

# BOARD'S REPORT

To,  
**The Members**  
AMARA RAJA BATTERIES LIMITED  
The Board of Directors are pleased to present their report for the financial year ended **March 31, 2022**.

## 1. SUMMARY OF FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2022, is summarized below:

Parameters	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	<b>8,695.82</b>	7,149.68	<b>8,697.15</b>	7,149.78
Other income	<b>77.98</b>	87.36	<b>77.98</b>	87.36
<b>Total income</b>	<b>8,773.80</b>	<b>7,237.04</b>	<b>8,775.13</b>	<b>7,237.14</b>
Profit before tax	<b>689.80</b>	873.33	<b>691.12</b>	873.35
Less: Tax expense (including deferred tax)	<b>178.55</b>	226.52	<b>178.55</b>	226.52
<b>Profit for the year</b>	<b>511.25</b>	<b>646.81</b>	<b>512.57</b>	<b>646.83</b>
Total other comprehensive Income/ (Loss)	<b>0.70</b>	(6.75)	<b>0.74</b>	(6.74)
<b>Total comprehensive income for the year</b>	<b>511.95</b>	<b>640.06</b>	<b>513.31</b>	<b>640.09</b>

Your Company's standalone revenue from operations for the year grew to ₹8,695.82 crores from ₹7,149.68 crores last year registering a growth of 22%. The net profit for the year was ₹511.25 crores as against ₹646.81 crores in the previous year. The Earnings Per Share (EPS) for the year stood at ₹29.93 per share, compared to ₹37.87 per share for the previous year.

The Directors propose to transfer an amount of ₹51.13 crores to the general reserve. An amount of ₹3,873.18 crores are in the retained earnings.

## 2. PERFORMANCE REVIEW

### Automotive battery business

The year started with an expectation of normalcy. Soon, this got shattered and the deadly form of Covid-19 surfaced bringing the country to a standstill. However, this didn't last long and within two months, the business bounced back and there was no looking back.

The four-wheeler (4W) vehicle production experienced high growth during 2021-22. The growth happened across all vehicle categories. The domestic vehicle sales also witnessed good growth across categories. Not to be left behind, very high growth in exports of vehicles, contributed in the sharp recovery after a pandemic hit 2020-21. The exception to this recovery was the two-wheeler (2W) domestic sales, which continued to slide during the year. Though exports of these vehicles showed very high growth, it was not sufficient to bring in the production growth in 2W vehicles. In spite of various challenges faced, we were able to maintain our shares in the OE business segment

Our performance in aftermarket business, however, remained strong. During the year, both the 4W & 2W battery segments showed double digit growths. Growth witnessed in the both the segments, in spite of various challenges, is a testimony to the brand strength of Amaron® and PowerZone™, and the preference it created. The wide and deep distribution strength, ensured that, our batteries were always available at places, when and where, the customers wanted them. We continually maintained high capacity utilization, to ensure adequate product availability.

Though, markets and trade opened up, Work from Home (WFH) situation, moved into a hybrid mode. Two years

of WFH model, started showing in a dip in demand for batteries, as life of batteries started improving owing to reduced usage of vehicles. This is, however, expected to be a temporary phenomenon. Various initiatives taken in past year and many planned in the next year, will ensure that we will always remain ahead, and continue aggressive growths.

Our business in international markets was no exception, and we continued our growth further, supported by a strong brand, quality product and distribution strength in key and focused markets in the Indian Ocean Rim.

Our capacity enhancement are continuing as per plan, coupled with efficiency improvement across all our plants

### Industrial battery business

The Industrial Battery Business has shown a decent growth over the previous year by about 28% in value terms. The growth has come from all the segments of the business. Overall the demand is seen picking up in the market though there were some hiccups in the first quarter due to the pandemic's second wave in India.

Lesser effect of Covid in fiscal year 2021-22 compared to fiscal year 2020-21 has aided the Telecom segment's new site rollouts and hence development potential. Potential will expand significantly in fiscal year 2022-23 owing to an increase in O&M replacement and energy-saving initiatives. Fewer deliveries to BSNL than anticipated contributed to an increase in the business's total share. We have expanded our portfolio of telecom sites in the AP and Orissa circles.

The needs of the UPS OEs rebounded from the previous year, with pent-up demand from all sectors beginning in the second quarter. This has contributed to the business's



growth throughout the year. Moreover, with our expanded product line, we could build a strong presence in the rapidly growing data centre industries.

The Company's exports to the Middle East and Asia-Pacific experienced a phenomenal rise. The measures done in the past to hire dedicated contract personnel are now producing positive outcomes. Even though there were travel limitations to maintain seamless operations, we were able to contact customers through virtual channels. Managed input supplies and exports in the face of unknown interruptions in the global supply chain.

Motive Power and Solar, among other business categories, have also seen development and are expanding in a positive manner.

### 3. Dividend

The Directors are pleased to recommend a final dividend of ₹0.50/- per equity share (50%) of ₹1 each for the financial year ended March 31, 2022, subject to the approval of the members at the ensuing Annual General Meeting. The final dividend, if approved, would involve a cash outflow of ₹8.54 crores. The recommended final dividend is in addition to the interim dividend of ₹4.00 per equity share (400%) of ₹1 each declared on November 12, 2021, paid to the shareholders on December 10, 2021.

The total dividend for FY 2021-22 is ₹4.50/- per equity share of ₹1 each (450%), The total dividend outflow including the proposed final dividend for the financial year ended March 31, 2022, aggregated to ₹76.87 crores, a payout of 15.03% of the Profit after tax of the Company, which is in line with the Dividend Distribution Policy of the Company.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Dividend Distribution Policy, is available on the Company's website at <https://www.amararajabatteries.com/investors/corporate-governance-policies>

The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, July 31, 2022, to Saturday, August 6, 2022, both days inclusive, for determining the entitlement of the shareholders for the final dividend for the Financial Year ended March 31, 2022, and for annual book closure.

The final dividend, if approved at the 37<sup>th</sup> Annual General Meeting (AGM) will be paid to those members whose names appear on the register of members of the Company as of the end of the day on Saturday, July 30, 2022. In terms of the provisions of the Income Tax Act, 1961, such dividends will be taxable in the hands of the Shareholders.

### 4. Financial position

The net worth as of March 31, 2022, improved to ₹4,551.39 crores with the net addition of ₹341.13 crores to the other equity during the year. There is no interest-bearing debt as of March 31, 2022. The surplus cash at the year-end stood at ₹34.31 crores. CRISIL had re-affirmed the ratings on the Company's long-term bank loan facilities at 'CRISIL AA+/Stable' and on the short-term bank facilities at 'CRISIL A1+.'

A detailed analysis of the financial performance and financial position is provided in a separate section and forms an integral part of this report.

### 5. Subsidiaries and Consolidated Financial Results

#### i. Subsidiary Company

Amara Raja Batteries Middle East (FZE) (ARBME), Sharjah, UAE, a wholly-owned subsidiary of the Company, reported net revenue of ₹6.14 crores with a Profit After Tax of ₹1.21 crores for the financial year ended March 31, 2022.

#### ii. Consolidated Financial Results

In accordance with the provisions of the Companies Act, 2013 the Act, Regulation 33 of the Listing Regulations and applicable Accounting Standards, the audited consolidated financial statements of the Company for the financial year 2021-22, together with Auditors Report thereon forms part of the Annual Report. A statement showing the salient features of the financial statements of the subsidiaries, associates and joint ventures in the prescribed Form AOC-1 is provided as **Annexure I** forms an integral part of this report.

In accordance with Section 136 of the Act, the financial statements of the Subsidiary Company will be made available to the members of the Company on request and will also be kept for inspection during business hours at the Registered Office of the Company. The financial statements and all other documents required to be attached to this report and separate audited financial statements of the wholly owned subsidiary are available

on Company's website at <https://www.amararajabatteries.com/Investors/annual-reports/>

During the year, Company has not done any revision to the financial statements or report and there were no changes to the Company's financial statements during the last three preceding financial statements.

### 6. Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report

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

### 7. Directors and Key Managerial Personnel

During the year under review, the following were the changes to the Board of Directors of the Company

S. No	Name	Date of Change	Change
1	Dr. Ramachandra N Galla (DIN: 00133761)	August 14, 2021	Retired as Director & Chairman of the Company.
2	Dr. Ramadevi Gourineni (DIN:01347211)	June 12, 2021	Ceased to be a Director due to resignation
3	Mr. Harshavardhana Gourineni (DIN: 07311410)	June 12, 2021	Appointed as Executive Director.
4	Mr. Vikramadithya Gourineni (DIN: 03167659)	June 12, 2021	Appointed as Executive Director.
5	Mr. Annush Ramasamy (DIN: 01810872)	June 12, 2021	Appointed as Independent Director.

In accordance with provisions of Section 152 of the Act and pursuant to Articles of Association of the Company, Mr. Harshavardhana Gourineni (DIN: 07311410), is liable to retire by rotation at the ensuing 37<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment. The brief details required to be disclosed in accordance with Regulation 36 of Listing Regulations, Act and Secretarial Standards are included in the notice of the 37<sup>th</sup> Annual General Meeting forming part of this Annual Report

### Key Managerial Personnel

Pursuant to the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following have been designated as Key Managerial Personnel of the Company as of March 31, 2022:

Mr. Jayadev Galla	-	Chairman, Managing Director & CEO
Mr. Y Delli Babu	-	Chief Financial Officer
Mr. Vikas Sabharwal	-	Company Secretary

During the year under review, based upon the recommendation of the Nomination and Remuneration Committee, Mr. S Vijayanand was re-designated as President –New Energy responsible for building the New Energy Business with effect from June 12, 2021.

There were no other change in the Directors & Key Managerial Personnel and the Company is in compliance with the required provisions of the Act, and Listing Regulations.

### 8. Auditors'

#### i. Statutory Auditors and their Report

M/s. Brahmayya & Co., Chartered Accountants (FRN 000513S) and M/s Deloitte Haskins & Sells LLP, Chartered Accountants (FRN 117366W/W-100018), Joint Statutory Auditors of the Company has issued an unmodified Auditor's Report (Standalone & Consolidated) for Financial Year ended March 31, 2022, and the Joint Statutory Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

M/s. Brahmayya & Co., Chartered Accountants and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were re-appointed as the Joint Statutory Auditors at the Annual General Meeting held on August 7, 2020, for a term of five (5) years from the conclusion of the 35<sup>th</sup> Annual General Meeting till the conclusion of the 40<sup>th</sup> Annual General Meeting.



## ii. Cost Auditors and their Report

Pursuant to Section 148 of the Act read with the Rules framed thereunder, the cost audit records maintained by the Company in respect of its specified products are required to be audited by a Cost Auditor. The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Sagar & Associates, as Cost Auditors (Firm Registration No: 000118) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, at a remuneration of ₹4.75 lacs plus taxes and reimbursements.

The requisite resolution for ratification of remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice to the 37<sup>th</sup> Annual General Meeting, which forms an integral part of this Annual Report.

The Cost Audit Report for the financial year ended March 31, 2021, was duly filed with the Central Government within the due date and the Company has maintained the Cost Records/Accounts as required under Section 148(12) of the Act and there were no adverse observations or remarks in the said report.

During the year under review, the Cost Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

## iii. Secretarial Auditors and their report

Pursuant to the provisions of Section 204 of the Act, Regulation 24A of the Listing Regulations and rules framed thereunder, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. R. Sridharan & Associates, (Firm Registration No: S2003TN063400) Practicing Company Secretaries to undertake the Secretarial Audit of the Company and provide Annual Secretarial Compliance Report.

The Secretarial Audit Report issued by M/s. R. Sridharan & Associates, Company Secretaries for the financial year ended March 31, 2022 in Form MR-3 is provided as **Annexure II**, which forms an integral part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The Annual Secretarial Compliance Report issued by M/s. R. Sridharan & Associates, Company Secretaries for the financial year ended March 31, 2022 in format prescribed

by SEBI has been submitted to the Stock Exchanges within the prescribed time limit. The report does not contain any qualifications reservations or adverse remarks.

During the year under review, the Secretarial Auditors have not reported any matter under Section 143 of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

## iv. Internal Auditors

The Company has an effective full-time in-house and professionally competent internal audit team, which regularly monitors the effectiveness of the internal control systems. This function reports on the adequacy and effectiveness of the internal control systems of the Company as well as the periodical results of its review of the Company's operations as per an internal audit plan duly approved. The internal audit team works in tandem with M/s. E Phalguna Kumar & Co., Chartered Accountants (Firm Registration No: 002644S), whose professional services have been availed by the Company to audit specific locations and processes as per the Internal Audit plan.

Together they provide a robust framework. The recommendations of the internal audit teams on improvements in the operating procedures and control systems for strengthening the operating procedures were also presented periodically to the Audit Committee.

During the year under review, the Internal Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

## 9. Board and its Committees

### i. Independent Directors and their declaration of independence:

The Board of Directors of the Company comprises an optimum number of Independent Directors. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act:

- Mr. N Sri Vishnu Raju (DIN:00025063);
- Mr. T R Narayanaswamy (DIN: 01143563);

- Ms. Bhairavi Tushar Jani (DIN: 00185929); &
- Mr. Annush Ramasamy (DIN: 01810872);

Each Independent Director has confirmed to the Company that he or she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. There has been no change in the circumstances which may affect their status as an Independent Director during the year, which had been considered and taken on record by the Board.

All the Independent Directors are registered for a lifetime in the database maintained by the Indian Institute of Corporate Affairs (IICA) and a declaration in this regard was received from each of them. In the opinion of the Board, all the Independent Directors are persons of integrity and possess the relevant expertise and experience (including proficiency) as required under the Act and the Rules made thereunder.

### ii. Number of Meetings of the Board

During the year, eight (8) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meetings and attendance by the directors are given in the Corporate Governance Report forming an integral part of this annual report. The maximum time gap between any two consecutive meetings was within the period prescribed under the Act and Listing Regulations.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of Listing Regulations forms an integral part of the Corporate Governance Report.

### iii. Committees of the Board

In compliance with the provisions of Sections 135, 177, 178 of the Act and Listing Regulations, the Board constituted the following sub committees

- Audit Committee;
- Corporate Social Responsibility Committee;
- Nomination & Remuneration Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee; &
- Loan & Investment Committee;

The details of the composition of the Committees, brief terms of reference, their meeting and attendance of the members forms an integral part of the Corporate Governance Report.

During the year, Board has accepted all the recommendations of the Committee(s), and there is no instance, where any recommendation(s) of the Committee(s) were not accepted by the Board.

### iv. Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for the selection and appointment of Directors, Senior Management Personnel and their remuneration. The Nomination and Remuneration Policy adopted by the Board is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>.

### v. Evaluation of the Board's performance

As per provisions of the Act, and Regulation 17(10) of the Listing Regulations, an evaluation of the performance of the board, its committees and members was undertaken. The details of the same forms an integral part of the Corporate Governance Report.

## 10. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, including any statutory modifications or re-enactments thereof for the time being in force, the Board of Directors of the Company confirm, to the best of their knowledge and belief, that in the preparation of annual financial statements for the financial year ended March 31, 2022:

- applicable accounting standards and Schedule III of the Act have been followed;
- 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 of March 31, 2022, and of the profit of the Company for the financial year ended March 31, 2022;
- 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 recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing 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.

#### 11. Corporate Governance

The Company is committed to good Corporate Governance and best corporate practices. The report on Corporate Governance for the year ended March 31, 2022, pursuant to Regulation 34 of the Listing Regulations along with the Additional Shareholders Information (ASI) are provided as **Annexure III** forms an integral part of this Annual Report

The certificate regarding the compliance of conditions of corporate governance issued by M/s R. Sridharan & Associates, Practicing Company Secretaries forms an integral part of the Corporate Governance Report.

#### 12. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report (BRR) detailing initiatives taken from an environmental, social and governance perspective are disclosed in the prescribed format. BRR is provided as **Annexure IV**, which forms an integral part of this Annual Report.

#### 13. 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 Annual Report.

#### 14. Annual Return

The Annual Return pursuant to Section 92(3) read with Section 134(3)(a) of the Act is available on Company's website at <https://www.amararajabatteries.com/Investors/annual-general-meetings>

#### 15. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) has been an integral part of the Company's culture. The Company has associated itself through Rajanna Trust with philanthropic activities in the field of Education, Health, Environment and Rural Development. During the year, the Company has undertaken various CSR projects in the areas of education and rural development.

A brief outline of the CSR Policy of the Company, the CSR initiatives/activities undertaken by the Company during the year and the details of the composition of the CSR Committee are given in the Annual CSR Report provided as **Annexure V**, which forms an integral part of this Annual Report.

The said policy is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

#### 16. 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 2021-22, 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, 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 approval so granted are reviewed and approved by the Audit Committee on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

The members at the 36<sup>th</sup> Annual General Meeting held on August 14, 2021, approved and authorised the Board and/or its Committee to enter into transactions with Mangal Industries Limited (MIL) up to a cumulative value of transactions of ₹1500 crores in each financial year. During the financial year 2021-22, the transactions with MIL amounted to ₹972.95 crores, was a material transaction under Regulation 23 of the Listing Regulations and the policy adopted by the Company.

The details of the Related Party Transactions pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Form AOC – 2, as provided as **Annexure VI**, which forms an integral part of this Annual Report.

None of the Non-Executive Directors, other than receipt of Sitting Fee/ commission, has any pecuniary relationships or transactions vis-à-vis the Company.

#### 17. Internal Financial Controls related to financial statements

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

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statutes, regulations, management authorisation, policies and procedures.
- Ensure optimum use of available resources.

These systems are reviewed and improved on a regular basis. It has a budgetary control system to monitor revenue and expenditure against the approved budget on an ongoing basis.

The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the

significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

#### 18. Risk Management

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

The Company has an elaborate Risk Management framework in place, which helps in identifying the risks and proper mitigation thereof and also lays down the procedure for risk assessment and its mitigation through a Risk Management Committee.

Key risks and their mitigation arising out of reviews by the internal committee are assessed and reported to the Risk Management Committee on a periodic basis. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

During the year, the risk assessment parameters were reviewed. The Risk Management Committee reviewed the elements of risk and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

#### 19. 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 the appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with the complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. The Whistle Blower Policy established by the Board is available on the Company's website at <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

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

The Company gives utmost importance to the employee's health and safety, given the nature of the operations of the Company. The Company believes that "a safe and healthy workplace not only protects employees from injury



and illness, it also elevates the employee morale". The Company continues to be certified under ISO 14001:2015 and ISO 45001:2018 for its environmental management systems and occupational health and safety management systems respectively.

All the manufacturing plants continued to be certified under ISO 50001:2018 for their energy management systems, which helped the Company to institutionalize the system requirements and conserve energy.

## 21. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace

The Company has in place a policy on the prevention of sexual harassment and has constituted an Internal Committee 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, no complaint was received by Committee. There are no outstanding complaints as on March 31, 2022. The Company conducts the required workshops, and awareness programmes as part of the induction processes and regular training sessions.

## 22. Other disclosures

### i. Share Capital

The paid-up equity share capital of the Company as of March 31, 2022, stood at ₹17.08 crores comprising 17,08,12,500 equity shares of ₹1 each. During the year under review, the Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

As of March 31, 2022, RINGGalla Family Private Limited (RFPL), Promoter holds 4,79,32,452 equity shares of ₹1 each constituting 28.06% of the paid-up share capital of the Company.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The annual listing fees for the years 2021 & 2022 have been paid to these exchanges.

### ii. Particulars of loans, guarantees and investments

The details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules,

2014 as of March 31, 2022, are given in Note 38 to the standalone financial statements of the Company.

### iii. Deposits from Public

The Company has not accepted any deposits from the public falling within the ambit of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. There are no outstanding deposits as of March 31, 2022.

### iv. Reporting of Frauds

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

### v. Significant and material orders passed by Regulators or Courts

During the year under review, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

During the previous year, the Company has received closure orders dated April 30, 2021, from the Andhra Pradesh Pollution Control Board (APPCB), for the Company's Plants situated at Karakambadi, Tirupati and Nunegundlapalli village, Chittoor District, Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh has granted an interim suspension of said orders of APPCB.

In compliance with the orders issued by the Hon'ble High Court of Andhra Pradesh, the Company is committed to working closely with APPCB officials for a satisfactory resolution of the matter in the interest of all stakeholders. The Company has always placed its highest priority on the environment and on the health and safety of its workforce and communities around it.

Apart from the above, there are no significant and/or material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

### vi. Compliance with Secretarial Standards

During the year under review, the Company has complied with the Secretarial Standards with respect to Meetings of the Board of the Directors (SS-1) and General Meetings

(SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

### vii. Investor Education and Protection Fund (IEPF)

Section 124 of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), mandates the companies to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend remains unpaid or unclaimed for seven consecutive years or more be transferred to the Demat account of the IEPF Authority.

The details relating to the amount of unclaimed dividend transferred to the IEPF and the shares transferred to the Demat account of the IEPF Authority during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

Shareholders are requested to ensure their dividends are encashed on time. In case of non-encashment of dividends, shareholders are advised to approach the Company or RTA to claim their unclaimed dividends

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

The information on conservation of energy, technology absorption and 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**, which forms an integral part of this Annual Report.

### ix. Particulars of Employees and Remuneration

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

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 provided in "**Annexure IX**". However, as per the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members excluding the aforesaid statement. The statement is available for inspection at the

Registered Office of the Company during working hours up to the date of 37<sup>th</sup> Annual General Meeting.

## 23. Familiarisation Programme for Directors

In addition to giving a formal appointment letter to the newly appointed Director on the Board, a detailed induction plan covering the role, function, duties, responsibilities and the details of compliance requirements expected from the Director under the Act and relevant Regulations of Listing Regulations are given and explained to a new Director.

## 24. Other Statutory Disclosures

The Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items, during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of sweat equity shares or any other securities.
- Provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Employee Stock Options/Plans.
- No Shares are held in trust for the benefit of employees where the voting rights are not exercised directly by the employees.
- There were no instances of failure of implementation of Corporate Actions.

## 25. Awards and Recognitions

In keeping with the Company's exemplary performance in the area of quality and manufacturing excellence, we are proud to share the following successes in the past financial year.

- The Company has been awarded the highest 'Gold Award – Sectoral Topper in Auto Components' during in CII-SR EHS (Environment, Health and Safety) Excellence Awards 2021 by the Confederation of Indian Industry (CII).
- The Company won 'Par Excellence' awards at the International Convention on Quality Circles held in November 2021. The theme of the convention



“Quality Concepts Facilitating Societal and Economic Turnaround” acknowledges the efforts made by the Company for improvements & innovations in the face of the unprecedented challenges brought on by the pandemic. The Company won various awards for ABD 1, SBD 1, LVRLA, and TBD.

- Amara Raja’s rethinking of the supply chain ecosystem to tackle the limitations brought by the pandemic was recognized at the Manufacturing Supply Chain Awards, we won in the category of ‘Best-in-Class Excellence in Transport Optimization’ and also in the category of ‘Operational Excellence in Reverse Logistics’.
- At the 15<sup>th</sup> CII Six Sigma National Competition held in September 2021, the Company won Gold for the SBD1 and ABD1 Teams, Platinum for SBD 2, and SCM (Logistics) won Silver. The CII-Six Sigma Awards are given at an annual conference organized by the CII Institute of Quality (CII-IQ). An eminent Jury evaluates the presentation with respect to pre-determined criteria and identifies the Award Winners who exemplify best in class practices that others in the industry can learn from.
- The Company’s Amara Raja Growth Corridor has won the Excellent Energy Efficient Unit’ Award by CII at the 22<sup>nd</sup> National Award for Excellence in Energy Management. This award recognizes the outstanding contribution in the area of energy efficiency made by Amara Raja’s plants and is an acknowledgement of our sincere commitment to our ESG goals.

## 26. 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.

## 27. Change in the nature of business

During the year under review, there were no change in the nature of business of the Company.

## 28. Reconciliation of Share Capital Audit

As required by the Listing Regulations, a quarterly audit of the Company’s Share Capital is being carried out by an Independent Practicing Company Secretary with a view to reconcile the total share capital, admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Practicing Company Secretary’s certificate in regard to the same is submitted to BSE and NSE and is also placed before the Board of Directors.

## 29. Acknowledgement

The Directors take this opportunity to thank all the stakeholders of the Company for their continued support and express their sense of gratitude to the customers, vendors, banks, financial institutions, channel partners, business associates, Central and State Governments for their co-operation and look forward to their continued support in future. The Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels and applaud them for their superior levels of competence, dedication and commitment towards the Company.

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

For and on behalf of the Board of Directors

**Jayadev Galla**

Chairman, Managing Director & CEO

Place: Hyderabad  
Date: May 20, 2022

## Annexure I

### Form AOC-1

(Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

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

Part A: Subsidiaries		(Amount in ₹ crores)
1	Name of the Subsidiary	Amara Raja Batteries Middle East (FZE), Sharjah, UAE
2	Date of Incorporation/Acquisition	July 31, 2018
3	Reporting period for the subsidiary concerned	Same as Holding Company, April 1, 2021 to March 31, 2022
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	United Arab Emirates Dirham(AED) 1 AED = 20.64 INR
5	Share Capital	0.56
6	Reserves and Surplus	1.13
7	Total Assets	2.99
8	Total Liabilities	1.30
9	Investments (included in Total Assets)	-
10	Total Income (including other income)	6.14
11	Profit before tax	1.21
12	Provision for tax	-
13	Profit after tax	1.21
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	100%
Names of subsidiaries which are yet to commence operations		Nil
Names of subsidiaries which have been liquidated or sold during the year.		Nil
<b>Part B: Joint Ventures/ Associates</b>		There are no Joint Ventures/Associates.

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

##### Jayadev Galla

Chairman, Managing Director & CEO  
(DIN: 00143610)

##### Y Delli Babu

Chief Financial Officer

Hyderabad, May 20, 2022

##### Harshavardhana Gourineni

Executive Director  
(DIN: 07311410)

##### Vikas Sabharwal

Company Secretary

##### Vikramadithya Gourineni

Executive Director  
(DIN: 03167659)



## Annexure II

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,

**AMARA RAJA BATTERIES LIMITED**

CIN: L31402AP1985PLC005305

Renigunta - Cuddapah Road,  
Karakambadi,

Tirupati, Andhra Pradesh- 517520

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AMARA RAJA BATTERIES LIMITED [Corporate Identification Number: L31402AP1985PLC005305]** (hereinafter referred to as "the Company") for the financial year ended 31<sup>st</sup> March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the year under review);

- d) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the year under review);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the year under review);
  - f) The Securities and Exchange Board of India (Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021; (Not applicable during the year under review);
  - g) 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; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009& The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the year under review); and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the year under review);
- (vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:
1. The Batteries (Management and Handling) Rules, 2001;
  2. Acts and Rules relating to Environmental protection and energy conservation;
  3. Acts and Rules relating to hazardous substances and chemicals;

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have 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) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Hereinafter referred to as "Listing Regulations").

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Woman Independent Director 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 and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda



items before the meeting and for meaningful participation at the meeting. Notes on Agenda which are circulated less than the specified period the necessary compliances under the Companies Act, 2013 and secretarial standard on Meeting of the Board of Directors are complied with. Board Meetings that were held through video conferencing or other audio visual means, / the directors who were participated through video conferencing during the period under review the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

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

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

**We further report that** the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of the Listing Regulations and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

**We further report that** as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16 (c) and 24A of the Listing Regulations during the period under review.

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

PLACE : CHENNAI  
DATE : 20TH MAY, 2022

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

**CS R.SRIDHARAN**  
CP No. 3239  
FCS No. 4775  
PR NO.657/2020  
UIN: S2003TN063400  
UDIN: F004775D000332102

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

## Annexure A

The Members

### **AMARA RAJA BATTERIES LIMITED**

CIN: L31402AP1985PLC005305

Renigunta-Cuddapah Road,  
Karakambadi,  
Tirupati, Andhra Pradesh -517520.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE : CHENNAI  
DATE : 20TH MAY, 2022

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

**CS R.SRIDHARAN**  
CP No. 3239  
FCS No. 4775  
PR NO.657/2020  
UIN: S2003TN063400  
UDIN: F004775D000332102