Annexure III

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.