



## Annexure V

## Annual Report on Corporate Social Responsibility (CSR)

(As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

## 1. A brief outline of the CSR Policy

CSR Policy of the Company focuses on Education, Health, Environment and Rural Development.

The activities under the Education include primary secondary and higher education skill development of rural youth providing scholarships to underprivileged meritorious students and promoting preventive healthcare activities.

## 2. Composition of the CSR Committee:

Members of the Committee	Designation / Nature of Directorship	Meetings held in Member's tenure	Meetings attended
Mr. Jayadev Galla <sup>(1)</sup>	Chairman, Executive Director	NA	NA
Mr. T R Narayanaswamy	Member, Independent Director	2	2
Mr. N Sri Vishnu Raju	Member, Independent Director	2	2
Dr. Ramachandra N Galla <sup>(2)</sup>	Chairman, Non-Executive Director	2	2

(1) Appointed as Member and Chairman of the Committee w.e.f. August 15, 2021

(2) Ceased to be Member and Chairman of the Committee w.e.f. August 14, 2021.

3. Provide the web link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

CSR Policy: <https://www.amararajabatteries.com/Investors/corporate-governance-policies>

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

The Company has appointed Price Waterhouse Cooper (PWC), to take up the Impact Assessment for the eligible projects, which are implemented during 2020-2021 and have completed one year. The said Impact Report will be part of the Annual Report for the year 2022-23.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company for last three financial years: ₹812.30 crores

## 7. CSR Obligation

a. 2% of the Average Net Profit of the Company as per Section 135(5):	₹16.25 crores
b. Surplus arising out of the CSR projects or programs or activities of the previous financial years :	-
c. Amount required to be set off for the financial year:	-
d. Total CSR obligation for the financial year (7a+7b-7c) :	₹16.25 crores

## 8. CSR Expenditure

a. CSR amount spent or unspent for the financial year:

Total amount spent for the financial year FY 2021-22	Amount unspent (₹)				
	Total amount transferred to unspent CSR account as per Section 135(6) of the Act Amount	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5) of the Act Name of the Fund	Amount	Date of transfer
₹16.43 Crores	Nil	NA	NA	Nil	NA

b. Details of CSR amount spent against ongoing projects for the financial year

SI No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project Duration (Years)	Amount Allocated for the Project (₹ Crores)	Amount spent in the current financial Year (₹ Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (₹)	Mode of Implementation - Through Implementing Agency (Yes/No) Name	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Construction of High School building for Amara Raja Vidyalayam	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Diguvamagham Village, Chittoor District	3	14.81	2.32	Nil	Yes	Rajanna Trust	CSR 0000 3252
2.	Construction of Advance welding Lab and PLC training Lab at Amara Raja Skill Development Centre	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	3.00	1.69	Nil	Yes	Rajanna Trust	CSR 0000 3252
3	Infrastructure Facilities at Educational Complex	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	4.00	2.17	Nil	Yes	Rajanna Trust	CSR 0000 3252
4	Infrastructure Facilities at Educational Complex	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Diguvamagham Village, Chittoor District	3	2.00	0.46	Nil	Yes	Rajanna Trust	CSR 0000 3252
5	Underground Drainage and Solid waste management Project	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta Village, Chittoor District	3	3.00	0.24	Nil	Yes	Rajanna Trust	CSR 0000 3252
<b>Total Spent on Ongoing Projects for the Financial Year</b>								<b>6.88</b>				



c. Details of CSR amount spent against other than ongoing projects for the financial year

SI No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount Allocated for the Project (₹ Crores)	Amount spent in the current financial year (₹ Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (₹)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration No.
1.	Running and Maintenance expenditure for Amara Raja Skill Development Centre	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Petamitta village, Chittoor District	3.27	3.27	Nil	No	Rajanna Trust	CSR 0000 3252
2.	Running and Maintenance expenditure of Amara Raja Educational Institutions	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Karakambadi, Petamitta and Digu- vamagham Villages, Chittoor District	5.68	5.68	Nil	No	Rajanna Trust	CSR 0000 3252
3.	PHC & ECO Project Maintenance Expenses	Clause ii of Schedule VII to the Act	Yes	Andhra Pradesh	Karakambadi, Petamitta and Digu- vamagham Villages, Chittoor District	0.60	0.60	Nil	No	Rajanna Trust	CSR 0000 3252
<b>Total Spent on other than Ongoing Projects</b>						<b>9.55</b>					

8(d)	Amount spent in Administrative Overheads	Nil
8(e)	Amount spent on Impact Assessment if any	Nil
8(f)	Total Amount spent for the financial year (8b+8c+8d+8e)	₹16.43 Crores
8(g)	Excess Amount for set off, if any	₹0.18 Crores

SI No.	Particular	Amount (₹ Cr)
1.	Two per cent of average net profit of the company as per Section 135(5)	16.25
2.	Total amount spent for the financial year	16.43
3.	Excess amount spent for the financial year [(ii)-(i)]	0.18
4.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.18

9. a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

SI No.	Project Id	Name of the Project	Financial year in which project was commenced	Project Duration	Total Amount allocated for the Project (₹ Crores)	Amount spent on the project in the reporting financial year (₹ Crores)	Cumulative amount spent at the end of reporting financial year (₹ Crores)	Status of the project - Completed/ Ongoing
1.	ARVDM HSB01	High School building - Amara Raja Vidyalayam	2019-20	3 Years	14.81	2.32	14.81	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset wise details)

**Asset: High School building - Amara Raja Vidyalayam (ARVDM HSB01)**

A	Date of creation or acquisition of the capital asset(s)	March 31, 2022
B	Amount of CSR spent for creation or acquisition of a capital asset	₹14.81 Crores
C	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Rajanna Trust, Dighuvamagham (village & Post), Thavanampalli (Mandal), Chittoor (District)
D	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Construction of High School building (ARES)- Amara Raja Vidyalayam, Digu- vamagham Village, Chittoor District, Andhra Pradesh

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Act:  
**Not Applicable**

Place: Hyderabad  
Date: May 20, 2022

**Jayadev Galla**  
Chairman, Managing Director & CEO  
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 arrangements or transactions at an arm's length basis

(a) Name(s) of the related party and nature of the Relationship	Name Relationship	Mangal Industries Limited ("MIL") Promoter of the Company, Owned and Controlled by Promoters of the Company. Wholly Owned Subsidiary of RNgalla Family Private Limited, Promoter of the Company.
(b) Nature of contracts/ arrangements/ transactions	<b>Income:</b> <b>Expenses:</b>	Sale of goods, interest income, other recoveries and sharing of expenses. Purchase of materials, plastic components, storage racks and sharing of expenses.
(c) Duration of the contracts / arrangements/ transactions	On-Going and based on the requirements	
(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 14, 2021, authorized the Board (including Committees of the Board) to enter into transactions with MIL up to ₹1,500 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 to note 34 to the notes forming part of the financial statements for further information on transactions with MIL.

For and on behalf of the Board of Directors

**Jayadev Galla**

Chairman, Managing Director & CEO

Place: Hyderabad

Date: May 20, 2022

## Annexure-VII

Information under section 134(3)(m) of the act read with rule 8 of the Companies (Accounts) Rules, 2014 and forms part of the Board's report:

## A. Conservation of Energy

## (i) the steps taken or impact on the 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 the installation of energy-efficient equipment. Few initiatives are mentioned below.

- Implementing best energy-saving practices in all equipment and processes, including plant lighting.
- BLDC fans for AHUs.
- Auto descaling system for condensers of chillers.
- Improving power factor at SDB level.
- Replacement of old conventional chargers with improved IGBT chargers.
- Compressed air demand reduction.
- Effective utilization of reduced unit rates during off-peak hours by thermal storage.
- Scheduling of non-continuous operating machines during off-peak hours and normal hours and avoid on-peak hours.
- Skin temperature reduction of lead melting pots.
- Optimization of process parameters and cycle times.
- Conducting awareness sessions on energy conservation to suppliers.
- Training of employees on ISO 50001:2018 and Energy savings technics

## (ii) the steps taken by the company for utilising alternate sources of energy

## Renewable energy initiatives:

- Rooftop solar installations in manufacturing plants at Tirupati.
- Rooftop solar installations for the parking area in Tirupati.

## Benefits out of energy conservation measures:

- Got "Excellent Energy efficient unit" award from CII, during the 22<sup>nd</sup> National Awards for Excellence in Energy management 2021.
- Got "Innovative project award" from CII, during 22<sup>nd</sup> National awards for Excellence in Energy management for one of the energy-saving project on "Pneumatic cylinder size optimization"
- Reduction in Specific energy consumption.
- Cost saving of ₹53 Mn.

## (iii) Capital investment on energy conservation initiatives: ₹55 Mn.

## B. Technology Absorption

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

The 'Technology' activities of the Organization 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 environmentally friendly operations/ materials.
- Manufacturing Technology up-gradation to make the batteries robust and high-end performers.
- 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.

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

- Developed reliable products in the AMARON range with Advanced Plate Making Technologies for 2W batteries.
- Developed high-performance 2W batteries with Multi stamp grid technology.
- Developed EFB variants for OE automotive start-stop application (RN & Honda)
- Developed high-performance commercial batteries with Ca-Ca technology.
- Implemented optimized paste recipe and formation program to enhance OCV in Multi Stamped Grid 2 wheeler batteries.
- Implemented optimized curing process for negative plate making of 2-wheeler battery to reduce power and cycle time.
- Implemented (Design registered) 'Replaceable Inter-Cell Weld Check Insert' for battery assembly process to reduce poly scrap by 1.0 tons.
- Developed & validated optimized formation cycle time further by 15% to reduce conversion cost of UPS and Telecom Batteries.
- Eco-friendly polymer materials are evaluated and introduced for LVRLA variants
- Upgraded the raw material specifications and digitalized across the group.
- Developed the in-house test setups to evaluate the Mechanical integrity of Lead Acid batteries under hostile environmental conditions
- Field validation of Fast Charge VRLA Battery for the cellular application was successfully executed.
- Developed and commercialized a cost-effective battery model for UPS Applications.
- Comprehensive study on high/long warranty Tubular product for e-Rickshaw application
- Developed and commercialized Optimized Short tubular batteries for HUPS Application
- In-house validation of 2V Traction batteries of Pilot Project product one model has successfully completed one-year service without any issues
- Development of Ni-rich NMC chemistry-based cylindrical cell technology for electric vehicle applications
- Demonstration of Na-ion cylindrical technology with low cost and abundant materials
- Introduced Advanced Welding technology for Li-Ion battery pack manufacturing
- 1<sup>st</sup> in INDIA to achieve IATF 16949:2016 & ISO 9001:2015 Certification for Li-Ion batteries
- Designed and developed INDIA's first 21700 Cylindrical cells in our Li-Ion Pilot cell manufacturing facility
- Implemented Traceability system(computerized) for entire Li-Ion pack assembly line
- Execution of High Energy battery packs for Data centre application at Corporate office-HO as POC
- Demonstration of HV Li-Ion Battery pack E-Mobility application using Pouch cells, Active liquid cooling system (BTMS) and Smart BMS with Master & Slave concept along with OTA, IOT features
- Development & Commercialization of Onboard chargers for EV application
- Development, testing & Pilot supply of DC chargers for EV application

**Patents filed 02 Nos**

- Developed and a patent filed on "novel curing rack for lead-acid battery plates" to improve the curing & drying process efficiency.
- Carbonaceous Crust Based Lead Grids and process for their preparation
- Filed the process patent on "Positive electrode composition to prepare high energy density lithium-ion battery thereof".

**Designs Registered 02 Nos**

- "Novel reusable post burning battery jig" to reduce the post-burning appraisal scrap.
- "New bush design" for UPS application
- "Center pin" for Li-ion cylindrical cell

**03. Future Plan of Action**

- Development of high performance Advance Lead Acid Technology batteries for automotive application.
- Development of a smart intelligent battery that updates the user on the battery's health on a regular basis.
- Development of advanced ISS batteries with stamped grid technology for automotive applications.
- Process validation and implementation of Advanced Plate Making process for UPS batteries.
- Developing novel curing oven (proto type) to enhance plate quality with reduced cycle time and energy.
- Process validation and launch of ABS poly for UPS batteries.
- Process validation and implementation of Auto TIG welding process for SVRLA (18Ah) battery to eliminate manual soldering process.
- Implementation of optimized formation process of UPS & Telecom batteries.
- Evaluating alternate new formation process technology for 4W automotive batteries w.r.t enhanced productivity and manufacturability.
- Introduction of Novel adhesives for terminal sealing application in UPS batteries
- Evaluation of different grades of polypropylene to meet the market demand/customer requirements
- Optimization of Pasting materials to enhance the productivity of automotive plates
- New paste formulations with advanced absorbents to enhance the electrical performance of 2W batteries.
- Design and Development of New 600Ah Plate profile as a part of technology demonstration for Telecom Application.
- Development of a new vent seal for LVRLA Batteries.
- Concept Evaluation of Advanced Plate making technology for cellular and UPS applications
- Design and development of cost effective batteries for UPS Application.
- Design and Development of high life 200Ah Premium product for HUPS export market.
- Development of New SVRLA Products for UPS Application
- Traction New Product Pilot Project 2 models - Designs ready
- A study on Grid spine design for e-rickshaw application.
- Developing advanced high energy Li-ion cells with improved cycle life and safety
- Developing Li-ion batteries with different Chemistry for high temperature applications
- Development of solid-state Li-ion battery technology for future business
- To incorporate creative/functional features as well as improve ergonomics for Li Ion Battery Packs by collaborating with Design houses for new applications.
- Implementation and Demonstration of Auto screwing solution with embedded Poke-Yoke mechanism like Torque monitoring and Auto screw counting solution to increase productivity and reliability
- Implementation of Robotic systems for Auto Cell & Module insertion to reduce fatigue to the operators in the production line
- Implementation and Demonstration of Auto cell sorting machine with Auto data logging to increase productivity and reliability and eliminate manual errors
- Implementation of High speed Pack assembly line
- Demonstration and Installation of High Energy battery packs for Hybrid ESS



#### 04. Technology absorption, adaptation and innovation

##### i. Efforts in brief, made towards technology absorption, adaptation and innovation

- Development of a smart intelligent battery that updates the user on the battery's health on a regular basis
- Development of Ni rich NMC chemistry based cylindrical cell technology for electric vehicle applications

##### ii. 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

##### iii. Information regarding Imported Technology

a) Technology Imported	The Company has imported technology for the manufacture of, advanced Punched Grid for the futuristic Automotive batteries from Johnson Controls Inc., USA
b) Year of Import	2018
c) Has the technology been fully absorbed?	Yes, the technology has been fully absorbed and is under implementation in a phased manner
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

##### iv. Expenditure on Research and Development

(Amount in ₹ crore)

Sl No	Parameter	2021-22	2020-21
1	Capital	4.95	0.05
2	Recurring	10.84	10.75
	<b>Total</b>	<b>15.79</b>	<b>10.80</b>

##### C. Foreign Exchange earnings and outgo

(Amount in ₹ crore)

Sl No	Particulars	2021-22	2020-21
1	Foreign exchange used	1,126.07	1,167.40
2	Foreign exchange earned	1,129.26	831.12

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 2021-22:

S. No	Name of the Director/Key Managerial Personnel	Designation	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
<b>Non-Executive Directors</b>				
1	Dr. Ramachandra N Galla <sup>(1)</sup>	Non-Executive Director, Chairman	NA <sup>(5)</sup>	NA <sup>(4)</sup>
2	Dr. Ramadevi Gourineni <sup>(2)</sup>	Non-Executive Director	NA <sup>(5)</sup>	NA <sup>(4)</sup>
3	Mr. N Sri Vishnu Raju	Independent Director	2.90	13.04
4	Mr. T R Narayanaswamy	Independent Director	2.83	7.04
5	Ms. Bhairavi Tushar Jani	Independent Director	2.56	2.99
6	Mr. Annush Ramasamy <sup>(3)</sup>	Independent Director	1.94	NA <sup>(4)</sup>
<b>Executive Directors</b>				
1	Mr. Jayadev Galla	Chairman, Managing Director & CEO	1412.82	(19.73)
2	Mr. Harshavardhana Gourineni <sup>(3)</sup>	Executive Director	567.07	NA <sup>(4)</sup>
3	Mr. Vikramadithya Gourineni <sup>(3)</sup>	Executive Director	567.06	NA <sup>(4)</sup>
<b>Key Managerial Personnel</b>				
1	Mr. Y Delli Babu	Chief Financial Officer	33.57	41.14
2	Mr. Vikas Sabharwal	Company Secretary	24.49	NA <sup>(4)</sup>

1 Ceased to be a Director and Chairman w.e.f. August 14, 2021

2 Ceased to be a Director w.e.f. June 12, 2021

3 Appointed as a Director w.e.f. June 12, 2021

4 Was not employed for the whole of the previous year.

5 Was not employed for the whole of the current year

##### b. The percentage increase in the median remuneration of employees in the financial year: 8.72%

##### c. The number of permanent employees on the rolls of the Company: 7615

##### 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 was 9.50%. The remuneration of the Managing Director is linked to the commission based on the profits of the Company.

##### 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.

For and on behalf of the Board of Directors

Jayadev Galla

Chairman, Managing Director & CEO

Place: Hyderabad

Date: May 20, 2022