SAP GRC(Governance Risk and Controls)* – Amara Raja plans to implement the SAP Access Controls as part of S/4HANA implementation, This will bring automated controls in the system including Maker/Checker and other IT General Controls and business controls in various business processes to increase compliance
- *VCO* – Amara Raja plans to setup VCO for benchmarking and tracking the process Improvements as part of the HANA implementation
- *SAP VIM (Vendor Invoice Management)*– Amara Raja will implement SAP Open Text platform for Financial Shared Services to handle all the back office activities like Scanning, Indexing, Processing and Archiving of invoices and integrate the same with SAP S/4HANA



● *Development of digital based service operations* – Amara Raja is revamping its Warranty Management process to leverage technology to address the Process gaps and make it digitally enabled to effectively honor customer's claim, elevate user experience and eliminate leakage by establishing end to end tracking mechanism

● To further enable employees digitally, Amara Raja is rolling out mobile application for employees that will enable employees to mark Attendance remotely, Review HR Policies and update Leave records

● *Employee Kiosks Implementation* - To enable the employees on the shop floor, Amara Raja is rolling out Employee Kiosks where our labor work force can update on the following

- Pay slips
- Attendance and leave management
- Canteen requests
- Visitor Management
- HR Portal including HR Policies and Procedures

IT Infrastructure and Security:

● **Security Initiatives:**

- Considering the growing threat of Cyber-attacks in the country, Amara Raja plans to significantly invest in upgrading its IT Security Infrastructure. Several initiatives have been initiated to address various security concerns from Perimeter Security, Web Security and End Point Security

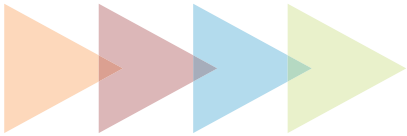
- Amara Raja plans to implement Advance Malware Protection module in e-mail system to protect from zero-day attacks. Plans to implement the Security Operations Center to detect and respond to cyber-attacks in real time. Plans to implement Global Web Security for all the users at all the places at all the times

● *Unified Collaboration:* Continuing on its unified collaboration Journey, Amara Raja plans to rollout VoIP and Video Conferencing solutions to various locations and build a common collaboration platform across the organisation



Employee Kiosk

Analysis of Financial Statements





6,051

Revenue from operations in 2017-18 (₹ crore)



929

EBIDTA in 2017-18 (₹ crore)



471

Net Profit in 2017-18 (₹ crore)



2,937

Networth as on March 31, 2018 (₹ crore)



23.88%

Return on capital employed in 2017-18 (%)

In the face of challenging economic and sectoral headwinds, the persistence of the team in beating the odds enabled the Company to post a superior performance.

Statement of Profit and Loss

Revenue from operations: Healthy increase in business volumes owing to an increase in demand from key user sectors resulted in healthy growth in revenue – it grew by 13.41% from ₹5335 crore in 2016-17 to ₹6051 crore in 2017-18. While the volumes from the telecom sector remained subdued, the growth in demand from the automotive and UPS sectors more than made up from the shortfall in volumes.

Operating expenses: Increase in lead price and consumption was the primary contributor to the increase in operating expenses. In addition, increase in operations resulted in a rise in the energy bill for the Company. Employee expenses also increased owing to an increase in salaries of the team and on-boarding of members to manage expanding operations.

Profits and profitability: EBIDTA moved up by 5.81% from ₹878 crore in 2016-17 to ₹929 crore in 2017-18 owing to streamlining of business operations and economies of scale. EBIDTA margin stood at 15.35% in 2017-18 against 16.45% in 2016-17. Net Profit for the year stood at ₹471 crore in 2017-18 against ₹478 crore in 2016-17. This marginal decline was owing to an increase in depreciation for the year (a non-cash provision) and a jump in the tax liability for the current year. The Company declared a total dividend of ₹4.15 per share for 2017-18.



Balance Sheet

Capital employed in the business increased by 12.44% from ₹2747 crore as on March 31, 2017 to ₹3089 crore as on March 31, 2018. This increase is owing to the capacity and capability enhancement initiatives being implemented by the Company. Further, increase in routine operation has warranted an increase in working capital requirement.

Networth of the Company increased by 13.28% from ₹2593 crore as on March 31, 2017 to ₹2937 crore as on March 31, 2018 owing to the ploughback of operational surplus. The equity capital of the Company remained at the previous year levels.

Non-current assets increased by 10.42% from ₹1826 crore as on March 31, 2017 to ₹2016 crore as on March 31, 2018. This increase was owing to the capitalisation of assets (as new capacities became operational) during the year. The Capital Work-in-Progress was largely at previous year levels – representing investments in capacity creation which will be commissioned during the current year.

Working capital requirement increased consequent to increased operational scale. Balances for inventories and trade receivables increased largely in line with the increase in sales for the year.

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



"The biggest risk is not taking any risk."

Mark Zuckerberg

The Company's risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all key managers of the Company.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.

Growth risk: External headwinds could impact the Company's ability to sustain its growth momentum.

Risk mitigation: Amara Raja caters to diverse user sectors – some of which are core to India's economic growth – prudently de-risking the business from an over- dependence on any single sector. For example, in 2017-18, the Company sustained its growth momentum despite a sharp decline in demand of batteries from the telecom segment. This was possible because the drop in volumes was more than made up by an uptick in other user sectors namely automobiles and the UPS segment.

Capacity risk: Lack of adequate capacity could impact the Company's growth aspiration.

Risk mitigation: Amara Raja prudently adds capacity in a phased manner. This gives the team the space for testing the market and filling the capacity with adequate demand before initiating the second phase. It also helps in lowering the reliance on external funds for building capacities. Witnessing robust demand from the automotive and UPS segment the Company is adding a few lines for meeting the growing demand. In addition, the Company intelligently builds in fungability in its assembly lines (one line can manufacture other products), thus de-risking the business from idle capacity during a particular sectoral downturn.

Geographic risk: India may not be able to consume the entire output as manufacturing capacity increases.

Risk mitigation: Amara Raja has expanded its horizon beyond the Indian shores. Having successfully established a marketing presence in Indian Ocean rim, Africa and the Middle East nations, the Company has taken one step further. It has set up its office in Dubai to strengthen its presence in the international markets of its choice. This measure would facilitate in creating adequate demand for its products and will ensure that its manufacturing infrastructure operates at optimum utilisation.

Product relevance: Dynamic trends in the user segment could make existing products irrelevant.

Risk mitigation: Amara Raja's R&D team is constantly working on developing new products that are aligned to sectoral requirements on the horizon. For instance, in the telecom sector, the battery requirement has changed completely from largely being a back up energy source to one that will eventually emerge as the primary energy



source. In keeping with this requirement, the innovation team has developed and delivered products that meet these stringent requirements – they are currently undergoing field trials with key customers. Further, as lithium-ion technology is generating significant interest, the team is working on developing products leveraging this technology so that when this technology gains user acceptance, the Company is ready with its product basket.

Quality risk: Focus on capacity could hamper product quality.

Risk mitigation: Amara Raja is aware that quality could be compromised in the drive for increasing business volumes. As a result, the quality discipline at Amara Raja is not concentrated only at its Quality Assurance labs but is institutionalised across the organisation – ensuring that every process consistently matches the set benchmarks. To further its quality commitment, the Company continuously invests in automated solutions to manage core business processes. These solutions facilitate management of growing volumes without compromising on product quality. The effectiveness of these investments is reflected in the declining warranty costs and increasing business volumes from key OE customers

Cost risk: Inflationary headwinds could impact the cost structure and overall business profitability.

Risk mitigation: Amara Raja's belief 'Gotta be a Better Way' continues to push each team member to individually and collectively seek ways and means of breaking convention and being better. This passion facilitates continuous improvement of man-machine efficiencies, optimising on resource consumption and eliminating wastages. In addition, the Company continues to invest in superior technologies that promise to improve product quality and optimise operating costs. The Company's thrust on imbibing the punch technology for plate making is one of the most recent examples towards this goal.

Service risk: a delay in servicing OEM requirement could lead to customer attrition.

Risk mitigation: Amara Raja's supply chain team has the experience and expertise of seamlessly managing OE just-in-time requirement. For this the Company has set up warehouses proximate to OE hubs in India that are equipped to cater to all OE requirements. Moreover, the team continues to up its service reliability by automating its processes and leveraging the digital platform for tracking vehicles and products – which helps its upping its service commitment. The effectiveness of these initiatives is reflected in one reality – the Company continues to receive awards from its OE customers for product and service quality.

Fund risk: Paucity of funds could impact the Company's growth aspiration.

Risk mitigation: Amara Raja is well placed in this regard. The Company has strong financial statements (March 31, 2018), which is reflected in the realities of a zero-debt status, sizeable reserves balance (₹2920 crore) and a cash kitty (₹127 crore). This can be leveraged to garner adequate low-cost funds from external financial institutions to meet its capital expenditure requirements.

In business, beyond business



Amara Raja's business extends beyond the scope of its offices to include the well-being of societies resident in the communities we operate. This is because the Company nurtures the belief that an island of prosperity cannot sustain in a matrix of despair.

As a good corporate citizen, Amara Raja has been making enduring impact through its Social Responsibility programs that promote social and economic inclusion. The Company's social upliftment initiatives focus around healthcare, education, skill development and environmental conservation, which facilitates better lives and improving livelihood, amongst others.

Education

The Trust provides financial and operational support towards the running of Mangal Vidyalayam School – CBSE Affiliated in Pettamitta Village. This institution imparts education to more than 2000 students. Students from 150 villages from 33 Km radius attend this school. The students secured the highest percentage marks during the recent CBSE results (Class 10) from among the three CBSE affiliated Schools in the region.

Continuing with its drive towards educating the Indian, the Trust set up a second school - Amara Raja Vidyalayam II - at Diguvamagham village in the Chittoor District at an investment of ₹16 crore. This educational institution houses sophisticated facilities namely a visual arts studio and a green room to introduce children to new-age realities. This school imparts education to more than 600 students. Students from 70 villages from 25 Km radius attend the School.

Further, the trust supports the Amara Raja Educational Society to run Amara Raja Vidyalayam -1, a primary and high school – CBSE Affiliated at Karakambadi with a strength of 750 students and Mangal Junior College in Pettamitta Village, which provides higher education to more than 500 students annually. Ten students from Mangal Jr. College secured top 10 ranks in the state in the Class XII examination.



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

Enriching skills

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

ARSDC conducts an 18-month programme providing multi-skill Industrial Training to the rural youth. The entire course is residential and focuses on skill and personality development.

This curriculum comprises a prudent mix of on-job training in the plants of the Amara Raja Group of Companies and class-room training.

The ARSDC complex houses well equipped classrooms, labs and workshops and hostel facilities for boys and girls. The entire course, inclusive of food, accommodation, uniforms and study material, is free for candidates selected for the course at this institution.

In addition, an on-the-job stipend is provided to the candidates. This Skill training is carried out in ARSDC with a mission – 'Skilling Rural India to make in India'. More than 557 students have cleared the course. These students have been inducted into various companies in the Amara Raja Group. Currently, about 3-batches comprising more than 295 students are undergoing the training at this unique center.

Further, the Trust is planning to establish a similar Skill Development Centers at Amaravati and Diguvamagham, Andhra Pradesh. This center would focus on skilling rural youth, particularly women, and help in empowering them and fostering inclusive growth.

Health

The Trust runs a 30-bed primary health center with qualified staff, established under the Public Private Partnership in Chittoor District. The primary health center provides preventive and primary health care to more than 50,000 people resident in 81 neighboring villages.

In addition, the Trust organised general health camps attended by respected therapy specialists from India and abroad. These health camps provided free consultation to more than 1800 people from 15 villages. Medicines prescribed were provided free to the patients.

Water conservation

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

Rural development

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

The Trust was instrumental in bringing in banking and communication infrastructure. Facilities for processing food grains at Pettamitta Village were also created by the Trust. Further, the Trust adopted panchayats of Karakambadi, Pettamitta and Diguvamagham in Chittoor District under "Smart Panchayat Scheme."

The Trust contributed ₹15 lacs to Govinda Dhaman for construction an LPG-based eco- friendly Crematorium at Tirupati. Further, the Trust supported the construction of an Auditorium at the Government College, Pakala with an investment of ₹85 Lacs.

Environment

Amara Raja adopted 250 Hectare of hillock in Pemmagutta (Chittoor district) to develop plantation to balance the eco system. 30 Acres of Private Land adjoining the hillock was purchased and donated to Government. About 40 Tribal families were provided livelihood to engage in the Project. More than 60,000 saplings were planted in and around the hillock.

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

10 Years Financials

₹ crores

Parameters / Year	Ind AS		IGAAP							
	2017-18**	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS										
Net sales*	6,051	5,335	4,633	4,211	3,437	2,959	2,365	1,761	1,465	1,313
Profit before depreciation, interest & tax (PBDIT) ^	929	878	849	724	576	466	357	259	297	206
Profit before interest & tax (PBIT) ^	696	684	704	588	509	395	310	217	254	171
Profit before tax (PBT)	714	702	723	610	537	422	319	220	255	123
Profit after tax (PAT)	471	478	492	411	367	287	215	148	167	81
Dividends+	107	-	73	62	55	43	32	39	25	7
Dividend Tax+	22	-	15	12	9	7	5	7	4	1
Retained profits	343	478	404	337	303	236	178	102	138	73
SOURCES AND APPLICATION OF FUNDS										
SOURCES OF FUNDS										
Share capital	17	17	17	17	17	17	17	17	17	17
Reserves and surplus	2,920	2,576	2,099	1,682	1,346	1,043	806	629	527	389
Net worth	2,937	2,593	2,116	1,700	1,363	1,060	823	646	544	406
Debt	64	72	74	76	86	88	86	100	91	286
Deferred tax liability	88	82	54	37	30	20	22	20	22	18
Funds employed	3,089	2,747	2,244	1,812	1,479	1,167	931	766	657	710
APPLICATION OF FUNDS										
Net fixed assets	1,703	1,492	1,352	944	623	359	355	315	306	281
Capital work-in-progress	226	240	123	86	145	103	32	38	23	40
Investments	35	147	20	16	16	16	16	16	16	47
Gross current assets	2,185	1,695	1,452	1,341	1,356	1,292	949	747	631	526
Current liabilities and provisions	1,080	838	707	576	661	603	421	350	319	184
Net current assets	1,105	857	745	766	695	689	529	398	312	342
Net assets	3,070	2,736	2,240	1,812	1,479	1,167	931	766	657	710
RATIOS										
PBT to Net sales (%)	11.80	13.16	15.60	14.48	15.62	14.26	13.48	12.51	17.38	9.34
PAT to Net sales (%)	7.79	8.97	10.61	9.76	10.69	9.69	9.10	8.41	11.40	6.13
Return on Assets (ROA) (%)@	27.54	31.88	40.62	48.49	64.56	59.75	45.76	34.61	44.51	30.62
Return on net worth (%)&	17.04	20.32	25.77	26.83	30.33	30.45	29.28	24.90	35.18	21.80
Debt : Equity (times)	0.02	0.03	0.04	0.04	0.06	0.08	0.10	0.15	0.17	0.70
Fixed assets turnover (times)#	3.54	3.56	3.40	4.14	5.06	7.52	6.42	5.57	4.79	4.67
Earnings per share (₹)$	27.59	28.01	28.78	24.05	21.51	16.78	25.18	17.34	19.56	9.42
Dividend (%)+	415	425	425	361	323	252	189	230	145	40
Dividend per share (₹)$	4.15	4.25	4.25	3.61	3.23	2.52	1.89	4.60	2.90	0.80
Book value per share (₹)$	171.97	151.81	123.87	99.50	79.78	62.05	48.21	75.63	63.65	47.49
Share Price (as of 31st March) - (₹)$	797.50	890.05	879.55	833.05	394.40	273.65	292.80	189.75	164.20	36.65

* Net sales are after reducing excise duty collection from gross sales.
^ PBDIT and PBIT are net of non operating income and expenditure
\+ Under Ind AS final dividend including taxes are accounted only after approval of the shareholders in AGM, hence final dividend for FY 2016-17 and interim dividend for FY 2017-18 are shown in FY 2017-18 and shown as "nil" for FY 2016-17.
@ ROA is PBIT divided by Average Net Operating Assets (ANOA). Net operating assets exclude CWIP, Cash and Non-Trade Investments
& Return on networth is computed based on average networth
# Year end net fixed assets and manufacturing revenue are considered for computing fixed assets turnover
$ Earnings, dividend, book value and share price are on face value of ₹2/- each upto FY2011-12 and thereafter on face value of ₹1/- each
** Figures for these years are as per new accounting standards (Ind AS) and Schedule III of the Companies Act, 2013. ROCE and RONW for basis as per Ind AS. Hence these numbers are not comparable with previous years. The figures presented for other years as per IGAAP.

Corporate information

Board of Directors

Dr. Ramachandra N Galla	Chairman
Jayadev Galla	Vice Chairman and Managing Director
Trent Moore Nevill	Non-Executive Director (upto May 18, 2018)
Raphael John Shemanski	Non-Executive Director (upto November 9, 2017)
Marc David Andraca	Non-Executive Director (w.e.f February 10, 2018)
Nagarjun Valluripalli	Non-Executive Independent Director
N Sri Vishnu Raju	Non-Executive Independent Director
T R Narayanaswamy	Non-Executive Independent Director
Bhairavi Tushar Jani	Non-Executive Independent Director

Management Team

S Vijayanand	Chief Executive Officer
S V Raghavendra	Chief Financial Officer
G Jagan Mohan	Head - Operations
M Jagadish	Head - Technology
Rajesh Jindal	Chief Marketing Officer Automotive Battery Division
Srinivasa Rao Ganga	Chief Marketing Officer Industrial Battery Division
B Jaikrishna	President - HR and New Business Development
G Vijay Naidu	President - CI, Quality management and HSE
L Venkat Madhav	Head - Supply Chain Management
Kishore I Hirani	Chief Information Officer

Company Secretary

M R Rajaram

Statutory Auditors

M/s. Brahmayya & Co, Chartered Accountants
D. No. 33-25-33/B, Govindarajulu Naidu Street
Suryaraopet, Vijayawada - 520 002

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants
KRB Towers, Plot No. 1 to 4 & 4A
1st, 2nd & 3rd Floor, Jubilee Enclave
Madhapur, Hyderabad – 500 081

Cost Auditors

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

Secretarial Auditors

R. Sridharan & Associates, Company Secretaries
New No. 5, (Old No. 12), Sivasailam Street
T Nagar, Chennai - 600 017

Bankers

State Bank of India, SME Branch, Tirupati
Andhra Bank, Main Branch, Tirupati
Kotak Mahindra Bank Limited,
Somajiguda, Hyderabad

Registered Office

Renigunta - Cuddapah Road, Karakambadi,
Tirupati, Andhra Pradesh - 517 520
Tel: 91 877 226 5000
Fax: 91 877 228 5600
CIN: L31402AP1985PLC005305

Corporate Operations Office

Terminal A
1-18/1/AMR/NR, Nanakramguda
Gachibowli, Hyderabad 500 032
Tel: 91 40 2313 9000
Fax: 91 40 2313 9001
Website: www.amararaja.co.in
E-mail: 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

Directors' Report

Dear Members,

Your Board of Directors are pleased to present their report for the financial year ended March 31, 2018.

Summary of financial results

The Company's financial performance for the year ended March 31, 2018 is summarized below:

₹ crores

Parameters	2017-18	2016-17
Revenue from operations	6,232.98	5,981.39
Other income	66.37	49.24
Total income	**6,299.35**	**6,030.63**
Profit before tax	714.20	702.21
Less: Tax expense (including deferred tax)	242.88	23.72
Profit for the year	471.32	478.49
Total other comprehensive income/(loss)	1.52	(1.29)
Total comprehensive income for the year	**472.84**	**477.20**

Share Capital

The paid up equity share capital of the Company as at March 31, 2018 stood at ₹17.08 crores comprising of 170,812,500 equity shares of ₹1 each. During the year under review, the Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

Dividend

Your directors recommend a final dividend of ₹2.15 per equity share of ₹1 each (215%) for the financial year ended March 31, 2018, subject to the approval of the shareholders. The final dividend, if approved, would involve a cash outflow of ₹36.72 crores (excluding corporate dividend tax). In the month of November, 2017, the Board declared and paid an interim dividend of ₹2 per equity share of ₹1 each (200%). The total dividend for the financial year ended March 31, 2018, including the proposed final dividend amounts to ₹4.15 per share (415%), which is in line with the dividend policy of the Company.

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

Transfer to reserves

Your Directors propose to transfer an amount of ₹47.13 crores to the general reserve. An amount of ₹2,475.17 crores is retained in the retained earnings.

Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report

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

Automotive battery business

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

During the year, the Company fully expanded its capacity of the new four-wheeler battery plant, consolidating its position. In four-wheeler OEM space, the Company grew its share by growing beyond the 11% increase in automobile production. In the aftermarket segment, the Company's brands grew in both four-wheelers and in two-wheeler batteries, thereby, registering growth in market share. 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 PowerZoneTM, expansion of channel and leveraging customer relationships.

The volume from export business grew significantly at 30% over previous year. The brand and products of the Company have started gaining recognition in overseas markets, resulting in increased business. The focused market strategy in key markets, paid off leading to higher penetration and enhanced business.

The inverter battery segment saw a clear preference towards Tubular batteries, resulting in healthy utilization of the new Tubular plant. Some trading was resorted to in this segment to meet specific product range requirements.

Industrial battery business

The recent developments in the telecom market, with the new entrant, had disrupted the revenue models of all Telcos and tower companies forcing to relook at their cost structures and also merging of operations for cost efficiencies. This had impacted the volume off-take for replacement batteries in the industrial battery business during the year under review. In addition, the increase in lead price presented challenging market conditions in both Telecom and UPS segments. Under this competitive environment, the Company's industrial battery business achieved a very good growth in volume in industrial battery business segments like UPS, Railways, Exports during the year but de-grown in Telecom segment.

The industrial battery business improved the overall performance by virtue of its "preferred supplier status" with all major customers, efficient after sales service, customer relationship management and consistent product performance of its flagship brands PowerStack®, Quanta® and QRS Series batteries.

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

Promoters and their shareholding

The individual promoters ('Galla Family') in the month of February 2017 as a part of consolidation of their shareholding in various Companies constituted a partnership firm namely M/s. RNGalla Family & Co., (Firm) and contributed inter-alia their shares held in the Company i.e 41,400,702 equity shares of ₹1 each as capital to the said firm. During the year under review, the said firm was converted into a Company i.e RNGalla Family Private Limited under part I of Chapter XXI of the Companies Act, 2013. At present, RNGalla Family Private Limited holds 41,400,702 equity shares of ₹1 each constituting 24.24% of the paid-up share captial of the Company.

Subsidiaries, Associates and Joint Ventures

There are no subsidiaries, associates and joint venture companies.

Directors and Key Managerial Personnel

Mr. Nagarjun Valluripalli, Mr. N Sri Vishnu Raju, Mr. T R Narayanaswamy and Ms. Bhairavi Tushar Jani are the present Independent Directors of the Company appointed pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"). They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an Independent Director during the year, which had been considered and taken on record by the Board.

In accordance with the provisions of Section 152 of the Act, Dr. Ramachandra N Galla, Director (DIN: 00133761) is liable to retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment.

Mr. Raphael John Shemanski (DIN: 07462586) and Mr. Trent M Nevill (DIN: 07699463) nominees of Johnson Controls resigned from the Board with effect from November 9, 2017 and May 18, 2018 respectively. The Board of Directors wishes to place on record their sincere appreciation of the valuable services rendered by them during their tenure as a director of the Company.

Mr. Marc D Andraca (DIN: 08032189) was appointed as an Additional Director on the Board with effect from February 10, 2018, who holds office upto the date of the ensuing annual general meeting. The resolutions seeking your approval for the re-appointment of Dr. Ramachandra N Galla, Director and appointment of Mr. Marc D Andraca as a Director are included in the notice of the ensuing annual general meeting along with brief details about them.

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

Auditors and Auditors' Report

M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the joint statutory auditors at the Annual General Meeting held on August 14, 2015 for a term of five (5) years from the conclusion of the 30th annual general meeting till the conclusion of 35th annual general meeting. The Auditors' report does not contain any qualification, reservation or adverse remark.

As per Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules as amended from time to time, the cost records are required to be audited. Based on the recommendation of the Audit Committee, your Board has appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad as cost auditors for the financial year 2018-19. Necessary resolution for ratification of their remuneration is being placed for your approval.

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. R. Sridharan & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report in Form MR-3 received from them is annexed herewith as **Annexure I.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Corporate Governance

The report on corporate governance for the year ended March 31, 2018 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as **Annexure II.** The certificate from practicing company secretary regarding the compliance of conditions of corporate governance is attached to the report on corporate governance.

Management discussion and analysis

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

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business

Responsibility Report (BRR) initiatives taken from an environmental, social and governance perspective, is annexed hereto as **"Annexure III."**

Directors' responsibility statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors of the Company confirm, to the best of their knowledge and belief, that in the preparation of annual financial statements for the year ended March 31, 2018;

i) applicable accounting standards and Schedule III of the Act have been followed;

ii) appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the financial year ended March 31, 2018;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognised in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an on-going basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The audit committee meets at regular intervals to review the internal audit function;

iv) financial statements have been prepared on a going concern basis;

v) proper internal financial controls are in place and that such internal financial controls were adequate and were operating effectively;

vi) systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

Information and Disclosures under the Act

Extract of the Annual Return

The extract of the Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014 in the prescribed form MGT-9 is annexed herewith as **Annexure IV**.

Number of Meetings of the Board

During the year five meetings of the Board of the Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

Committees of the Board

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

Corporate Social Responsibility (CSR)

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are given in **Annexure V** to this report in the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014. The said policy is available on the Company's website at http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-Policy.pdf

Nomination and Remuneration Policy

The Board has on the recommendation of Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Nomination and Remuneration Policy adopted by the Board is available on the Company's website at https://amararaja.co.in/policies/ARBL%20%20Nomination%20and%20Remuneration%20Policy.pdf

Evaluation of the Board

Pursuant to the provisions of the Act, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance, the Directors individually and of the committees of the Board.

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

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

The performance evaluation of all Directors including the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

Mr. Marc D Andraca, additional director did not participate in the evaluation process or being evaluated, as he was appointed towards the end of the financial year 2017-18.

Familiarisation Programme for Directors

A handbook covering the role, function, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

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

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and enables the Directors to fulfill their role/responsibility. The details of the familiarization programme are available on the Company's website www.amararaja.co.in.

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 Act.

Transactions with the Related Parties

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2017-18, there were no materially significant transactions with the related parties which might be deemed to have had a potential material conflict with the interest of the Company at large.

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

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

The members at the annual general meeting held on August 7, 2017 approved and authorised the Board to enter into transactions with Mangal Industries Limited (MIL) upto a cumulative value of transactions of ₹1,000 crores in each financial year. During the financial year 2017-18, the transactions with MIL amounted to ₹721.16 crores (including dividend paid), a material transaction under the Regulation 23 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and the policy adopted by the Company under the said Regulations.

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

Internal Controls

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

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statues, regulations, management authorisation, policies and procedures.

The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

Risk Management

During the year, the risk assessment parameters were reviewed and modified. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

Whistle Blower Policy /Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with the complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. The Whistle Blower Policy established by the Board is available on the Company's website at 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 Sections 73 and 74 of the read with and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. There are no outstanding deposits as on March 31, 2018.

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

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

Particulars of Remuneration

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

A statement showing names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the said rules is also annexed to the Directors' Report as **Annexure IX**. However, as per the provisions of Section 136(1) of Companies Act, 2013, the annual report is being sent to all the members excluding the aforesaid statement. The statement is available for inspection at the registered office of the Company during working hours.

Reporting of Frauds

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

Regulatory Orders

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

Compliance of Secretarial Standards

The Company has complied with the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

Investor Education and Protection Fund (IEPF)

In terms of Section 124 (5) of the Companies Act, 2013, a total amount of ₹3,964,451 being unclaimed dividend(s) pertaining to the financial year 2009-10 and interim dividend for the financial year 2010-11 were transferred to IEPF on September 15, 2017 and March 22, 2018 respectively.

Health, Safety and Environmental protection (HSE)

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

Prevention of Sexual Harassment at workplace policy

The Company has in place a policy on prevention of Sexual Harassment and has constituted an Internal Complaints Committee (ICC) in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. During the year, the Company received one (1) complaint which was investigated and resolved as per the provisions of the aforesaid Act.

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:

- Featured in Forbes Magazine's August 2017 issue, **India's Super 50 Companies** for the second time in a row.
- Received **"First Award"** under the category **"Private – Manufacturing (Large)"** at the 14th National Awards for Excellence in Cost Management 2016 from The Institute of Cost Accountants of India.
- Received the **Quality award** and **Q1 award** from Tata Motors Limited and Bajaj Auto Limited respectively in recognition for our excellence in the field of QCDM parameters (Excellence in Quality, Delivery, and relationship Building)
- Received **"Gold award"** under infra equiupment's category from Indus Towers Limited.
- Received the **"Overall Performance"** award from Bosch Limited Bangalore.
- Received **"Environmental Leadership"** award from Cummins India Limited.
- Supply Chain team won the **'Best-in-class Supply Chain Innovation Award'** at the Asia Logistics & Supply Chain Leadership Conclave held at Mumbai.
- Two-wheeler automotive battery plant team won the 1st runner award in Eleventh CII Six Sigma National Conference and Competition under the **"Manufacturing Industry (Discrete and Assembly Line)"** category.
- Bestowed with prestigious **ABK AOTS awards** in following three different categories
    i. **Model 5S Company award** for MVRLA Battery Plant, Chittoor and Automotive Battery Plant, Tirupati
    ii. **Platinum award under Excellence category** for LVRLA Battery Plant, Tirupati, Tubular Battery Plant and Automotive Battery plant II, Chittoor
- Four teams won Gold awards in ICQCC (International Convention of Quality Control Circles) 2017 competition held in Manila, Philippines.
- Adjudged as winner for its presentation on **"Nava Prathibha -Talent building at the Entry Level"** under the category of **"Most Effective Recruitment, Engagement & Innovative Retention Strategy"** at the CII -First National HR Circle Competition.

Industrial relations

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

Acknowledgement

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

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

On behalf of the Board

Place: Milwaukee, USA
Date: May 18, 2018

Dr. Ramachandra N Galla
Chairman

Annexures to the Directors' Report

Annexure I

Secretarial Audit Report
for the financial year ended 31st March, 2018

[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 of
Amara Raja Batteries Limited
CIN: L31402AP1985PLC005305
Renigunta- Cuddapah Road
Karakambadi
Tirupati – 517 520

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Amara Raja Batteries Limited [Corporate Identification Number : L31402AP1985PLC005305] (hereinafter called "the Company") having its Registered Office at Renigunta-Cuddapah Road, Karakambadi, Triupati – 517 520. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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 thereunder;

(iv) During the year, the Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under Foreign Exchange Management Act, 1999 (FEMA) and hence, the requirement of complying with the provisions of FEMA and the rules and regulations made thereunder does not arise;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 does not arise;

  e) During the year under review, the Company has neither issued any debentures nor has any outstanding debentures to be redeemed and hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

regarding the Companies Act and dealing with client;

g) During the year under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and

h) The Company has not bought back any securities during the period under review and hence the question of compliance with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) The other laws specifically applicable to the Company are as follows:

1. The Batteries (Management and Handling) Rules, 2001;
2. Acts and Rules relating to Environmental protection and energy conservation;
3. Acts and Rules relating to hazardous substances and chemicals;

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

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

(ii) The Uniform Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

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

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

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

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

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

Place : Chennai
Date : 18th May, 2018

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

Annexure -A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

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

Place : Chennai
Date : 18th May, 2018

Annexure II

Corporate Governance Report

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

i) The Board of Directors, as at the financial year ended March 31, 2018, comprised of eight Directors of which Vice Chairman and Managing Director is an Executive Director. Out of seven (7) Non-Executive Directors, four (4) including one woman director are Independent Directors and three (3) are Non Independent Directors. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of the Regulations.

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

Name of the Director	Designation	Category
Dr. Ramachandra N. Galla DIN : 00133761	Chairman	Promoter; Non-Executive
Mr. Jayadev Galla DIN : 00143610	Vice Chairman and Managing Director	Promoter; Executive
Mr. Raphael John Shemanski DIN : 07462586 (upto November 9, 2017)	Director	Non-Executive
Mr. Trent Moore Nevill* DIN : 07699463	Director	Non-Executive
Mr. Marc D Andraca DIN : 08032189 (w.e.f February 10, 2018)	Director	Non-Executive
Mr. Nagarjun Valluripalli DIN : 00034389	Director	Independent; Non Executive
Mr. N Sri Vishnu Raju DIN : 00025063	Director	Independent; Non Executive
Mr. T R Narayanaswamy DIN : 01143563	Director	Independent; Non Executive
Ms. Bhairavi Tushar Jani DIN : 00185929	Director	Independent; Non Executive

* Resigned as a Director with effect from May 18, 2018

iii) Five Board Meetings were held during the year as against the minimum requirement of four meetings and the maximum time gap between any of the two consecutive meetings was not more than 120 days. The dates on which the meetings were held are as follows:

Date of Meeting	Board Strength	No. of Directors Present
May 24, 2017	8	6
August 7, 2017	8	6
November 9, 2017	8	5
February 10, 2018	8	8
March 17, 2018	8	6

iv) The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2018 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		AGM held on August 7, 2017
	Held	Attended	
Dr. Ramachandra N Galla	5	5	Yes
Mr. Jayadev Galla	5	4	Yes
Mr. Raphael John Shemanski ^	5	1	Yes
Mr. Marc D Andraca	5	2	NA
Mr. Trent Moore Nevill	5	3	No
Mr. Nagarjun Valluripalli	5	5	Yes
Mr. N Sri Vishnu Raju	5	4	Yes
Mr. T R Narayanaswamy	5	4	Yes
Ms. Bhairavi Tushar Jani*	5	3	No

^ Mr. Raphael John Shemanski participated in the board meeting held on August 7, 2017 through video conference. He resigned from the Board with effect from November 9, 2017.

* Ms. Bhairavi Tushar Jani participated in the Board Meeting held on November 9, 2017 through audio conference.

v) The number of directorships, memberships/chairmanships in committees held by the directors including Amara Raja Batteries Limited as on March 31, 2018 are given below:

Name of the Director	Number of directorships in companies#	Number of committee memberships in companies*	
		Chairperson	Member
Dr. Ramachandra N Galla	11	2	2
Mr. Jayadev Galla	10	Nil	1
Mr. Marc D Andraca	1	Nil	Nil
Mr. Trent Moore Nevill	1	Nil	Nil
Mr. Nagarjun Valluripalli	18	1	Nil
Mr. N Sri Vishnu Raju	20	Nil	3
Mr. T R Narayanaswamy	10	Nil	1
Ms. Bhairavi Tushar Jani	11	Nil	1

Excluding directorship in foreign companies.

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

vi) Dr. Ramachandra N Galla is the father of Mr. Jayadev Galla. Other than Dr. Ramachandra N Galla and Mr. Jayadev Galla, none of the directors are related to any other Director on the Board. Mr. Trent Moore Nevill and Mr. Marc D Andraca are the representatives of Johnson Controls.

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

viii) **Familiarisation Programme**

A handbook covering the role, function, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

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

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and enables the Directors to fulfill their role/responsibility. The details of the familiarisation programme is available on the Company's website www.amararaja.co.in.

ix) The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a yearly basis.

x) The Board had approved code of conduct in compliance with the Regulations. The said code is applicable for all the Directors and the Senior Management Personnel of the Company and the same is posted on www.amararaja.co.in. All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the financial year ended March 31, 2018. In terms of Schedule V to the Regulations, a declaration signed by the Vice Chairman and Managing Director is enclosed to this report.

xi) During the financial year 2017-18, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on quarterly basis and such other information as and when applicable were placed before the Board for its consideration.

xii) Mr. Jayadev Galla, Vice Chairman and Managing Director and Mr. S V Raghavendra, Chief Financial Officer of the Company have submitted a certificate to the Board on the fairness of the financial statements and other matters as specified in Part B of Schedule II of the Regulations.

xiii) All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board. The Independent Directors have confirmed that they satisfy the criteria of independence as stipulated in Regulation 16(1)(b) of the Regulations. The tenure of the Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder. The Independent Directors at their meeting, reviewed the performance of the Board as a whole, Non independent Directors and the Chairman of the Board.

xiv) During the year, all the Independent Directors except Mr. N Sri Vishnu Raju had met separately on March 17, 2018 without the attendance of non-independent directors and members of the management.

xv) None of the Directors serve as an Independent Director in more than seven (7) listed Companies and Mr. Jayadev Galla, Vice Chairman and Managing Director is not serving as an independent Director in any listed company.

xvi) None of the Directors on the Board are Members in more than ten Committees or Chairman of more than five Committees across all the public limited companies in which they are Directors. For this purpose, Audit Committee and the Stakeholders Relationship Committee only are considered. The Directors disclosed their positions held in committees and directorships held in other public limited companies as on March 31, 2018.

xvii) The senior management personnel confirmed that they don't have any personal interest in respect of all material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.

xviii) The brief particulars of the directors proposed for re-appointment/appointment at the Annual General Meeting are given in the notes to the notice of the ensuing Annual General Meeting.

3. Audit Committee

i) The constitution and terms of reference of the Audit Committee are in accordance with and covers all the matters

specified under Section 177 of the Companies Act, 2013 and Regulation 18 of the Regulations read with Part C of Schedule II of the Regulations.

ii) The Company Secretary acts as the Secretary to the Audit Committee. Mr. Nagarjun Valluripalli, Independent Director and Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 7, 2017.

iii) During the financial year 2017-18, five (5) meetings of the Audit Committee were held on May 24, 2017, August 7, 2017, November 9, 2017, February 10, 2018 and March 17, 2018. The maximum time gap between any of the two consecutive meetings was not more than 120 days. The necessary quorum was present in all the meetings.

iv) The composition of the Audit Committee and attendance of members are given below:

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

4. Nomination and Remuneration Committee

i) The constitution and terms of reference of the Nomination and Remuneration Committee are in accordance with and covers all the matters specified under Section 178 of the Companies Act, 2013 and Regulation 19 of the Regulations read with Part D of Schedule II of the Regulations.

ii) Two meetings of the Nomination and Remuneration Committee were held on May 24, 2017 and February 10, 2018. The composition of the Nomination and Remuneration Committee and attendance of members are given below:

Name	Category	Attendance
Mr. Nagarjun Valluripalli, Chairman	Independent, Non-Executive	2
Mr. T R Narayanaswamy	Independent, Non-Executive	-
Mr. N Sri Vishnu Raju	Independent, Non-Executive	2

iii) **Nomination and Remuneration Policy**

The Board of Directors at its meeting held on March 28, 2015 approved the Nomination and Remuneration policy. The said policy is applicable to all the Directors, Key Managerial personnel and senior management personnel of the Company.

Remuneration to Directors

The remuneration structure of Managing Director/Executive Director comprises of basic salary, commission, perquisites and allowances, contribution to provident fund etc. The remuneration is determined considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The Directors from Galla Family and the representative Directors of Johnson Controls are not paid sitting fees for attending any meetings of the Board and Committee thereof.

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

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

iv) **Details of Remuneration paid to the Directors for the year ended March 31, 2018 are given below:**

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

₹ Crores

Name	Commission	Sitting Fees
Dr. Ramachandra N Galla	23.32	Nil
Mr. Nagarjun Valluripalli	0.05	0.02
Mr. N Sri Vishnu Raju	0.05	0.01
Mr. T R Narayanaswamy	0.05	0.01
Ms. Bhairavi Tushar Jani	0.05	0.01
Total	**23.52**	**0.05**

*Excludes taxes

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

₹ Crores

Particulars	Amount
Salary	2.40
Perquisites and Allowances	0.08
Commission	36.38
Retirement benefits	0.00
Total	**38.86**

The shareholders at the AGM held on August 14, 2015 appointed Mr. Jayadev Galla as Vice Chairman and Managing Director of the Company for a period of five years with effect from September 1, 2015 to August 31, 2020. The agreement entered into with Mr. Jayadev Galla may be terminated by either party by giving three months' notice and there is no severance fee or compensation payable by the Company upon termination of the agreement. There are no stock options issued by the Company.

v) **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance, the directors individually and of the committees of the Board.

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

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

The performance evaluation of all the Directors including the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors

Mr. Marc D Andraca, additional director did not participate in the evaluation process or being evaluated, as he was appointed at the end of financial year 2017-18.

5. Share Transfer and Stakeholders Relationship Committee

i) The constitution and terms of reference of the Share Transfer and Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Companies Act, 2013 and Regulation 20 of the Regulations read with Part D of Schedule II of the Regulations. The said Committee attends to the redressal of complaints of shareholder's.

ii) During the financial year 2017-18, four meetings of the Committee were held on May 24, 2017, August 7, 2017, November 9, 2017 and February 10, 2018.

iii) The Composition of the Share Transfer and Stakeholders Relationship Committee and the attendance of members are given below:

Name	Category	Attendance
Dr. Ramachandra N Galla	Non-Independent; Non-Executive	4
Mr. Jayadev Galla	Non-Independent; Executive	4

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

v) Mr. M R Rajaram, Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

vi) During the year 2017-18, Five (5) complaints pertaining to non-receipt of corporate entitlements/share certificates, non-receipt of dividend and deficiency in service of Registrar were received and redressed to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2018.

vii) **Name, designation and address of the Compliance Officer:**

Mr. M R Rajaram
Company Secretary
Amara Raja Batteries Limited
Terminal A, 1-18/1/AMR/NR
Nanakramguda, Gachibowli, Hyderabad-500032
Tel No. 91 40 2313 9300
Fax No. 91 40 2313 9001
E-mail id: investorservices@amararaja.co.in

6. Corporate Social Responsibility Committee

i) 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.

ii) During the financial year 2017-18, one meeting of the Committee was held on November 9, 2017.

iii) The Composition of the Corporate Social Responsibility Committee and the attendance of members are given below:

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

* Resigned as member of the Committee with effect from November 9, 2017.

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

7. General Body Meetings

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

For the Financial year	Venue	Day and date	Time
2016-17	Renigunta-Cuddapah Road Karakambadi, Tirupati, Andhra Pradesh – 517 520	Monday, August 7, 2017	2:30 PM
2015-16		Saturday, August 6, 2016	2:30 PM
2014-15		Friday, August 14, 2015	11:30 AM

Special Resolutions passed during the three previous years:

Financial year 2016-17

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

Financial year 2015-16

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

Financial year 2014-15

Special Resolutions passed

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

b. To authorize the board of directors to create mortgage or charge on the properties of the Company under Section 180 (1)(a) of the Companies Act, 2013.

c. To authorize the board of directors to enter into all kind of transactions with Mangal Industries Limited, a related party, upto an estimated amount of ₹600 crores in each financial year.

Resolutions passed by Postal Ballot

No Postal Ballot was conducted during the financial year 2017-18. No special resolution is proposed to be passed through postal ballot.

8. Means of communication

The quarterly, half-yearly and annual results are submitted to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in Business Standard, Business Line (all editions) and Andhra Jyothi, Eenadu and Vaartha (Rayalaseema Edition). The Company also posts the press releases, transcript of calls made with analysts, if any, and results on its website www.amararaja.co.in.

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

9. General shareholders information

Day, Date, time and venue of the Annual General Meeting	Saturday, August 11, 2018 at 11:30 a.m. at the Auditorium situated at Registered Office of the Company at Renigunta - Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520
Financial calendar (tentative):	Financial Year - April to March First Quarter Results -Mid of August 2018* Half-yearly Results - Mid of November 2018* Third Quarter Results -Mid of February 2019* Results for the year ending March 31, 2019 - last week of May 2019* *Provisional
Listing of shares on stock exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Listing fees for the financial year 2018-19 have been paid to all the above stock exchanges.
Dividend for FY 2017-18	**Interim Dividend:** The Company paid an interim dividend of ₹2 per share (200%) in the month of November 2017. **Final Dividend:** The Board recommend a final dividend of ₹2.15 per share (215%) subject to approval of the members at the Annual General Meeting.
Book Closure	August 6, 2018 to August 11, 2018 (both days inclusive)

9. General shareholders information (contd.)

Dividend Payment date(s)	Final Dividend: On or before August 31, 2018
Stock Code/Scrip Code	NSE : AMARAJABAT BSE : 500008
Corporate Identity Number (CIN)	L31402AP1985PLC005305
International Securities Identification Number (ISIN) for equity shares of ₹1 each under Depository System	INE885A01032
Market Price Data High, Low during each month in last Financial year	Please see Annexure A
Performance of the Company's share price vis-à-vis-Sensex	Please see Annexure A
Registrar and Share Transfer Agents (RTA)	For shares related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or Client ID and DP ID at the following address: Cameo Corporate Services Limited Unit: Amara Raja Batteries Limited V Floor, Subramanian Building No.1, Club House Road Chennai - 600002 Tel : 91 44 28460390 Fax : 91 44 28460129 E-mail : investor@cameoindia.com Website : www.cameoindia.com
Share Transfer System	All the valid transfers received are processed and approved by the Share Transfer and Stakeholders Relationship Committee by circular resolutions.
Distribution of Shareholding and Shareholding Pattern as on March 31, 2018	Please see Annexure B
Dematerialization of Shares and Liquidity	97.69% of the equity shares of the Company were dematerialized as on March 31, 2018.
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDR/ ADR/Warrants and convertible instruments.
Plant Location(s)	The Company's plants are located at a) Renigunta - Cuddapah Road, Karakambadi Tirupati Andhra Pradesh 517 520 b) Nunegundlapalle Village Bangarupalayam Mandal, Chittoor District Andhra Pradesh 517 416
Address for correspondence	Amara Raja Batteries Limited Terminal A 1-18/1/AMR/NR Nanakramguda, Gachibowli, Hyderabad 500 032 Tel : 91 40 23139000 Fax : 91 40 23139001 E-mail : investorservices@amararaja.co.in Website : www.amararaja.co.in

10. Other Disclosures

Disclosure of related party transactions

All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with the related parties are in compliance with Section 188 of the Companies Act 2013 and Regulation 23 of the Regulations.

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

The Board of Directors at their meeting held on November 11, 2014 approved a policy on dealing with related party transactions. The policy lays down the criteria for determining the materiality of transactions. The said policy has been posted on the Company's website at the following link
http://www.amararaja.co.in/policies/ARBL-Policy-on-dealing-with-Related-Party-Transactions.pdf

Compliance(s) of matters relating to Capital Market

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

Whistle Blower Policy/Vigil Mechanism

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

Code of conduct for prevention of insider trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company and non-consequences of violation. Mr. M R Rajaram, Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code. Reports on matters related to insider trading code are reported to the Audit Committee on a quarterly basis.

Disclosure of commodity price risks and commodity hedging activities

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

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

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

The Company has complied with the mandatory requirements of the Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With regard to the non-mandatory requirements the Company has complied to the extent stated below:

a.	Board	The Company has a separate office maintained for the Non-Executive Chairman.
b.	Shareholder rights	Quarterly financial results are published in leading newspapers, viz. The Business Line, Business Standard and vernacular – Eenadu, Andhra Jyothi and Vaartha. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
c.	Modified opinion(s) in Annual Report	The financial statements for the financial year ended March 31, 2018 were with unmodified audit opinion
d.	Separate posts of Chairman and CEO	The Company has a separate post of Chairman
e.	Other Non-Mandatory Requirements:	The Company would be progressively adopting the other non-mandatory requirements

13. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

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

14. Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

15. Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

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

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

18. Compliance on Corporate Governance

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

19. Disclosures with respect to unclaimed suspense account:

The following is the reconciliation of the unclaimed shares in the "Amara Raja Batteries Limited -Unclaimed Suspense Account" (suspense account).

Particulars	Number of shareholders	Number of Equity shares
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on April 1, 2017	391	7,88,500
Number of equity shareholders who approached the Company for transfer of shares of ₹1 each from the suspense account	16	40,500
Number of equity shareholders to whom shares were transferred from suspense account during the year	16	40,500
Number of equity shareholders whose shares were transferred to Investor Education and Protection Fund (IEPF) during the year	330	6,53,000
Aggregate number of equity shareholders and the outstanding shares of ₹1 each in the suspense account lying as on March 31, 2018	45	95,000

The voting rights on the shares outstanding in the Suspense account as on March 31, 2018 are frozen till a claim from the rightful owner of such shares is received.

20. Other requirements/Information

Dividend Policy

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

Transfer of unclaimed dividend

During the year under review, the following unpaid/unclaimed dividend amount(s) were transferred to Investor Education and Protection Fund (IEPF).

Financial year to which unclaimed dividend pertains to	Amount transferred to IEPF	Date of Transfer
2009-10	2,060,905	September 15, 2017
Interim dividend for FY 2010-11	1,903,546	March 22, 2018

Members who have not yet encashed their final dividend from the financial year 2010-11 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 unclaimed/unpaid dividends to IEPF:

Financial Year	Date of Declaration	Unclaimed dividend as on March 31, 2018	Due Date of Transfer to IEPF
2010-11	13.08.2011	1,742,652.60	18.09.2018
2011-12	14.08.2012	2,474,096.94	19.09.2019
2012-13	14.08.2013	3,387,424.32	19.09.2020
2013-14	06.08.2014	4,215,637.73	11.09.2021
2014-15	14.08.2015	4,655,506.54	19.09.2022
2015-16 (Interim dividend)	15.03.2016	5,397,823.00	20.04.2023
2016-17	07.08.2017	5,748,503.25	12.09.2024
2017-18 (interim dividend)	09.11.2017	2,745,216.00	15.12.2024

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 the particulars of unclaimed dividend as on August 7, 2017 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

All shareholders, whose dividend remains unpaid/ unclaimed, are requested to refer the same on the Company's website or on www.iepf.gov.in and lodge their claim to RTA by submitting an application in writing and supported by a deed of indemnity immediately.

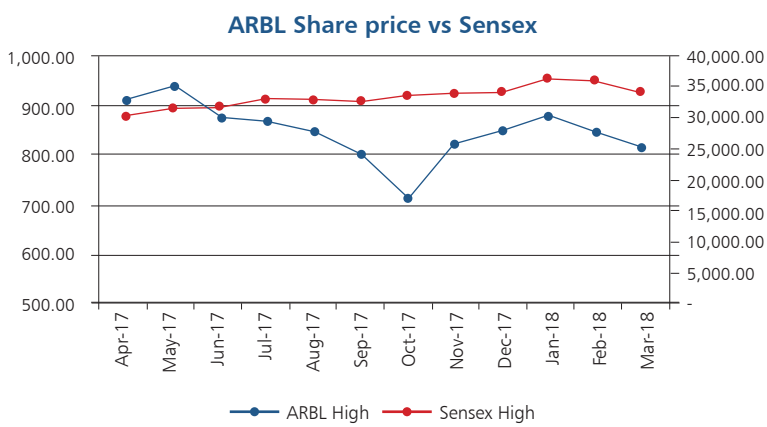
Annexure A

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, 2017 to March 31, 2018 are furnished below:

Month	NSE		Nifty 50		BSE		Sensex	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2017	908.35	855.65	9,351.85	9,103.50	908.95	855.45	30,133.35	29,319.10
May 2017	937.70	835.65	9,624.55	9,285.30	937.65	834.85	31,159.40	29,858.80
June 2017	880.15	835.25	9,675.10	9,491.25	877.10	834.85	31,311.57	30,834.32
July 2017	866.35	833.75	10,077.10	9,613.30	866.20	833.30	32,514.94	31,209.79
August 2017	847.45	758.40	10,114.65	9,710.80	848.60	758.55	32,575.17	31,213.59
September 2017	800.75	708.65	10,153.10	9,735.75	798.80	709.70	32,423.76	31,159.81
October 2017	706.80	681.10	10,363.65	9,859.50	707.20	680.75	33,266.16	31,497.38
November 2017	821.25	680.85	10,452.50	10,118.05	820.20	681.00	33,731.19	32,760.44
December 2017	845.95	762.20	10,531.50	10,044.10	846.15	763.95	34,056.83	32,597.18
January 2018	875.60	807.30	11,130.40	10,435.55	875.95	807.75	36,283.25	33,793.38
February 2018	848.55	763.05	11,016.90	10,360.40	844.95	762.30	35,906.66	33,703.59
March 2018	813.55	770.00	10,458.35	9,998.05	812.95	769.50	34,046.94	32,596.54

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 2017-18



Performance of the Company's share price as at the beginning and end of the financial year 2017-18

Amount in ₹

Name of the Stock Exchange	NSE Close Price	BSE Close Price
Price as on April 1, 2017	908.35	908.95
Price as on March 31, 2018	795.00	797.50
Change in Value (Rs.)	(113.45)	(111.45)
% Change	(12.48)	(12.26)

Annexure B

Distribution of Equity Shareholding as on March 31, 2018

No. of shares held	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
1 - 100	1,618,221	0.95	54,095	78.08
101 - 500	2,297,083	1.34	9,988	14.42
501 - 1000	1,344,248	0.79	1,751	2.53
1001 - 2000	2,811,922	1.65	1,904	2.75
2001 - 3000	1,628,123	0.95	592	0.85
3001 - 4000	542,805	0.32	153	0.22
4001 - 5000	784,728	0.46	171	0.25
5001 - 10000	1,853,134	1.08	258	0.37
10001 and above	157,932,236	92.46	370	0.53
Total	**170,812,500**	**100.00**	**69,282**	**100.00**

Mode of Holding as on March 31, 2018

Particulars	No. of shares	Percentage to capital	No. of shareholders	Percentage to no. of shareholders
Demat mode	166,871,262	97.69	68,793	99.29
Physical mode	3,941,238	2.31	489	0.71
Total	**170,812,500**	**100.00**	**69,282**	**100.00**

Categories of Equity Shareholders as on March 31, 2018

Category	Number of Shares held	Percentage of holding
Promoters	88,927,452	52.06
Mutual Funds	16,084,758	9.42
Alternate Investment Funds	631,810	0.37
Banks/Financial Institutions	2,019,278	1.18
Foreign Portfolio Investor/ Foreign Institutional Investors	32,406,831	18.97
State Government/Central Government	531,761	0.31
Indian Public – Individuals	15,856,280	9.28
Bodies Corporate	4,800,403	2.81
Clearing Members	79,871	0.05
Hindu Undivided Families	402,204	0.24
Non Resident Indians	6,964,377	4.08
Trusts	1,272,852	0.75
Foreign Portfolio Investor (Individual) Category III	398	0.00
Investor Education and Protection Fund (IEPF)	739,225	0.43
Others – Unclaimed Suspense Account	95,000	0.06
Total	**170,812,500**	**100.00**

DECLARATION ON CODE OF CONDUCT

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

It is further confirmed that all Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2018.

Place: Milwaukee, USA
Date: May 18, 2018

Jayadev Galla
Vice Chairman and Managing Director

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L31402AP1985PLC005305
2.	Name of the Company	Amara Raja Batteries Limited
3.	Registered address	Renignuta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh India
4.	Website	www.amararaja.co.in
5.	E-mail id	investorservices@amararaja.co.in
6.	Financial Year reported	March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Group 272* - Manufacture of batteries and accumulators *As per National Industrial Classification – Ministry of Statistics and Programme Implementation
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Batteries for Automotive and Industrial Application(s).
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	 42 countries (Distributors) **Plant Locations:** a) Renigunta - Cuddapah Road, Karakambadi Tirupati Andhra Pradesh 517 520 b) Nunegundlapalle Village Bangarupalayam Mandal, Chittoor District Andhra Pradesh 517 416 **Distribution Network:** Present across PAN India through franchisees and dealers.
10.	Markets served by the Company – Local/ State/ National/International	National & International

Section B: Financial details of the Company

1.	Paid up Capital (INR)	₹17.08 crores
2.	Total Turnover (INR)	₹6,232.98 crores
3.	Total profit after taxes (INR)	₹471.32 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR for the year ended March 31, 2018 was ₹14.28 crores which is 3.03% of the profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure V to Director's Report for CSR related information and also CSR section in the annual report.

Section C: Other details

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has not mandated any supplier, distributer etc., to participate in Business Responsibility Initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept expected of responsible businesses.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies	
DIN Number	00143610
Name	Mr. Jayadev Galla
Designation	Vice Chairman and Managing Director
(b) Details of the BR head	
DIN Number (if applicable)	-
Name	Mr. S Vijayanand
Designation	Chief Executive Officer
Telephone number	040-23139000
e-mail id	vnand@amararaja.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Principle-wise (as per NVGs) BR Policy/policies

Sl No.	Details of compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
1.	Do we have a policy/ policies for....	Yes This forms part of the Code of Conduct of the Company which is applicable to all employees.	Yes The policy is part of the Company's Health, Safety and Environment, (HSE) Policy.	Yes There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Leave Policy, Road Safety Policy, Group Mediclaim Policy, etc.	Yes The Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy and the Consumer Policy.	Yes This forms part of the Code of Conduct of the Company which is applicable to all employees.	Yes This forms part of the Company's HSE Policy.	No	Yes The Company has a CSR Policy.	Yes The Company has a Consumer Policy.
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	Yes the policy is in line with national standards	NA	Yes the policy is in line with national standards	Yes the policy is in line with national standards

Sl No.	Details of compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
4.	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Code of Conduct comprising of these principles has been approved by the Board	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	HR Policies are approved by President-HR. The Executive Committee comprising of senior management and relevant stakeholders are consulted engaged in framing/ modification of HR policies.	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director	NA	Yes	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by Managing Director.
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	The responsibility of the implementation of policies and their review primarily lies with the respective business/ function head	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head.	The responsibility of the implementation of policies and their review primarily lies with the respective business/ function head	The responsibility of the implementation of policies and their review primarily lies with the respective business/ function head	The responsibility of the implementation of policies and their review primarily lies with the respective business/function head	NA	Yes	The responsibility of the implementation of policies and their review primary lies with the respective business/function head.
6.	Indicate the link for the policy to be viewed online?	http://www.amararaja.co.in/policies/ARBL-Whistle-Blower-Policy.pdf	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	View restricted to the respective stakeholders	NA	http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-Policy.pdf	View restricted to the respective stakeholders

Sl No.	Details of compliance (Reply in Y/N)	P1 Ethics, Transparency and Accountability	P2 Product life cycle sustainability	P3 Employment Well-being	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Policy Advocacy	P8 Community Development	P9 Customer Value
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	Yes, all policies are placed on the intranet of the Company. New employees are given a formal induction on these policies.	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders	NA	Yes, policies have been communicated to the respective stakeholders	Yes, policies have been communicated to the respective stakeholders
8.	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The whistle blower mechanism provides employees to report any concern or grievances pertaining to any potential or actual violation of the Company's code of conduct.	The quality, marketing, technology and operations departments are in constantly work together to address the issues pertaining to the product life sustainability	Policy grievances pertaining to employee well-being related concerns are handled by the respective business HR managers. Further an annual communication meet with senior management team is a forum to raise any grievances or concerns of the employees of the Company.	The continuous engagement with the customers, suppliers, channel partners and annual channel partners meet enables the Company to capture and address their concerns and grievances, if any. An investor grievance mechanism is in place to respond to the grievances of the investors.	Policy grievances pertaining to employee well-being related concerns are handled by the respective business HR managers. Further an annual communication meet with senior management team is a forum to raise any grievances or concerns of the employees of the Company.	The HSE departments take care of all grievances, if any,	NA	NA	The customer complaints mechanism records and addresses the grievances of the customers on product, quality, service, warranty and other related issues
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental policies are subject to internal and external audits as a part of certification process. The Company is in the process of developing and improving its system for evaluating the implementation of policies.								

4. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company is regularly assessed by the Executive Committee comprising of senior management personnel. However, there is no specific frequency.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company publishes BR report annually and the same forms part of annual report, which can be accessed in the Company's website i.e www.amararaja.co.in

Section E: Principle-wise Performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The policy relating to ethics, bribery and corruption extends beyond our Company employees, both permanent and temporary, Directors and also covers the Amara Raja group of Companies.

The Company has adopted a Code of conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and the members of the Senior Management of the Company are required to affirm on an annual compliance of this code. This Code requires the Directors and senior management personnel of the Company to act honestly, ethically and with integrity. The Code guides the Directors and senior management personnel to conduct themselves in professional, courteous and respectful manner and also to ensure their independent judgement is not impacted.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Vigil Mechanism Policy serves as a mechanism for its Directors and employees to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The Company has not received any significant complaints from stakeholders in the previous financial year. The normal grievances, complaints of the stakeholders are attended and resolved immediately.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company manufactures batteries catering to requirements of Automotive and Industrial application. The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water, raw materials and waste reduction. The Company ensures compliance requirements of the law that relate to products and services, environmental aspects and occupational health & safety.

The company designs, develops and supplies products for

1. Renewable energy storage (Green Energy)/BESS
2. Electric Mobility (e-Rickshaw/e-Auto)- Using Li-Ion & Lead acid technologies
3. High Wattage series batteries for UPS by optimizing size, weight & cost.
4. Automotive-SLI batteries with advanced designs/materials to enhance safety, life & reduce maintenance.
5. Advanced AGM&EFB for Automotive Start-Stop application.
6. Hi-Life batteries with quick recharge ability for Telecom Towers with attractive TCO to save/limit/eliminate diesel Generation & time leading to CO_2 Reduction and saving fossil fuels.
7. Developed corrosion resistive, weight optimized & enhanced performance products for 2W using advanced manufacturing technology.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company continuously strives to optimize the manufacturing process thereby effectively utilising/reducing the consumption of the raw materials. The Company has reduced the consumption of lead ranging from 2% to 5% per battery for various products in both industrial and automotive battery division.

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

   In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption, which amongst others, include setting up of 6.3 MW roof top solar panels & 0.5Mwhr Battery storage system to store the solar energy and use for load leveling & solar smoothening in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. This ensures use of clean energy and also entails power at low cost.

   The Company undertakes various projects to improve green cover in the manufacturing plants and in the Chittoor district, which would help in the improving the water ground levels.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

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

Principle 3

1. **Please indicate the Total number of employees**

   The Company has 8,973 employees as on March 31, 2018 including employees hired on temporary basis.

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

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

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

   The Company has 424 permanent women employees as on March 31, 2018.

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

   The Company has 7 permanent employees with disabilities.

5. **Do you have an employee association that is recognized by management**

   The Company has an employee association recognized by management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   We follow an unique and matured model of Association. This Association is run in its true spirit, participated by employees from various sections and the Management. Issues related to employees are discussed and addressed suitably with a macro view of entire organization.

   The horizon of collaborative effort of Management and Association is not just confined to Policies, Practices and processes, it takes care of reinforcing Core Values, progressively building culture of Institution.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

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

   a. Permanent Employees – 82%
   b. Permanent Women Employees – 82%
   c. Casual/Temporary/Contractual Employees – NA
   d. Employees with Disabilities – 80%

Principle 4

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

   The Company has mapped its key internal and external stakeholders.

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

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

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company builds a lasting relationship with all the stakeholders, internal and external, through meaningful discussions. This process helps us review the actions, rethink the roadmaps, redress grievances and recognize new venues of growth for all the stakeholders.

   The details of engagements platforms for each stakeholders are as follows

Key Stakeholders	Engagement Platforms
Employees	Intranet, Communication Meeting, Training Programs, Annual health check-ups, celebrations, in-house publications
Investors and Shareholders	Quarterly results, Annual Reports, Earnings call, Analyst meet, press releases
Society	Rajanna Trust, KECA
Customers & Partners	**Customers**: Regular business meetings, Customer satisfaction survey **Franchisees/Channel partners/ Suppliers**: Regular business meetings and annual meet

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately addresses these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner. This practice extends across the Amara Raja Group of Companies.

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

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

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The Company has well-defined policies/principles in place relating to Health, Safety and Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment. The policy and principles are communicated to the relevant external stakeholders. At present, these policies are applicable to the company only.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption consumption. The Company has started to record the emission of Green House Gases as per ISO 14064:2006 and action plan has being arrived at for the reduction of the same.

   The Company has installed 3.57 MW roof top solar panels & required systems during this financial year totalling to 6.3 MW to generate clean electrical energy in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. This ensures use of clean energy and also entails power at low cost.

3. **Does the company identify and assess potential environmental risks? Y/N**

   The Company has a mechanism to identify and assess risks which includes environmental risks. The Company is certified with ISO 14001:2004 – Environment Management Systems.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company continues to include in its process to reduce the emission of greenhouses through utilization of clean energy, wherever possible. The Company has started to record the emission of Green House Gases as per ISO 14064:2006 and action plan has being arrived at for the reduction of the same.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company has installed 3.57 MW roof top solar panels and systems during this financial year totalling to 6.3 MW to generate clean energy in second location at Nunegundlapalle Village, Bangarupalayam Mandal, Chittoor District, Andhra Pradesh 517 416. This ensures use of clean energy and also entails power at low cost.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are no legal notices from CPCB/SPCB are pending as on end of financial year.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   a. Confederation of Indian Industry (CII)
   b. Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
   c. Federation of Indian Export Organisation (FIEO)
   d. Engineering Export Promotion Council (EEPC)
   e. Employers' Federation of Southern India (EFSI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   The Company is represented on the governing bodies and several committees – both at the state and national levels of CII and through these forums the Company actively participates in various issues concerning business and society.

Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has undertaken projects covering developing the rural infrastructure, schools and colleges in the villages of Pettamitta and Diguvamagham Villages of Chittoor District. The Company strongly believes in the true spirit of giving back to the society a certain percentage of the profits were contributed to the Rajanna Trust, a vehicle for carrying the CSR activities of the Company. The Company has a well-defined CSR policy which is in line with the provision of the Companies Act, 2013. The report on the CSR projects carried by the Company is annexed to the Director's Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   The Company, through Rajanna Trust undertakes various CSR initiatives, which are monitored by a dedicated internal team of the Company at periodic intervals.

3. **Have you done any impact assessment of your initiative?**

   The Company is in the process of conducting an impact assessment of the CSR initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   The Company has spent ₹14.28 crores on the CSR Activities during the financial year 2017-18. The amount was spent on areas as mentioned in Annexure V to the Director's Report

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The main focus of the CSR policy of the Company is on health, education, environment and rural development. The various initiatives taken in these areas have a positive impact on the stakeholders surrounding the communities where such community development programs were undertaken by the Company.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   A well-established system is in place for dealing with customer feedback and complaints. All complaints are appropriately addressed and resolved, in most of the cases at the earliest. As at the end of the financial year, there was negligible percentage of unresolved complaints, compared to size of the Company.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information).**

   The Company displays product information on the products label as required and mandated by the local laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There were no cases against the Company in relation to unfair trade practices, irresponsible advertising and/or Anti-competitive behavior during the last five years and there are no pending cases as on March 31, 2018.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Consumer survey/Consumer satisfaction survey is being conducted periodically to assess the consumer satisfaction levels. We had conducted a survey on "Brand Health Study" through Ipsos Indica, a market research organization.

Annexure IV

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2018

[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 are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Batteries and Accumulators	27201	97.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Nil					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a. Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	376,150	-	376,150	0.22	-	-	-	-	(0.22)
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	3,115,500	-	3,115,500	1.82	44,516,202	-	44,516,202	26.06	24.24
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other -	-	-	-	-	-	-	-	-	-
M/s. RNGalla Family & Co.*	40,231,308	-	40,231,308	23.56	-	-	-	-	(23.56)
Sub-total (A) (1):	**43,722,958**	**-**	**43,722,958**	**25.60**	**44,516,202**	**-**	**44,516,202**	**26.06**	**0.46**
(2) Foreign									
a) NRIs -Individuals	793,244	-	793,244	0.46	-	-	-	-	(0.46)
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	44,411,250	-	44,411,250	26.00	44,411,250	-	44,411,250	26.00	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	**45,204,494**	**-**	**45,204,494**	**26.46**	**44,411,250**	**-**	**44,411,250**	**26.00**	**(0.46)**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**88,927,452**	**-**	**88,927,452**	**52.06**	**88,927,452**	**-**	**88,927,452**	**52.06**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	14,128,356	10,500	14,138,856	8.28	16,075,758	9,000	16,084,758	9.42	1.14
b) Banks / FI	1,091,973	7,500	1,099,473	0.64	2,013,278	6,000	2,019,278	1.18	0.54
c) Central Government	-	-	-	-	531,761	-	531,761	0.31	0.31
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	3,326,231	1,500	3,327,731	1.95	-	-	-	-	(1.95)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									

Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Portfolio Investors	3,02,73,113	-	3,02,73,113	17.72	3,24,05,331	1,500	3,24,06,831	18.97	1.25
Alternate Investment Funds	-	-	-	-	6,31,810	-	6,31,810	0.37	0.37
Sub-total (B)(1):	**4,88,19,673**	**19,500**	**4,88,39,173**	**28.59**	**5,16,57,938**	**16,500**	**5,16,74,438**	**30.25**	**1.66**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	50,89,662	2,50,514	53,40,176	3.13	47,83,889	16,514	48,00,403	2.81	(0.32)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	1,63,78,367	12,20,276	1,75,98,643	10.30	1,36,74,124	11,03,242	1,47,77,366	8.65	(1.65)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	8,74,580	-	8,74,580	0.51	10,78,914	-	10,78,914	0.63	0.12
c) Others (specify)									
Clearing members	3,04,844	-	304,844	0.18	79,871	-	79,871	0.05	(0.13)
Foreign nationals	60	-	60	-	-	-	-	-	-
Hindu Undivided Families	4,25,688	-	4,25,688	0.25	4,02,204	-	4,02,204	0.24	(0.01)
Non Resident Indians	43,85,186	30,10,466	73,95,652	4.33	41,59,395	28,04,982	69,64,377	4.08	(0.25)
Others - Unclaimed suspense account	7,88,500	-	7,88,500	0.46	95,000	-	95,000	0.06	(0.41)
Others - IEPF	-	-	-	-	7,39255	-	7,39255	0.43	0.43
Foreign Portfolio Investor (Individual) Category III	300	-	300	-	398	-	398	-	-
Trusts	3,17,452	-	3,17,452	0.19	12,72,852	-	12,72,852	0.75	0.56
Sub-total (B)(2):	**2,85,64,619**	**44,81,256**	**3,30,45,875**	**19.35**	**2,62,85,872**	**39,24,738**	**3,02,10,610**	**17.69**	**(1.66)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**7,73,84,292**	**45,00,756**	**8,18,85,048**	**47.94**	**7,79,43,810**	**39,41,238**	**8,18,85,048**	**47.94**	**-**
Total (A) + (B)	**16,63,11,744**	**45,00,756**	**17,08,12,500**	**100.00**	**16,68,71,262**	**39,41,238**	**17,08,12,500**	**100.00**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,63,11,744**	**45,00,756**	**17,08,12,500**	**100.00**	**16,68,71,262**	**39,41,238**	**17,08,12,500**	**100.00**	**-**

*As on April 1, 2017, M/s. RNGalla Family & Co., a partnership firm held the beneficial interest of the above shares and Dr. Ramachandra N Galla, Mrs. Amara Kumari Galla, Mr. Jayadev Galla, Mrs. Padmavathi Galla, Mr. Ashok Galla, Mr. Siddharth Galla, Dr. Gourineni Ramadevi, Mr. Vikramadithya Gourineni and Mr. Harshavardhana Gourineni held shares of the Company as partners of the aforesaid firm.

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b. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% 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	12,795,074*	7.49	-	-	-	-	(7.49)
2	Amara Kumari Galla	5,260,500*	3.08	-	-	-	-	(3.08)
3	Jayadev Galla	12,821,984*	7.51	0.22	-	-	-	(7.51)
4	Padmavathi Galla	991,500*	0.58	-	-	-	-	(0.58)
5	Ashok Galla	52,500*	0.03	-	-	-	-	(0.03)
6	Siddharth Galla	52,500*	0.03	-	-	-	-	(0.03)
7	Ramadevi Gourineni	8,055,900*	4.72	-	-	-	-	(4.72)
8	G V Ramakrishna Vara Prasad	793,244*	0.46	-	-	-	-	(0.46)
9	Harshavardhana Gourineni	288,750*	0.17	-	-	-	-	(0.17)
10	Vikramadithya Gourineni	288,750*	0.17	-	-	-	-	(0.17)
11	RNGalla Family Private Limited	-	-	-	41,400,702*	-		24.24
12	Mangal Industries Limited	3,115,500	1.82	-	3,115,500	1.82	-	-
13	Johnson Controls (Mauritius) Private Limited	44,411,250	26.00	-	44,411,250	26.00	-	-
		88,927,452	**52.06**	**0.22**	**88,927,452**	**52.06**	**-**	**-**

* As on April 1, 2017, M/s. RNGalla Family & Co., a partnership firm held the beneficial interest of the above shares and the aforesaid promoters held shares of the Company as partners of the aforesaid firm. The said partnership firm was converted into RNGalla Family Private Limited on July 11, 2017 as per the provisions of the Companies Act, 2013.

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

	At the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
At the beginning of the year	88,927,452	52.06	-	-
No change during the year				
At the end of the year	-	-	88,927,452	52.06

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

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	**Franklin Templeton Investment Funds#**				
	At the beginning of the year	**4,784,006**	**2.80**		
	Market purchases/(sales) during the week ended				
	June 3, 2017	3,963	0.00	4,787,969	2.80
	June 16, 2017	12,031	0.01	4,800,000	2.81
	August 18, 2017	(2,661,873)	(1.56)	2,138,127	1.25
	September 1, 2017	(2,138,127)	(1.25)	-	-
	At the end of the year			**-**	**-**
2.	**ICICI Prudential Mutual Fund (including all managed schemes)***				
	At the beginning of the year	**4,156,246**	**2.43**		
	Net market purchases/(sales) during the week ended				
	June 23, 2017	59	0.00	4,156,305	2.43
	July 21, 2017	(59)	(0.00)	4,156,246	2.43
	August 4, 2017	49	0.00	4,156,295	2.43
	September 8, 2017	(31,482)	(0.02)	4,124,813	2.41
	September 15, 2017	(21,025)	(0.01)	4,103,788	2.40
	September 22, 2017	455	0.00	4,104,243	2.40
	October 20, 2017	74	0.00	4,104,317	2.40
	November 17, 2017	(74)	(0.00)	4,104,243	2.40
	December 1, 2017	74	0.00	4,104,317	2.40
	December 15, 2017	64,800	0.04	4,169,117	2.44
	December 29, 2017	(3,430)	(0.00)	4,165,687	2.44
	January 5, 2018	(3,430)	(0.00)	4,165,687	2.44
	January 12, 2018	74	0.00	4,165,761	2.44
	January 19, 2018	74	0.00	4,165,835	2.44
	February 16, 2018	(12,600)	(0.01)	4,153,235	2.43
	February 23, 2018	74	0.00	4,153,309	2.43
	March 2, 2018	74	0.00	4,153,383	2.43
	March 9, 2018	(11,200)	(0.01)	4,142,183	2.42
	March 23, 2018	(3,664)	(0.00)	4,138,519	2.42
	March 30, 2018	(7,700)	(0.00)	4,130,819	2.42
	At the end of the year			**4,130,819**	**2.42**

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
3.	**Franklin Templeton Mutual Fund (including all managed schemes)***				
	At the beginning of the year	**2,564,674**	**1.50**		
	Net market purchases/(sales) during the week ended:				
	April 7, 2017	135,970	0.08	2,700,644	1.58
	April 21, 2017	152,906	0.09	2,853,550	1.67
	April 28, 2017	498,205	0.29	3,351,755	1.96
	May 5, 2017	266,575	0.16	3,618,330	2.12
	May 12, 2017	92,077	0.05	3,710,407	2.17
	May 26, 2017	196,684	0.12	3,907,091	2.29
	June 3, 2017	5,942	0.00	3,913,033	2.29
	June 16, 2017	150,000	0.09	4,063,033	2.38
	June 30, 2017	74,000	0.04	4,137,033	2.42
	July 7, 2017	15,710	0.01	4,152,743	2.43
	July 21, 2017	101,298	0.06	4,254,041	2.49
	August 11, 2017	8,489	0.00	4,262,530	2.50
	October 20, 2017	250,000	0.15	4,512,530	2.64
	October 27, 2017	103,746	0.06	4,616,276	2.70
	November 3, 2017	46,254	0.03	4,662,530	2.73
	November 17, 2017	(150,000)	(0.09)	4,512,530	2.64
	December 29, 2017	(100,000)	(0.06)	4,412,530	2.58
	January 5, 2018	(100,000)	(0.06)	4,412,530	2.58
	February 16, 2018	(256,152)	(0.15)	4,156,378	2.43
	At the end of the year			**4,156,378**	**2.43**
4.	**Baron Emerging Market Fund#**				
	Market purchases/(sales) during the week ended				
	At the beginning of the year	**2,000,000**	**1.17**		
	April 7, 2017	(77,391)	(0.05)	1,922,609	1.13
	July 14, 2017	160,068	0.09	2,082,677	1.22
	July 21, 2017	9,932	0.01	2,092,609	1.23
	September 8, 2017	55,760	0.03	2,148,369	1.26
	September 30, 2017	(45,631)	(0.03)	2,102,738	1.23
	October 6, 2017	(169,369)	(0.10)	1,933,369	1.13
	October 27, 2017	(34,419)	(0.02)	1,898,950	1.11
	November 3, 2017	(165,581)	(0.10)	1,733,369	1.01
	November 17, 2017	(409,730)	(0.24)	1,323,639	0.77
	November 24, 2017	(181,179)	(0.11)	1,142,460	0.67
	December 1, 2017	(204,211)	(0.12)	938,249	0.55
	December 8, 2017	(169,728)	(0.10)	768,521	0.45
	December 15, 2017	(682,249)	(0.40)	86,272	0.05
	December 22, 2017	(86,272)	(0.05)	-	-
	At the end of the year			**-**	**-**

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
5.	**Smallcap World Fund, Inc**				
	At the beginning of the year	**1,879,756**	**1.10**		
	Market purchases/(sales) during the week ended				
	November 17, 2017	440,206	0.26	2,319,962	1.36
	December 15, 2017	609,384	0.36	2,929,346	1.71
	December 22, 2017	189,410	0.11	3,118,756	1.83
	At the end of the year			**3,118,756**	**1.83**
6.	**FIidelity Investment Trust - Fidelity Emerging Markets Fund#**				
	At the beginning of the year	**15,56,233**	**0.91**		
	Market purchases/(sales) during the week ended :				
	April 7, 2017	(20,858)	(0.01)	1,535,375	0.90
	April 14, 2017	(14,794)	(0.01)	1,520,581	0.89
	April 28, 2017	(26,938)	(0.02)	1,493,643	0.87
	May 26, 2017	(22,203)	(0.01)	1,471,440	0.86
	July 21, 2017	66,444	0.04	1,537,884	0.90
	August 4, 2017	(24,941)	(0.01)	1,512,943	0.89
	August 11, 2017	173,143	0.10	1,686,086	0.99
	September 1, 2017	207,232	0.12	1,893,318	1.11
	September 15, 2017	(83,142)	(0.05)	1,810,176	1.06
	September 22, 2017	(524,607)	(0.31)	1,285,569	0.75
	September 30, 2017	(1,285,569)	(0.75)	-	-
	At the end of the year			**-**	**-**
7.	**Dr. Upendranath N**				
	At the beginning of the year	**1392,602**	**0.82**		
	Market purchases/(sales) during the week ended				
	June 9, 2017	(16,000)	(0.01)	1,376,602	0.81
	December 29, 2017	(17,728)	(0.01)	1,358,874	0.80
	At the end of the year			**1,358,874**	**0.80**
8.	**J O Hambro Capital Management Umbrella Fund PLC (Various funds)#**				
	At the beginning of the year	**1,371,069**	**0.80**		
	Net market purchases/(sales) during the week ended				
	May 19, 2017	32,509	0.02	1,403,578	0.82
	May 26, 2017	7,649	0.00	1,411,227	0.83
	September 8, 2017	(1,425)	(0.00)	1,409,802	0.83
	September 15, 2017	(261,284)	(0.15)	1,148,518	0.67
	September 22, 2017	(93,910)	(0.05)	1,054,608	0.62
	September 30, 2017	(60,870)	(0.04)	993,738	0.58
	October 13, 2017	(195,906)	(0.11)	797,832	0.47
	October 20, 2017	(197,086)	(0.12)	600,746	0.35
	November 3, 2017	(30,259)	(0.02)	570,487	0.33
	November 10, 2017	(306,238)	(0.18)	264,249	0.15

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	November 17, 2017	(264,249)	(0.15)	-	-
	At the end of the year			**-**	**-**
9.	**Durga Rani Chunduri**				
	At the beginning of the year	**13,51,500**	**0.79**		
	Market purchases/(sales) during the week ended : Nil				
	At the end of the year			**13,51,500**	**0.79**
10.	**Powermaster Engineers Private Limited**				
	At the beginning of the year	**12,63,528**	**0.74**		
	Market purchases/(sales) during the week ended : Nil				
	At the end of the year			**12,63,528**	**0.74**
11.	**Nalanda India Equity Fund ^**				
	At the beginning of the year	**-**	**-**		
	Market purchases during the week ended				
	August 11, 2017	138,611	0.08	138,611	0.08
	August 18, 2017	2,701,289	1.58	2,839,900	1.66
	August 25, 2017	320,100	0.19	3,160,000	1.85
	September 1, 2017	1,663,000	0.97	4,823,000	2.82
	September 22, 2017	720,046	0.42	5,543,046	3.25
	September 30, 2017	1,942,454	1.14	7,485,500	4.38
	October 13, 2017	188,000	0.11	7,673,500	4.49
	October 20, 2017	435,000	0.25	8,108,500	4.75
	October 27, 2017	129,862	0.08	8,238,362	4.82
	November 3, 2017	124,977	0.07	8,363,339	4.90
	November 17, 2017	419,169	0.25	8,782,508	5.14
	February 9, 2018	41,600	0.02	8,824,108	5.17
	February 16, 2018	128,827	0.08	8,952,935	5.24
	March 2, 2018	165,000	0.10	9,117,935	5.34
	March 9, 2018	163,000	0.10	9,280,935	5.43
	March 16, 2018	660,000	0.39	9,940,935	5.82
	March 23, 2018	545,000	0.32	10,485,935	6.14
	At the end of the year			**10,485,935**	**6.14**
12.	**Reliance Mutual Funds (including all schemes) ^**				
	At the beginning of the year				
	Net market purchases/(sales) during the week ended				
	April 7, 2017	588,000	0.34	588,000	0.34
	April 14, 2017	47,400	0.03	635,400	0.37
	April 21, 2017	61,200	0.04	696,600	0.41
	April 28, 2017	15,000	0.01	711,600	0.42
	May 12, 2017	(3,600)	(0.00)	708,000	0.41
	May 19, 2017	(48,600)	(0.03)	659,400	0.39
	May 26, 2017	13,000	0.01	672,400	0.39

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	June 3, 2017	(59,400)	(0.03)	613,000	0.36
	July 7, 2017	87,000	0.05	700,000	0.41
	July 14, 2017	50,000	0.03	750,000	0.44
	July 28, 2017	23,400	0.01	773,400	0.45
	August 11, 2017	26,600	0.02	800,000	0.47
	August 25, 2017	50,000	0.03	850,000	0.50
	September 1, 2017	33,600	0.02	883,600	0.52
	September 8, 2017	11,400	0.01	895,000	0.52
	September 15, 2017	138,800	0.08	1,033,800	0.61
	September 22, 2017	6,600	0.00	1,040,400	0.61
	September 30, 2017	536,800	0.31	1,577,200	0.92
	October 6, 2017	729,400	0.43	2,306,600	1.35
	October 13, 2017	374,200	0.22	2,680,800	1.57
	October 20, 2017	46,800	0.03	2,727,600	1.60
	October 27, 2017	62,200	0.04	2,789,800	1.63
	November 17, 2017	1,229,733	0.72	4,019,533	2.35
	November 24, 2017	277,833	0.16	4,297,366	2.52
	December 1, 2017	177,000	0.10	4,474,366	2.62
	December 22, 2017	(77,900)	(0.05)	4,396,466	2.57
	December 29, 2017	(53,400)	(0.03)	4,343,066	2.54
	January 5, 2018	(75,100)	(0.04)	4,321,366	2.53
	January 12, 2018	(87,980)	(0.05)	4,233,386	2.48
	January 19, 2018	(10,500)	(0.01)	4,222,886	2.47
	January 25, 2018	74,200	0.04	4,297,086	2.52
	February 2, 2018	(23,852)	(0.01)	4,273,234	2.50
	February 9, 2018	(51,100)	(0.03)	4,222,134	2.47
	February 16, 2018	35,000	0.02	4,257,134	2.49
	March 2, 2018	(39,760)	(0.02)	4,217,374	2.47
	March 9, 2018	(127,400)	(0.07)	4,089,974	2.39
	March 16, 2018	(580,500)	(0.34)	3,509,474	2.05
	March 23, 2018	(313,800)	(0.18)	3,195,674	1.87
	March 30, 2018	(69,300)	(0.04)	3,126,374	1.83
	At the end of the year			**3,126,374**	**1.83**
13.	**UTI Mutual Funds (including all schemes)^**				
	At the beginning of the year	**1,811,994**	**1.06**		
	Market purchases/(sales) during the week ended				
	April 7, 2017	(94,800)	(0.06)	1,717,194	1.01
	April 14, 2017	27,600	0.02	1,744,794	1.02
	May 5, 2017	(44,400)	(0.03)	1,700,394	1.00
	May 12, 2017	(33,600)	(0.02)	1,666,794	0.98
	May 26, 2017	270,000	0.16	1,936,794	1.13
	June 3, 2017	(600)	(0.00)	1,936,194	1.13

Sl No.	Top 10 Shareholders*	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	June 16, 2017	55,200	0.03	1,991,394	1.17
	June 23, 2017	(14,000)	(0.01)	1,977,394	1.16
	August 4, 2017	14,600	0.01	1,991,994	1.17
	August 11, 2017	(21,000)	(0.01)	1,970,994	1.15
	August 18, 2017	(6,000)	(0.00)	1,964,994	1.15
	August 25, 2017	48,000	0.03	2,012,994	1.18
	September 1, 2017	3,000	0.00	2,015,994	1.18
	September 8, 2017	(4,200)	(0.00)	2,011,794	1.18
	September 15, 2017	28,000	0.02	2,039,794	1.19
	September 30, 2017	2,500	0.00	2,042,294	1.20
	October 6, 2017	36,000	0.02	2,078,294	1.22
	October 13, 2017	4,400	0.00	2,082,694	1.22
	October 20, 2017	39,000	0.02	2,121,694	1.24
	October 27, 2017	44,000	0.03	2,165,694	1.27
	November 3, 2017	15,600	0.01	2,181,294	1.28
	November 17, 2017	14,200	0.01	2,195,494	1.29
	November 24, 2017	95,000	0.06	2,290,494	1.34
	December 15, 2017	(9,600)	(0.01)	2,280,894	1.34
	December 22, 2017	(270,000)	(0.16)	2,010,894	1.18
	December 29, 2017	100	0.00	2,010,994	1.18
	January 25, 2018	33,600	0.02	2,044,594	1.20
	February 2, 2018	6,300	0.00	2,050,894	1.20
	February 9, 2018	(100,200)	(0.06)	1,950,694	1.14
	March 9, 2018	25,000	0.01	1,975,694	1.16
	March 30, 2018	(80,872)	(0.05)	1,894,822	1.11
	At the end of the year			**1,894,822**	**1.01**
14.	**Wasatch International Growth Fund ^**				
	At the beginning of the year	**1,070,395**	**0.63**		
	Market purchases/(sales) during the week ended				
	May 19, 2017	139,295	0.08	1,209,690	0.71
	August 25, 2017	(269,849)	(0.16)	939,841	0.55
	October 6, 2017	(48,393)	(0.03)	891,448	0.52
	February 16, 2018	356,530	0.21	1,247,978	0.73
	February 23, 2018	41,352	0.02	1,289,330	0.75
	At the end of the year			**1,289,330**	**0.75**

* 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, 2018. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on April 1, 2017.

^ Not in the Top 10 shareholders as on April 1, 2017. However, the details were furnished as the shareholder was one of the Top 10 shareholders as on March 31, 2018.

e. Shareholding of Directors and Key Managerial Personnel:

Sl No.	For Each of the Directors and KMP	At the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	**Dr. Ramachandra N. Galla, Chairman**				
	At the beginning of the year	1,27,95,074*	7.49		
	At the end of the year			Nil	Nil
2.	**Mr. Jayadev Galla, Vice Chairman and Managing Director**				
	At the beginning of the year	1,28,21,984*	7.51		
	At the end of the year			Nil	Nil
3.	**Mr. Trent M Nevill#**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
4.	**Mr. Marc D Andraca**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
5.	**Mr. Raphael John Shemanski#**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
6.	**Mr. Nagarjun Valluripalli**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
7.	**Mr. N Sri Vishnu Raju**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
8.	**Mr. T R Narayanaswamy**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
9.	**Ms. Bhairavi Tushar Jani**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
10.	**Mr. S Vijayanand, Chief Executive Officer**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil
11.	**Mr. S V Raghavendra, Chief Financial Officer**				
	At the beginning of the year	170	0.0001		
	At the end of the year			170	0.0001
12.	**Mr. M R Rajaram, Company Secretary**				
	At the beginning of the year	Nil	Nil		
	At the end of the year			Nil	Nil

* As on April 1, 2017, M/s. RNGalla Family & Co., a partnership firm held the beneficial interest of 12,795,074 equity shares of Dr. Ramachandra N Galla, Chairman and 12,445,834 shares of Mr. Jayadev Galla, Vice Chairman and Managing Director.

\# Mr. Raphael John Shemanski and Mr. Trent Moore Nevill resigned as Directors of the Company w.e.f November 9, 2017 and May 18, 2018 respectively.

V. INDEBTEDNESS

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

₹ crores

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	72.47	-	72.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**72.47**	**-**	**72.47**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	(8.94)	-	(8.94)
Net Change	**-**	**(8.94)**	**-**	**(8.94)**
Indebtedness at the end of the financial year				
i) Principal Amount	-	63.53	-	63.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**63.53**	**-**	**63.53**

*interest free sales tax deferment loan.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ crores

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Jayadev Galla	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	2.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.08	0.08
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	36.38	36.38
	- as % of profit		
	- others, specify	-	-
5	Others, Contribution to Provident Fund	0.00*	0.00*
	Total (A)	**38.86**	**38.86**
	Ceiling as per the Act i.e 5% of the net profits calculated under Section 198 of the Companies Act, 2013		38.86

* Amount less than ₹ 1 lakh

B. Remuneration to other directors:

₹ crores

Sl. no.	Name of the Director	Particulars of Remuneration			
		Fees for attending board / committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Mr. Nagarjun Valluripalli	0.02	0.05	-	0.07
	Mr. N Sri Vishnu Raju	0.01	0.05	-	0.06
	Mr. T R Narayanaswamy	0.01	0.05	-	0.06
	Ms. Bhairavi Tushar Jani	0.01	0.05	-	0.06
	Total (1)	**0.05**	**0.20**	**-**	**0.25**
2.	**Other Non-Executive Directors**				
	Dr. Ramachandra N Galla	-	23.32	-	23.32
	Mr. Marc D Andraca *	-	-	-	-
	Mr. Trent M Nevill*	-	-	-	-
	Mr. Raphael J Shemanski*	-	-	-	-
	Total (2)	**-**	**23.32**	**-**	**23.32**
	Total (B)= (1+2)	**0.05**	**23.52**	**-**	**23.57**
	Total Managerial Remuneration				23.57
	Ceiling as per the Act i.e 1% of the net profits calculated under Section 198 of the Companies Act, 2013#				7.15

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

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

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

₹ crores

Sl. no.	Particulars of Remuneration		Key Managerial Personnel		
		Mr. S Vijayanand, CEO	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	1.35	1.13	0.60	3.08
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0.07	0.03	0.01	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	-	-	-	-
	Total	**1.42**	**1.16**	**0.61**	**3.20**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

Annexure V

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 youth, providing scholarships to meritorious students of underprivileged and promoting preventive healthcare activities such as providing safe and healthy drinking water, aiding hospitals etc.

   Weblink: http://www.amararaja.co.in/policies/ARBL-Corporate-Social-Responsibility-policy.pdf

2. **Composition of the CSR Committee:**

Name	Designation	Category
Dr. Ramachandra N Galla	Chairman	Non-Independent, Non-Executive
Mr. Nagarjun Valluripalli	Member	Independent, Non-Executive
Mr. T R Narayanaswamy	Member	Independent, Non-Executive
Mr. Raphael John Shemanski*	Member	Non-Independent, Non-Executive

* Resigned as a Director with effect from November 9, 2017

3. **Average net profit of the Company for last three financial years:** ₹625.89 crores

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

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

   a. Total amount spent for the financial year : ₹14.28 crores

   b. Amount unspent, if any : Nil

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

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
Common infrastructure facilities at Educational complexes	Rural Development Project	Pettamitta & Diguvamagham Villages Chittoor District, Andhra Pradesh	₹11.60 crores	₹10.88 crores	₹10.88 crores	Implementing Agency i.e Rajanna Trust
Running expenses of Skill Development Centre	Rural Development Project	Pettamitta, Chittoor, Andhra Pradesh	₹4.00 crores	₹3.40 crores	₹28.50 crores	Implementing Agency i.e Rajanna Trust

Place: Milwaukee, USA
Date: May 18, 2018

Dr. Ramachandra N Galla
Chairman of the CSR Committee

Annexure VI

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **There are no contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.**

2. **Details of material contracts or arrangement or transactions at an arm's length basis**

(a)	Name(s) of the related party and nature of relationship	Mangal Industries Limited (MIL) Dr. Ramachandra N Galla, Chairman and Mr. Jayadev Galla, Vice Chairman and Managing Director are Directors of MIL and exercise control/significant control of MIL
(b)	Nature of contracts/ arrangements/ transactions	**Income:** Sale of goods/fixed assets; Rendering of services and Sharing of expenses **Expenses:** Purchase of materials, plastic components, storage racks and sharing of expenses.
(c)	Duration of the contracts / arrangements/ transactions	On going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any*	Based on transfer pricing guidelines

*The members at the annual general meeting held on August 7, 2017 authorized the Board (including Committees of the Board) to enter into transactions with MIL upto ₹1,000 crore in a financial year and all the appropriate approvals of the Board/Audit Committee have been taken for entering into transactions with MIL. Advances paid, if any, have been adjusted against invoices, wherever applicable. Please refer note 34 to the notes forming part of the financial statements for further information on transactions with MIL.

On behalf of the Board

Place: Milwaukee, USA
Date: May 18, 2018

Dr. Ramachandra N Galla
Chairman

Annexure VII

Information under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Directors' Report:

A. Conservation of Energy

The Company continued its focused energy conservation efforts through up-gradation of process technology, effective production scheduling and various energy saving initiatives including installation of energy efficient equipment's.

B. Technology Absorption

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

The 'Technology' activities of the Company are categorized under three broad areas of focus:

- Product Technology
- Manufacturing Engineering
- Research & Analysis

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

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

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

- Developed and evaluated improved pasting and curing processes for enhanced battery performance and reliability of telecom batteries.
- Development of eco-friendly i.e. ROHS battery flux.
- Developed EFB variants for automotive start stop application.
- Developed novel test method for lead oxide powder characterization.
- Developed indigenous COS Molds for industrial batteries as a part of Make in India Concept.
- Implemented Material efficiency improvement through process and product performance evaluation of automotive battery.
- Innovated a new class of Binder to enhance the plate bonding and to reduce the lead dust.
- Introduced high energy density FTA products for telecom application.
- Introduced lead optimized new variant in tall tubular for HUPS application.
- Introduced short tubular models to have fulfill complete product production portfolio.
- Introduced tubular battery for e-Rickshaw application.
- Optimized curing and drying for four-wheeler automotive battery plates resulting in energy saving.
- Pursued plate characterization studies with advanced techniques to enhance the plate quality.
- Validated and commercialized advanced positive plate making technology for four-wheeler automotive batteries resulting in enhanced productivity and lead saving.
- Validated and implemented new plate making technology with indigenous tooling for improved productivity and lead saving of motor cycle batteries.
- Validated alternate terminal welding method for small VRLA batteries to facilitate online continuous production and process consistency.

- Validated of Advanced plate Making Technology for UPS Batteries.

iii. Future Plan of Action (2018-19)

- A novel recipe development for enhanced flooded batteries.
- A study to formulate new flame retardant grades.
- Design and development of generation-2, EFB batteries to meet the latest start stop application requirements.
- Design & Development of AGM VRLA Battery for HUPS & e-Rickshaw Application Superior Alloy Implementation for Industrial Batteries.
- Eco friendly lead alloy development for VRLA batteries.
- Enhancement of Inter cell weld strength for MF series MC battery.
- Evaluation of improved processes to enhance Cell to cell string balance in telecom batteries.
- Implementation of advanced plate technology for motorcycle batteries.
- New Formation process validation & Pilot Launch for AGM VRLA batteries.
- NABL Accreditation filing for the Chemical & Physical laboratories.
- Optimization of Curing and Drying cycle time and energy for Tubular batteries.
- Study on Developing a lead acid battery with Intelligent features.
- Technology demonstration of 12V Tubular Gel (TGel) for e-Rickshaw application.

iv. Efforts in brief, made towards technology absorption

- Developed Indigenous COS Molds for Industrial Batteries as a part of Make in India Concept.
- Validated and implemented new plate making technology with indigenous tooling for improved productivity and lead saving of motor cycle batteries.
- Validated alternate terminal welding method for Small VRLA batteries to facilitate online continuous production and process consistency.

v. Benefits derived as a result of above efforts:

- Cost reduction
- Environmental protection
- Energy conservation
- Enhanced performance and reliability of the product
- Enhanced market share
- Customer Satisfaction
- Penetration into newer markets
- Resource saving

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

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

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

₹ crores

Sl. No	Parameters	2017-18	2016-17
1	Capital	1.60	5.28
2	Recurring	8.66	7.57
Total		**10.26**	**12.85**

viii. Foreign exchange earnings and outgo

₹ crores

Sl. No	Particulars	2017-18	2016-17
1	Foreign exchange used	1,685.83	1,496.25
2	Foreign exchange earned	474.60	406.74

On behalf of the Board

Place: Milwaukee, USA
Date: May 18, 2018

Dr. Ramachandra N Galla
Chairman

Annexure VIII

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

a. **The Ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any for the financial year 2017-18:**

Name of the Director/ Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
Non-Executive Directors		
Dr. Ramachandra N Galla, Non-Executive Chairman	1,202.19	2.09
Mr. Raphael John Shemanski, Non-Executive Director#	-	-
Mr. Trent Moore Nevill, Non-Executive Director#	-	-
Mr. Marc D Andraca, Non-Executive Director*	-	-
Mr. Nagarjun Valluripalli, Non-Executive Independent Director	2.58	-
Mr. N Sri Vishnu Raju, Non-Executive Independent Director	2.58	-
Mr. T R Narayanaswamy, Non-Executive Independent Director	2.58	-
Ms. Bhairavi Tushar Jani, Non-Executive Independent Director	2.58	-
Executive Director		
Mr. Jayadev Galla, Vice Chairman and Managing Director	2,003.64	2.09
Key Managerial Personnel		
Mr. S Vijayanand, Chief Executive Officer^	73.51	NA
Mr. S V Raghavendra, Chief Financial Officer	59.72	7.11
Mr. M R Rajaram, Company Secretary	31.61	5.79

Mr. Raphael John Shemanski and Mr. Trent Moore Nevill resigned as directors of the Company with effect from November 9, 2017 and May 18, 2018 respectively.

* Mr. Marc D Andraca was appointed as an additional director with effect from February 10, 2018.

^ Mr. S Vijayanand was appointed as CEO with effect from April 1, 2017.

b. **The percentage increase in the median remuneration of employees in the financial year :** 6.12%

c. **The number of permanent employees on the rolls of the Company :** 7,051

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in the salaries of employees other than the managerial personnel in 2017-18 was 10.23%. The Percentage increase in the managerial remuneration for the same financial year was 2.09%

e. **Affirmation that the remuneration is as per the remuneration policy of the company:**

It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board

Place: Milwaukee, USA
Date: May 18, 2018

Dr. Ramachandra N Galla
Chairman

Independent Auditors' Report

To the members of

Amara Raja Batteries Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of AMARA RAJA BATTERIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
Membership No. 202309

Vijayawada, May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

Sumit Trivedi
Partner
Membership No. 209354

Hyderabad, May 18, 2018

Annexure "A" To the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AMARA RAJA BATTERIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial controls, over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
Membership No. 202309

Vijayawada, May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

Sumit Trivedi
Partner
Membership No. 209354

Hyderabad, May 18, 2018

Annexure "B" To the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ Government Orders provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except in the case of certain land, refer details in Note 33 of the financial statements. The carrying amount of such land as at March 31, 2018 is ₹ Nil.

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

(ii) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ crores)	Amount Unpaid (₹ crores)
VAT Laws	VAT	Appellate Authority upto Commissioner level	2007-08 to 2015-16	7.08	5.77
		Tribunal	2007-08 and 2009-10 to 2011-12	1.36	0.36
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner level	2004-05, 2010-11 to 2011-12 and 2014-15	8.78	7.68
		Tribunal	2007-08	0.14	-
Income Tax Act, 1961	Income-tax	Appellate Authority upto Commissioner level	2009-10	0.33	0.17
Central Excise Act, 1944	Excise Duty	Tribunal	2003-04 to 2007-08	0.96	0.61
Finance Act, 1994	Service Tax	Tribunal	2005-06	0.76	0.61

Out of the total disputed dues aggregating ₹19.41 crores as above, ₹3.43 crores has been stayed for recovery by the relevant authorities.

There are no dues of customs duty as at March 31, 2018 on account of disputes.

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

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

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

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

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

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

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

For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
Membership No. 202309

Vijayawada, May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N : 117366W/W-100018)

Sumit Trivedi
Partner
Membership No. 209354

Hyderabad, May 18, 2018

Balance Sheet

as at March 31, 2018

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

		Notes	As at March 31, 2018	As at March 31, 2017
A.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	3	1,698.19	1,487.02
	(b) Capital work-in-progress		226.38	240.25
	(c) Other intangible assets	4	5.06	5.12
	(d) Financial assets			
	(i) Investments	5	19.81	18.88
	(ii) Other financial assets	6	5.27	5.90
	(e) Income tax assets (net)	19	18.58	10.88
	(f) Other non-current assets	11	42.96	57.90
	Total non - current assets		**2,016.25**	**1,825.95**
	Current assets			
	(a) Inventories	7	1,049.71	816.95
	(b) Financial assets			
	(i) Investments	5	15.33	127.78
	(ii) Trade receivables	8	782.45	570.49
	(iii) Cash and cash equivalents	9	48.73	100.74
	(iv) Bank balances other than (iii) above	10	62.55	70.18
	(v) Other financial assets	6	9.15	7.51
	(c) Other current assets	11	184.38	64.97
	Total current assets		**2,152.30**	**1,758.62**
	Total assets		**4,168.55**	**3,584.57**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	12	17.08	17.08
	(b) Other equity	13	2,920.31	2,575.99
	Total equity		**2,937.39**	**2,593.07**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	58.43	69.01
	(b) Provisions	15	45.15	40.42
	(c) Deferred tax liabilities (net)	16	87.81	81.51
	(d) Other Non-current liabilities	20	46.79	40.94
	Total Non - current liabilities		**238.18**	**231.88**
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	17	592.26	418.44
	(ii) Other financial liabilities	18	168.44	146.63
	(b) Provisions	15	55.96	53.66
	(c) Other current liabilities	20	176.32	140.89
	Total current liabilities		**992.98**	**759.62**
	Total equity and liabilities		**4,168.55**	**3,584.57**
	Corporate information	1		
	Significant accounting policies	2		

See accompanying notes to the financial statements

In terms of our report attached

For Brahmayya & Co.
Chartered Accountants
(F.R.N. : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place : Vijayawada
Date : May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. : 117366W/W-100018)

Sumit Trivedi
Partner
M.No. 209354

Place : Hyderabad
Date : May 18, 2018

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S.Vijayanand
Chief Executive Officer

S.V. Raghavendra
Chief Financial Officer

M.R. Rajaram
Company Secretary

Place: Milwaukee, USA
Date : May 18, 2018

Statement of profit and loss

for the year ended March 31, 2018

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

		Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	**Revenue from operations**	21	6,232.98	5,981.39
II	**Other income**	22	66.37	49.24
III	**Total Income (I+II)**		**6,299.35**	**6,030.63**
IV	**Expenses**			
	Cost of materials consumed		3,921.71	3,452.16
	Purchases of stock-in-trade		221.71	207.43
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(27.17)	(171.10)
	Excise duty		173.83	664.24
	Employee benefits expense	24	308.99	277.75
	Finance costs	25	5.06	5.77
	Depreciation and amortization expense	26	230.34	191.17
	Other expenses	27	750.68	701.00
	Total Expenses (IV)		**5,585.15**	**5,328.42**
V	**Profit before tax (III - IV)**		**714.20**	**702.21**
VI	**Tax expense**	28		
	(i) Current tax		236.58	195.64
	(ii) Deferred tax expense		6.30	28.08
	Total tax expense (VI)		**242.88**	**223.72**
VII	**Profit for the year (V - VI)**		**471.32**	**478.49**
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		0.69	(2.01)
	(b) Equity instruments through other comprehensive income		0.83	0.40
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.32
	Total Other Comprehensive Income / (Loss) [(i)+(ii)]		**1.52**	**(1.29)**
IX	**Total comprehensive income for the year (VII + VIII)**		**472.84**	**477.20**
	Earnings per share (of ₹ 1 each)	35		
	Basic and Diluted (₹)		**27.59**	**28.01**
	Corporate information	1		
	Significant accounting policies	2		

See accompanying notes to the financial statements

In terms of our report attached

For Brahmayya & Co.
Chartered Accountants
(F.R.N. : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place : Vijayawada
Date : May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. : 117366W/W-100018)

Sumit Trivedi
Partner
M.No. 209354

Place : Hyderabad
Date : May 18, 2018

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S.Vijayanand
Chief Executive Officer

S.V. Raghavendra
Chief Financial Officer

M.R. Rajaram
Company Secretary

Place: Milwaukee, USA
Date : May 18, 2018

Cash flow statement

for the year ended March 31, 2018

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

		For the year ended March 31, 2018		For the year ended March 31, 2017	
A.	**Cash flows from operating activities**				
	Profit before tax		714.20		702.21
	Adjustments for:				
	Depreciation and amortisation expense	230.34		191.17	
	Loss on sale of property, plant and equipment (net) / written off	1.73		2.65	
	Finance costs	5.06		5.77	
	Interest income on bank deposits	(5.60)		(6.03)	
	Dividend income from equity instruments designated at FVTOCI	(0.00)		(0.01)	
	Gain on sale of investments in mutual funds	(14.84)		(15.15)	
	Deferred revenue recognised	(7.30)		(5.63)	
	Net gain arising on financial assets mandatorily measured at FVTPL	(0.19)		(0.12)	
	Liabilities no longer required written back	(4.62)		(2.99)	
	Provision for doubtful trade receivables	3.09		3.03	
	Bad trade receivables written off (net)	0.33		0.67	
	Net unrealised foreign exchange gain	(8.78)		(6.60)	
			199.22		**166.76**
	Operating profit before working capital changes		**913.42**		**868.97**
	Movements in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	- Trade receivables	(214.86)		16.85	
	- Inventories	(232.76)		(215.31)	
	- Other assets	(121.62)		(15.47)	
	Adjustments for increase/(decrease) in operating liabilities:				
	- Trade payables	177.96		73.52	
	- Other liabilities	40.44		33.05	
	- Provisions	3.36		(6.32)	
			(347.48)		**(113.69)**
	Cash generated from operations		**565.94**		**755.28**
	Income taxes paid		(244.28)		(202.39)
	Net cash generated from operating activities [A]		**321.66**		**552.89**
B.	**Cash flows from investing activities**				
	Purchase of property, plant and equipment	(386.61)		(438.16)	
	Proceeds from sale of property, plant and equipment	1.29		7.70	
	Purchase of non-current investments	(0.10)		-	
	Purchase of current investments	(1,770.50)		(2,844.00)	
	Proceeds from sale / redemption of current investments	1,897.98		2,731.49	
	Proceeds from sale of non-current investments	-		1.51	
	Bank balances not considered as cash and cash equivalents (net)	7.57		0.93	
	Interest received	6.11		5.58	
	Dividend income	0.00		0.01	
	Net cash (used in) investing activities [B]		**(244.26)**		**(534.94)**

Cash flow statement

for the year ended March 31, 2018

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

		For the year ended March 31, 2018	For the year ended March 31, 2017
C.	**Cash flows from financing activities**		
	Repayment of borrowings	(8.94)	(1.67)
	Finance costs	(0.70)	(0.30)
	Dividend paid including tax on dividend (refer Note 42)	(128.52)	-
	Net cash (used in) financing activities [C]	**(138.16)**	**(1.97)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(60.76)**	**15.98**
	Cash and cash equivalents at the beginning of the year	100.74	78.42
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	8.75	6.34
	Cash and cash equivalents at the end of the year (Refer Note 9)	**48.73**	**100.74**

Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

b) Amendment to Ind AS - 7 Statement of Cash Flows require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activites, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosures are made below. There is no other impact on the Cash Flow Statement due to this amendment.

	As at March 31, 2017	Cash Flows	Non cash changes Current / Non-current Classification	As at March 31, 2018
Borrowings - Non current	69.01	(5.48)	(5.10)	58.43
Other Financial Liabilities	3.46	(3.46)	5.10	5.10

See accompanying notes to the financial statements

In terms of our report attached

For Brahmayya & Co.
Chartered Accountants
(F.R.N. : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place : Vijayawada
Date : May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. : 117366W/W-100018)

Sumit Trivedi
Partner
M.No. 209354

Place : Hyderabad
Date : May 18, 2018

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S.Vijayanand
Chief Executive Officer

S.V. Raghavendra
Chief Financial Officer

M.R. Rajaram
Company Secretary

Place: Milwaukee, USA
Date : May 18, 2018

Statement of changes in equity

for the year ended March 31, 2018

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

Equity share capital	Amount
Balance at March 31, 2016	**17.08**
Changes in equity share capital during the year	-
Balance at March 31, 2017	**17.08**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**17.08**

	Reserves and surplus				Equity investments through other comprehensive income	Total
	Securities premium reserve	Capital reserve*	General reserve	Retained earnings		
Balance at March 31, 2016	**31.19**	**0.00**	**308.50**	**1,750.18**	**8.92**	**2,098.79**
Profit for the year	-	-	-	478.49	-	478.49
Other comprehensive income for the year, net of income tax	-	-	-	(2.01)	0.72	(1.29)
Total comprehensive income for the year 2016-17	**-**	**-**	**-**	**476.48**	**0.72**	**477.20**
Transfer for General reserve			47.85	(47.85)	-	-
Balance at March 31, 2017	**31.19**	**0.00**	**356.35**	**2,178.81**	**9.64**	**2,575.99**
Profit for the year	-	-	-	471.32	-	471.32
Other comprehensive income for the year, net of income tax	-	-	-	0.69	0.83	1.52
Total comprehensive income for the year 2017-18	**-**	**-**	**-**	**472.01**	**0.83**	**472.84**
Payment of dividends (including tax thereon) [Refer Note 42]	-	-	-	(128.52)	-	(128.52)
Transfer for General reserve	-	-	47.13	(47.13)	-	-
Balance at March 31, 2018	**31.19**	**0.00**	**403.48**	**2.475.17**	**10.47**	**2,920.31**

* Amounts below ₹1 lakh

See accompanying notes to the financial statements

In terms of our report attached

For Brahmayya & Co.
Chartered Accountants
(F.R.N. : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place : Vijayawada
Date : May 18, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
(F.R.N. : 117366W/W-100018)

Sumit Trivedi
Partner
M.No. 209354

Place : Hyderabad
Date : May 18, 2018

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S.Vijayanand
Chief Executive Officer

S.V. Raghavendra
Chief Financial Officer

M.R. Rajaram
Company Secretary

Place: Milwaukee, USA
Date : May 18, 2018

Notes to the financial statements

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

1. Corporate Information

Amara Raja Batteries Limited ("the Company") is one of the largest manufacturer of lead-acid storage batteries for industrial and automotive applications in India. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Company's products are supplied to customer groups viz., Telecom, Railways, Power Control, Solar and UPS under Industrial Battery business; and to Automobile OEMs, Replacement Market and Private Label Customers under Automotive Battery business. The Company's products are exported to various countries in the Indian Ocean Rim. The Company also provides installation, commissioning and maintenance services. The leading automotive and industrial battery brands of the Company are Amaron®, PowerZone™, Power Stack®, AmaronVolt™ and Quanta®.

2. Significant Accounting Policies

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"). The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

B. Basis of preparation and presentation

These financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. These financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

C. Operating Cycle

All assets have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

D. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

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

i) Provision for warranty

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

ii) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

iii) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Income Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

v) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the financial statements.

vi) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

E. Inventories

Inventories are stated at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

(i) Raw materials and bought-out components, stores and spares and loose tools: Weighted average cost. Cost includes purchase cost and other attributable expenses.

(ii) Finished Goods and Work-in-progress: Weighted average cost of production which comprises direct material cost, direct wages and appropriate overheads based on normal level of activity. Excise duty, as applicable, is included in the value of finished goods.

(iii) Stock-in-trade: Weighted average cost.

Notes to the financial statements

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

F. Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation/ amortization and impairment losses, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2015 measured as per the previous Accounting Standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, which the Company elected in accordance with Ind AS 101.

Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or the principal item of the relevant assets, whichever is lower.

Capital work in progress are items of property, plant and equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

(ii) Depreciation:

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following category of assets, in which case the life of the assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support, etc., Land is not depreciated.

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

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

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

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease. Leasehold improvements are amortized over the lower of estimated useful life and lease term.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is de-recognised.

G. Intangible assets

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

H. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment loss recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent

that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

I. Foreign currency transactions and translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of each reporting period are translated at the exchange rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when fair value is measured. Exchange differences arising on actual payment/ realization and translations referred to above are recognised in the Statement of Profit and Loss.

J. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

K. Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The defined benefit obligations recognized in the Balance Sheet represents the present value of the defined obligations as reduced by the fair value of plan assets, if applicable. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and are not re-classified to the Statement of Profit and Loss in the subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss.

(iii) Short term and other long term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated

Notes to the financial statements

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

compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

L. Revenue recognition

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

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

(a) Sale of goods:

Revenue from sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, while the Company retains neither continuing managerial involvement nor effective control over goods sold.

(b) Rendering of services:

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

(c) Other Income:

Interest income is recognised using effective interest method. Royalty income is recognised on accrual basis in accordance with the terms of the agreement. Dividend income is accounted for in the year when the right to receive such dividend is established and the amount of dividend can be measured reliably.

M. Financial instruments, Financial assets, Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Company commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Financial assets are classified as those measured at

(a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows

arising from payments of principal and/ or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the "equity instruments through other comprehensive income" will not be reclassified to profit or loss on disposal of the investments.

(ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating

Notes to the financial statements

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

interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

N. Leases

Finance lease

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

Operating lease

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

O. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities based on the taxable profit for the year. Taxable profit differs from "Profit before tax" as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the corresponding current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

P. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle such obligation and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Q. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

R. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. Cash and cash equivalents

Cash and cash equivalents for purposes of cash flow statement include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

T. Recent accounting pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, *Revenue from Contract with Customers,* Appendix B to Ind AS 21, *Foreign currency transactions and advance consideration* and amendments to certain other standards. These amendments are applicable to the Company from April 1, 2018. The Company will be adopting the amendments from their effective date.

i) Ind AS 115, Revenue from contract with customers:

Ind AS 115 supersedes Ind AS 11, *Construction contracts* and Ind AS 18, *Revenue*. Ind AS 115 requires an entity

Notes to the financial statements

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

to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company is currently evaluating the possible impact of Ind AS 115 on the financial statements.

ii) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarified that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements is being evaluated by the Company.

Note 3: Property, plant and equipment and capital work in progress

	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
- Leasehold	65.73	66.41
Leasehold improvements	35.30	40.02
Buildings	529.03	441.39
Plant and Equipment (including electrical installations)	1,010.04	880.05
Furniture and fixtures	11.00	11.29
Vehicles	10.10	7.17
Office equipment	26.62	28.85
Computer	9.13	10.60
	1,698.19	**1,487.02**
Capital work-in-progress	**226.38**	**240.25**

Notes to the financial statements

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

Note 3: Property, plant and equipment and capital work in progress (contd.)

	Freehold land	Leasehold land	Leasehold improvements	Buildings	Plant and Equipment (including electrical installations)	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
(A) Cost or deemed cost										
Balance at March 31, 2016	**1.24**	**52.30**	**12.48**	**424.64**	**935.78**	**8.49**	**15.46**	**22.51**	**8.09**	**1,480.99**
Additions	-	15.23	33.44	50.70	208.26	5.09	2.52	15.51	8.69	339.44
Disposals/adjustments	-	-	-	(0.27)	(2.72)	(0.08)	(8.75)	(0.85)	(0.20)	(12.87)
Balance at March 31, 2017	**1.24**	**67.53**	**45.92**	**475.07**	**1,141.32**	**13.50**	**9.23**	**37.17**	**16.58**	**1,807.56**
Additions	-	-	3.84	110.82	312.63	1.50	5.31	5.49	3.68	443.27
Disposals/adjustments	-	-	-	-	(6.00)	(0.05)	(1.39)	(0.10)	(0.07)	(7.61)
Balance at March 31, 2018	**1.24**	**67.53**	**49.76**	**585.89**	**1,447.95**	**14.95**	**13.15**	**42.56**	**20.19**	**2,243.22**
(B) Accumulated depreciation and impairment										
Balance at March 31, 2016	**-**	**0.52**	**1.95**	**14.14**	**107.92**	**0.99**	**1.57**	**3.25**	**2.70**	**133.04**
Eliminated on disposal/adjustment of assets	-	-	-	(0.01)	(0.86)	(0.01)	(1.27)	(0.26)	(0.11)	(2.52)
Depreciation expense	-	0.60	3.95	19.55	154.21	1.23	1.76	5.33	3.39	190.02
Balance at March 31, 2017	**-**	**1.12**	**5.90**	**33.68**	**261.27**	**2.21**	**2.06**	**8.32**	**5.98**	**320.54**
Eliminated on disposal of assets	-	-	-	-	(4.05)	-	(0.53)	(0.01)	-	(4.59)
Depreciation expense	-	0.68	8.56	23.18	180.69	1.74	1.52	7.63	5.08	229.08
Balance at March 31, 2018	**-**	**1.80**	**14.46**	**56.86**	**437.91**	**3.95**	**3.05**	**15.94**	**11.06**	**545.03**
(C) Carrying amount										
Balance at March 31, 2017	**1.24**	**66.41**	**40.02**	**441.39**	**880.05**	**11.29**	**7.17**	**28.85**	**10.60**	**1,487.02**
Balance at March 31, 2018	**1.24**	**65.73**	**35.30**	**529.03**	**1,010.04**	**11.00**	**10.10**	**26.62**	**9.13**	**1,698.19**

Notes:

1. The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹8.79 crores (March 31, 2017: ₹0.68 crores) [Refer Note 37]
2. In respect of freehold land refer Note 33.

Notes to the financial statements

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

Note 4: Other intangible assets

	As at March 31, 2018	As at March 31, 2017
Carrying amounts of:		
Software	5.06	5.12
	5.06	**5.12**

Particulars	Software	Total
(A) Cost or deemed cost		
Balance at March 31, 2016	**5.40**	**5.40**
Additions	2.60	2.60
Disposals/adjustments	-	-
Balance at March 31, 2017	**8.00**	**8.00**
Additions	1.72	1.72
Disposals/adjustments	-	-
Balance at March 31, 2018	**9.72**	**9.72**
(B) Accumulated amortisation and impairment		
Balance at March 31, 2016	**1.34**	**1.34**
Amortisation expense	1.54	1.54
Balance at March 31, 2017	**2.88**	**2.88**
Amortisation expense	1.78	1.78
Balance at March 31, 2018	**4.66**	**4.66**
(C) Carrying amount		
Balance at March 31, 2017	**5.12**	**5.12**
Balance at March 31, 2018	**5.06**	**5.06**

Notes to the financial statements

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

Note 5: Investments

	As at March 31, 2018	As at March 31, 2017
Non-current		
(I) Investments in equity instruments at FVTOCI		
Quoted investments (fully paid)		
(i) Standard Batteries Limited 125 (March 31, 2017: 125) equity shares of ₹1 each*	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2017: 25) equity shares of ₹2 each*	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2017: 10,000) equity shares of ₹1 each	0.22	0.22
(iv) HBL Power Systems Limited 5,500 (March 31, 2017: 5,500) equity shares of ₹1 each	0.02	0.02
Total aggregate quoted investments [A]	**0.24**	**0.24**
Unquoted investments (fully paid)		
(i) Indian Lead Limited 1,128 (March 31, 2017: 1,128) equity shares of ₹10 each*	-	-
(ii) Atria Wind Private Limited 10,000 (March 31, 2017: Nil) equity shares of ₹100 each	0.10	-
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2017: 1,206,000) equity shares of ₹10 each	19.46	18.63
Total aggregate Unquoted investments [B]	**19.56**	**18.63**
Total investments in equity instruments at FVTOCI [C = A+B]	**19.80**	**18.87**
(II) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) **[D]**	0.01	0.01
Total Non-current investments E=[C+D]	**19.81**	**18.88**
Note: The 6 years National Savings Certificates have been lodged as security with government departments		
Aggregate book value of quoted investments - at cost	0.01	0.01
Aggregate market value of quoted investments	0.24	0.24
Aggregate carrying value of unquoted investments	19.56	18.63
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Premier Liquid Fund - Direct Plan - Growth 1,084.43 units of ₹2,724.39 each (March 31, 2017 : 97,977.34 units of ₹2,552.32 each)	0.30	25.01
HDFC Liquid Fund - Direct Plan - Growth Option 9,368.37 units of ₹3,423.88 each (March 31, 2017 : 164,418.82 units of ₹3,208.92 each)	3.21	52.76
ICICI Prudential Liquid - Direct Plan - Growth 146,692.45 units of ₹257.14 each (March 31, 2017 : 1,038,874.26 units of ₹240.72 each)	3.77	25.00
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth 20,480.95 units of ₹2,845.10 each (March 31, 2017 : Nil)	5.83	-
Kotak Liquid - Direct Plan Growth 6,298.39 units of ₹3,521.95 each (March 31, 2017 : 75,837.10 units of ₹3,297.48 each)	2.22	25.01
Total Quoted investments measured at FVTPL	**15.33**	**127.78**
Total Current investments	**15.33**	**127.78**
Aggregate book value of quoted investments - at cost	15.14	127.66
Aggregate market value of quoted investments	15.33	127.78

*Amounts below ₹ lakh

Notes to the financial statements

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

Note 6: Other financial assets

	As at March 31, 2018	As at March 31, 2017
Non-current		
Security deposits*	5.27	5.90
Total	**5.27**	**5.90**
*Includes to related parties ₹2.36 crores (As at March 31, 2017: ₹2.36 crores)		
Current		
(a) Advances to related parties:		
- Security deposits	-	-
- Reimbursable expenses	2.50	2.10
(b) Security deposits	2.78	1.17
(c) Interest accruals:		
- Interest accrued on deposits	3.72	4.23
- Interest accrued on overdue trade receivables	0.15	0.01
Total	**9.15**	**7.51**

Note 7: Inventories

(at lower of cost and net realisable value)

(a) Raw materials and bought-out components	411.08	205.99
(b) Work-in-progress	211.51	215.46
(c) Finished goods	327.69	317.62
(d) Stock-in-trade (goods purchased for resale)	38.42	17.37
(e) Stores and spares (including secondary packing material)	60.50	59.90
(f) Loose tools	0.51	0.61
Total	**1,049.71**	**816.95**
Raw materials includes material-in-transit	138.33	**49.89**

Notes:

(i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss, Notes 23 and 27.

(ii) The cost of inventories recognised as an expense includes ₹0.24 crores (during 2016-17: ₹0.87 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2016-17 : ₹ Nil) in respect of reversal of such write-downs.

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

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

Note 8: Trade receivables

(a) Secured, considered good	-	-
(b) Unsecured, considered good	782.45	570.49
(c) Doubtful	4.52	3.99
	786.97	**574.48**
Allowance for doubtful receivables	(4.52)	(3.99)
Total	**782.45**	**570.49**

Notes:

(i) The average credit period for after market sales is one week and for sales to other customers is in the range of 30 - 60 days. No interest is charged on overdue receivables, except for overdue balances of related parties.

(ii) There are no customers who represent more than 10% of the total balance of trade receivables (as at March 31, 2017 : ₹99.72 crores).

(iii) The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates used in the provision matrix.

Note 8: Trade receivables (contd.)

(iv) **Movement in the expected credit loss allowance:**

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	**3.99**	**2.89**
Movement in expected credit loss allowance on trade receivables	0.53	1.10
Balance at the end of the year	**4.52**	**3.99**

Note 9: Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
(a) Balances with banks		
- in current accounts	29.71	81.68
- in EEFC accounts	12.71	8.78
(b) Cash on hand	0.10	0.11
(c) Cheques on hand	6.21	10.17
Cash and cash equivalents as per the cash flow statement	**48.73**	**100.74**

Note 10: Other bank balances

(a) In deposit accounts	54.19	61.00
(i) original maturity more than 3 months		
(b) In earmarked accounts		
(i) Dividend accounts	3.04	3.10
(ii) Balances held as margin money against guarantees given [Refer Note below]	5.32	6.08
Total	**62.55**	**70.18**

Note: Includes deposit aggregating ₹5.31 crores (March 31, 2017: ₹ Nil) with remaining maturity of more than 12 months from the Balance Sheet date.

Note 11: Other assets

Non-current		
(a) Capital advances	5.59	13.34
(b) Capital advances to related parties	1.83	11.56
(c) Prepaid expenses	0.93	1.70
(d) Balances with government authorities	9.20	7.63
(e) Other deposits (Electricity deposits, for other utilities, etc.)	25.41	23.67
Total	**42.96**	**57.90**
Current		
(a) Contractually reimbursable expenses	21.98	11.13
(b) Commercial advances	21.97	11.20
(c) Advances to employees	0.32	0.29
(d) Balances with government authorities (advances, GST credit, CENVAT credit, VAT credit and Service tax credit receivable)	107.01	19.66
(e) Prepaid expenses	8.12	4.56
(f) Other receivables (export incentives, etc.)	24.98	18.13
Total	**184.38**	**64.97**

Notes to the financial statements

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

Note 12: Share capital

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹1 each	200,000,000	20.00	200,000,000	20.00
(b) Issued				
Equity shares of ₹1 each	175,028,500	17.50	175,028,500	17.50
(c) Subscribed and fully paid-up				
Equity shares of ₹1 each	170,812,500	17.08	170,812,500	17.08
	170,812,500	**17.08**	**170,812,500**	**17.08**

Notes:

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares	Number of shares	Share capital (Amount)
Balance at March 31, 2016	**170,812,500**	**17.08**
Changes during year	-	-
Balance at March 31, 2017	**170,812,500**	**17.08**
Changes during year	-	-
Balance at March 31, 2018	**170,812,500**	**17.08**

ii) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹1 each. Each holder of equity share is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

iii) Details of equity shares held by each shareholder holding more than 5% of the equity shares:

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	%	Number of shares	%
RN Galla Family Private Limited	41,400,702	24.24	-	-
RN Galla Family & Co.	-	-	40,231,308	23.55
Jayadev Galla	-	-	376,150	0.22
Johnson Controls (Mauritius) Private Limited	44,411,250	26.00	44,411,250	26.00

Note 13: Other equity

	As at March 31, 2018	As at March 31, 2017
(a) General reserve	403.48	356.35
This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.		
(b) Capital reserve*	0.00	0.00
Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instruments is transferred to capital reserve.		
(c) Securities premium account	31.19	31.19
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013		
(d) Equity instruments through other comprehensive income	10.47	9.64
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	2,475.17	2,178.81
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.		
Total	**2,920.31**	**2,575.99**

*Amounts below ₹ lakh

Note 14: Non-current borrowings

	As at March 31, 2018	As at March 31, 2017
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	63.53	72.47
Less: Current maturities of sales tax deferment loans disclosed under Note 18 - Other financial liabilities - Current	5.10	3.46
Total	**58.43**	**69.01**

Note:
The interest free sales tax deferment loans were availed by the Company under the Government of Andhra Pradesh TARGET 2000 New Industrial Policy as per which the loans are repayable at the end of the 14th year from the year in which these loans were availed. The Company has also entered into agreements with the Deputy Commissioner of Commercial Taxes, Chittoor in respect of the aforementioned loans as per which the repayment schedule of the loans have been determined as being repayable at the end of the 14th year from the month in which these loans were availed. The Management is however of the view that these loans are repayable at the end of the 14th year from the year in which these loans were availed in terms of the sanction of these loans by the Government of Andhra Pradesh, Commissionerate of Industries and are accordingly making an yearly repayment of these loans.

Note 15: Provisions

A. Non-current		
Employee benefits		
- Leave encashment	11.42	10.00
- Gratuity [Refer Note 31]	-	-
Other provisions		
- Product warranty [Refer Note below and Note 40]	33.73	30.42
Total Non-current provisions	**45.15**	**40.42**
B. Current		
Employee Benefits		
- Leave encashment	2.60	2.12
- Gratuity [Refer Note 31]	1.19	0.47
Other provisions		
- Product warranty [Refer Note below and Note 40]	52.17	51.07
Total Current provisions	**55.96**	**53.66**

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

Note 16: Deferred tax liabilities (net)

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

Deferred tax assets	13.81	13.47
Deferred tax liabilities	(101.62)	(94.98)
Total	**(87.81)**	**(81.51)**

Notes to the financial statements

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

Note 16: Deferred tax liabilities (net) (Contd.)

2017-18	Opening balance	Recognised in Profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(94.98)	(6.64)	-	(101.62)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful debts	1.38	0.20	-	1.58
Provision for employee benefits	5.92	(0.61)	-	5.31
Unwinding of warranty provision	-	-	-	-
Others	0.85	0.75	-	1.60
	(81.51)	**(6.30)**	**-**	**(87.81)**

2016-17	Opening balance	Recognised in Profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(64.75)	(30.23)	-	(94.98)
Financial assets measured at FVTOCI	5.00	-	0.32	5.32
Provision for doubtful debts	1.00	0.38	-	1.38
Provision for employee benefits	4.94	0.98	-	5.92
Unwinding of warranty provision	0.06	(0.06)	-	-
Others	-	0.85	-	0.85
	(53.75)	**(28.08)**	**0.32**	**(81.51)**

Note 17: Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables [Refer Note 30]	592.26	418.44
Total	**592.26**	**418.44**

Note 18: Other financial liabilities

Current		
- Current maturities of Non-current borrowings [Refer Note 14]	5.10	3.46
- Unpaid dividends	3.04	3.10
Other payables		
- Payables on purchase of property, plant and equipment	72.95	59.82
- Others (employee related, others) [Refer Note below]	87.35	80.25
Total	**168.44**	**146.63**

Note:
Other liabilities include employees related payables (including payable to Vice-Chairman and Managing Director), commission payable to Non-Executive Chairman and Other Directors, outstanding liabilities for incentives and trade schemes, etc.

Note 19: Income tax assets (net)

Non-current		
Advance tax/ TDS receivable	18.58	10.88
Total	**18.58**	**10.88**

Note 20: Other liabilities

	As at March 31, 2018	As at March 31, 2017
Non-current		
Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	46.79	40.94
Total Non-current	**46.79**	**40.94**
Current		
(a) Revenue received in advance		
- Deferred revenue arising from government grant [Refer Note below]	8.23	6.14
(b) Statutory remittances (GST, Excise duty, PF, VAT, TDS, etc.)	76.85	48.62
(c) Advances from customers	9.29	19.51
(d) Others (includes accruals relating to trade promotion schemes)	81.95	66.62
Total Current	**176.32**	**140.89**

Note:
The deferred revenue of ₹55.02 crores (March 31, 2017: ₹47.08 crores) arises primarily as a result of duty benefit received on import of plant and equipment under Export Promotion Capital Goods (EPCG) schemes of the Government of India. The deferred revenue will be recognised in the Statement of Profit and Loss in the proportion of depreciation charged on such assets.

Note 21: Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
a. Sale of products [Including excise duty of ₹182.11 crores for the year ended March 31, 2018 (March 31, 2017: ₹646.19 crores)] (Refer Note (i) and (v) below)	6,169.94	5,920.61
b. Sale of services (Refer Note (ii) below)	44.81	45.88
c. Other operating revenues (Refer Note (iii) below)	18.23	14.90
Total	**6,232.98**	**5,981.39**
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	5,965.13	5,729.65
Sub-total - Sale of manufactured goods	**5,965.13**	**5,729.65**
Traded goods		
- Storage batteries	123.92	162.01
- Home UPS	80.89	28.95
Sub-total - Sale of traded goods	**204.81**	190.96
Total - Sale of products	**6,169.94**	**5,920.61**
(ii) Sale of services comprise:		
- Installation and Commissioning	11.68	9.54
- Annual Maintenance	1.19	0.94
- Others (subject and other matters experts, service charges, etc.)	31.94	35.40
Total - Sale of services	**44.81**	**45.88**
(iii) Other operating revenues comprise:		
- Sale of process scrap	1.77	1.41
- Export benefits (including MEIS & EPCG benefits) [Refer Note (iv) below]	16.46	13.49
Total - Other operating revenues	**18.23**	**14.90**

(iv) includes ₹7.30 crores (for the year ended March 31, 2017 : ₹5.63 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 20]

(v) Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT, etc. are not part of Revenue. Accordingly, revenue from operations for the period beginning July 1, 2017 to March 31, 2018 is presented net of GST. Revenue from operations of earlier periods included Excise duty which now is subsumed in GST.

Notes to the financial statements

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

Note 22: Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Interest income		
Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	5.60	6.03
- Other financial assets carried at amortised cost	1.09	1.08
- Unwinding of discounts on rental deposits	0.25	0.23
	6.94	**7.34**
b) Dividend income		
Dividend from equity investments designated as at FVTOCI	0.00*	0.01
	0.00*	**0.01**
*Amount below ₹ Lakh		
c) Other non-operating income		
(i) Interest income on other deposits	0.44	1.45
(ii) Sale of non process scrap	4.28	2.73
(iii) Liabilities no longer required written back	4.62	2.99
(iv) Provision for doubtful trade receivables written back	2.51	1.30
(v) Others	7.78	4.14
	19.63	**12.61**
d) Other gains and losses		
(i) Gain on disposal of mutual funds	14.84	15.15
(ii) Net foreign exchange gains	24.77	14.01
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	0.19	0.12
	39.80	29.28
Total (a+b+c+d)	**66.37**	**49.24**

Note:

The amount represents the increase in fair value on non-derivative current investments which are mandatorily measured at fair value [Refer Note 5]

Note 23: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Inventories at the beginning of the year				
Finished goods - storage batteries		317.62		220.42
Work-in-progress		215.46		150.70
Stock-in-trade				
- Storage batteries	4.04		8.23	
- Home UPS	13.33		-	
		17.37		8.23
[A]		**550.45**		**379.35**
Inventories at the end of the year				
Finished goods - storage batteries		327.69		317.62
Work-in-progress		211.51		215.46
Stock-in-trade				
- Storage batteries	19.00		4.04	
- Home UPS	19.42		13.33	
		38.42		17.37
[B]		**577.62**		**550.45**
Increase in finished goods, work-in-progress and stock-in-trade [A-B]		**(27.17)**		**(171.10)**

Notes to the financial statements

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

Note 24: Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries and wages	250.15	230.51
(b) Contribution to provident and other funds [Refer Note 31]	25.56	14.62
(c) Staff welfare expenses	33.28	32.62
Total	**308.99**	**277.75**

Note 25: Finance costs

(a) Interest costs:		
(i) Interest on working capital facilities	0.11	0.04
(b) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	4.36	5.47
(ii) Others	0.59	0.26
Total	**5.06**	**5.77**

Note 26: Depreciation and amortisation expense

Depreciation of property, plant and equipment [Refer Note 3]	229.08	190.02
Amortisation of intangible assets [Refer Note 4]	1.78	1.54
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	0.52	0.39
Total	**230.34**	**191.17**

Note 27: Other expenses

Consumption of stores and spares (including packing material)		72.99		72.57
Tools consumed		0.92		0.88
Power and fuel		180.91		161.55
Rent		17.66		16.54
Repairs and maintenance				
- Plant and machinery		5.24		4.70
- Buildings		3.96		2.85
- Others		2.42		3.33
Insurance		7.94		6.96
Rates and taxes		6.30		4.29
Communication		2.58		2.78
Travelling and conveyance		16.78		18.93
Outward freight and handling charges		166.06		151.73
Advertisement and sales promotion		27.89		24.35
Expenditure on Corporate Social Responsibility		14.28		16.00
Legal and professional		5.39		5.69
Payment to auditors [Refer Note below]		0.98		0.81
Bad trade receivables written off	0.38		1.33	
Less : Provision released	0.05		0.66	
		0.33		0.67

Notes to the financial statements

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

Note 27: Other expenses (contd.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for doubtful trade receivables	3.09	3.03
Loss on sale of property, plant and equipment (net) / written off	1.73	2.65
Warranty expenses (net)	80.29	75.13
Service expenses	31.94	32.85
Printing and stationery	1.51	1.93
Miscellaneous expenses	99.49	90.78
Total	**750.68**	**701.00**

Note:
Payment to auditors comprise (net of GST/Service Tax)

(a) To statutory auditors		
- Statutory audit fee	0.70	0.50
- Limited review fee	0.15	0.15
- Tax audit fee	0.05	0.05
- Reimbursement of expenses	0.04	0.07
(b) To cost auditor for cost audit	0.04	0.04
	0.98	**0.81**

Note 28: Income tax recognised in profit or loss

Current Tax		
In respect of the current year	237.60	207.15
In respect of the prior years	(1.02)	(11.51)
	236.58	**195.64**
Deferred Tax		
In respect of the current year	5.40	24.57
Adjustments to deferred tax attributable to changes in tax rates and laws	0.90	3.51
	6.30	**28.08**
Total income tax expense recognised	**242.88**	**223.72**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**714.20**	**702.21**
Income tax expense calculated at 34.608% (2016-17: 34.608%)	247.17	243.02
Effect of income that is exempt from taxation	(0.06)	(0.01)
Tax effects of amounts which are not deductible in determining taxable profit	2.29	5.47
Effect of concessions (research and development and other allowances)	(6.41)	(16.65)
Others	-	(0.11)
	242.99	**231.72**
Adjustment recognised in the current year in relation to tax of prior years (net)	(0.11)	(8.00)
Income tax expense recognised in profit or loss	**242.88**	**223.72**

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Note 29: Contingent liabilities and commitments

	As at March 31, 2018	As at March 31, 2017
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Company not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	1.10	1.10
- Sales tax/VAT	24.24	13.29
- Income tax	0.33	0.33
- Electricity related	78.17	72.42
- Other	-	5.67
It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.		
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	111.19	238.30
(b) The Company has certain outstanding export obligations/ commitments which the Management is confident of meeting within the stipulated period of time / obtaining suitable extensions, wherever required.		

Note 30: Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	10.28	7.47
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 31: Employee benefits

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised ₹5.76 crores (Year ended March 31, 2017: ₹4.30 crores) for provident fund contributions, ₹7.66 crores (Year ended March 31, 2017: ₹5.18 crores) for Superannuation Fund contributions and ₹4.55 crores (Year ended March 31, 2017: ₹3.69 crores) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Company to acturial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Notes to the financial statements

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

Note 31: Employee benefits (contd.)

Risk Management

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longetivity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

	As at March 31, 2018	As at March 31, 2017
Present value of obligation	19.65	12.71
Fair value of plan assets	(18.46)	(12.24)
(Asset)/Liability recognised in the Balance Sheet	**1.19**	**0.47**

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

	Plan Assets	Plan Obligation	Total Net
As at March 31, 2016	**8.99**	**8.91**	**(0.08)**
Current service cost	-	1.01	1.01
Interest cost	-	0.71	0.71
Interest income	0.72	-	(0.72)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.40	0.40
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.60	0.60
Actuarial (gain)/loss arising from experience adjustments	-	1.06	1.06
Contributions	2.46	-	(2.46)
Benefit payments	(0.15)	(0.15)	-
Return on plan assets, excluding interest income	0.05	-	(0.05)
Transfer from Group Companies	0.17	0.17	-
As at March 31, 2017	**12.24**	**12.71**	**0.47**
Current service cost	-	1.44	1.44
Past service cost	-	5.70	5.70
Interest cost	-	0.92	0.92
Interest income	0.89	-	(0.89)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(0.70)	(0.70)
Actuarial (gain)/loss arising from experience adjustments	-	-	-
Contributions	5.76	-	(5.76)
Benefit payments	(0.51)	(0.51)	-
Return on plan assets, excluding interest income	(0.01)	-	0.01
Transfer from Group Companies	0.09	0.09	-
As at March 31, 2018	**18.46**	**19.65**	**1.19**

Note 31: Employee benefits (contd.)

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2018	Year ended March 31, 2017
Employee Benefit Expenses		
Current service cost	1.44	1.01
Interest cost	0.92	0.71
Past service cost	5.70	-
Interest income	(0.89)	(0.72)
Net impact on profit before tax	**7.17**	**1.00**
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.40
Actuarial (gain)/loss arising from changes in financial assumptions	(0.70)	0.60
Actuarial (gain)/loss arising from experience adjustments	-	1.06
Return on plan assets, excluding interest income	0.01	(0.05)
Net impact on other comprehensive income before tax	**(0.69)**	**2.01**

(iv) Assets

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

	As at March 31, 2018	As at March 31, 2017
Funded with Life Insurance Corporation of India	100%	100%

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Discount rate	7.80%	7.22%
Salary escalation rate	7.00%	7.00%

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

Demographic assumptions

Mortality in Service: Indian Assured Lives Mortality (2006-08) Ultimate table.

(vi) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.10)	1.24	(0.77)	0.87
Salary escalation rate (1% movement)	1.18	(1.07)	0.81	(0.73)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Notes to the financial statements

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

Note 31: Employee benefits (contd.)

(vii) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2018	As at March 31, 2017
Within 1 year	2.29	1.31
1-2 year	2.03	1.23
2-3 year	2.16	1.33
3-4 year	2.13	1.24
4-5 year	2.15	1.33
5-10 year	9.16	5.81

The Company expects to contribute ₹3.13 crores to its defined benefit plans during the next fiscal year.

Note 32: Segment reporting

The Vice Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and marketing of lead acid storage batteries. Accordingly, manufacturing and trading of lead acid storage batteries is considered as the operating segment of the Company.

Geographical information

The Company operates in India and makes certain sales to customers situated outside of India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Company are situated within India.

Revenue

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	5,737.02	5,559.71
Outside India	495.96	421.68
Total	**6,232.98**	**5,981.39**

Refer to Note 41 on Financial Instruments and related disclosures for information on revenue from major customers.

Note 33:

The Company had purchased 8.68 hectares of freehold land for a consideration of ₹15.59 crores in 2011-12 at Tehsil Laksar, District Haridwar, Uttarakhand State. Under the terms of sanction by the State Government for sale of such land, a manufacturing unit was to be set up within two years from the date of purchase of land, which owing to unforeseen circumstances could not take place. The District Collector vide order dated November 10, 2014 initiated proceedings for vesting the aforementioned land with the State Government. Based on legal advice, the Company had in the previous year gone in appeal against the order of the District Collector with the Court of Board of Revenue, Dehradun, Uttarakhand State, ("the Court") which in the interim had stayed the proceedings. In the current year, the Court vide its order dated May 25, 2017 rejected the appeal filed by the Company, consequent to which the said freehold land has vested back with the State Government. The Company is in the process of evaluating various options to pursue the said order of the Court.

The Company had in the previous years, fully impaired the value of the aforesaid land. Consequent to the transition to Ind AS, and the Company's election to continue with the carrying amount of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as on the transition date, the provision for impairment recorded in respect of the said land before the date of transition under previous GAAP cannot be reversed in later years.

Note 34: Related party transactions

(a) Details of related parties

Entity exercising significant influence

RNGalla Family Private Limited [w.e.f. July 11, 2017]
RN Galla Family & Co. (Partnership Firm) [upto July 10, 2017]
Johnson Controls (Mauritius) Private Limited

Key Management Personnel	
Jayadev Galla	Vice-Chairman and Managing Director
Relative of Key Management Personnel	
Dr. Ramachandra N Galla	Chairman and Non-Executive Director

Entities in which KMP / Relatives of KMP exercise significant influence

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

(b) Transactions with the above related parties during the year were:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	39.16	12.75
Amara Raja Electronics Limited	(0.15)	9.72
Mangal Industries Limited	0.63	0.50
Amara Raja Industrial Services Private Limited	0.01	-
Sale of Fixed Assets		
Amara Raja Industrial Services Private Limited	-	7.73
Mangal Industries Limited	-	0.01
Purchase of goods		
Amara Raja Power Systems Limited	0.18	0.37
Amara Raja Electronics Limited	97.67	45.74
Mangal Industries Limited	660.87	601.19
Availing of services		
Amara Raja Infra Private Limited	4.50	2.23
Amara Raja Industrial Services Private Limited	54.88	41.71
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	26.94	15.41
Amara Raja Electronics Limited	0.87	0.03
Mangal Industries Limited	35.22	31.43
Amara Raja Infra Private Limited	143.71	224.55
Rent Expense		
Jayadev Galla	3.22	3.13
Dr. Ramachandra N Galla	0.55	0.51
Amara Raja Infra Private Limited	-	0.10
Donation Expense		
Rajanna Trust	14.28	16.00

Notes to the financial statements

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

Note 34: Related party transactions (contd.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.19	0.01
Amara Raja Electronics Limited	0.51	0.01
Mangal Industries Limited	0.07	0.01
Amara Raja Infra Private Limited	0.48	0.34
Amara Raja Industrial Services Private Limited	1.26	1.18
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	25.88	-
Johnson Controls (Mauritius) Private Limited	27.76	-
Mangal Industries Limited	1.95	-
Interest Expense		
Amara Raja Power Systems Limited	-	0.01
Expenses recovered from		
Amara Raja Power Systems Limited	6.79	4.80
Amara Raja Electronics Limited	1.46	2.32
Mangal Industries Limited	11.49	11.89
Amara Raja Infra Private Limited	2.37	2.24
Amara Raja Industrial Services Private Limited	2.00	1.55
Royalty Income		
Amara Raja Electronics Limited	-	0.64
Cash Discounts received		
Amara Raja Power Systems Limited	-	0.001
Amara Raja Electronics Limited	-	0.06
Interest Income		
Amara Raja Power Systems Limited	0.09	0.20
Amara Raja Electronics Limited	0.03	0.14
Mangal Industries Limited	0.19	0.01
Amara Raja Industrial Services Private Limited	0.001	0.08
Amara Raja Infra Private Limited	0.001	-
Other recoveries		
Mangal Industries Limited	10.74	0.82
Remuneration		
Jayadev Galla	38.86	38.06
Commission		
Dr. Ramachandra N Galla	23.32	22.84

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

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables		
Amara Raja Power Systems Limited	9.53	4.02
Amara Raja Electronics Limited	-	3.19
Mangal Industries Limited	4.23	0.06
Security Deposits		
Jayadev Galla	2.04	2.04
Dr. Ramachandra N Galla	0.32	0.32
Interest Receivable		
Amara Raja Power Systems Limited	0.003	0.004
Amara Raja Electronics Limited	0.001	0.003
Mangal Industries Limited	0.14	0.001
Amara Raja Industrial Services Private Limited	0.002	0.002

Note 34: Related party transactions (contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances (including contractually reimbursable expenses)		
Amara Raja Electronics Limited	0.24	0.32
Amara Raja Power Systems Limited	0.64	0.99
Mangal Industries Limited	2.41	2.96
Amara Raja Infra Private Limited	0.70	9.20
Amara Raja Industrial Services Private Limited	0.34	0.19
Trade payables		
Amara Raja Power Systems Limited	0.07	0.04
Amara Raja Electronics Limited	4.97	5.01
Mangal Industries Limited	7.46	11.70
Amara Raja Infra Private Limited	0.11	0.35
Amara Raja Industrial Services Private Limited	6.31	4.11
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	5.39	4.27
Amara Raja Electronics Limited	-	0.02
Mangal Industries Limited	2.02	4.77
Amara Raja Infra Private Limited	29.62	26.00
Other Payables (Employee Related)		
Jayadev Galla	36.51	35.79
Commission payable to Non Executive Directors		
Dr. Ramachandra N Galla	23.32	22.84
Rent Payable		
Jayadev Galla	0.21	0.14
Dr. Ramachandra N Galla	0.04	0.02
Capital commitments		
Amara Raja Power Systems Limited	6.50	2.62
Amara Raja Electronics Limited	0.08	0.56
Mangal Industries Limited	0.00	5.65
Amara Raja Infra Private Limited	28.50	64.76

Note 35: Earnings per share (EPS)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Profit for the year (in ₹ crores) [A]	471.32	478.49
Weighted average number of equity shares outstanding during the year (No's) [B]	170,812,500	170,812,500
Earnings per share (Face Value of ₹ 1 per share)		
- Basic and diluted (in ₹) [A/B]	**27.59**	**28.01**

Note 36: Leases

The Company's significant leasing arrangements are in respect of operating leases for premises (offices and warehouses). These leasing arrangements which are cancellable, range between 1 year and 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of ₹17.66 crores (year ended March 31, 2017: ₹16.54 crores) paid under such arrangements has been charged to Statement of Profit and Loss as 'Rent' under Note 27.

Notes to the financial statements

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Employee benefits expense	3.85	0.19
(b) Cost of material consumed (net) (Refer Note below)	2.68	-
(c) Power and Fuel	0.78	-
(d) Depreciation and amortization expense	0.52	0.39
(e) Others	0.96	0.10
Total	**8.79**	**0.68**

Note: Net of income from sale of batteries, scrap, etc., ₹1.54 crores (Year ended March 31, 2017: ₹ Nil crores)

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

(i) Loans and advances in the nature of loans given to Companies in which Directors are interested ₹ Nil (March 31, 2017: ₹ Nil)

(ii) Details of investments made under Section 186 of the Companies Act, 2013 are disclosed in Note 5. There are no loans / guarantees issued under Section 186 of the Companies Act, 2013.

Note 39: Details of expenditure incurred on research and development

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Revenue Expenditure:		
(a) Cost of materials consumed	0.59	0.50
(b) Consumption of stores and spares (including secondary packing material)	0.17	0.21
(c) Employee benefits expense	6.16	5.19
(d) Power and fuel	0.62	0.57
(e) Others	1.12	1.10
Total Revenue Expenditure [A]	**8.66**	**7.57**
Capital expenditure [B]	**1.60**	**5.28**
Total [A+B]	**10.26**	**12.85**

The Company has obtained approval from Department of Scientific and Industrial Research for claiming of weighted tax benefit under Section 35(2AB) of the Income Tax Act, 1961.

Note 40: Details of Provisions

(a) Provision for warranty is made for estimated warranty claims in respect of sale of certain storage batteries which are still under warranty at the end of the reporting period, the estimated cost of which is accrued at the time of sale. These claims are expected to be settled as and when warranty claims arise. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest that future claims could differ from historical amounts. The products are generally covered under a free warranty period ranging from 6 months to 3 years.

(b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:

	2017-18	2016-17
Balance as at April 1	**81.49**	**79.24**
Additional provisions recognised	51.57	55.05
Amount utilised / reversed during the year	(51.52)	(58.27)
Unwinding of discount and effect of changes in the discount rate	4.36	5.47
Balance as at March 31	**85.90**	**81.49**
Out of the above,		
Classified under Non-current provisions (Refer Note 15)	33.73	30.42
Classified under Current provisions (Refer Note 15)	52.17	51.07

Note 41: Financial instruments and Related Disclosures

A. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

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

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets				
Measured at Amortised cost				
(i) Cash and cash equivalents	48.73	100.74	48.73	100.74
(ii) Other bank balances	62.55	70.18	62.55	70.18
(iii) Trade receivables	782.45	570.49	782.45	570.49
(iv) Other financial assets	14.42	13.41	14.42	13.41
(v) Investments	0.01	0.01	0.01	0.01
Measured at FVTOCI				
(i) Investments in equity instruments	19.80	18.87	19.80	18.87
Measured at FVTPL				
(a) Mandatorily measured:				
(i) Current investment- Mutual funds	15.33	127.78	15.33	127.78
Total Financial assets	**943.29**	**901.48**	**943.29**	**901.48**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	63.53	72.47	63.53	72.47
(ii) Trade payables	592.26	418.44	592.26	418.44
(iii) Other financial liabilities	163.34	143.17	163.34	143.17
Total Financial liabilities	**819.13**	**634.08**	**819.13**	**634.08**

C. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

Liquidity Risk

The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2018 and March 31, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

Notes to the financial statements

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

Note 41: Financial instruments and Related Disclosures (Contd.)

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Company's Current assets aggregate to ₹2,152.30 crores (March 31, 2017 - ₹1,758.62 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹126.61 crores (March 31, 2017 - ₹298.70 crores) against an aggregate Current liability of ₹992.98 crores (March 31, 2017- ₹759.62 crores). The table below provides details regarding the contractual maturities of significant Non-current financial liabilities as of March 31, 2018 and March 31, 2017:

	March 31, 2018			
Particulars	**1-3 years**	**3-5 years**	**Above 5 years**	**Total**
Borrowings	24.08	17.82	16.53	58.43
	March 31, 2017			
	1-3 years	**3-5 years**	**Above 5 years**	**Total**
Borrowings	10.58	24.08	34.35	69.01

Further, while the Company's total equity stands at ₹2,937.39 crores (March 31, 2017: ₹2,593.07 crores), it has borrowings of ₹63.53 crores (March 31, 2017: ₹72.47 crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

The Company continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at March 31, 2018 is ₹19.80 crores (March 31, 2017 - ₹18.87 crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial liabilties is negligible. Further, treasury activities, focused on managing current investments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.The Company invests in Mutual Fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the Mutual Fund schemes in which the Company has invested, such price risk is not significant. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Foreign Currency Risk

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials and property, plant and equipment. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risk.

The Company manages currency exposures within prescribed limits. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

The carrying amount of non-derivative foreign currency denominated financial assets and liabilities are as follows: (₹ in crores)

As at March 31, 2018	**USD**	**EURO**	**GBP**	**Other currencies***	**Total**
Financial Assets					
- Trade receivables	35.52	-	-	-	35.52
- Cash and cash equivalents	12.73	0.01	-	0.01	12.75
Financial Liabilities					
- Trade Payables	(174.79)	(15.05)	(1.49)	(0.28)	(191.61)
Net financial asset / (liability)	**(126.54)**	**(15.04)**	**(1.49)**	**(0.27)**	**(143.34)**

Note 41: Financial instruments and Related Disclosures (Contd.)

(₹ in crores)

As at March 31, 2017	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	28.09	-	-	-	28.09
- Cash and cash equivalents	8.82	-	-	0.00	8.82
Financial Liabilities					
- Trade Payables	(78.54)	(6.65)	(0.93)	(0.00)	(86.12)
Net financial asset / (liability)	**(41.63)**	**(6.65)**	**(0.93)**	**0.00**	**(49.21)**

*Others includes currencies such as Japanese Yen, Russian ruble, South Korean Won, Israeli New Shekel, etc.

Foreign currency sensitivity analysis

For every percentage point increase in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax for the year ended March 31, 2018 would change by ₹ (1.29 crores) [March 31, 2017: ₹(0.42 crores)]. For every percentage point decrease in the underlying exchange rate would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligation.

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis.The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The credit risk on cash and bank balances and fixed deposits is limited because the counterparties are banks with high credit ratings.

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from top customer from whom the Company receives 10% or more of its revenues	-	695.65
Revenue from top 5 customers	732.30	1,153.95

D. Fair value measurement

Fair value hierarchy

The fair value of financial instruments as referred to in Note 41 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The following levels have been used for classification:

- Level 1: Quoted prices (unadjusted) for identical instruments in active market.
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs
- Level 3: Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly for certain unquoted

Notes to the financial statements

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

Note 41: Financial instruments and Related Disclosures (Contd.)

equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain unquoted equity instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Financial Instrument	Valuation Technique	Key inputs used	Sensitivity
Investments in unquoted equity instrument at FVTOCI [1.65% equity instrument in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India]	Discounted Cash Flow Method	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry, ranging from 1% to 3% (as at March 31, 2017: 1% to 3%).	If the Long-term revenue growth rates used were 1% higher/lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹0.78 crores and ₹(0.69) crores respectively [as at March 31, 2017: ₹0.78 crores and ₹(0.68) crores respectively]
		Weighted average cost of capital (WACC) as determined ranging from 17% to 18% (as at March 31, 2017: 16% to 17%)	A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹(1.20) crores and ₹1.37 crores respectively [as at March 31, 2017: ₹(1.17 crores) and ₹1.34 crores respectively]

Note: These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

The following table presents the fair value hierarchy of assets measured at fair value on a recurring basis :

Particulars	Fair value hierarchy (Level)	As at March 31, 2018	As at March 31, 2017
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (Non-current)	3	5.27	5.90
Sub-total		**5.27**	**5.90**
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.24	0.24
ii) Equity Shares - Unquoted	3	19.56	18.63
Sub-total		**19.80**	**18.87**
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	15.33	127.78
Sub-total		**15.33**	**127.78**
Total Financial assets		**40.40**	**152.55**

Notes to the financial statements

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

Note 42: Dividend

Dividend on equity shares paid during the year	2017-18	2016-17
Final dividend for the FY 2016-17 [₹4.25 per equity share of ₹1 each]	72.60	-
Dividend distribution tax on final dividend	14.80	-
Interim dividend for the FY 2017-18 [₹2 per equity share of ₹1 each]	34.16	-
Dividend distribution tax on interim dividend	6.96	-
	128.52	**-**

The Board of Directors at its meeting held on May 18, 2018 have recommended a final dividend of ₹2.15 per equity share of face value of ₹1 each for the financial year ended March 31, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability. Interim dividend of ₹2 per equity shares of face value of ₹1 each approved by the Board of Directors at its meeting held on November 9, 2017 was paid during the current year. The total dividend (including interim dividend) for FY 2017-18 amounts to ₹4.15 per equity share (Previous year ₹4.25 per equity share).

Note 43: The financial statements are approved for issue by the Audit Committee at its meeting held on May 14, 2018 and by the Board of Directors on May 18, 2018.

For and on behalf of the Board of Directors

Dr. Ramachandra N Galla
Chairman

Jayadev Galla
Vice Chairman and Managing Director

S.Vijayanand
Chief Executive Officer

S.V. Raghavendra
Chief Financial Officer

M.R. Rajaram
Company Secretary

Place: Milwaukee, USA
Date : May 18, 2018

NOTICE OF THE ANNUAL GENERAL MEETING

To the members of
Amara Raja Batteries Limited

NOTICE is hereby given that the 33rd Annual General Meeting of the members of Amara Raja Batteries Limited will be held on Saturday, August 11, 2018 at 11:30 A.M at the registered office of the Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh-517520 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors' and Auditors' thereon and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution:**

   "**RESOLVED** that the audited financial statements of the Company for the financial year ended March 31, 2018, the report of the auditor's thereon and the report of the Board of Directors for the financial year ended March 31, 2018, as placed before the 33rd Annual General Meeting be and are hereby received, considered and adopted."

2. To confirm the payment of interim dividend and to declare final dividend on the equity shares of the Company for the financial year ended March 31, 2018 and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **ordinary resolution:**

   "**RESOLVED** that the interim dividend of ₹2 per share (200%) on the equity shares of ₹1 each paid to the shareholders for the financial year ended March 31, 2018, as approved by the Board of Directors at their meeting held on November 9, 2017 be and is hereby noted and approved.

   RESOLVED FURTHER that the final dividend of ₹2.15 per share (215%) as recommended by the Board of Directors be and is hereby declared on the equity shares of ₹1 each of the Company for the year ended March 31, 2018 and the same be paid to those shareholders, in case of shares held in physical form, whose names appear in the register of members as of the close of business hours on August 4, 2018 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on August 4, 2018 as per details furnished by the depositories for this purpose."

3. To appoint a director in place of Dr. Ramachandra N Galla (DIN: 00133761) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment 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 Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Dr. Ramachandra N Galla (DIN: 00133761) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business

4. To appoint Mr. Marc D Andraca (DIN: 08032189) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution:**

   "**RESOLVED** that pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Mr. Marc D Andraca (DIN: 08032189) who was appointed as an Additional Director of the Company with effect from February 10, 2018 by the Board of Directors, who holds office upto the date of this Annual General Meeting under Section 161 of the Act and Article 17.3 of the Articles of Association of the Company, being eligible for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To ratify the remuneration of the Cost Auditors for the financial year 2018-19 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 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time ("Act"), M/s. Sagar & Associates, Cost Accountants, Hyderabad, Firm Registration No. 000118, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2018-19 at a remuneration of ₹4,00,000 (Rupees Four Lakhs only) plus reimbursement of out of pocket expenses and applicable taxes be and is hereby ratified.

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

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

Place: Milwaukee, USA
Date: May 18, 2018

M R Rajaram
Company Secretary

Corporate Identification Number (CIN): L31402AP1985PLC005305
Registered Office:
Renigunta-Cuddapah Road,
Karakambadi, Tirupati, Andhra Pradesh – 517 520
Tel : 91 (877) 226 5000
Fax : 91 (877) 228 5600
E-mail : investorservices@amararaja.co.in
Website : www.amararaja.co.in

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting (the "meeting" or "AGM")) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company.**

   A person can act as proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

   The proxy form in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. Corporate member(s) intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 (Act) authorising their representatives to attend and vote on their behalf at the meeting.

3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, and pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 which sets out details relating to the ordinary/special business to be transacted at the meeting, is annexed hereto.

4. Brief profile of Dr. Ramachandra N Galla and Mr. Marc D Andraca, Directors proposed to be appointed/re-appointed along with the names of the companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard-2 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished and forms part of the notice.

5. The registers i.e Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Act respectively will be available for inspection to the members at the meeting.

6. The register of members and share transfer books of the Company will remain closed from **Monday, August 6, 2018 to Saturday, August 11, 2018 (both days inclusive),** for the purpose of determining the entitlement of member to the final dividend for the financial year 2017-18, if declared at the meeting.

7. The final dividend, if declared, shall be paid on or before August 31, 2018 to those members whose name appear in the register of members as of the close of business hours on August 4, 2018 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on August 4, 2018 as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. The copies of the Annual Report 2017-18 including the notice of the 33rd Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose e-mail address are registered with the Company/Depositories for communication purposes. For members who have not registered their e-mail address, the aforesaid documents are being sent in the permitted mode.

9. Members may also note that the notice of the 33rd Annual General Meeting, proxy form and the Annual Report 2017-18 shall be placed on the Company's website www.amararaja.co.in. The physical copies will also be available at the registered office of the Company for inspection during normal business hours on working days.

10. The route map to the venue of the meeting is furnished herewith and forms part of the Notice.

11. **Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents, Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the concerned Depository Participant by the members.**

12. **Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.**

13. **Members holding shares in physical form are requested**

    - **to advise any change in their address immediately to Cameo Corporate Services Limited, Chennai.**
    - **to update their Bank details already registered with the Company/Cameo Corporate Services Limited or register their bank details by submitting the duly completed National Automated Clearing House (NACH) mandate form attached to this annual report and forward the same to the Cameo Corporate Services Limited to enable the Company to remit the dividend through NACH.**
    - **to note that effective December 5, 2018, SEBI mandated that the securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail the benefits of dematerialisation, members holding shares in physical form are requested to dematerialize the shares held in physical form immediately.**

14. **To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA/Depositories for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.**

15. Pursuant to the provisions of Section 124(5) of the Companies Act 2013, the amount of interim dividend declared/paid up to the financial year 2010-11 and remaining unpaid for 7 years has been transferred, from time to time on respective due dates, to the Investors Education and Protection Fund. Due date for transfer of unclaimed/unpaid dividends for

FY 2010-11 and thereafter to IEPF are given in other requirements/information part of the Corporate Governance Report. Details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company i.e. www.amararaja.co.in.

16. As per Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 and amendments made thereunder ("Rules"), all shares in respect of which dividend remains unpaid or unclaimed for seven years, or more, are required to be transferred to the Investor Education and Protection Fund (IEPF) Account. The shareholders are requested to claim their unpaid/unclaimed dividend in order to avoid transfer of shares to IEPF Account. The Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as per Rules. The details of shares transferred to IEPF have also been uploaded on the website of the IEPF Authority and the same can be accessed at www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed from IEPF. Concerned members/investors are advised to visit the weblink: http://iepf.gov.in/IEPFA/refund.html or contact Cameo Corporate Services Limited for lodging claim for refund of shares and / or dividend from the IEPF Authority.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Cameo Corporate Services Limited, Chennai.

18. 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.

19. 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.

20. **Voting through electronic means:** In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting ('Remote e-voting'). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the authorised agency to provide e-voting facilities. Instructions for e-voting are given in note no. 26.

21. **Voting at AGM:** The facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right to vote at the meeting. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.

22. The Board of Directors has appointed Shri V. Suresh, Practising Company Secretary, (Membership No. FCS 2969 and CP No. 6032) as a Scrutinizer to scrutinize the remote e-voting process and poll at AGM in a fair and transparent manner.

23. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three (3) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorised by the Chairman for countersignature.

24. The Results shall be declared by the Chairman or by an authorised person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.

25. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company www.amararaja.co.in and on CDSL's website https://evotingindia.com and communicated to BSE Limited and

National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same on their website(s).

26. **E-voting Instructions:** The instructions and other information relating to e-voting are as under:

i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.

ii. Now click on "Shareholders" to cast your votes.

iii. Now fill up the following details in the appropriate boxes:

User - ID	For CDSL: 16 digits beneficiary ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID Members holding shares in Physical Form should enter Folio Number registered with the Company

iv. Next enter the Image Verification as displayed and click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department. Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their Demat account number/Folio No., as the case may be, in the PAN field. In case the Folio No. is less than 8 digits, enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar and Folio No. is 1, then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said folio. If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank column.

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Now select the Electronic Voting Sequence Number (EVSN) along with "Amara Raja Batteries Limited" from the drop down menu and click on "SUMBIT".

xi. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. The option "YES" implies that you assent to the Resolution and Option "NO" implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "YES/NO" or alternatively you may partially enter any number in "YES" and partially in "NO", but the total number in "YES" and "NO" taken together should not exceed your total shareholding.

xii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire notice or resolution details.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix. In case you have any queries or issues regarding remote e-voting, please write an email to helpdesk.evoting@cdslindia.com. Members can also refer to Frequently Asked Questions ("FAQs") available under the "HELP" section on www.evotingindia.com

Other Instructions

i. The remote e-voting will commence on **Wednesday, August 8, 2018 (9:00 a.m. IST) and ends on Friday, August 10, 2018 (5:00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on **August 4, 2018** i.e cutoff date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.

ii. **The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e August 4, 2018. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date i.e. August 4, 2018 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 4, 2018 may write to helpdesk.evoting@cdslindia.com or to the Company at investorservices@amararaja.co.in for User ID and password or follow the instructions in note no. 26 for casting their vote. If the member is already registered with CDSL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

Statement pursuant to Section 102 (1) of the Companies Act, 2013(Act) and SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018

The following statement sets out all material facts relating to ordinary/special business mentioned in the accompanying notice dated May 18, 2018 and shall be taken as forming part of the notice.

Item No. 3

Dr. Ramachandra N Galla (79), who was appointed as Director at the annual general meeting held on August 6, 2016 and being the longest-serving member of the Board, retires by rotation and being eligible offers himself for reappointment.

The members of the Company are requested to note that the Securities and Exchange Board of India (SEBI) notified the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Regulations") effective from April 1, 2019. As per amended Regulation 17(1A) of the Regulations, the appointment or continuation of any person as a non-executive director who has attained the age of 75 years requires approval of the members by way of special resolution.

Dr. Ramachandra N Galla is the founder of Amara Raja Batteries Limited and is being instrumental in the growth of the Company. He occupied various positions in the Company including the office of the Chairman and Managing Director and presently holds the office of the Non-Executive Chairman of the Company. The Nomination and Remuneration Committee and the Board recommended his re-appointment as a Director after taking into consideration, his technical expertise in the business, active participation in the Board and performance as chairperson of the Company

The particulars of Dr. Ramachandra N Galla viz., qualification, expertise and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished hereunder and in the Corporate Governance Report.

Dr. Ramachandra N Galla, Chairman and Mr. Jayadev Galla, Vice Chairman and Managing Director are interested in the resolution as set out at item no. 3 of this notice with regard to appointment of Dr. Ramachandra N Galla as a Director.

Item No. 4

Mr. Marc D Andraca (Mr. Marc), nominee of Johnson Controls was appointed as an Additional Director of the Company by the Board with effect from February 10, 2018, pursuant to Section 161 of the Companies Act, 2013 (Act) and holds office upto the date of this Annual General Meeting. The Company has received from Mr. Marc the requisite disclosures/ declarations pursuant to the provisions of the Act.

The particulars of Mr. Marc viz., qualification, expertise and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished hereunder and in the Corporate Governance Report.

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

Item No. 5

The Board of Directors at their meeting held on May 18, 2018, on recommendation of the Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad, Firm Registration No. 000118 as cost auditors of the Company to conduct the audit of the cost records of the Company in respect of products manufactured by the Company falling under CETA code 8507 i.e Electric Accumulators, including separators for the financial year 2018-19 on a remuneration of ₹4,00,000 (Rupees Four Lakhs only) plus reimbursement of out of pocket expenses and applicable taxes.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, consent of the members is sought by way of an ordinary resolution as set out at item no. 5 of the notice ratifying the remuneration payable to the Cost Auditors for the financial year 2018-19.

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

M R Rajaram
Company Secretary

Place: Milwaukee, USA
Date: May 18, 2018

Brief particulars of the directors proposed for re-appointment/appointment at the Annual General Meeting and other details pursuant to Secretarial Standard - 2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given below:

a. Dr. Ramachandra N Galla

Dr. Ramachandra N Galla (79), is an engineer graduate with M.E. (Applied Electronics) from Roorkee University, Uttar Pradesh and did his MS in Systems Sciences from Michigan State University, USA.

He is the founder Chairman of Amara Raja group of Companies. He started his career as an Electrical Engineer in US Steel Corporation, USA and moved on to Sargent & Lundy, USA as a Consulting Engineer for the Designing of Nuclear & Coal Fired Power Plant before he laid the foundation of Amara Raja Batteries Limited in the year 1985 in Chittoor District. He was first appointed as a Director in the year 1985, occupied various positions in the Company including the office of Chairman and Managing Director and presently holds the office of the Non-Executive Chairman of the Company.

His attendance details at the Board meetings, Committee meetings and Annual General Meeting held during the financial year 2017-18 and the commission paid for financial year 2017-18 are given in Corporate Governance report.

He is the father of Mr. Jayadev Galla, Vice Chairman and Managing Director and does not hold any shares in the Company. He is proposed to be appointed as a non-executive director, liable to retire by rotation at a commission of 3% of the net profits of the Company every year, which was approved by the members at the Annual General Meeting held on August 14, 2015.

Details of Directorships and Committee Memberships of Dr. Ramachandra N Galla are as follows:

Name of the Company	Chairmanship/ Directorship	Committee	Chairman/ Member
Amara Raja Batteries Limited	Chairman	Stakeholders Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Chairman
Mangal Industries Limited	Chairman	Audit Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Chairman
		Nomination and Remuneration Committee	Member
Amara Raja Power Systems Limited	Chairman	Audit Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Member
Amara Raja Electronics Limited	Chairman	Audit Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Loan and Investment Committee	Chairman
		Nomination and Remuneration Committee	Member
Andhra Pradesh Gas Power Corporation Limited	Director	-	-

Note: Only listed and public limited companies in India are considered.

b. Mr. Marc D Andraca

Mr. Marc D Andraca (49) graduated from Dartmouth College in the United States and received an MBA from the University of Michigan. He is a graduate of Johnson Controls' XLP Leadership training program.

Mr. Marc D Andraca has most recently been appointed as Vice President, Business Development-Advanced Products. Prior to his new role, he was the Vice President for Corporate Strategy at Johnson Controls during its first year post-merger with Tyco. He drove three lines of work under the CEO and senior management: (1) building an enterprise-wide portfolio management framework and assessment; (2) developing the strategic review of the "internet of things" and long-term implications in

collaboration with Professor M. Porter of the Harvard Business School; (3) developing the corporate strategic plan to the Board of Directors, integrating and synthesizing business unit strategies and growth plans.

Prior to this role, over his 15-year career with Johnson Controls, he had worked in strategy, program management, and business development roles in the buildings and battery business segments. He spent 7 years in Power Solutions, with 2 years based in Singapore starting up the Asia Pacific battery business. During this period he focused on Southeast Asia growth programs, and worked extensively with Amara Raja management and field personnel.

Prior to JCI he worked at Enron Energy Services and in a range of growth-focused management consultancies.

His attendance details at the Board meetings and Annual General Meeting held during the financial year 2017-18 are given in Corporate Governance report.

He is not related to any other director or KMP of the Company and does not hold any shares in the Company. Except holding directorship in Amara Raja Batteries Limited, he does not hold any directorships/membership in any committees of the Board. He is proposed to be appointed as a non-executive director, liable to retire by rotation.

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Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305
Registered Office: Renigunta – Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh– 517520
Tel: 91 (877) 226 5000 Fax: 91 (877) 228 5600
investorservices@amararaja.co.in | www.amararaja.co.in

ATTENDANCE SLIP
33rd Annual General Meeting (AGM) – August 11, 2018

Sr. No.

Folio No. / DP ID No. / Client ID No.	
Name and registered address of the member	
Name(s) of the Joint Holder(s) if any	
Number of Shares held	
Full Name of the Proxy (IN BLOCK LETTERS)	

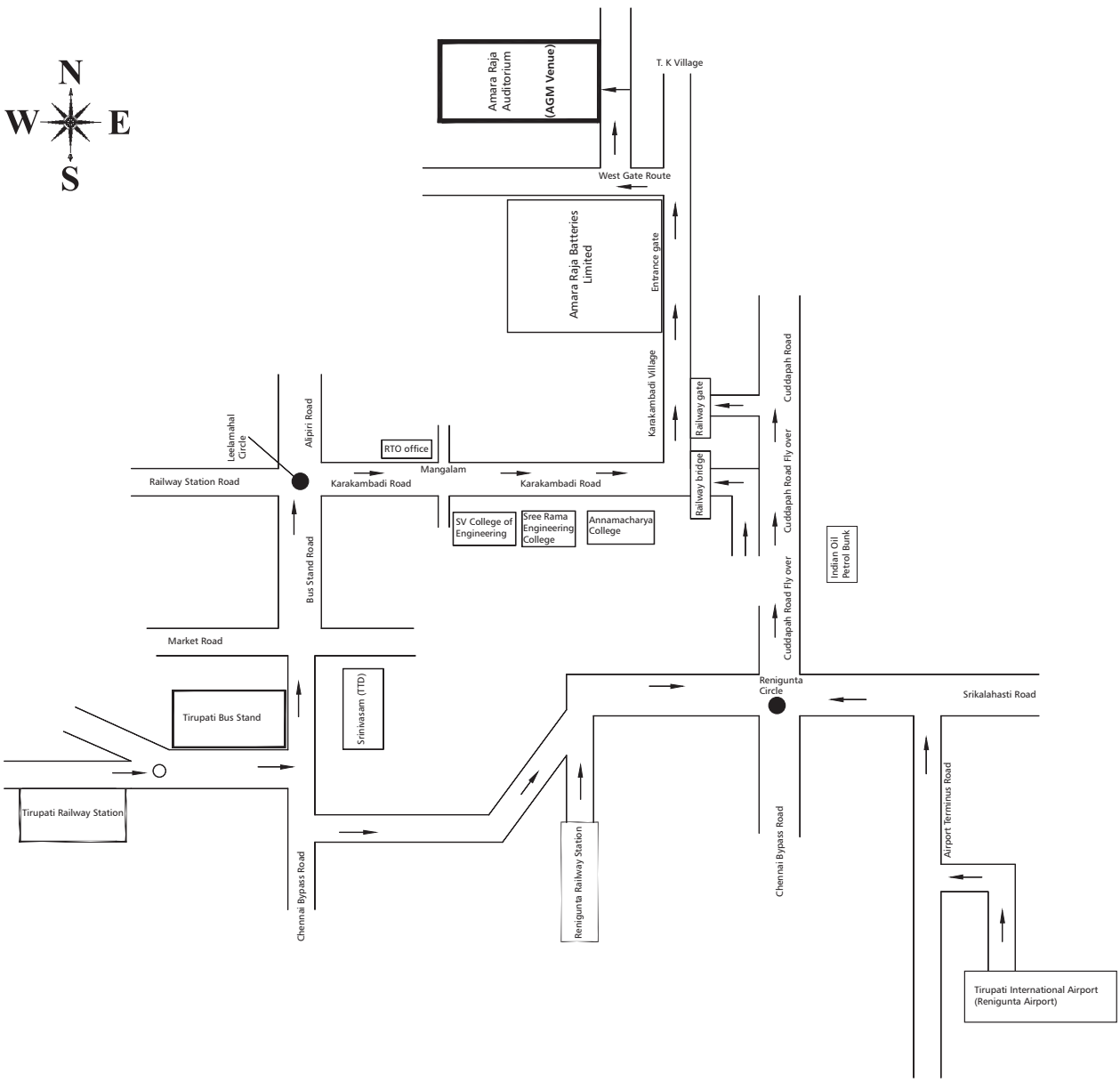
I certify that I am a member/proxy for the member of the Company. I hereby record my presence at the 33rd Annual General Meeting of the Company held on Saturday, August 11, 2018 at 11:30 a.m. at the registered office of the Company at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520

SIGNATURE OF THE MEMBER/PROXY

1. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members/Proxy holders are requested to bring their copies of the Annual Report to the AGM.
2. Only members/representatives of the Corporate members or proxies are allowed to attend the AGM. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013 (Act). A copy of authorisation should be deposited with the Company.

Route Map to the AGM Venue

Venue: Auditorium, Amara Raja Batteries Limited, Renigunta-Cuddapah Road, Karakambadi, Tirupati - 517520



Not to scale

Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305
Registered Office: Renigunta – Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh– 517520
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]

33rd Annual General Meeting – August 11, 2018

Name of the Member(s) :
Registered address :

E-mail id :
Folio No./ Client ID No. :
DP ID :

I/We, being the member (s) of ..... shares of the Amara Raja Batteries Limited, hereby appoint

1. Name : .....
   Address :.....
   e-mail id :.....
   Signature :.....or failing him/her
2. Name : .....
   Address :.....
   e-mail id :.....
   Signature :.....or failing him/her
3. Name : .....
   Address :.....
   e-mail id :.....
   Signature :.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company, to be held on Saturday, August 11, 2018 at 11:30 a.m. at the registered office of the Company at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh -517 520 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject matter of the resolution
1.	Adoption of the audited financial statements for the financial year ended March 31, 2018 together with the reports of the Board of Directors' and Auditors' thereon.
2.	Confirmation of interim dividend and declaration of final dividend on the equity shares of the Company for the financial year 2017-18.
3.	Re-appointment of Dr. Ramachandra N Galla, as a Director of the Company, liable to retire by rotation.
4.	Appointment of Mr. Marc D Andraca as Director of the Company.
5.	Ratification of the remuneration to be paid to the cost auditors of the Company for the financial year 2018-19.

Signed this ..... day of 2018

Affix a Revenue Stamp of not less than ₹1

Signature of the Member

Signature of the Proxy holder(s)

Notes:

1. The proxy form in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before AGM i.e. on or before 11:30 A.M. on August 9, 2018.
2. The Proxy need not be a Member of the Company.
3. The proxy holder may vote either for or against each resolution.

To

M/s. Cameo Corporate Services Limited
Unit: Amara Raja Batteries Limited
V Floor, Subramanian Building
No. 1, Club House Road
Chennai- 600 002

Dear Sir,

Payment of Dividend through NACH (NACH Mandate Form)

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the Folio mentioned hereunder, directly to my/our bank account through the National Automated Clearing House (NACH)

The details are given below:

Folio No.	
Name of First / Sole Shareholder	
First Shareholders Address	
E-mail id	
Mobile No.	

Particulars of Bank:

Name of Bank in Full									
Branch Name & Address									
IFSC Code									
Branch Code									
(9 Digits Code Number of the Bank and branch as appearing on the **MICR** Cheque issued by the Bank). Please attach a photocopy of the cheque.									
Type of Account with code	Saving Bank 10			Current 11			Cash Credit 13		
Account No. (as appearing on the Cheque Book)									

I/We, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company or User institution responsible. I/We undertake to inform any subsequent changes in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount. I/We understand that, the above details shall be maintained by you till I/We hold the shares in physical mode under the captioned folio.

Place:
Date:

(Signature of Sole/First holder)

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To

M/s. Cameo Corporate Services Limited
Unit: Amara Raja Batteries Limited
V Floor, Subramanian Building
No. 1, Club House Road
Chennai- 600 002

Dear Sir,

Sub: E-mail address Registration

I am a shareholder of the Company. I want to receive all communication from the Company including AGM and other General Meeting notices and explanatory statement(s) thereto, Balance Sheets, Director's reports, Auditor's Reports etc or any other Communication from the Company through e-mail. Please register my e-mail ID, set out below, in your records for sending communication through e-mail:

Folio No. / DP ID & Client ID : .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

.....

.....

E-mail id (to be registered) : .....

Contact No. : Mobile.....

Landline.....

Signature:

Place:

Date:

Notes:

1. Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.
2. Kindly submit duly completed form to Cameo Corporate Services Limited, V Floor, Subramanian Building, No. 1, Club House Road, Chennai-600002

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NOTES

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Renigunta - Cuddapah Road, Karakambadi,
Tirupati, Andhra Pradesh - 517 520
Tel: 91 877 226 5000
Fax: 91 877 228 5600
CIN: L31402AP1985PLC005305